

FBCCI seeks Vietnam help to reach Laos, Cambodia mkts

UNB, Hanoi

FBCCI yesterday sought assistance from Vietnam to reach Bangladeshi products to Laos and Cambodia through the Vietnamese seaports.

FBCCI (Federation of Bangladesh Chambers of Commerce and Industry) President Abdul Awal Mintoo made the request when he led a business delegation in talks with Vietnamese Minister for Planning and Investment Nguyen Bich Dat and Vice Minister for Industry Do Huu Hao.

"Since Laos is a landlocked country, we seek your assistance to market our products in Laos through the Vietnamese seaports," he told the ministers.

The FBCCI chief, who is leading a

business delegation to Southeast Asian countries, also sought co-operation from Hanoi for taking its products to Cambodia over the Vietnamese territory.

The Vietnamese ministers and the leaders of FBCCI in the meetings observed the political relations between the two countries had always been excellent.

"The two countries always maintained very good political relations, but economic relations should be enhanced further," said Do Huu Hao.

Said Mintoo: "For the sustainability of good political relations, it should be based on economic co-operation."

He hoped that the economic ties between the two countries would get a

boost following the establishment of Vietnam's embassy in Dhaka recently and the expected visit of Vietnamese President Tran Duc Luong next year.

With massive industrial growth in Vietnam, the Vietnamese Industry Minister offered co-operation in the sector. He also sought assistance from Bangladesh in capacity building in private sector management.

Chiefs of different planning organisations as well as state-run corporations in textile, chemical, minerals, tobacco, engine and machinery, industrial and electrical equipment, and footwear industries were present.

Bangladesh Ambassador in Hanoi Ashraf-ud-Doula attended the meetings.

The Bangladeshi businessmen and entrepreneurs also had one-to-one talks with the heads of different corporations and companies.

They will hold extensive talks with the Vietnamese Chambers of Commerce and Industry leaders as well as government policy planners in Hanoi and Ho Chi Minh city over the next couple of days.

With the government emphasising a "look east" policy, the business delegation will also visit Cambodia.

Earlier, they had a meeting with Singapore Business Federation in Singapore where Bangladesh Foreign Minister M Morshed Khan urged the Singaporean investors to invest in Bangladesh.

CNG refuelling station set up with support of Rahimafrooz

A CNG refuelling station and conversation workshop has been set up with technical support of Rahimafrooz CNG Ltd, a concern of Rahimafrooz Group, at Tejgaon in Dhaka.

State Minister for Energy and Mineral Resources AKM Mosharraf Hossain formally inaugurated the filling station -- Super CNG Filling Station on Sunday, says a press release.

Rahimafrooz Group Chairman Afroz Rahim, Chief Executive Officer Feroz Rahim and Director Niaz Rahim were present at the inauguration function.

Rahimafrooz will provide full technical support and one year back-up service to the station, the release added.

China confirms order for 30 Boeing jets

AFP, Chicago

The Boeing Company said Wednesday that it had concluded a deal to sell 30 Boeing 737 jets to five Chinese carriers in a transaction worth an estimated 1.7 billion dollars based on the planes' list price.

Air China, Hainan Airlines, Shandong Airlines, Shenzhen Airlines and Xiamen Airlines will take delivery of the new generation single-aisle jets in 2005 and 2006, according to a Boeing statement.

"Adding these 737 airplanes to our current fleet of 672 airplanes will help Chinese airlines meet their rapidly growing networks and accommodate the rising demand from our passengers," said Zhang Guobao, vice chairman of China's National Development and Reform Commission, in a ceremony at the US Commerce Department in Washington.

Wal-Mart quarterly profit rises

REUTERS, Chicago

Wal-Mart Stores Inc, the world's biggest company by revenues, on Thursday posted a higher quarterly profit, boosted by strong back-to-school sales and a turnaround at its Sam's Club warehouse stores. The Bentonville, Arkansas-based retailer said earnings from continuing operations were \$2.0 billion, or 46 cents per share, in the third quarter ended Oct. 31. That compares with earnings of \$1.8 billion, or 40 cents per share, a year earlier.

Analysts, on average, were expecting Wal-Mart to earn 47 cents per share, according to Reuters Research, a unit of Reuters Group Plc.

Japan trading houses post rising profits

AFP, Tokyo

Major Japanese trading houses posted rising profits in April-September, with Mitsubishi Corp. reporting Thursday its interim net profit jumped 39 per cent from a year earlier, driven by machinery sales.

"Our machinery business, especially vehicle-related operations in foreign markets, gained largely and became one of the pillars of our revenues," the company said in a statement.

Mitsubishi's first half net profit stood at 60.6 billion yen (550.9 million dollars).

S Korea's jobless rate edges up to 3.3pc in October

AFP, Seoul

South Korea's unemployment rate edged up to 3.3 per cent in October from 3.2 per cent in September due to a rise in the number of new job seekers, the National Statistical Office said.

The number of jobless increased to 765,000 from 730,000, while employment rose 0.7 per cent month-on-month to 22.45 million.

"Despite rises in the number of employed, the jobless rate rose as economically-inactive people actively sought jobs," the NSO said.

The seasonally-adjusted unemployment rate rose to 3.7 per cent last month from 3.5 per cent in September, it said.



PHOTO: STAR
Women garment workers of various factories chant slogans demanding arrears and Eid bonus as they gather in front of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) headquarters at Karwan Bazar in Dhaka yesterday.

Survival in global market hinges on product quality

Industries minister tells workshop

UNB, Dhaka

As Bangladesh's exports to developed nations are facing difficulties for various standard and technical requirements, the industries minister has felt the country needs to improve the quality of its products to survive in the competitive global market.

When Bangladesh requires to build its capacity to comply with those requirements, its quality certification agency BSTI also needs to be strengthened to get its certification recognised by world bodies, Industries Minister Matiur Rahman Nizami said while opening a workshop on technical barriers to trade (TBT) at a hotel in Dhaka yesterday.

"To survive in this competitive situation, we must increase our capacity to produce quality products that will conform not only to the standard and requirements of the importing countries, but also of the international market," he said.

The minister stressed the need for development of institutional infrastructure related to standards, metrology, testing and conformity assessment

system.

The Ministry of Industries and Bangladesh Standards and Testing Institution (BSTI) organised the two-day workshop, titled the Joint Bangladesh-WTO-UNIDO Workshop on the Agreement on TBT for Saarc LDCs.

Representatives from four least developed countries (LDCs) within the seven-nation Saarc -- the Maldives, Bhutan, Nepal and host Bangladesh -- are taking part in the workshop. Officials from the World Trade Organisation and United Nations Industrial Development Organisation (UNIDO) were also present.

"The goal of the workshop is to raise awareness among the Saarc LDCs about the Agreement on TBT, and to tell them how they can implement it and benefit out of it," WTO Economic Affairs Officer Stefania Bernabe told reporters after the inauguration of the workshop.

Industries Secretary Shoaib Ahmed and Additional Secretary Nurul Amin, BSTI director general Ahmad Mahmudur Raza Chowdhury, UNIDO official Lalith Goonatilaka and SAARC Chamber executive Nihal Abey Sekera

also spoke at the inaugural session.

The industries minister said globalisation is making the markets open and free, but Saarc LDCs could not avail of the opportunities due to lack of technical capacity to meet the requirements of the agreement on TBT and the Sanitary and Phytosanitary (SPS) of WTO.

Although Bangladesh achieved success in export of a number of items, including readymade garment, knitwear, processed fish and shrimp, and leather, its exports have been made conditional to some standards and technical requirements, he pointed out.

These standards and technical requirements are often set with stringent rules and regulations under the umbrella of the WTO agreements on TBT, SPS and so on, constraining exports from countries like Bangladesh to the rich ones, he said.

"To boost our exports and sustain our market access, our products must meet certain quality standards," the minister said, stressing the need for institutional capacity building of relevant agencies.

Repo auction

UNB, Dhaka

The Repo auction of Bangladesh Bank for commercial banks and financial institutions was held here yesterday.

Nine bids of 2-Day tenor amounting to Tk 306.24 crores were received, of which six bids of 2-Day tenor amounting to Tk 173.50 crores were accepted.

The rates of interest against the accepted bids ranged from 5.00 percent to 4.56 percent per annum, said a Bangladesh Bank press release.

Sri Lankan tea prices slip

REUTERS, Colombo

Sri Lanka tea prices slipped at the latest auction Wednesday, as demand eased as buying for the winter period passed its peak.

The anticipated gross sales average was 161 rupees (\$1.70) per kg, compared to 161.76 rupees per kg last week, Forbes and Walker Tea Brokers said in a statement.

Among low-grown teas, tippy teas fell five to 10 rupees on easing demand from Middle Eastern buyers.

Leafy types fared better, losing three to five rupees early in the sale, but attracting better prices toward the close.

Another Reuters reports from Nairobi say: Prices of Kenyan tea edged marginally lower amid increased auction volumes due to improved rains in the key growing areas, traders said Wednesday.

The auction saw a total of 103,999 packages or 6.5 million kg of tea offered compared to 94,744 packages at the last auction. A larger volume will be on offer next week of 108,413 packages or 7.7 million kg.

"There was good general demand for the larger quantity on offer but at lower rates," an official of the African Tea Brokers (ATB) said.

"The rains are taking effect and quality is falling."

Kenya experiences the short-rains season in October through to December when tea leaf production increases sharply, swamping tea factories which cannot cope with the additional supply.

Pakistan's bond investors likely to welcome Eurobond

REUTERS, Hong Kong

High-yield bond investors are likely to give a warm welcome to Pakistan's first Eurobond issue in nearly six years, attracted by an improving economy and the opportunity to diversify into a new emerging market.

Pakistan has mandated JPMorgan, Deutsche Bank and ABN AMRO to sell \$500 million of five-year bonds, its first global debt issue since economic sanctions were slapped on Islamabad following its nuclear tests in 1998.

"In terms of the likely demand, I think there is a pretty healthy appetite for high-yield Asian sovereign bonds. There hasn't been much high-yield Asian issuance on the sovereign level," said Scott Wilson, sovereign credit analyst at UBS in Singapore.

"It gives people an opportunity to diversify out of the other emerging markets and into a new country in terms of their exposure."

Small banks for micro credit on the cards

Regulatory body to monitor NGO programmes

STAR BUSINESS REPORT

The government is thinking over the idea of introducing small localised banks to expand micro and medium credit programmes.

Besides, the government has also accepted a proposal for setting up a regulatory body to monitor the activities of those small banks and also the micro-credit programmes of non government organisations (NGOs).

The idea was mooted by Grameen Bank managing director Prof Muhammad Yunus at a meeting with Finance Minister M Saifur Rahman on Wednesday.

The finance minister supported the proposal and discussed it along with other related issues with Prof Yunus and

former advisor of caretaker government Prof Wahiduddin Mahmud who was present at the meeting.

Finance Secretary Zakir Ahmed Khan and Managing Director of Palli Karma Shahayak Foundation (PKSF) Saleh Uddin Ahmed were also present.

"I have accepted the proposal on forming a regulatory commission that will approve the localised banks," Saifur Rahman told journalists after the meeting at the finance ministry. "The government will scrutinise the issue and take the next steps."

The minister pointed out that different NGOs are charging different interest rates on micro-credit while medium entrepreneurs do not get loans. "Therefore we want to bring the micro-

credit programmes of the NGOs under a composite policy."

A steering committee on micro-credit headed by Bangladesh Bank Governor Fakhruddin Ahmed will soon draft a detailed proposal on the new regulatory body and send it to the ministry for government's approval.

"This regulatory body will not be as rigid as Bangladesh Bank," noted Prof Wahiduddin Mahmud, "but it will not allow the NGOs to run a relaxed credit programme."

Prof Yunus said it is not possible for the central bank to supervise the NGOs credit programmes. "This is why we discussed setting up of micro-credit banks -- each having one to two branches."

Dollar hits record high against taka on Eid shopping

BSS, Dhaka

Eid shopping spree pushed the US dollar up to its all-time high against the Bangladesh taka yesterday while suicide bombing in Iraqi kicked down it against major leading currencies in inter-bank trading, dealers said.

The dollar touched its all-time inter-bank high at 58.5000 taka per unit from its earlier high at 58.4800 taka on Wednesday as some banks fell into dollar-shortfall due to rising demand from importers.

But in most deals, the dollar traded between 58.4750 taka and 58.4950 taka compared to its previous range between 58.4650 taka and 58.4750 taka, the previous day, dealers of different commercial banks said.

We experienced strong demand for the US unit as some banks were badly

in need of dollar funds due to higher import payments. In late trading, the dollar jumped to its all-time high level in few deals, dealer of a leading commercial bank said.

But the US unit fell half a percent on the euro, yen and Swiss franc since the morning after attacks in Iraq and a CIA report fuelled doubts about Iraqi support for the United States and renewed deficit and geopolitical concerns, dealers said.

The dollar was 0.5 percent down at \$1.1693 per euro, its lowest since the end of October, and almost 0.5 percent down against the yen at 108.30, less than a yen above a recent three year low.

Against the Swiss franc, the traditional safe-haven currency which has been sold heavily recently, the dollar was half a percent down on the day at

its lowest for 10 days, dealers on online trading said.

Some currency traders said the US dollar shot up to its high against local currency as traders are now paying dollar against their imported goods on the occasion of Eid. The whole country has become under the grip of Eid shopping that is gaining momentum day by day.

People are spending their savings and bonus money this time to buy gifts for their near and dear's one on the occasion of the Eid.

Traders are also importing essential items like onion, oil and food grains from the neighboring states to meet the rising demand in the local markets as the government is under pressure to push down the prices of most essential items, dealers said.

IMF admits mistakes in handling of Asia crisis

AFP, Bangkok

The International Monetary Fund (IMF) admitted Thursday it made mistakes in its controversial handling of the 1997-1998 Asian financial crisis which put affected countries under stringent programs.

Charles Adams, assistant director of the IMF Office for Asia and the Pacific, said the IMF was still nutting out where it went wrong when it stepped in with major lending programs for Thailand, South Korea and Indonesia.

"I think we have acknowledged that we at the fund did make mistakes during the Asian crisis. Not everyone agrees on exactly what the mistakes are," Adams told a seminar which is part of a regional outreach program.

"Some say we lent too much, some say we lent too little. Some say we imposed too tight conditions, some say the conditions weren't tight enough," he said.

"But I think a sort of consensus is emerging... in the context of our lending, that conditions we imposed on lending were not necessary and may not have been helpful."

As a result the body was trying to "streamline" future conditions, with the fund now having to justify why conditions are imposed, while on the financing side the IMF was in "sort of a middle ground".

"Many of us at the fund would actually like the fund to be able to lend more but some of our shareholders are concerned about moral hazard... so we strike a balance," he said.

In Asian nations whose economies were laid waste by the meltdown, the IMF's demands for reform and tough restrictions caused widespread anger.

In one act of defiance, Malaysia pegged its ringgit to the US dollar to protect it from currency speculators, a move that was criticised at the time by the

IMF, but which is generally now viewed as a wise decision.

Adams said the organisation was working to ensure any emerging crisis would not spill over into neighbouring countries, as it did after the 1997 devaluation of Thailand's baht currency sparked the devastating crisis.

"One of the things we learned in Asia is that we really have to try and bottle up the problem in one country and address it quickly so that it doesn't spread to other countries," he said.

The IMF was also trying to encourage countries to be careful when opening up their capital accounts to the world to ensure they can deal with "very fickle" international capital markets.

"But I think the key thing we've learned there is preventing crisis is the first line of defence. Once the crisis starts, it's very messy, it's very costly. The primary emphasis should be on prevention."

China considers new ways to set oil prices

REUTERS, Singapore

Concerned by the economic impact of wild fluctuations in global oil prices, China is looking to revamp the pricing mechanism for domestic oil sales as it continues to liberalise its huge market, sources say.

They say the governments also wants to curb speculative trading and cap profit margins at dominant state refiners, Sinopec Corp and PetroChina, to force them to cut costs and improve efficiency.

Industry officials said a new pricing regime may come into force next year, in line with China's deadline to open oil retailing to new domestic and foreign players as part of its commitments to the World Trade Organisation.

"Deregulation is irreversible. The move to free markets has posed new challenges to the pricing mechanism," said a government official from Beijing, who declined to be identified.

The price reforms go side-by-side

with other moves, such as re-establishing oil futures contracts and setting up a strategic oil reserve, as consumption rises sharply in the world's sixth largest economy seen growing about eight per cent this year.

China links domestic retail and ex-refinery gasoline and gas oil prices to benchmark markets in Rotterdam, Singapore and New York on a one-month retroactive basis.

However, the system allows speculators to stockpile when prices are expected to rise and draw down stocks when they are seen falling, sources said.

"Dealers can work out next month's prices to the precision of up to two decimal points by watching the three benchmark markets," said the government source.

But since July, Beijing has ignored global price fluctuations and kept levels unchanged to ensure stability and stop speculation. US oil prices have traded between \$25 and almost \$40 a barrel this

year due to supply shortages and the Iraq war.

"The government does not wish to see too much volatility or too high an outright oil price for the sake of overall economic health," Yan Kefeng, a Beijing-based analyst with US Cambridge Energy Research Associates (CERA).

Chinese Language media has reported that government and industry officials are in talks over creating a "safe price band" to weed out drastic price swings. Another option may be for Beijing to set ex-refinery prices, or levels in the retail sector, and leave the rest to market forces.

Some officials want regular price forums between refiners and consumers like public transport, shipping, railway and airlines.

Industry sources say Beijing is also aiming to reduce the impact of volatile oil markets on consumers and force lumbering state oil firms to reform to remain competitive.