

CSE claims to be de facto national bourse

STAR BUSINESS REPORT

The Chittagong Stock Exchange (CSE) claiming itself as the de facto National Stock Exchange Wednesday said establishment of another national stock exchange will be a redundant one.

The CSE in a statement said the bourse launched its nation-wide automated trading system in June 1998. "Its nation-wide network enables investors to trade online from the brokers' offices in Chittagong, Dhaka and Sylhet," the statement said.

CSE network is capable to connect any other city any time. "It is in its last phase to establish Internet Trading Service named CSE Direct. After inauguration of this system, Bangladesh stock market will be really virtual and geographically neutral," it said.

It said the problem in the stock market is not the lack of automation or spread of network. There are business and legal issues to be addressed. "We have been proposing restructuring of the legal framework of the market, quick disposal of the cases of price manipulations, reduction of interest rate, implementation of Central Depository system quickly and tax relief for the listed companies for a long time. Without addressing these issues, creation of any new organisation will only be a futile exercise," it said.

In a clarification, the CSE said it did not hail the government move to establish a new national stock exchange in the country, which was reported on the business page of the daily.

DBBL's 3rd rural branch opens in Ctg

The third rural branch of Dutch-Bangla Bank Ltd (DBBL) started its operation at Salamatullah Bhaban, Court Road, at Hathazari in Chittagong on Tuesday, says a press release.

Chairman of the bank Sahabuddin Ahmed formally inaugurated the branch.

Under the expansion programme, the bank will open seven more branches in different parts of the country within this year to take modern banking to common people in rural areas, according to the release.

On the opening day, Hathazari Branch achieved deposit of Tk 11.35 crore.

Director Nizamuddin M Selim Abedur Rashid Khan, President & Managing Director (In-Charge), KS Tabrez and other senior executives of the bank were present on the occasion.

New chairman of IBBL Executive Committee

A.N.M. A Zaher, Managing Director of the Ibn Sina Pharmaceutical Industry Limited, has been elected Chairman of the Executive Committee of Islamic Bank Bangladesh Limited till the next Annual General Meeting to be held on June 20, 2002, says a press release.

The decision was taken at a meeting of the Executive Committee of the bank held in its board room in the city on Wednesday.

AB Bank launches 2nd school banking scheme in Sunnysdale

Arab Bangladesh Bank Limited has launched its 2nd School Banking Scheme in Sunnysdale School in the city.

The launching ceremony was held at the school hall on Sunday, says a press release.

Enam Ahmed Chaudhury, chairman of the privatization commission, was present as chief guest on the occasion. While Tazeen Ahmed, Principal of Sunnysdale, was also present as special guest.

On the first day more than 150 students of different classes opened their accounts with AB Bank under the scheme. It was a great pleasure for them for starting their banking with the bank.

In his speech, the chief guest appreciated AB bank for initiating such a type of scheme.

The special guest Tazeen Ahmed, Principal of Sunnysdale, thanked the management of AB Bank for taking such initiative and giving such an opportunity to her school.

C.M. Koyes Sami, President & Managing Director of AB Bank said this scheme has been introduced as an outcome of social commitment.

12th BATEXPO eyes good responses from buyers

Fair begins tomorrow in city

STAR BUSINESS REPORT

Against the backdrop of worst ever crisis facing the country's export sector the Bangladesh Apparel and Textile Exposition (BATEXPO) begins tomorrow in the city hoping good responses from the international buyers for a turnaround.

The 12th BATEXPO, the annual gala event of the country's exportable textile, apparel and accessories, was originally scheduled for end November 2001 but postponed due to poor response from international buyers following September 11 terrorist attacks and the US-led war in Afghanistan.

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) is organising the exposition, which was first held in 1989.

As global recession and other developments in international trade arena had cast a negative impact on the country's apparel export, the exporters are hoping to bring back vibrancy in the sector through the exposition.

"In the context of severe crisis in apparel export this year's BATEXPO bears a different sort of importance. We are hoping to regain the trust of the international buyers through this exposition and make them aware of the recent developments in the textile and apparel sector," said Kutubuddin Ahmed, President of the Bangladesh garment Manufacturers and Exporters Association (BGMEA), while addressing a press conference in the city yesterday.

Prime Minister Khaleda Zia is expected to inaugurate the three-day fair at 11am on March 23 at the Pan Pacific Sonargaon Hotel in the city. The Leader of the Opposition in parliament and Awami League Chief Sheikh Hasina has given her consent to be the chief guest at the closing ceremony of the expo-

sition on March 25 at the same venue at 4pm.

Some 67 organisations including 14 foreign companies are expected to take part in this year's exposition. Apart from 37 BGMEA member organisations, 20 local fabric and accessories supply firms, six service sector companies and two engineering and designing firms are also taking part, the BGMEA leaders said.

The BATEXPO is aimed at showcasing the recent trends in the country's textile and apparel sector to the buyers and also to inform the foreign investors about the opportunities of investment in the textile sector.

The exposition also works as a platform to attract spot orders and also to sell stock-lots, which often create problems for many garment units.

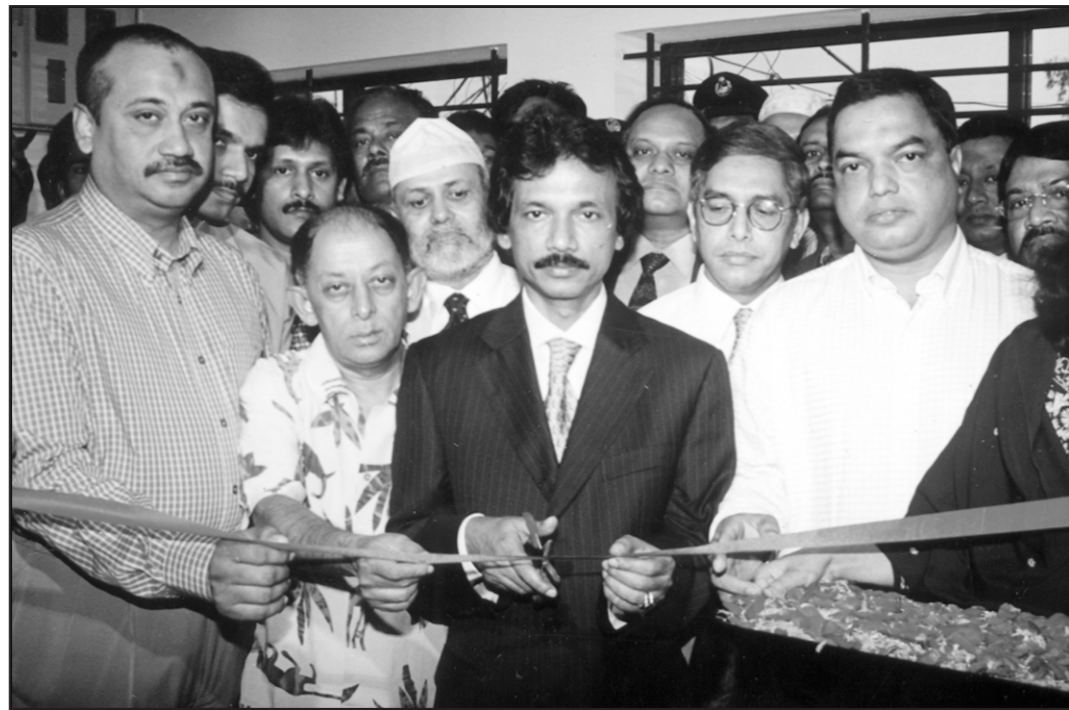
In the last BATEXPO, which was held in 2000, local apparel exporters got spot orders worth US\$ 48 million from the buyers and also received orders to ship stock-lots worth US\$ 5.20 million, BGMEA President Kutubuddin Ahmed said.

Some 635 representatives of foreign buyers or buying houses visited the last year's fair.

Besides the main exposition, there will also be seminars related to the development of the country's textile and apparel sector.

In the inaugural session LGRD and Cooperatives Minister Abdul Mannan Bhuiyan, Industries Minister MK Anwar, Commerce Minister Amir Khosru Mahmud Chowdhury and State Minister for Commerce Barkatullah Bhui will also attend as special guests.

And at the closing session former ministers and Awami League leaders Zillur Rahman MP, SAMS Kibria MP, Tofail Ahmed, M Abdul Jalil MP and Saber Hossain Chowdhury will be present as special guests.



Mohammed Shahabuddin Ahmed, Chairman of Dutch-Bangla Bank Limited (DBBL), inaugurates the third rural branch of the bank at Hathazari in Chittagong on Tuesday.

Samorita Hospital declares 10pc cash dividend

Samorita Hospital Ltd has declared a 10pc cash dividend for its shareholders, says a press release.

The dividend was declared at the 16th annual general meeting of the hospital. Prof Abu Ahmed Chowdhury, Chairman of the hospital, presided over the meeting held at LGED auditorium in the city recently.

Also present at the meeting were, among others, Dr ABM Harun, Managing Director, members of the governing body and shareholders of the hospital.

Fujitsu-Toshiba alliance likely

AFP, Tokyo

Japan's semiconductor industry, battered by a global slump in demand, on Thursday appeared set for a further shake-up with a possible alliance between Fujitsu Ltd. and Toshiba Corp.

Biman to be made profitable in a yr

Nasiruddin tells parliament

UNB, Sangsad Bhaban

National flag carrier Biman Bangladesh Airlines will be a profit-making organisation in next one year.

State Minister for Aviation Meer Nasiruddin voiced the hope responding to a volley of questions from fellow lawmakers, who alleged huge corruption and irregularities in Biman and cast doubts about the projected profits in domestic flights.

Briefly stating the steps so far taken to make Biman's domestic operation viable, the minister said Biman would earn additional Tk 10.56 crore from domestic routes in a year Tk 88 lakh every month.

Reduced fair in 11 flights on Sylhet and Chittagong routes has resulted in 21 per cent increase of domestic passengers in last two months, he informed the House.

Eleven flights of Airbus and DC-10, having 243 seats each, which

were earlier used to fly almost empty, now carry additional passengers.

To cut losses in international operations, the government has already called back 25 per cent of overseas staffs and took austerity measures for hotel and meal expenses of crew members abroad to save Tk 1.5 crore on hotel and Tk 84 lakh on food every month.

Earlier, Biman reduced its New York flights from weekly three to two and rerouted the flights via Dubai instead of Delhi.

Biman's only two ATP aircraft are now lying idle, which were grounded "aimlessly" by the previous government, the aviation minister said.

Replying to another question, he blamed the previous Awami League government for spending US\$1.6 million just looking for strategic partners for privatising Biman, "an effort that did not yield any result."

This was for the first time Biman

carried Hajj pilgrims by its own flights and saved Tk 45 crore, which was earlier spent for leasing of aircraft in the previous years.

The minister gave an account of losses incurred by Biman in last four years Tk 17.51 crore in 1996-97, Tk 18.08 crore in '97-98, Tk 13.20 crore in '98-99 and Tk 6.82 crore in 1999-2000.

Biman made an operation profit of Tk 49 lakh in the year 2000-01.

The minister also told the House that legal course has been initiated against Dr HBM Iqbal for recovery of dues from Aero Bengal and undue renting of two floors of Iqbal Tower for Biman.

Leasing of Airbus and DC-10, negotiated by the previous government, does not contain any termination clause, which, Meer Nasir said, is a gross violation of finance act.

At least 10 lawmakers lodged complaints about unpredictably irregular schedules of Biman's

domestic flights, poor consumer services and refusal of seat even though aircraft carries vacant seats in every flight, both on domestic and international routes.

Another lawmaker reported that the domestic flight to Rajshahi was delayed by two hours, but none turned up to take care of the passengers at Rajshahi airport and the snacks served was of poor quality.

Members also requested for introducing Biman flight on Barisal route and opening Ishardi airport.

Advocate Harunur Rashid, seemingly fed up with Biman's service, inquired how long it would take to privatise Biman and free the state-owned corporation from losses and bad services.

Abul Hossain Khan, Delwar Hossain Khan Dulu, Ilias Ali, Harunur Rashid, Advocate Harun Or Rashid and Ataur Rahman Khan were among the MPs who inquired about Biman affairs.

Indian cotton prices fall

REUTERS, Bombay

Indian cotton prices are expected to languish at 10-year lows in the short term despite a fall in seasonal arrivals, with cash-strapped millers unable to exploit bargain basement prices given declining export demand.

Prices have been near stagnant in the past month, but fell 20 to 30 per cent in the preceding five months.

"Every miller wants to buy cotton at the current attractive prices," said RK Baldua, vice president of yarn making and exporting firm Gujarat Ambuja Ltd.

"But where is the money?" he asked.

Cotton textile exports to the United States, the European Union and Canada, leading buyers of Indian garments and yarn, fell 9.24 per cent to \$1.19 billion in the first 10 months of the year to end March from \$1.30 billion a year earlier, trade estimates showed.



Prof. Abu Ahmed Chowdhury, Chairman of the Samorita Hospital Ltd, presides over the 16th annual general meeting of the hospital held in the city recently.

Dialogue calls for setting up of WTO cell

STAR BUSINESS REPORT

Speakers at a dialogue yesterday stressed the need for setting up a well-equipped World Trade Organisation (WTO) cell so that the government and the private sector can keep themselves updated with the fast changing global trade scenario.

"We should have a WTO cell as early as possible for a better future," said Commerce Secretary Suhel Ahmed, speaking at the dialogue on "Business Benefits from the Doha Development Round".

International Chamber of Commerce Bangladesh (ICC-B) President Mahbubur Rahman chaired the dialogue organised by Dhaka Chamber of Commerce and Industry (DCCI) at its auditorium in

the city yesterday.

The commerce secretary said although government is very reluctant to expand bureaucracy, a WTO cell will be set up in the Ministry of Commerce within one and a half years.

Speaking at the dialogue, Centre for Policy Dialogue (CPD) Executive Director Dr Debapriya Bhattacharya said the country has very little capacity for negotiation and priority should be given to some specific issues.

Issues like investment policy and technology transfer should be dealt by the trade bodies and the government should put pressure on

European Union in order to stop them from subsidising their agriculture, he said. "Doha is not the end -- it is just beginning."

Referring to the Doha meet,

Mahbubur Rahman admitted neither the private sector representatives nor the government delegates were prepared for the meet.

Earlier, Peter Gallagher, Consultant of World Trade Net of International Trade Centre UNCTAD/WTO, Geneva, made a presentation on the Doha development round and business opportunities in the world trading system.

Dr Salauddin Ahmed of North South University said a WTO cell should be established to make the country's private sector capable of understanding the ongoing changes in the global trade scenario.

He said there is not a single lawyer in the country, who is specialised in the WTO.

Mobile phone prices in India drop on tax breaks

REUTERS, New Delhi

Global mobile phone firms cut handset prices in India by eight to 10 percent on Tuesday, passing on tax breaks from last month's union budget, but said the government should cut duties further to curb illegal imports.

Finance Minister Yashwant Sinha in his February 28 budget abolished a 16 percent countervailing duty on imported handsets but doubled a basic duty on them to 10 percent.

This reduced the effective import duty on handsets to 14.4 percent from 26.7 percent after adding a four percent special additional duty, which remained unchanged.

But officials of the Indian Cellular Association (ICA), a body representing global mobile handset makers, told a news conference this still made legally imported handsets

about 20 to 30 percent costlier than those in the black market -- a price differential large enough for the parallel market to flourish.

Before the tax breaks, prices of legally imported handsets were about 32 to 47 percent higher.

"This has narrowed the price differential between the genuine and the illegal market...and will increase the share of the genuine handset market from an estimated 10 percent to 25 percent," Pankaj Mohindroo, ICA's president said.

The ICA represents leading phone makers including Nokia, Motorola, Siemens, Samsung, Ericsson and Sony.

The association estimated that Indians would buy nearly 4.4 million handsets in 2002.

Mohindroo said the ICA would petition the finance ministry to abolish the special additional duty and

ask states to levy a uniform sales tax of four per cent which would restrict the effective duty to 9.2 percent.

Sales tax in different states, currently, varies from four to 16 percent. Mohindroo said a 10 percent price differential between the legal and illegal market was tolerable and would increase revenue to the government by increasing the share of legal purchases.

He projected the government would lose revenue of Rs 20.17 billion over the next four years in lost duties on smuggled handsets if it persisted with the current duties.

The ICA estimated India's mobile phone subscribers to nearly double in 2002 to over 10 million from 5.47 million last year.



Lt. Col (ret) Mokhlesur Rahman, General Manager of Rangs Industries Ltd, inaugurates a showroom of Rangs Group in Mymensingh recently. Area Manager Munir Ahmed Khan, and other Rangs officials were present at the inaugural ceremony.

Vietnam denies antibiotics in shrimp

AFP, Hanoi

Vietnam Thursday denied the presence of harmful antibiotics in its shrimp exports to the European Union after the EU launched an investigation.

The EU said Tuesday it was stepping up testing of shrimp from Vietnam and Myanmar, and shrimp and chicken from Thailand, after the discovery of the antibiotics.

The move followed the discovery during spot checks of nitrofuran

residues in shrimp imported from all three Southeast Asian countries, and of chloramphenicol in Thai chicken.

But Vietnamese Foreign Ministry spokeswoman Phan Thuy Thanh said the tests were unjustified.

"Experts have informed us that there are no antibiotic or chloramphenicol substances in Vietnamese shrimp exports to the EU," she said.

The Vietnamese government had since 1999 imposed strict

controls to prevent toxic substances ending up in seafood exports, Phan added.

Vietnam was already in line with an EU ban on 10 toxic substances in the production, preservation and processing of seafood, she said.

Both the antibiotics and chloramphenicol have been banned for use in food-producing animals in the 15 EU member states for several years, due to concerns they could harm human health.



Enam Ahmed Chaudhury, Chairman of Privatisation Commission, speaks as chief guest at the launching of Arab Bangladesh Bank Limited School Banking Scheme in Sunnysdale School in the city on Sunday. C M Koyes Sami (1st from right), President & Managing Director of AB Bank, Tazeen Ahmed (2nd from right), Principal of Sunnysdale School, Abu Haniff Khan (3rd from right), Joint Managing Director of AB Bank, and Md Shafiquddin (4th from right), EVP of AB Bank, were also present.