

DSE index static

UNB, Dhaka

The main index at Dhaka Stock Exchange remained unchanged yesterday with gainers dominating the losers.

The Weighted Average Share Price Index remained unchanged at 817.61 points.

The DSE-20 index, however, gained by 4.67 points or 0.42 per cent to close at 1096.35 from Tuesday's 1091.68 points.

Of the 140 listed securities traded, 81 gained, 32 declined and 27 remained unchanged.

Some 3,732,299 shares and debentures valued at Tk 8.39 crore changed hands as against 3,424,195 shares worth Tk 7.75 crore on the previous trading day.

Keya Cosmetics (535,000), Meghna Petroleum (355,500), Ranga Food (341,500) and Megcon Milk (307,000) were among the day's volume leaders.

Market capitalisation stood at Tk 61.91 billion as against Tk 61.57 billion on Tuesday.

New DMD of Karnaphuli Ins

Md. Musleh Uddin has joined Karnaphuli Insurance Co. Ltd as its Deputy Managing Director, says a press release.

Prior to joining Karnaphuli Insurance, he was DGM, (Re-Ins.) of Sadharan Bima Corporation (SBC).

He stated his insurance career with the Pakistan Insurance Corporation in 1964. He held different important positions in the SBC.

Musleh Uddin actively participated in various training courses and seminars on insurance held at home and abroad.

Taiwan economy may grow 2.7pc next year

AFP, Taipei

Taiwan's economy is expected to grow by 2.7 per cent in 2002 on anticipation of a turnaround in the US economy, the cabinet said in a statement Wednesday.

The Taiwan government's plans to expand public spending next year would also contribute to the cabinet growth target, which was higher than the 2.23 per cent projected by the Directorate General of Budget, Accounting and Statistics (DGBAS) last month.

The island's economy has slipped into a technical recession with its gross domestic product contracting for two consecutive quarters.

It is expected to shrink 2.12 per cent this year -- the first annual contraction since Taiwan introduced measures of economic performance in 1951.

Under the national development plan, special emphasis would be placed on reviving the economy by means of creating new jobs and alleviating the unemployment situation, the cabinet said.

Such efforts are expected to contain the 2002 unemployment rate at 4.5 per cent, it added.

Taiwan's jobless rate hit an all-time high of 5.33 per cent in October due to mounting business closures and downsizing amid the global slowdown.

Zurich-based HPI seeks to take over Seoulbank

AFP, Seoul

Zurich-based investment company, HPI Holding SA, is seeking to buy a 51 per cent controlling stake in Seoulbank, a newspaper report said Wednesday.

The Chosun daily, South Korea's largest circulation paper, quoted an unidentified senior financial official and a Seoulbank official as saying that two HPI managers would arrive here this week for talks with Seoulbank.

"HPI wants to have a 51 per cent controlling stake in Seoulbank," a senior official of the Financial Supervisory Commission was quoted as saying.

"Compared with other potential buyers, HPI is the strongest candidate in terms of financing ability."

The paper said the HPI managers would arrive here Wednesday and stay until Thursday for talks with Seoulbank President Kang Chung-Won. HPI will carry out a due diligence study of the bank in the near future, it said.

Kang Chung-Won said through his aide that he had not had any contacts with HPI in the past and he had "no plans to do so at present".

Bangladesh vessels' monopoly on cargo loading goes

Business community welcomes move

SHAHIDUL ISLAM, Chittagong

The government has withdrawn a special favour under 'general waiver' to the Bangladeshi vessels at Chittagong Port, providing all local and foreign vessels with equal facility of loading cargoes on first come, first served basis.

Bangladeshi flag carriers had long been enjoying the special favour, under which local vessels had the monopoly to get loading facility whenever they arrived keeping foreign vessel loading on halt.

The waiver was withdrawn through a government circular issued on November 28, sources said.

Under an earlier order, Flag Protection Ordinance (FPO)-1982, no foreign vessels were allowed to load cargoes until the loading of Bangladeshi vessels at Chittagong Port were completed. Besides, the same opportunity was also applica-

ble to Bangladeshi vessels bound for Chittagong Port although it may be stationed at foreign ports.

"This unique opportunity was given as per a provision of International Maritime Organisation (IMO), which permits and ensures the 'waiver' facility to the flag carriers of a country which had a Flag Protection Ordinance (FPO)," a concerned official said.

The new government order will also be applicable for Bangladeshi vessels at the port jetties in Singapore, Sri Lanka and Malaysia, sources further said.

The Bangladesh business community and major feeder operators had termed the favour 'discriminatory' and 'unhealthy'.

The 'discrimination' eventually had made the owners of foreign ships frustrated. Nevertheless, they had to incur huge financial losses, business leaders alleged.

Chittagong Chamber of

Commerce and Industry (CCCI), Bangladesh Steamer Agents Association (BSAA), Bangladesh Garments Manufacturers and Exporters Association (BGMEA), Chittagong Feeder Trade Committee (CFTC) and other stakeholders of Chittagong Port had long been insisting on cancellation of the special favour.

Business leaders in the port city congratulated the government decision.

Welcoming the decision, President of Chittagong Chamber of Commerce and Industry (CCCI) Farid Ahmad Chowdhury recently told The Daily Star, "The withdrawal of so-called waiver will definitely have some positive impacts on the country's economy in general and the import-export activities will also be quick-paced and expedited."

"Besides, it will reduce corruption substantially at all levels, especially the unfair practice of bribe-taking by

some officials," said the CCCI chief, adding: "Through such bold steps the government can eliminate corruption in all sectors one by one and erase the country's stigma of being world's most corrupt nation."

The CCCI president also suggested immediate shifting of the office of the Director General (DG) of Shipping in Chittagong from Dhaka to help boost the import-export activities through the country's largest seaport.

According to the sources in Chittagong Port, a total of 26 vessels now ply between Chittagong Port and Port Kelang of Malaysia and Port Colombo of Sri Lanka and Port Singapore. Of these, only eight are Bangladeshi vessels.

On an average, 17-thousands TEUS import cargoes and 7-thousands TEUS export cargoes are transported by these 26 vessels per month, port sources further said.

Trade bodies talk alternative to SAARC cummulation

Garment, textile leaders agree on EU facilities

BSS, Dhaka

Leaders of different trade bodies of the country's textile and garment sectors at a meeting with the Commerce Minister Amir Khosru Mahmud Chowdhury yesterday agreed in principle to avail the European Union (EU) facilities for maintaining growth rates of textile and garment sectors.

The meeting also discussed possible alternatives to SAARC cumulation facilities as local textile traders oppose import of textile products from the member states of the South Asian Association.

"We have decided in principle to settle the disputes between the garment and textile sectors on availing the existing facilities

provided by the SAARC cumulation and EU," Vice-President of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) Kazi Moniruzzaman, who attended the meeting said.

The meeting also discussed alternative trade facilities as the European Union differed with Bangladesh's proposal to relax the Rules of Origin, meeting sources said.

The commerce ministry believes that Bangladesh could get alternative facilities from the EU as its Trade Commissioner Pascal Lamy had a very good impression about Bangladesh during his recent visit to the country.

"The EU commissioner is keen

to provide alternative facilities to Bangladesh as they can not relax the Rules of Origin for a particular country," a high official of the ministry, who also attended the meeting, said.

Commerce Secretary Sohel Ahmed also took part in the lengthy meeting held at the Conference Room of the Commerce Ministry.

Among others, vice-president of BGMEA Kazi Moniruzzaman, president of Bangladesh Textiles Mills Association (BTMA) Abdul Motin, president of Bangladesh Knit Garments Manufacturers and Exporters Association Manjurul Haque and president of Specialised Textiles Manufacturers Association Shahjada Mian attended the meeting.



Humayun Kabir Khandeker, Vice Chairman of Niloy Cement Industries Ltd, presides over the company's sixth AGM at Gulshan in the city yesterday.

China to slash tariffs to 12pc from Jan 1

AFP, Beijing

China, which entered the World Trade Organization (WTO) Tuesday, will slash its average tariff rate to 12 per cent from 15.3 per cent from January 1, state media said.

The tariff cuts will affect more than 5,300 items, accounting for 73 per cent of total taxable products, the Xinhua news agency reported.

"This means that China will fully carry out the tariff cuts it has committed itself to in order to gain entry to the WTO," an unnamed official told Xinhua.

The tariff cuts followed similar moves early this year, when the average tariff rate was reduced to 15.3 per cent from 16.4 per cent.

The reductions China has prom-

ised in order to become a WTO member are likely to have a significant impact on many of its domestic industries.

Official media reported recently that with effect from January 1, duties on cars of more than 3,000cc will be reduced to 50.7 per cent from 80 per cent and to 43.8 per cent from 70 per cent for cars of less than 3,000cc.

China's farmers are likely to be even more seriously affected by the various tariff cuts that are in store.

In one example among many, the tariff on imported beef and poultry will eventually fall from 31 per cent to 14 per cent, forcing the country's inefficient producers to compete with cheaper imports.

Taiwan to open investment in China wafer plants

AFP, Taipei

Taiwan is expected to announce the opening of China-bound investment in eight-inch wafer plants at a government-led panel later this week, the Economic Daily News reported Wednesday.

"The economic ministry has formed an internal consensus to conditionally free investment barriers on eight-inch wafer foundry in China," a ministry official was quoted as saying by the paper.

However, the opening may be confined to 0.25 micron and less advanced process technology, the official said.

Such a restriction should be able to minimise the opening's impact. Domestic wafer fabs have already migrated to 0.13 micron technology, the paper said.

Indian bank rates set to fall

REUTERS, Bombay

The Indian banking sector's interest rates are set to move downwards after the country's largest bank announced Tuesday a quarter-point cut in rates on most deposits, analysts and bankers said.

The country's banks closely track the moves of the state-owned State Bank of India SBI.BO, which lowered rates on most deposits starting Wednesday.

"We are also cutting rates on our long-term deposits by 25 basis points," said S Jaykar Shetty, general manager at state-run Corporation Bank CRBK.BO.

SRI's move paves the way for a cut in its key prime lending rate, currently at 11.25 to 12 per cent, the subject of much speculation after the central bank cut the benchmark bank rate in October to 6.5 per cent, a three-decade low.

Some bankers said the cut by SBI, which accounts for more than a

fifth of the industry's deposits and loans, was inevitable, given its extremely strong deposit growth and unprecedented falls in bond yields after the October rate cut.

"At a time when there is enough liquidity, deposit growth is strong and loan demand tepid, this is the best way to manage costs," said Janak Desai, treasurer at private sector IDBI Bank IDBK.BO.

Total bank loans rose 14.1 per cent as on November 8 from a year ago, lower than the 21.8 per cent rise a year earlier, due to an economic slowdown.

Total deposits, on the other hand, grew 16.3 per cent as on November 8 from a year ago, higher than the 15.6 per cent growth last year.

Yields hit record lows in the first week of December as bonds emerged as an attractive investment alternative in the face of slow credit offtake, analysts said.

The benchmark 10-year bond yield dropped to a record low of 7.76

per cent from 9.12 per cent at the start of October.

Banks charge the bulk of their clients, including retail customers, rates above the PLR.

Banks have so far been resisting cutting their PLRs, citing the high cost of funds and structural rigidities.

Interest rate spreads, or the difference between rates offered on deposits and those charged on loans, have already narrowed for several banks in the first half of this fiscal year.

Bankers say a high level of bad loans, obsolete technology and a bloated workforce have given state-run banks, which control nearly 80 per cent of the business, less room to lower costs and protect spreads.

Latest central bank data shows that the total non performing assets of state-run banks were 638.83 billion rupees as on March 2001 or 11.4 per cent of total loans.

Niloy Cement okays 16pc dividend

Niloy Cement Industries Ltd appointed a 16 per cent dividend at the 6th annual general meeting (AGM) of the company held in the city yesterday, says a press release.

The Band of Directors had proposed the dividend an performance of the company for the financial year 2000-2001.

Attended by a large number of shareholders, the meeting was presided over by Vice Chairman of the company Humayun Kabir Khandeker.

Singer relocates Hobiganj showroom

Singer Bangladesh Limited opened its newly relocated Hobiganj showroom-cum-sales centre on Monday, says a press release. Mahub Jamil, Chairman and Managing Director of the company, formally inaugurated the showroom.

Marketing Manager MA Siddiqui, senior executives of marketing and marketing services department of the company and local elite were present at the inaugural ceremony.

After the inauguration, formal selling started with Singer sewing machine, refrigerator, colour television, BW television, micro-wave oven and fan.

Russian PM in Brazil to boost trade ties

AFP, Brasilia

Russian Prime Minister Mikhail Kasyanov is set to arrive in Brazil Wednesday with a large delegation in a bid to boost bilateral trade links.

"We want to quickly reach three billion dollars in bilateral trade," Russian ambassador Vasily Gromov told the Brazilian press.

During the first seven months of the year, the trade balance clearly favored Brazil, with a surplus in its favor of close to 310 million dollars, out of a total volume of 760 million dollars.

Marcelo Jardim, the Brazilian foreign ministry official in charge of European policy, said the ministry was "hopeful to increase the sale of high-technology goods, like airplanes."

Trade between the two countries reached its highest point in 1997, totaling some 1.08 billion dollars.

It fell to 940 million dollars in 1998 and rebounded slightly the following year, surpassing one billion dollars, but fell below that mark in 2000.

Kasyanov is expected to sign several agreements with Brazil during his visit, including one on competition regulations, and one on tourism and customs cooperation.

He and Brazilian Vice President Marco Maciel will sign a joint declaration against terrorism.

A working protocol between the Bank of Brazil and Russia's Vneshekonombank ensuring legal security for the banking transactions of exporters in the two countries will also be signed, in an effort to jumpstart bilateral trade.

One of the items on Kasyanov's agenda will be Russia's possible use of the Alcantara space center in northeastern Brazil, according to Russian government sources.



Mahub Jamil, Chairman and Managing Director of Singer Bangladesh Limited, formally opens the relocated Hobiganj showroom-cum-sales centre on Monday.

Nepal forms high-level body to woo foreign investment

AFP, Kathmandu

Nepal has formed a board comprised of top financial officials to encourage foreign investment in the kingdom, which has been hard hit by a royal massacre and a Maoist insurgency, it was announced Tuesday.

The Board of Investment will seek to attract foreign investors by "providing facilities and making procedures simple and easier," the ministry of commerce, industry and supply said in a statement.

Governments of developed nations have repeatedly cautioned against travel in Nepal since the June 1 massacre of 10 members of the royal family and amid surges in attacks by Maoist rebels in the

summer and again starting in late November.

The insurgency and political disturbances contributed to Nepal's economic growth slowing to 5.8 per cent in the fiscal year that ended July 15, down from 6.4 per cent in 1999-2000.

"The government is working to formulate a long-term industrial plan with necessary reforms in all sectors to encourage the private sector in the process of industrialization," said Purna Bahadur Khadka, the minister for industry, commerce and supplies.

He said the government was also preparing short-term measures to address immediate economic problems in the country.

Khadka acknowledged that

development in the impoverished country has been set back by "lack of coordination among the government ministries."

But he also urged the private sector to take better advantage of opportunities set by the government.

An official with the Federation of Nepal Chambers of Commerce and Industry blamed the lack of investment on "slow government decisions, official red tape, corruption at different levels of the government administration and a lack of security."

The new board will be chaired by the secretary of commerce, industry and supply and also include the ministers of finance, water resources, tourism, civil aviation and culture, among other officials.