

HRC Shipping launches direct Bangladesh-India container service

HRC Shipping Limited has recently launched a new container feeder service to operate on Chittagong-Haldia-Chennai-Colombo-Haldia-Chittagong route, says a press release.

This is the first time any shipping line to introduce direct container service between Bangladesh and India ports. Initially the service frequency will be fortnightly.

HRC has plans to later upgrade this into weekly service depending on trade demand.

HRC currently operates weekly liner container feeder service under Bangladesh flag between Chittagong/Colombo/Chittagong, Chittagong/Colombo/Haldia/Chittagong, Colombo/Tuti/Colombo and Chittagong/Singapore/Port Klang/Chittagong.

From August 2, it will introduce another container liner service to operate on Chittagong/Port Tanjung Pelepas/Port Klang/Chittagong route.

HRC Shipping Limited, a member of the multi-faceted blue chip conglomerate "HRC Group", is the largest private sector ship owner and operator of Bangladesh.

Agrani Bank, Citibank N A sign accord on remittance

Agrani Bank has signed a remittance agreement with Citibank N A with a view to increasing the remittance flow through banking channel by depositing the remitted money in the payees' accounts within the shortest possible time, says a press release.

The accord was signed by M Aftab Ali, general manager of International Division of Agrani Bank, and Mamdudur Rashid, senior country operations officer of Citibank N A on behalf of their respective organisations in the city on Sunday.

AS M Imdadul Haque, managing director of Agrani Bank, Mamun Rashid, chief executive officer of Citibank, General Managers of Agrani Bank, Raihana Aneesa Yusuf Ali, Anish Kumar Sarkar, Abu Sadek Md Sohail, concerned executives of Agrani Bank and officials of Citibank were present on the occasion.

This agreement will facilitate the remitters to send money to any branch office of Agrani Bank spread all over the country with the help of the worldwide network of Citibank. Especially the expatriate Bangladeshis in Malaysia will be benefited more from this agreement.

Under the agreement, Citibank N A will receive remittance from the expatriate Bangladeshis living in Malaysia and facilitate prompt domestic payments in the country through extensive network of Agrani Bank.

Technokids to start computer training course

Technokids, a Canada-based computer education centre for children, is going to start a 12-day computer camp titled "TechnoCamp 2002" on Sunday, says a press release.

TechnoCamp offers the computer training for children aged between seven and 13 in a relaxed learning environment, the release added.

China farmers face new blow

China's farmers, already heavy losers from the country's World Trade Organization entry, may receive another blow with the possible abolition of a state-guaranteed floor on grain prices, state media said Tuesday.

This is the result of reforms mooted in government think tanks to allow private traders to buy grain directly from farmers at prices of their own choosing, the business weekly newspaper said.

"It is not a question of whether the timing is right for such a reform; it is a must," said Xie Yang, a senior official with the cabinet's rural research development research center.

If implemented, the reform will add new pressure on the country's 900 million farmers, who are already seeing income growth lag dangerously behind that of the cities.

Last year, the income of rural households rose 4.2 per cent, compared with 8.5 per cent for urban households.

Khosru discloses \$5.4m spot orders at Moscow trade show

STAR BUSINESS REPORT

Bangladeshi companies fetched spot export orders worth about 5.4 million US dollars in Bangladesh trade show in Moscow last month.

Commerce Minister Amir Khosru Mahmood Chowdhury disclosed it yesterday while addressing a press conference.

According to him, Bangladesh exports goods worth about only 10 million dollars annually to Russia.

Referring to achievements from the trade show, the commerce minister said, "Russia is going to be a very big market for Bangladesh."

There is a vacuum in Russia and

if Bangladesh grabs the opportunity the country can have billion dollar business there, he said.

A five-day long Bangladesh Trade Show was held at the All Russia Exhibition Centre from 13 to 17th June under the market promotion programme of the Export Promotion Bureau (EPB).

The local companies got spot orders for goods like jute shopping bags, raw jute, jute yarn, hesian, bangle and Jamdani saree in the trade show.

Out of the 5.4 million US dollars spot order, a local jute industry along got an order of 3 million US dollars for exporting its jute shop-

ping bags.

Among others, State Minister for Commerce Barkat Ullah Bulu, Commerce Secretary Suhel Ahmed and EPB Vice Chairman Abu Saleh attended the press conference.

EPB Vice Chairman Abu Saleh said in addition to the spot orders, Bangladesh companies got 90 trade inquiries, which may bring further export orders from Russia in future.

According to the EPB vice chairman, the trade show has also brought the opportunities for pharmaceutical products and leather goods.

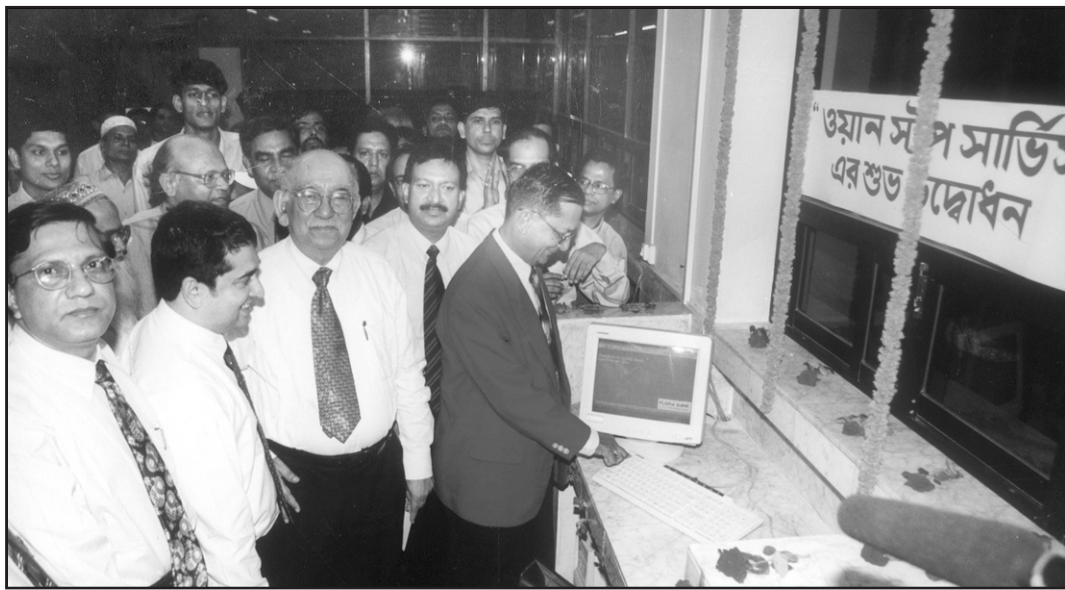


PHOTO: FLORA SYSTEMS

Chairman of Bangladesh Krishi Bank Ahab Ahmed inaugurates a one-stop service at the bank's Local Principal Office on Saturday following introduction of banking application software, Flora Bank, developed by Flora Systems Limited. Managing Director of Bangladesh Krishi Bank A K M Sajedur Rahman, Flora Systems Chairman M N Islam and Managing Director Mustafa Rafiqul Islam are also seen in the picture.

Pakistan, Thailand flag credit extensions to push trade

AFP, Islamabad

Pakistan and Thailand are exploring the possibility of extended credit to boost bilateral trade, Finance Minister Shaukat Aziz said after a visit by Thai Prime Minister Thaksin Shinawatra.

Thaksin, who began a two-day visit to the Pakistani capital on Monday, suggested clearing bilateral trade transactions through a designated bank, allowing settlements within three months instead of immediate payments, Aziz said.

"We have agreed on it in principle and the details will now be discussed," Aziz was quoted as saying by the official associated press of Pakistan (APP).

Thaksin was accompanied by his Commerce Minister Adisai Bodharamik and a delegation of Thai businessmen representing Thailand's Federation of industry, Board of Trade, Federation of Design and Construction and Thai Airways International.

Aziz said aqua-farming, food

processing, real estate development, agriculture and civil aviation were identified as areas of potential future cooperation.

There was also scope for cooperation in auto-parts and information technology.

Aziz said the two countries' joint economic commission (jec) will meet shortly in Thailand.

The JEC will be elevated from its deputy minister-level participation to cabinet-level representation, the finance minister said.



PHOTO: AGRANI BANK

M Aftab Ali, general manager of Agrani Bank, and Mamdudur Rashid, senior country operations officer of Citibank NA, sign a remittance agreement on behalf of their respective organisations in the city on Sunday. AS M Imdadul Haque, managing director of Agrani Bank, Mamun Rashid, chief executive officer of Citibank, general managers of Agrani Bank Raihana Aneesa, Yusuf Ali, Anish Kumar Sarkar and Abu Sadek Md Sohail are also seen at the signing ceremony.

Recovering Asia needs rise in global capital spending

AFP, Singapore

Asia is recovering from the global economic slowdown but it needs a surge in worldwide capital spending for the growth to be sustained, European investment bank UBS Warburg said Tuesday.

At present, the region is relying too much on the spending of consumers in the United States, bank deputy chief economist Paul Donovan said.

While US consumer spending remains strong, signs are emerging that Americans are settling aside more money to repay debt, he told UBS Warburg's global 2002

conference here.

"While Asia is a likely beneficiary of developments in the US and, to a lesser extent, in Europe and Japan, sustained growth is untenable if unaccompanied by an increase in capital spending globally," Donovan said.

"In the US, there are already indications that the consumer is beginning to repay debt rather than continuing to consume."

Consumer spending, which accounts for two-thirds of economic activity in the United States, "is not going to be the driver of growth for the world's biggest

economy," Donovan said.

"The consumer is not going to be the driving force behind this recovery," he said.

"It is going to be very difficult to persuade consumers to accelerate their level of consumption when they are already spending so much money."

The fate of Asian economies hinged on the ability of US policymakers to "encourage a gradual improvement in capital spending," Donovan said.

At the same time, US consumers "must not under any circumstances spend any less."

Partex Beverage receives ISO 9001: 2000

Partex Beverage Ltd has been awarded ISO 9001: 2000 certification for its quality system, says a press release.

The certificate, awarded by the United Registrar of Systems Ltd (URS), UK, is the recognition of Partex Beverage Ltd compliance with world-class quality standards.

MA Hashem, chairman of Partex Group was present at the awarding ceremony. Aziz-Al-Kaiser, vice chairman of Partex Group, Ashfaq Aziz Rubel, managing director of Partex Beverage Ltd, Rashid M. Akhter, representative of the United Registrar of Systems Ltd. (URS), UK, M. Rahman, director marketing, and other higher officials of Partex Group were also present on the occasion.

EPB Vice Chairman Abu Saleh said in addition to the spot orders, Bangladesh companies got 90 trade inquiries, which may bring further export orders from Russia in future.

According to the EPB vice chairman, the trade show has also brought the opportunities for pharmaceutical products and leather goods.

Indian industry welcomes new finance minister

AFP, Bangalore, India

Indian commerce and industry Tuesday applauded the appointment of veteran politician Jaswant Singh as the country's new finance minister, saying the move would give a definitive push to the country's sagging economic reforms.

Brokers on the Bombay Stock Exchange, meanwhile, broadly welcomed the appointment, with positive sentiment pushing the BSE 30-share sensitive index up 5.67 points to 3,293.91 by 1:00 pm (0730 gm).

"Jaswant Singh's appointment would bring a fresh approach to the economic reforms, especially after his track record as the foreign minister during the volatile India-Pakistan relations. His strategic approach would give a boost to reforms in the areas of privatisation," said Prakash Lala, a dealer at HSBC Securities.

The country's top trade lobby, the confederation of Indian Industry (cii), welcomed the second stint of 64-year-old Singh as finance minister in Prime Minister Atal Behari Vajpayee's coalition government.

Singh, a former soldier, held the post of finance minister in Vajpayee's 13-day-old government during May 1996.

He was re-appointed to the post in a sweeping cabinet change effected late Monday by Vajpayee under which Singh switched portfolios with incumbent finance minister Yashwant Sinha.

Major foreign banks suffer losses in Japan

AFP, Tokyo

Many foreign investment banks such as Merrill Lynch Japan Ltd. And Credit Suisse first Boston's Japan-based arm lost money in the year to March, hit by dismal Tokyo market conditions, officials said Tuesday.

A slump in the local equity and bond markets coupled with a dearth of mergers and acquisitions pushed a majority of banks into the red, spokespeople from the institutions said.

Certain banks filed individual earnings reports to Japan's financial authorities on Monday.

The Japanese branches of 22 foreign investment firms swung to a collective net loss of 67.8 billion yen (565 million dollars) over the last financial year, reversing a net profit of 52.5 billion yen a year earlier, according to data from the Tokyo Stock Exchange (TSE).

The unwinding of cross-shareholdings by banks and a wave of major bankruptcies added to the industry's woes, according to the Tokyo bourse.

"Last year's debt default by (collapsed supermarket operator) Mycal corp. Caused a large write down in the market value of bonds held," the TSE said.

This pressured trading gains which plunged 91 per cent on the year to 17.2 billion yen, it added.

"The market conditions have been fairly tough for the industry as a whole," said Jonathon Williams, a spokesman for Barclays capital, which lost 10.2 billion yen over the year compared with a 2.3 billion yen profit previously.

"The figure is a result of poor performance from business lines, but there were some additional one-off non-recurring expenses," he told AFP.

Merrill Lynch suffered a massive loss of 59.9 billion yen due largely to restructuring costs incurred by a decision to shut a large portion of its retail operations in Japan, said a spokesman.



PHOTO: MERCANTILE BANK

Md Abdul Jalil MP, Chairman of the Board of Directors of Mercantile Bank Limited, presides over the 3rd annual general meeting of the bank held at a city hotel on Saturday. Photo also shows directors, sponsors along with Chief Advisor Lutfar Rahman Sarkar and Managing Director M Taheruddin attending the AGM.

Call rate at record low after Repo launching

BSS, Dhaka

The call money rate remained at record low yesterday following the launching of Repo -- a new money instrument, fund managers said.

They said the overnight money rate touched its day's high at 5.50 per cent and ranged between 2.75 per cent and 5.00 per cent in most deals while the 7-day tenor Repo rate stood at 5.25 per cent.

The Bangladesh Bank yesterday started repurchase agreement (Repo) auction for commercial banks and financial institutions -- first in the history of the country's financial sector.

The central bank accepted one bid of 7-day tenor amounting to Tk 4.75 crore at 5.25 rates, a central bank statement said yesterday.

"Introduction of Repo will

improve liquidity in the market and also reduce credit risks", the BB officials said noting that "liquidity crunch frequently becomes a problem of some small banks due to absence of sufficient money market instruments like Repo".

The market has experienced surplus liquidity flow due to recovery drives and realisation of bills when credit demand was lower these days", fund managers of some private banks said.

They said investing surplus funds in government's bills is safe and lucrative now-a-days especially when call money rate now at its lowest ever level," fund managers said.

Some commercial banks placed their surplus funds in various deposit accounts to reduce deposit-interest expenses, they said.

India urges rich nations to open up services sector

AFP, New Delhi

Indian Commerce Minister Muralosi Maran on Tuesday said the growth of developing nations' service sector was being blocked by a plethora of regulations governing access to developed countries' markets.

"Developed countries have not provided us with sufficient market in movement of (people from the developing world) which is of crucial importance for realising our potential in services," Maran said at a

seminar on the World Trade Organisation (WTO) and the services sector.

He said India has already requested some countries to relax rules to pave the way for export of dental and other health services.

Maran said such exports would be crucial to India's target of coming at least one per cent of global trade by 2007, from 0.67 per cent at present.

The commerce minister said the principle of free market should be applied to even the service sector

Mercantile Bank declares 40pc dividend

Mercantile Bank Limited has declared a 40 per cent dividend for its shareholders for the year 2001, says a press release.

The dividend was announced at the 3rd annual general meeting of the bank held at a city hotel recently.

The meeting was presided over by Md Abdul Jalil, MP, chairman of the bank.

Of the total dividend, 30 per cent is in cash and 10 per cent in bonus share.

The meeting has approved the balance sheet, profit and loss account, directors' report and auditors' report for the year ending December 31, 2001.

Md Selim and Md Akram Hossain (Humayun) have been elected Chairmen of Executive Committee and Policy Committee of the Board of Directors respectively at the AGM.

ASEAN aims at world's largest free trade zone

AFP, Kuala Lumpur

Southeast Asian economic ministers will gather in Malaysia this weekend to push forward plans to create the world's largest free trade zone, Malaysian Trade Minister Rafidah Aziz said in remarks published Tuesday.

Talks will focus on the proposed Free Trade Agreement (FTA) between China and ASEAN, and further opening of the services sector, she told the official Bernama news agency in an interview.

"We plan to review the entire ASEAN process," she said.

"that includes ASEAN's situation with its dialogue partners bearing in mind they are seeking to formalise the cooperation program,

for example the FTA which was proposed by China to be effective in 10 years' time."

The Association of Southeast Asian Nations (ASEAN) and China held talks in May to create an integrated market of 1.7 billion consumers, which would make it larger than any other free trade zone.

The ambitious plan was first given official status at a summit between ASEAN and China in November last year.

Asean economic ministers are due to arrive in Malaysia Friday for their annual retreat Saturday at a golf resort in gentling highlands, about an hour's drive from Kuala Lumpur.

Rafidah said ministers would discuss proposals for ASEAN

customs standards to enhance trade and investment flows within the region.

"It is not so much to do with doing away with tariffs but processes of trade (and) how to bring in the private sector into the ASEAN process," she said.

"I see a very strong move forward for the ASEAN process. ASEAN could become the nerve centre for East Asian region as a whole... We are really in the heart of all these things and I believe we can become a pivotal entity within the Northeast and East Asian region."

The talks were also likely to focus on expediting plans for ASEAN economic integration, world trade organisation (WTO) issues and bolstering private sector involvement, officials said.

Japan's key tax panel goes against reforms: Minister

AFP, Tokyo

Japan's economic policy minister Tuesday criticised the nation's bureaucrat-oriented tax panel for attempting to delay Prime Minister Junichiro Koizumi's reforms to revitalise the troubled economy.

"There is something wrong in the decision-making process on tax policy," minister for economic and fiscal policy Heizo Takenaka told a news conference.

"The most important job of the government's tax panel is to evaluate and assess current tax policies,"

Takenaka said.

"It seems to me that tax panel committee members only think about their own political interests," the minister said.

"It is the bureaucrats who write tax (policy) drafts," which were unveiled earlier this year as a guideline for future tax plans, he said.

Takenaka added it was necessary to establish a process that would encourage more appropriate discussions.

The tax panel, formed by economists, professors and business leaders under the umbrella of the

powerful finance ministry, is one of the nation's most influential advisory bodies to the government.

In the draft, the panel denied a plan to lower corporate and income tax rates in the future. Instead, the panel called for the need to increase consumption taxes, which drew sharp criticism in the stock market.

During the news conference, Takenaka said the economic and fiscal policy council, chaired by Koizumi, still retained a high level of credibility despite the declining popularity of the premier.