

Star BUSINESS

E-mail: business@thedailystar.net

Two local airlines to kick off flights from Dhaka early next year

PORIMOL PALMA

Two local airlines are likely to begin operation of their domestic flights from Dhaka early next year and the international flights gradually, as Civil Aviation Authority of Bangladesh (CAAB) has already issued them provisional licenses.

The airlines -- Best Aviation and United Airlines -- are taking necessary preparation to begin their flights, said the airlines sources.

Best Aviation, an IPSSL Group Company, has completed all the formalities to lease two aircrafts B-747 and B-737 from Indonesia and applied already for necessary clearance for the aircraft and routes.

The domestic routes that Best Aviation planned are Dhaka-Chittagong and Dhaka-Sylhet, while international routes are Dhaka-Kolkata, Dhaka-Jaipur, Dhaka-Bangkok and Dhaka-Kathmandu, said Best Aviation Chairman Haider Uz Zaman.

Initially, the Best Aviation will

operate one aircraft to the international destinations, two flights on Dhaka-Chittagong route and one on Dhaka-Sylhet route.

The other airline -- United Airways -- will lease three 56-seated aircraft from Holland and signed a Letter of Intent with its agency in Singapore, said the private airline's managing director, Captain Tasbirul Ahmed Choudhury.

The domestic routes of United Airways will be on Dhaka-Sylhet, Dhaka-Chittagong, Dhaka-Jessore, Dhaka-Cox's Bazar and Dhaka-Barisal routes, while the international flights will be initially on Dhaka-Kolkata and Dhaka-Katmandu routes.

Everyday there will be one flight on Dhaka-Cox's Bazar and Dhaka-Barisal routes and 5 to 3 flights on Dhaka-Chittagong, Dhaka-Sylhet and Dhaka-Jessore routes.

"We are expecting to begin international flights six months after the beginning of the domestic flights," Captain Tasbirul told The

Daily Star.

"We have applied for the route clearances and will finalise the routes and flight design soon after we secure such clearances," he added.

Both the airlines officials promised to maintain quality and make airfares competitive.

The airfare for domestic services of United Airways will be a bit higher than the fare Bangladesh Biman charges, but lower than that of the private airline, GMG, said the MD of United Airways.

Packages are also being designed for the passengers, especially for the expatriate Bangladeshis, as most shares of the airways are accumulated from the expatriates, he further said.

Best Aviation Chairman Haider Uz Zaman said they would offer special packages to the students availing international routes, allowing them to travel first and then pay in instalments.

Restoration of Indo-Pak direct shipping link okayed

AP, New Delhi

Indian government yesterday approved a plan to restore direct cargo shipping links with Pakistan after a gap of 35 years, but only for ships from third countries, officials said.

The cabinet decision is expected to substantially boost trade between the two hostile neighbours. Previously, all cargo ships between the countries had to be routed through other ports such as Singapore and Dubai.

"This is a very important decision since it will increase the volume of trade and eventually bring down shipping costs," senior minister Priya Ranjan Dasmunshi said.

In addition, ships flying Indian and Pakistani flags will be allowed to transport third-country cargoes from each other's ports, Dasmunshi said.

There was no immediate word on whether the new rules would also apply to passenger and cruise ships.

Friday's decision follows an agreement reached between the two countries in last December to allow direct transport of cargoes by ships.

Direct shipping and ship visits

between India and Pakistan were halted after the 1971 war that led to the creation of Bangladesh.

The Cabinet decision comes weeks before top officials from India and Pakistan are to meet in New Delhi to resume peace talks that were put on hold after the July bombings of Mumbai's commuter rail network.

Annual trade between India and Pakistan reached nearly

US\$1 billion (833 million euros) this year. But informal trade, a euphemism for cross-border smuggling, is estimated at nearly US\$2 billion (1.6 billion euros), according to Indian industry groups.

Business leaders from both the sides complain that barriers to trade are being removed too slowly and are preventing the two countries from tapping their trade potential.

Common complaints include high costs of shipping goods between the two countries, tough visa rules that restrict business travel, and insufficient transportation links.

The two neighbours, who share a 2,897-kilometre (1,800-mile) border, resumed direct trade by road in July last year after a gap of 40 years.

Oil prices slip below \$60

AP, London

Crude oil futures retreated back under \$60 a barrel Friday as traders took profits for a second day after a runup earlier in the week.

Light, sweet crude for December on the New York Mercantile Exchange fell 48 cents to \$59.88 a barrel in electronic trading by midday in Europe. Brent crude fell 42

cents to \$60.35 a barrel at London's ICE Futures exchange.

Norway's state-controlled oil company Statoil ASA also announced Friday that the 200,000 barrel per day Snorre A and Vigdis offshore oil platforms have been restarted after defective lifeboats were upgraded to meet Norwegian safety standards.

Statoil had been forced to shut

down Snorre A and the linked Vigdis platform on Oct. 13 because an industry study found defects in lifeboats essential to evacuating crew in a crisis.

Traders said prices could climb with winter demand for heating oil and natural gas expected to buoy energy prices in coming months. Cold weather increases demand for both natural gas and heating oil.



PHOTO: UCB

United Commercial Bank (UCB) Ltd recently signed a credit rating agreement with Credit Rating Agency of Bangladesh (CRAB) Ltd. Under the deal, CRAB will perform credit rating of the bank. Hamidul Huq, managing director of the bank, and Masihur Rahman, managing director of CRAB, signed the deal while other senior officials from both the sides were present.

WTO MEETS NOV 7

Green light for Vietnam's accession likely

AFP, Geneva

The World Trade Organisation's 149 members will meet on November 7 formally to consider giving the

Microsoft profit rises 11pc

REUTERS, Seattle

Microsoft Corp posted an 11 percent rise in quarterly net profit on Thursday, boosted by a strong performance at its database division and shrinking losses from its Xbox 360 video game console.

The world's largest software maker also said it will defer revenue of \$1.5 billion related to the upcoming launches of a new Office software suite and Windows Vista.

green light for Vietnam's accession, the WTO said Friday.

Vietnam's accession, and a debate on the negotiators' report outlining the deal, was included in the official agenda for the executive General Council meeting on November 7 sent out by Director General Pascal Lamy.

Trade sources have said that step is largely expected to be a formality.

Under WTO rules, Vietnam's eventual membership would only become effective 30 days after the country's national legislative assembly ratifies an agreement.

Ratification is expected on December 5, according to sources close to the talks.

Arcelor Mittal to take 40pc stake in Noble

REUTERS, Brussels

Arcelor Mittal, the world's largest steelmaker, said on Friday it would acquire a 40 percent stake in Noble International Ltd in a deal combining the two firms' laser-welding operations.

Arcelor Mittal said it had signed a binding agreement with U.S.-based Noble to merge Arcelor's laser-welded tailored blank business (TBA) with Noble, creating a company with an estimated post-transaction revenue and core profit for 2006 of \$1.1 billion and \$122 million respectively.

The transaction is expected to close in March 2007, following satisfactory completion of due diligence by both parties.

"Noble will leverage TBA's strong position in the European market and offer additional benefits for our global automotive customers," said Michel Wurth, a member of Arcelor Mittal's management board.

India, US to hold talks to bridge WTO differences

AFP, New Delhi

India and the United States have agreed to meet in a bid to iron out differences over achieving a global trade accord, Indian Commerce Minister Kamal Nath said Thursday.

The agreement was reached at a high level New York meeting between American and Indian government and private sector officials, he said.

Chief executives of conglomerates who attended the talks also agreed to devise a mechanism to launch a five billion dollar fund to finance Indian infrastructure projects with "minimum" government participation, Nath said.

The bid to kickstart the so-called Doha Round of talks among the World Trade Organisation (WTO) members was a "major issue" at the meeting, he said.

US Treasury Secretary Henry Paulson and Commerce Secretary Carlos Gutierrez raised the deadlocked issue at the talks while US Trade Representative Susan Schwab spoke to Nath separately.

"I said that we'd be happy to find ways of converging on our differences with the United States," Nath said.

"India is happy to engage in a dialogue and so we plan that sometime in the third week of November, we'll have a bilateral meet to move forward on this," he said.

The "basic difference" between the United States and India is on agriculture, he said.

"They want agriculture market access for their subsidized products. It doesn't work," he said.

The Doha Round of talks ground to a halt in July amid bitter differences, especially over the lack of

concessions on agriculture products which held up negotiations on industrial goods and services.

The round of multilateral trade talks began in the Qatari capital Doha at the end of 2001, with the goal of reducing subsidies, tariffs and other barriers to commerce and raising living standards in developing countries.

But the negotiations have consistently been dogged by disputes between rich and poor nations, as well as among wealthy players such as the United States and the European Union.

The United States and India are part of the so-called Group of Six, including Australia, Brazil, the European Union and Japan, which failed to settle their trade spats in the middle of this year.

India and other developing countries are demanding deeper reductions in tariffs on agricultural imports levied by rich nations, as well as bigger cuts in farm subsidies which allegedly help farmers in the wealthy world to undercut their poor competitors.

Rich countries, like the United States, meanwhile, want key emerging nations such as Brazil and India to offer more open markets for industrial goods and services, such as banking and telecommunications.

The 149-member WTO's chief, Pascal Lamy, has urged governments to do all they can within the next six months to revive the stalled talks.

But Nath said that while completion of the Doha Round was important, "the content is very important."

DPRK EXPORTS THRU' CHINA

Beijing asked to label exports for prevention

ANN/ THE DAILY YOMIURI

The Japanese government has asked Beijing to label its exports with certificates identifying country of origin to prevent North Korea from exporting its products through China, government sources said Thursday.

As Chinese authorities' cooperation is indispensable for increasing the effectiveness of economic sanctions against North Korea, Tokyo has requested that the Chinese government help track down North Korean products suspected of making a detour through the country to Japan, the sources said.

The sources said the government would notify Chinese customs officials whenever they have detected North Korean products on their way to Japan via China.

Sixteen North Korean agricultural and fishery products, including matsutake mushrooms, clams and queen crab, are on the government's sanction list.

These products are also being imported from China, but Chinese products are not required to bear government-issued certificates displaying country or are exempted from having such certificates to simplify customs procedures.

As such, in the event North Korean products are imported via China, the government would be unable to determine country of origin, a problem that would render the sanctions meaningless if North Korean clams and other products labeled as Chinese goods were exported through China to Japan.



PHOTO: THE TRUST BANK

Senior officials of The Trust Bank Ltd pose for photographs with the participants in a Foundation Course organised by the bank recently in Dhaka.