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Skop urged to keep RMG sector out of purview of tomorrow's hartal

STAR BUSINESS REPORT

BGMEA President SM Fazlul Haque urged the Sramik Karmachari Oikkay Parishad (Skop) leaders to keep the garment sector out of the purview of their dawn to dusk hartal tomorrow.

In a statement yesterday the BGMEA chief said a tripartite agreement has been signed and the BGMEA has taken various steps to implement the agreement. On the other hand, the government also formed a minimum wage board.

Against this background, any hartal or work stoppage programme in the sector will aggravate the situation, the BGMEA statement pointed out.

He also said the board is working for fixing minimum wage structure for the workers and employees in the garment sector. The new wage board will be declared within the stipulated time, he hoped.

Govt to issue SRO for implementation of new export policy guidelines

MD HASAN

Government has decided to issue a Statutory Regulatory Ordinance (SRO) for implementation of the guidelines inserted in the new export policy for 2006-09, sources said.

"The decision to issue an SRO was taken at a recent inter-ministerial meeting," said a high official of the Ministry of Commerce.

Although the new export policy was to be effective from July 1 this year, it is not done as all other issues relating to the policy have not yet been finalised, sources said.

"As the exporters are not meticulously abiding by the guidelines of the last policy, the SRO is being issued to ensure its implementation," the official said.

At present, the new policy is under scrutiny of the cabinet committee on economic affairs and will be finalised by August this year.

Earlier, a total of 52 export-oriented organisations placed their 357 recommendations to the Export Promotion Bureau (EPB) for formulating the export policy and the export promotional agency sent proposals along with suggestions from leading exporters to the commerce ministry two months ago.

The ministry has also taken advices from trade bodies, banks, and Bangladesh Export Processing Zones Authority, National Board of Revenue and exporters concerned while formulating the policy, sources said.

Specialised export-import bank, withdrawal of all types of value added tax from utility services, tax holidays, lower rate credit facility for export-oriented industries were the main recommendations received by the commerce ministry.

The ministry seeks sorting out the trade deficit problems that are on the rise year after year, according to the sources.

"We are formulating the policy taking into consideration the stakeholders' recommendations'," said the official of the ministry without elaborating any possible changes or additions in the policy.

"We are trying to make an effective policy for the next three years, as our export performance has been improving significantly over the last few years", he said, making an assurance to consider all the suggestions needed to augment Bangladesh's exports.

South Korean shipbuilders face stiff competition from China

ANN/ THE KOREA HERALD

South Koreans shipbuilders are increasingly keyed up as Chinese companies close in with construction of large vessels which require high technology.

Hudong-Zhonghua Shipbuilding Co. began building a self-designed large container carrier early this month while Shanghai Waigaoqiao Shipbuilding Co. recently entered the market for very large crude carriers.

Hudong-Zhonghua set about the construction of a 8,530 TEU (20-foot equivalent unit), making China the fourth country in building such large ships after Korea, Japan and Denmark.

The ship, measuring 334 metres in length and 43 metres in width, can sail at a speed of 27.3 nautical miles per hour. China now has five 8,530 TEU container ships to build, penetrating what used to be a market dominated by Hyundai Heavy Industries Co., Samsung Heavy Industries Co. and Daewoo Shipbuilding & Marine Engineering Co. No other Korean shipbuilder has built a container carrier of that size.

Waigaoqiao debuted in the market for very large crude carriers by receiving orders for four vessels from a tanker operator based in Singapore. Dalian Shipbuilding Industry Co., Nantong COSCO KHI Ship Engineering Co. and Bohai Shipbuilding Heavy Industry Co. are currently building VLCCs in China.

Waigao also cleared its reputation for cutting prices by signing to build a 316,000-deadweight tonnage VLCC for US$115 million, a price close to international levels.

China has nine shipyards with the capacity to build large vessels including VLCCs, according to the Korea Shipbuilders Association. The number is expected to increase to 17 by 2015. Twenty-three shipbuilding docks are scheduled to be completed in China whereas there are only 15 docks large enough to build VLCCs in Korea.

"Our biggest threat is the Chinese, not the Japanese," said a Samsung Heavy Industries Co. official. "The Chinese, who used to build small and less expensive ships, are now making high value-added vessels such as very large crude carriers and super-sized container ships."

Chinese shipbuilders have alarmed Korea and Japan with record orders in the first half of this year. Dalian emerged as the world's fifth-largest in backlog orders with 2.84 compensated gross tons. Waigaojiao was listed as the 10th largest with 1.84 million CGT.

NRBs should invest in capital market

Speakers say at CSE seminar

STAR BUSINESS REPORT

Speakers at a seminar in Sylhet yesterday urged the non-resident Bangladeshis (NRBs) to come forward to invest their money in the country's capital market contributing better for its economy.

They made this call at the seminar on 'investment in share market' organised by Chittagong Stock Exchange in the north-western town with a view to creating an overall awareness among the people eager to utilise their money, according to a CSE press release.

The speakers underscored the need for good corporate governance through promoting new ideas for market development besides maintaining transparency between the brokers and the investors.

While addressing the seminar as chief guest, CSE President MKM Mohiuddin said the second premier bourse in the port city is committed to spreading its trading network abroad besides across the country.

He said CSE's trading facility is no more a city-based one, any investor from any corner of the world can get into this facility.

"Our share market now continues to progress significantly for the last few months after overcoming a shallow market."

Fakhor Uddin Ali, CSE vice president and a Sylhet- based member of the bourse, said, "Investors in Sylhet are day by day becoming very professional on stock business. It is our great opportunity to do business from this region."

He hoped that the CSE's awareness programme would help the promising investors who lack knowledge about investment-decision.

Yameer Sayeed, managing director and CEO, AIMS of Bangladesh Ltd, presented a keynote paper on "Prospects and Future of Investment in Bangladesh Capital Market".

He said, "With an annual growth of 6.7 per percent, per capita income of US$482, annual export over $10.25 billion, import over $12.9 billion, remittances from expatriate workers over $4.8 billion and a foreign exchange reserve of over $3.4 billion, Bangladesh is now advancing to be one of the top 20 economies by 2025."

He stressed tapping the better potential of the present investment scenario, as the GDP investment ratio posts 24.97 per cent, of which public investment constitutes 6.3 per cent and the rest 18.67 per cent private investment.

Bangladesh capital market is quite small compared to other regional markets, he said, adding that the country's market capital contributed only 5.08 per cent to the gross domestic product in FY 2005-06.

He lamented that out of over 40,000 small and medium private companies, only 255 are listed companies.

In the seminar, chaired by Md. Siddiqur Rahman, managing director of SR Capital Ltd, a Sylhet-based CSE member, Arif Khan, general manager of IDLC Bangladesh Ltd, presented another keynote paper on "Investment Instruments, Process, Techniques and Management of Portfolios".

A B Siddique, chief executive officer of Chittagong Stock Exchange, and AKM Shahroze Alam, deputy manger of CSE, also spoke at the seminar.

About 500 people from different professions, including businessmen, university students and teachers, participated in the seminar.

PHOTO: CSE

CSE organised a seminar on investment in share market in Sylhet yesterday, which was attended by the bourse president, MKM Mohiuddin, as chief guest.

Dollar slides on weak US growth figure

AFP, *New York*

The dollar remained on the back foot going into the weekend after data showed Friday that the US economy had grown by much less than expected in the second quarter.

The euro rose to 1.2759 dollars around 2100 GMT, from 1.2698 dollars late on Thursday in New York.

The dollar dipped to 114.63 yen, from 115.77 yen.

US Commerce Department figures showed that annualised growth was just 2.5 percent in the three months to June, less than half the 5.6 percent in the first quarter and well below forecasts for a more modest dip to 3.0 percent.

UAE TRADE TEAM'S VISIT TO DHAKA

Local entrepreneurs likely to seek free access to UAE

UNB, *Dhaka*

In the wake of a widening trade gap, Bangladesh's entrepreneurs are likely to demand duty-and quota-free access of their products to UAE market in a meeting today with a visiting business delegation from the country.

According to business circles, the trade gap between Dhaka and Abu Dhabi is widening fast due to large-scale import of mineral products, plastic and articles, base metals and articles and products of chemical or allied industries from the United Arab Emirates.

According to the latest statistics, Bangladesh's trade imbalance rose to US$ 239.97 million during the July-March period of the last fiscal year while the gap accounted for US$ 126.97 million in 2004-2005.

Bangladesh spent US$ 95.29 million on the import of mineral products and US$ 13.31 million on plastic and articles from the UAE in 2004-05, while local tobacco and cigarettes jointly fetched from there the highest chunk of foreign exchange amounting to US$ 6.83 million during the same period.

In 1990-91, Bangladesh's exports to the UAE market amounted to US$ 11.01 million against its imports of US$ 105.57 million. In 2004-05, export earning stood at only US$ 22.76 million against its import bill of US$ 149.73 million.

During the July-March period of the last fiscal year, Bangladesh's export showed a little upturn, fetching US$ 32.28 million, against a huge import bill of US$ 272.25 million.

A 10-member UAE investment and business delegation headed by Khalifa Mohammad Al Muhairi, member of the Board of Directors of Abu Dhabi Chamber of Commerce and Industry (ADCCI), is now in Dhaka on a trade-promotional tour.

They will meet the apex trade body of the country, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), today to discuss ways of augmenting the bilateral trade and investment.

Bangladesh side in the meeting is likely to call upon the UAE trade delegation to come up with investment in different prospective sectors in the country to help reduce the trade imbalance that remains overwhelmingly in favour of the oil-rich Gulf country.

Brac Bank to launch 'Loan Protection'

Brac Bank Ltd and Pragati Life Insurance Ltd recently signed a memorandum of understanding (MoU), under which the bank will work in synergy with the insurance company for 'Loan Protection' under the bank's Retail Banking Division.

'Loan Protection' will provide insurance coverage for loan commitments in case of death or terminal illness of the borrowers, says a press release.

Imran Rahman, managing director and CEO of Brac Bank, and M Shefaque Ahmed, managing director of Pragati Life Insurance, signed the MoU on behalf of their companies while other senior officials were present.

PHOTO: BRAC BANK

Imran Rahman, managing director and CEO of Brac Bank Ltd, and M Shefaque Ahmed, managing director of Pragati Life Insurance Ltd, pose for photographs at a memorandum of understanding (MoU) signing ceremony recently. Under the MoU, the bank will launch 'Loan Protection'. Senior officials from both the sides are also seen.

Seminar on EU-Bangla trade relations held in Brussels

In a bid to increase Bangladesh's trade potential in the European Union, a seminar on EU-Bangladesh trade relations was held recently in Brussels, says a press release.

The seminar titled 'EU-Bangladesh Trade Relations: Issues and Constraints' was organised by members of the Bangladeshi Alumni and Vrije Universiteit Brussel (VUB) in collaboration with MOSI of the VUB (Department of Mathematics, Operation Research, Statistics and Information System for Management).

Zillul Hye Razi, trade adviser to the European Commission Delegation Office in Bangladesh, was the keynote speaker at the seminar while Faruque Mirza, president of Bangladeshi Alumni of the VUB, among others, was present.

Zillul Hye focused on Bangladesh's trade potential in the EU in the coming years and discussed various constraints regarding Bangladesh's exports to the European countries.

Karnaphuli EPZ opens soon

BSS, *Chittagong*

The Karnaphuli Export Processing Zone (KEPZ), another exclusive economic area in the port city's Patenga industrial belt, is to start functioning soon, as necessary development works with adequate infrastructure facilities are nearly complete.

Officials are hopeful that around 20,000 local people will get jobs and more than $100 million will be invested in the EPZ, where 100 plots are being developed under the first phase of the project.

"Nearly 95 per cent development work of the 1st phase of the KEPZ on the site of the closed Chittagong Steel Mills (CSM) is complete and its formal inauguration is likely to be held next month," KEPZ Project Director Ataul Hoque told the news agency yesterday.

He said necessary infrastructure facilities such as roads, drains, footpaths, and boundary walls have been constructed. Besides, utility services such as water, gas and power connections are going to be established.

Earlier, the government decided to turn the 222.42-acre land area of the CSM into an exclusive economic zone to meet the growing demands for special industrial plots.

Hoque said the land was handed over formally to Bangladesh Export Processing Zones Authority (Bepza), which started the physical work for the project's 1st phase with an estimated budget of Tk 34 crore in July last year.

"The development work of the 2nd phase to prepare another 111 industrial plots is also progressing fast to complete the whole project by the end of 2008," he said adding that the KEPZ will hopefully create some 50,000 jobs.

Besides, Hoque said, the KEPZ will fetch around $250 million in the form of investment for the industrial units to be set up on a total of 211 plots by the end of 2008.

Meanwhile, 40 out of 100 industrial plots under the 1st phase were handed over to entrepreneurs from Thailand, Sri Lanka, Taiwan and Bangladesh. More than 100 applications for allotment are pending for approval, he said.

Indian firms invited for listing on Toronto bourse

PTI, *Toronto*

Canada has invited Indian companies to list their stocks at the Toronto Stock Exchange (TSX) to build their global presence.

TSX Chief Executive Officer Richard Nesbitt said Indian companies would have global leverage this way as large US institutional investors are important traders in TSX listed stocks, making Canadian markets among the top providers of liquidity in North America.

Delivering his keynote address at a meeting organised by the Canada-India Business Council, Nesbitt said the Canadian capital market had raised more money last year in IPOs than NASDAQ.

It has outperformed US markets for nearly a decade. While the S and P 500 was basically flat since 1998, its Canadian equivalent, the S and P/TSX was ahead nearly 70 per cent. Therefore, it was time Toronto was added to corporate India's list of listing destinations, he added.

Iran, Japan to finalise Azadegan oil deal by Aug 22

XINHUA, *Tehran*

Iranian Oil Minister Kazem Vaziri Hamaneh has said that Iran and Japan will finalize their long-delayed deal to develop the giant Azadegan oilfield by Aug. 22.

"Iran and Japan have agreed to develop the Azadegan oilfield," Hamaneh was quoted as saying Friday in an interview with the Mehr news agency.

He said that if no new problems occurred, Iran and Japan's oil giant Inpex would finalize the agreement by the end of Mordad, or the fifth month of Iran's local calendar which ends on Aug 22.

In February 2004, Japan and Iran signed a deal on the major Azadegan project, giving Japan the largest oilfield it has ever independently developed.

The oilfield in Azadegan in southwestern Iran is one of the world's largest, believed to contain 26 billion barrels of crude oil.

Under the 2004 agreement, Inpex would be would be granted rights to develop the oilfield, which is close to Iran's border with Iraq.

The two sides agreed to invest 2 billion US dollars, with Inpex 75 percent and the Iranian side 25 percent.

They planed to produce up to 150,000 barrels per day by mid-2008 and raise the output level to 260,000 bpd by early 2012. Japan would import two thirds of the output.

Anti-privatisation strike hits Indian banks

AFP, *New Delhi*

An estimated half million Indian bank workers staged a one-day nationwide strike to protest against privatisation of government-owned assets and outsourcing of clearing operations, unions said Friday.

"Most of the private and state-run banks have joined the strike. Fifty-three commercial banks are taking part," said R.J. Sridharan, general secretary of the All India Bank Officers' Association.

"We are protesting against government proposals for privatisation and outsourcing of cheque clearing and other operations," he said.

An estimated 500,000 employees joined the strike and more than 50,000 of India's around 65,000 bank branches were affected or closed, officials of the the All India Bank Employees Association said.

But the country's biggest bank, the State Bank of India which has around 200,000 employees, was not affected by the stoppage as its workers do not belong to the union, officials said.

The unions said they called the strike to protest against the government's move to "allow 74 percent foreign direct investment in our private banks (and) against outsourcing of all types of banking services to private outside agencies."

The central bank, the Reserve Bank of India, has said it will allow banks to outsource banking services to a new payments firm owned by public and private sector banks in a bid to create a central payments system.

The move is aimed at streamlining payments methods that currently are a mix of electronic and antiquated paper based systems.

The government has also announced plans to allow foreign banks to set up wholly owned units or to buy stakes in private domestic lenders. Previously, foreign banks were only allowed to set up branches.

Banking unions said the privatisation and outsourcing moves by the government would lead to job losses.

"Instead of handing over to foreign banks, we should be able to consolidate and grow stronger," said Vishwas Udagi, general secretary of the All India Bank Employees Association.

Sridharan said if the government did not back down, the unions would call more strikes.

Central Ins approves 12pc cash dividend

Central Insurance Company Ltd has approved a 12 per cent cash dividend for its shareholders for the year 2005.

The dividend was approved at the 18th annual general meeting (AGM) of the company held on Thursday in Dhaka, says a press release.

Chairman of the company Md Nurul Islam presided over the AGM, which was also attended by directors, other senior officials and shareholders.

PHOTO: CENTRAL INSURANCE CO

Chairman of Central Insurance Company Ltd Md Nurul Islam speaks at the 18th annual general meeting (AGM) of the company on Thursday in Dhaka. Directors and other senior officials were also present.