

StanChart extends evening banking service

Standard Chartered Bank has extended its evening banking service at Dhanmondi and Uttara branches in Dhaka and Nasirabad branch in Chittagong.

David Fletcher, chief executive officer of Standard Chartered Bank, Bangladesh, formally inaugurated the service at Dhanmondi branch on Monday, says a press release.

The service will be available from 6pm to 8pm in the branches for the month of Ramadan. Customers will be able to deposit cash and cheques as well as withdraw cash during the extended banking hours.

Kafco AGM held

The 22nd annual general meeting (AGM) of Karnaphuli Fertiliser Company Limited (Kafco) was held in Dhaka recently.

Last year Kafco produced 528,235 tons of ammonia, of which 348,405 tons were utilised in the production of 600,397 tons of urea, the AGM was told.

The production volumes represent new records for the company for both products, says a press release.

Of the 180,000 tons of ammonia exported, the vast majority was sold to India. The destinations for the company's urea included global premium markets such as North America, Europe, Australia, New Zealand and Thailand.

Kafco also ensured that Bangladesh Chemical Industries Corporation (BCIC), which procures urea on behalf of the government, was provided with an uninterrupted supply of over 200,000 tons of granular urea in bags for local consumption meeting peak seasonal demand, the release added.

China's rising grain prices signal global food crisis

AFP, Beijing

US environmentalist Lester Brown warned Wednesday that sudden food price hikes in China could be the sign of a coming world food crisis brought on by global warming and increasingly scarce water supplies among major grain producers.

"I view the price rises as an indication, as the warning tremors before the earthquake," Brown, director of the Washington-based Earth Policy Institute, told an audience of Chinese environmental non-governmental organizations.

"World grain harvests have fallen for four consecutive years and world grain stocks are at the lowest level in 30 years. If farmers can't raise production by (date next year) we may see soaring grain and food prices worldwide."

In the past few months, wheat prices in northeast China have shot up 32 percent, maize prices have doubled and rice prices are up by as much as 13 percent, official reports show.

Korean farmers rally against free trade

AFP, Seoul

Tens of thousands of farmers protested against trade liberalization here Wednesday as police issued a tough warning against violence.

Minor scuffles were reported as the demonstrations started amid tight security and activists torched a huge US flag bearing anti-free trade slogans, including "No! FTA (free trade agreement)".

Police said they had seized steel pipes, bamboo sticks, clubs, gas containers and bottles from farmers through security checks ahead of the rally but there were no arrests.

Seoul's police headquarters deployed more than 15,000 riot police with orders to crack down hard on violence as around 70,000 farmers from across the nation held two separate rallies in the capital.

A police spokesman earlier said that if the rallies became violent, organizers and violent protesters would be "hunted down and brought to justice".

Correction

In a news item headlined "Investors keep faith in banks" published on this page yesterday, it was inadvertently printed that Bank Asia Limited received Tk 120 crore as IPO subscription. In fact, the IPO subscription was Tk 1,115 crore against its Tk 20 crore offer. We regret the mistake.

Govt releases Tk 100cr export subsidy

STAR BUSINESS REPORT

The Ministry of Finance has released Tk 100 crore in cash subsidy for exporters to help them pay staff salaries and Eid bonus.

However, leaders of different exporters' associations demanded at least Tk 300 crore before Eid-ul-Fitr. They said they might have to face problems in paying staff salaries and bonus if they are not given the export subsidy.

In this year's budget the government has earmarked Tk 602 crore as cash subsidy for exporters. On November 11 the finance ministry sent a letter regarding release of Tk 100 crore to Bangladesh Bank, which will disburse the money through commercial banks.

Of the total amount, Tk 70 crore will be given to textile sector, Tk 18 crore to frozen foods, Tk 4 crore to leather, Tk 4 crore to vegetables, Tk 2.5 crore to bicycle, Tk 50 lakh to bone ash and Tk one crore to other small export sectors.

To promote export and sustain in the international market, the government offers five to 25 percent cash incentives to exporters of these products.

Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) President Monzurul Hogue said the garment exporters are to get Tk 600 crore in cash subsidy but only Tk 70 crore has been allocated for them which is insufficient.

He said the garment exporters will

not be able to pay bonus and salary to their workers if they didn't receive that money from the government.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Quazi Moniruzzaman demanded quick release of the government's allocation to avert recurrence of incidents that happened at Narayanganj recently.

"We need at least Tk 300 crore before Eid," he said.

According to Export Promotion Bureau (EPB), Bangladesh exported woven garment worth \$914.8 million, knitwear \$535.48 million, frozen foods worth \$113.35 million, vegetables \$5.2 million, leather \$48.84 million, and bicycle \$13.03 million during the July-September period of the current fiscal.

Ten losing SoEs shut down in two years

Industries minister tells parliament

UNB, Sangsad Bhaban

A total of 10 non-profitable industrial units were closed down by the present government for incurring huge losses, parliament was told yesterday.

The 10 closed down units had incurred a loss of Tk 141.69 crore,

said Deputy Minister for Industries Abdus Salam Pintoo while replying to Helaluzzaman Talukder Lalu of BNP.

The industries are Ujala Match Factory Ltd, Khulna Newsprint Mills Ltd, North Bengal Papers Mills Ltd, Sylhet Pulp and Paper

Mills Ltd, Lira Industrial Enterprise Ltd, Karnaphuli Rayon and Chemicals Ltd, Khulna Hardboard Mills Ltd, Chittagong Chemical Complex Ltd, Bangladesh Diesel Plant Ltd of Gazipur and Dockyard and Engineering Works Ltd of Narayanganj.



PHOTO: INTERSPEED

David Fletcher, chief executive officer of Standard Chartered Bank, Bangladesh, formally inaugurates extended evening banking service for the month of Ramadan at Dhanmondi branch in Dhaka on Monday. The service will also be available at Uttara branch in Dhaka and Nasirabad branch in Chittagong.

Singapore's FTA with US bodes well for SMEs

ANN/THE STRAITS TIMES

Singapore's free trade agreement (FTA) with the United States has opened up a huge opportunity for local small businesses to get a slice of the lucrative federal procurement market, worth US\$250 billion (\$433.3 billion) last year.

The Republic's small- and medium-sized enterprises (SMEs) can now compete on equal terms with US firms for federal government tenders of much smaller amounts than in the past, Wong Chian Voen, a former Singapore government trade policy expert, said yesterday.

They can have a shot at contracts with a minimum bid size of US\$56,000, instead of the US\$180,000-minimum in place before the landmark FTA came into being.

Wong, who is now manager of WCI Consulting, said: "The new lower minimum bid size under the FTA opens up vast new opportunities for our SMEs."

"Singapore SMEs will now be able to bid more easily for smaller contracts," the former Trade and Industry Ministry official told The Straits Times yesterday.

There is considerable scope for Singapore companies to provide professional services such as architectural and engineering, e-solutions and environmental services to the US, she said.

"We may also have an edge in supplying educational books and

developing curriculums."

One Singapore company that is already eyeing the lucrative US market and getting ready to bid for some of the contracts is GlobeSoft, an IT services provider.

"We will be opening an office in California early next year to be nearer the market to tap the new opportunities," said its vice-president, TV Suresh.

"The plan is to follow up quickly with an office on the East Coast within six months," he added.

The US federal government bought goods and services worth US\$130 million from Singapore last year. While this was just 0.05 percent of the potential market, trade experts said yesterday that this number would go up significantly once the FTA kicks in.

Under the FTA, Singapore SMEs are guaranteed the same conditions and the lower minimum bid size as US companies when bidding for federal government procurement contracts, said Wong, who was speaking after addressing a seminar on "Tapping US Government procurement contracts under the US-Singapore FTA".

Government contracts worth less than US\$56,000 are typically supplied by local companies because of the small size and ease of fulfilling them locally.

But experts said that with the average federal government procurement contract worth about US\$30,000,

Singapore SMEs should now actively look at pursuing the huge market.

While many jobs do go to the big boys, nearly 80 percent of the procurement is done through SMEs, said Joseph Breen, president of Breen & Associates, which specialises in government sales consulting.

"The system is set up to favour SMEs," said the expert.

He had flown in from the US to conduct the one-day seminar organised by International Enterprise Singapore, in collaboration with other government agencies, which attracted nearly 150 participants.

"Every minute of every day, the US government buys US\$200,000 worth of goods and services... Under the US-Singapore FTA, you have the right to actively pursue and enjoy expanded access to a market that in the past was restrictive," said Breen.

For companies that take the time and effort to understand the procedures and develop a viable sales and marketing strategy, "their efforts can result in potentially billions of dollars in profitable revenue."

Wong said that the federal government awarded 8.65 million of such contracts worth US\$250 billion in 2002.

She added that not all states are open to suppliers from Singapore and elsewhere, as 13 of the 50 had not signed the relevant commitments under the World Trade Organisation.

Asia-Pacific employers' conference from Dec 1

A three-day 6th Asia-Pacific high-level employers' conference begins in Dhaka on December 1.

Bangladesh Employers' Federation (BEF) in collaboration with International Labour Organisation (ILO), International Organisation of Employers (IOE), Geneva and the Japan Business Federation (JBF) will organise the conference.

About 80 delegates including presidents and chief executive officers of employers' organisations from 21 Asia-Pacific countries will participate in the conference, says a press release.

The participating countries are Australia, Bangladesh, China, India, Indonesia, Iran, Fiji, Japan, Korea, Malaysia, Mongolia, Nepal, New Zealand, Pakistan, Papua New Guinea, Philippines, Singapore, Sri Lanka, Thailand, Vietnam and Cambodia.

Commerce Minister Amir Khosru Mahmud Chowdhury is expected to inaugurate the conference at a local hotel.

Bata introduces 250 designs of shoes

Bata Shoe Company Bangladesh Limited has introduced more than 250 designs in all categories on the eve of the Eid festival.

New shoes are available at all Bata stores and agencies.

Price range of Bata shoes is from Tk 27 to Tk 4,495, says a press release.

The products include international brands like Reebok, Marie Claire, Power, Bubblegummers and Hushpuppies.

Malaysian economy grows 5.1pc in third quarter

AFP, Kuala Lumpur

Malaysia's economy expanded 5.1 percent in the third quarter from a year earlier and is expected to exceed the full year forecast of 4.5 percent growth, the central bank announced Wednesday.

Gross domestic product (GDP) growth in the three months to September was driven by expansion in domestic demand and expansion in key sectors including tourism and manufacturing, it said in a statement.

Central bank governor Zeti Akhtar Aziz said the Malaysian economy was likely to grow faster than the 4.5 percent forecast for the full year.

"It is very likely that the overall growth will be higher than 4.5 percent," she told reporters at a briefing to release the data.

GDP growth for the second quarter was revised to 4.5 percent year-on-year from 4.4 percent previously and expanded by 4.2 percent in third quarter compared with the second quarter.

The central bank said the third quarter GDP growth was broad based, both in terms of expenditure and production components.

Sri Lanka set to launch budget after false start

AFP, Colombo

Sri Lanka's crisis-ridden government was set to unveil its budget for 2004 Wednesday, a week behind schedule after parliament re-opened to assert its power over a hostile president, officials said.

Finance Minister K. N. Choksy was due to unveil the budget last week but the November 4 sacking by President Chandrika Kumaratunga of three ministers and the suspension of parliament for two weeks till Wednesday delayed it.

"This is the budget from which we were planning to offer relief to a large section of the population," Choksy said before going in to announce the details.

"It is a people-friendly budget with benefits for government employees, pensioners and farmers."

According to estimates by the finance ministry released in October, defence spending is to be raised by 3.37 percent to 52.08 billion rupees (\$54 million dollars) next year despite a truce with Tamil Tiger rebels.

Defence expenditure in the current calendar year is estimated at 50.38 billion rupees.

Power concerns incur Tk 434cr loss in FY03

STAR BUSINESS REPORT

Power Development Board (PDB) and two other concerns of the Power Division incurred a total loss of over Tk 434 crore in the last fiscal, State Minister for Power Iqbal Hassan Mahmood yesterday told parliament.

Replying to a question from Abdus Subhan of Jamaat-e-Islami, he said the PDB incurred a loss of Tk 375.10 crore in 2002-03.

He identified purchasing of power from private independent power producers (IPPs) as a major reason of huge loss of the PDB.

"In view of increased demand we have to purchase power from IPPs at a price, which is higher than the PDB's

selling price as per agreement," he said.

Dhaka Electric Supply Authority (DESA) incurred a loss of Tk 13.35 crore during the period. The amount of the loss incurred by Rural Electrification Board (REB) was Tk 45.62 crore, he said.

Replying to another question the state minister attributed the loss of DESA to both technical and non-technical reasons that include illegal connection, meter bypass, meter tampering, under billing and non-billing.

He said the government has taken various measures to reduce the loss of power sector concerns. These include regular disconnection drive and

mobile court to check illegal use of electricity and efforts to realise arrears of government and private organisations.

Besides, he said, steps have also been taken to reduce the loss of REB by inspection of transmission lines, proper maintenance and repair of transformers and distribution lines and increasing bill collection rate.

Replying to another question Mahmood said systems loss in power sector decreased to 25.69 per cent in 2002-03 from 27.97 per cent in the previous fiscal. He said ongoing reforms helped in reducing systems loss.



PHOTO: MCCI

Alimul Haque, Bangladesh's ambassador-designate to Germany, meets the members of Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) yesterday in Dhaka. Tapan Chowdhury, president of MCCI, and Feroz Rahim, chairman of Export Committee of MCCI, are also seen in the picture.

Lafarge Surma Cement sees 2.33 times over-subscription

STAR BUSINESS REPORT

Lafarge Surma Cement received Tk 35 crore in subscription against its initial public offering of Tk 15 crore posting a 2.33 times over-subscription.

The subscription was opened on November 10 and closed on November 15. Subscription for non-resident Bangladeshi (NRB) applicants will remain open till November 24.

"We are yet to get the complete figures as subscription for NRBs is still open but so far we have the clear indication that the deposited amount will be about Tk 35 crore," an official of Equity Partners Ltd, co-manager of the issue, said yesterday.

He said lottery of the subscription will be held after Eid-ul-Fitr. As slab system will be applied in the lottery all IPO applicants are likely to get at least one lot.

The shares of country's lone integrated dry process cement plant will be placed in G-category. The company is expected to go into operation in 2006.

G-category shares are allotted for trading in the bourses after getting listed

by green-field public limited companies. Apart from A, B and Z, the G-category system was introduced two years back.

Lafarge Surma Cement issued 89.39 lakh ordinary shares of Tk 100 each to collect Tk 89.39 crore. A total of Tk 74.39 crore was raised under pre-IPO placement with 74.39 lakh shares while 15 lakh shares were offered for general public to raise Tk 15 crore.

Swadesh Investment Management Ltd is the issue manager and Equity Partners Ltd is co-manager.

Lafarge factory is located at Chhatak of Sunamganj. This large-scale cross-border project having its own quarry in Meghalaya of India will transport limestone and shale to the cement plant through a 17-km conveyor belt.

The plant will manufacture high quality clinker to produce 1.2 million tonnes of cement per year. Lafarge of France, the world's largest cement producer and Cementos Molins, a leading Spanish cement group, are the majority shareholders of this project.

WTO chief warns of danger in run-up to Dec 15 meet

AFP, Geneva

WTO chief Supachai Panitchpakdi warned of "danger" Tuesday if countries failed to commit themselves to making progress before a meeting on December 15 to revive global trade talks, while the European Union indicated more time might be needed to achieve real headway.

The director general and Carlos Perez del Castillo, chairman of the WTO's top executive body, have been consulting individual countries since the so-called Doha Development Agenda stalled in Cancun, Mexico in September.

At a gathering of delegates at World Trade Organisation headquarters in Geneva on Tuesday, Castillo said he felt member states were willing to address key issues such as farm subsidies in richer countries and high tariffs on agriculture imports from developing nations.

But he admitted there was much

work to do and suggested the December 15 meeting -- called by ministers after the failure in Cancun -- should be seen as a stepping stone rather than a deadline for progress.

"I see danger in the present situation, as a reflex reaction to what happened in Cancun, of reverting to previous tactical positions and re-erecting all our defences," Supachai told the meeting.

"It is always easier to say 'no' than to find a path to 'yes', particularly in a very complex undertaking and in a very complex organisation such as ours."

"But we must go forwards not backwards," he said.

Everyone appeared committed to liberalising global trade, but this desire must be translated "into concrete progress in the negotiations," Supachai continued. "Our collective task here is to find that elusive path towards agreement and consensus."

Repo auction

UNB, Dhaka

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

Eighteen bids of 1-Day tenor amounting to Tk 790.00 crore were received and accepted.

The rates of interest against the accepted bids ranged from 5.00 to 4.02 percent per annum, said a central bank press release.

Bush to make no announcement in Britain on steel tariffs

AFP, Aboard Air Force One

US President George W. Bush will make no announcement on disputed US tariffs on steel imports during his state visit to Britain, a senior White House official said Tuesday.

"There will be no announcements," the official said on the president's flight to London when asked about the tariffs, which have been declared illegal by the World Trade Organisation (WTO).

"The president is still considering and looking at the issues concerning steel," the official said, adding that Bush would say as much to British Prime Minister Tony Blair.

The European Union, of which Britain is a member, has led global opposition at the WTO to the tariffs -- proclaimed by Bush in March last year -- to buy time for the US steel industry to modernize.

US to start free trade talks with five Latin American states

AFP, Miami

The United States said Tuesday it was opening free-trade negotiations Colombia, Peru, Ecuador, Bolivia and Panama.

US Trade Representative Robert Zoellick said in a statement that the administration of President George W. Bush informed Congress of the initiative. The administration hopes to start the free trade talks by the second quarter of 2004.

He said free-trade deals with the five countries would speed economic growth and help create higher-paying jobs in the United States through the tearing down of restrictive trade barriers.

He said such accords would also help boost US efforts to fight drug trafficking in Latin America.