

Strike continues in re-rolling and steel mills

Saifur, millers to settle differences in a week

STAR BUSINESS REPORT

A meeting between the finance minister and striking re-rolling and steel mill owners yesterday failed to end the strike but decided to resolve the issues within a week.

The meeting entrusted the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) with the responsibility of examining the mill owners' demands and submitting recommendations within three days.

"The government will take decision within a week on the basis of the recommendations," Finance Minister M Saifur Rahman told the meeting.

State Minister for Power Iqbal Hasan Mahmood, commerce secretary, industries secretary, NBR chairman, FBCCI President Abdul Awal Mintoo and representatives of ship-breakers association also attended the meeting held at the NEC conference room.

However, General Secretary of Bangladesh Re-rolling Mills Association (BRMA) Shafiuddin Ahmed said their strike will continue.

Sources said FBCCI will hold separate meetings with the re-rolling mill owners, ship breakers and steel mill owners to discuss the issue.

The steel mill owners went on strike on December 23 and re-

rolling mill owners followed them on December 27 to press home nine-point demands that include reduction of duties on raw materials and simplification of regulations for melted steel scrap imports.

They also demand uninterrupted supply of gas and electricity to the mills.

The indefinite strike called by BRMA and Bangladesh Steel Mills Owners Association (BSMOA) shut down production of MS rods and other steel products in their factories hampering construction works in the country.

The BRMA general secretary said the rod manufacturers are being forced to buy raw materials

at higher prices due to some restrictions on scrap import and it is not possible for them to run their mills profitably.

The ship-breaking industry, which supply raw materials to re-rolling mills, is also facing a tough time due to global price hike of old ships. Many ship-breaking industries in Sitakunda, Chittagong have already shutdown.

Meanwhile, real estate companies have expressed their concern over the high price of rods. They said rod price has shot up by 40 per cent in recent months.

More than 300 re-rolling and steel mills are capable to meeting 100 per cent domestic demand of MS rods, BRMA sources said.

Remittance sees 7.46pc growth in six months

STAR BUSINESS REPORT

Remittance saw a 7.46 percent growth in the first six months of the current fiscal year.

The country received \$1.57 billion in remittance during the July-December period of 2003-2004, up from \$1.46 billion in the corresponding period of the previous year.

During the six months, the highest remittance came in December. Expatriates remitted \$285 million to Bangladesh in the month. Bank sources said remittance flow is increasing ahead of Eid-ul-Azha.

BB auction

UNB, Dhaka

The 278th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills was held here yesterday.

Tk 483.70 crore, Tk 30 crore, Tk 5 crore, Tk 5.40 and Tk 65.10 crore were offered respectively for the 28-day, 182-day, 364-day, 2-year and 5-year bills.

Of these, Tk 483.70 crore, Tk 30 crore, Tk 5 crore, Tk 0.40 crore and 63.10 crore of the 28-day, 182-day, 364-day, 2-year and 5-year bills were accepted respectively.

The range of implicit yields was 3.75-4.08 percent, 6.00 percent, 6.50 percent, 7.00 percent and 7.99-8.00 percent per annum respectively.

No bid was offered for the 91-day bill.

Mentionable that bills worth Tk 588.50 crore will be retired in the current week, resulting which net issuance would decrease by Tk 6.30 crore during this week, said a press release.

AIMS chairman re-elected

Monzurul Haque has been re-elected chairman of the Asset and Investment Management Services (AIMS) of Bangladesh Limited for another term.

The election was held during the annual general meeting of the company in Dhaka on Tuesday, says a press release.

Retiring directors Akhter Hussain and Saifullah Hashem were also re-elected for another term while Reshad Hossain Khan and Sufi Haider Zulfikar Rahman were elected directors.

The shareholders decided to initiate vigorous efforts to introduce more mutual funds and other investment products in the market.

Shopping festival begins at Dhaka Cantonment

A shopping festival began at the Canteen Stores Department (CSD) of Dhaka Cantonment yesterday.

Chief of Army Staff Lieutenant General Hasan Mashud Chowdhury inaugurated the festival titled 'Great Festive Shopping.' A total of 23 organisations are taking part in the festival which will continue till February 2, says a press release.

Established in 1922, CSD is the oldest departmental chain store in the country. It has 24 branches all over the country.

The main objectives of the festival are to promote CSD goods and introduce CSD to the people living outside the cantonment. CSD sells consumer products with a lower price than that of other shops. It has been planned to open CSD branches to civil area.

Nepal, Pakistan resume air links after 2 years

AFP, Kathmandu

Pakistan International Airlines resumed service to Nepal Sunday after a two-year ban was lifted on Pakistani flights entering Indian airspace.

The Pakistani state carrier said it will fly return flights twice a week between Karachi and Kathmandu.

One of the first beneficiaries of the renewed service will be Nepal's Prime Minister Surya Bahadur Thapa, who will fly Pakistan International Airlines on Wednesday to return from a South Asian summit in Islamabad.

Thapa headed for the summit Friday with a lengthy detour via Bangkok, officials said.

The Islamabad summit is being held a year after schedule due to tensions between India and Pakistan.



A woman shows off an ornament at a Thai pavilion stall at the Dhaka International Trade Fair 2004 yesterday. Being the partner country of this year's fair, Thailand has been given a sprawling space for its pavilion, which houses 40 outlets. Thai silk, cuisine, handicrafts, fruits, herbal products, medical services, cosmetics, jewellery, machinery and massage services are available in the Thai pavilion.

Khosru for interest rate cut in banks

EXIM MasterCard Credit Card launched

STAR BUSINESS REPORT

Commerce Minister Amir Khosru Mahmud Chowdhury has suggested interest rate cut and product diversification in commercial banks.

"I think cutting interest rate will not hit the banks' income because people will take more loans if interest rates are reduced and the banks' earnings will go up," he said speaking at the launching of EXIM MasterCard Credit Card at Sonargaon Hotel in Dhaka on Saturday.

The minister said the banks should take steps to diversify their products. He praised introduction

of credit card by Export Import Bank of Bangladesh Ltd (EXIM Bank).

The directors should not interfere in the day-to-day activities of commercial banks rather they should allow the executives to run the institutions professionally, Khosru said.

Bangladesh Garment Manufacturers & Exporters' Association (BGMEA) President Quazi Moniruzzaman, Prime Bank Ltd Chairman Mizanur Rahman Bhuiyan and Managing Director of EXIM Bank M Lakiotullah also spoke at the function.

The BGMEA president said garment exporters had long been

demanding a specialised bank for the sector. "As EXIM Bank is providing services according to their needs, they no longer need any specialised bank," he added.

The EXIM Bank managing director said the bank contributed about Tk 52 crore to the state coffers over the last four and a half years.

Presently, the bank has some 6,500 clients and the credit card service will initially be provided to select number of customers. The bank will extend the service to other clients in phases.

Prime Bank is extending technical support to the EXIM Bank for the credit card service.

Indian chamber urges Delhi to up imports from Saarc countries

PALLAB BHATTACHARYA, New Delhi

A leading trade body of India wants New Delhi to provide other Saarc (South Asian Association for Regional Co-operation) countries with greater market access for taking the concept of regional trade co-operation to its logical conclusion.

Ravi Wig, President of Punjab, Haryana and Delhi Chambers of Commerce and Industries said Bangladesh is India's largest trading partner in the region accounting for 42 percent of the total exports in the region in 2002-03

financial year.

But imports from Bangladesh comprise just 11 percent of India's total imports from Saarc countries, he pointed out adding while 56 percent of the imports is from Nepal alone.

He said it is necessary to prod other Saarc member-countries to increase their exports to India.

If measures are not taken to encourage exports from other Saarc countries, the latter would not be enthusiastic about pushing the idea of regional economic co-operation to its logical end, Wig said.

He said the chamber is in talks with experts from the region to identify ways to boost imports from other Saarc countries.

According to Wig, the India-Sri Lanka trade co-operation is being taken as a model for enhancing imports from other Saarc countries. Exports from the island nation to India are now estimated at over Rs 4 billion, up from negligible quantum till a few years ago.

He said a key reason for increase in Sri Lanka's exports to India is that many Indian entrepreneurs have set up joint ventures in that country which has come out with investment-friendly policies.

Dollar eases slightly against taka

BSS, Dhaka

The US dollar eased slightly against the Bangladesh taka yesterday in thin inter-bank trade as import payment was disrupted due to weekend holiday in most international markets.

Dealers said the local currency remained under pressure against the ailing dollar last week and lost some points last week due to lower inflow of foreign currencies and strong demand from importers.

But major Asian currencies made fresh gains on the US unit the yen gained ground during the week against the dollar as the US unit remained under pressure on concerns over the US current account and budget deficits, dealers said.

The dollar touched its intra-day high at 59.05 taka today compared to its record high at 59.12 on Saturday as pressure from importers was lower due to holiday in international markets. In most deals, the dollar traded between 59.05 taka and 59.06 taka, dealers of leading commercial banks said.

"We experienced strong dollar-buying spree as some banks faced short-fall in dollar earnings through remittance and exports. But pressure eased slightly due to

holiday in international markets," dealer of a leading private bank said.

The local market enjoys holiday on Friday, and most international markets on Saturday and Sunday.

Foreign currency trading with overseas markets will reopen on Monday without Tokyo, which remains closed until Monday January 5.

Some private banks faced setback in dollar earnings due to fall in their remittance earnings and export receipts. Such banks are under pressure to pay their clients imports bills, dealers said.

"But today trading was depressed by closure in most international markets and most dealers were in holiday mood today," dealer of a leading bank said.

The local currency came under pressure last week due to lower inflow of foreign currencies while major Asian currencies made fresh gains on the ailing US dollar.

Japan mulls reducing contribution to UN in 2006

AFP, Tokyo

Japan is considering reducing its contribution to the UN budget by 2006, a news report said Saturday.

The foreign ministry and finance ministry have started discussions over the planned cut because Tokyo believes Japan has not been given its due in the global community despite its huge UN contribution, the Nihon Keizai Shimbun said.

Japan's UN contribution accounts for about 19.5 per cent of the global body's budget, behind only the United States, the top contributor with 22 per cent.

France and Britain, permanent members of the Security Council, each contribute less than 10 per cent of the UN budget.

"Although Japan's contribution to the United Nations is far greater than those from some permanent members of the Security Council, Japan's clout has not improved," the Nihon Keizai said.

An advisory panel to Japanese Prime Minister Junichiro Koizumi has proposed that Japan's contribution ratio be lowered to around 15 per cent.

Govt starts process to set up 3 wholesale kitchen markets

UNB, Dhaka

The government has started the process of setting up three wholesale kitchen markets at three entry points of the capital to curb the control of middlemen on the marketing of daily necessities.

The decision to develop the markets at Tongi, Amin Bazar and Jatrabari was taken yesterday in an inter-ministerial meeting at LGRD Ministry with Minister Abdul Mannan Bhuiyan in the chair.

The meeting asked officials concerned to start the process from today so that the projects could be included in the revised

budget of the current fiscal, meeting sources said.

As per the decision, the markets would be leased out on completion of the development works.

The meeting also formed an 8-member committee headed by commerce secretary Suhel Ahmed to examine and recommend possibilities of establishing three more wholesale markets at Hatirjheel, Lalbagh and Khilgaon by end of this month.

"The meeting could not take decision on the spots for land disputes," a meeting source said.

The Ministry of Commerce mooted the idea of setting up the six wholesale markets in the capi-

tal to reduce the influence of middlemen who allegedly grab undue share of the value chain, thus pushing up prices of essentials.

It was also told that the new markets would facilitate vegetable growers to take their products to the consumers easily and at fair prices.

Land Minister M Shamsul Islam, Housing and Public Works Minister Mirza Abbas, Commerce Minister Amir Khosru Mahmud Chowdhury, Dhaka City Corporation Mayor Sadek Hossain Khoka, State Minister for Agriculture Mirza Fakhrul Islam Alamgir and officials concerned were present at the meeting.



Directors and shareholders attend the annual general meeting of Asset and Investment Management Services (AIMS) of Bangladesh Limited in Dhaka on Tuesday.

US may claim mad cow-free status despite case

REUTERS, Washington

Despite discovery of its first case of mad cow disease, the United States could still claim to be free of the ailment, experts say -- an approach that a consumer group says would be a mistake.

The designation would hinge on whether the infected cow was imported, as early evidence suggests.

Scientists are expected to report early next week if the infected Holstein milk cow in Washington state was born in Canada, based on two separate DNA tests.

Two dozen nations stopped importing U.S. beef following the discovery. To reassure international and domestic consumers, the Bush administration announced new safeguards, including a ban on butchering sick or injured cattle for human food.

"We have the opportunity to preserve our export market," said Michael Stumo of the Organisation for Competitive Markets, a group that supports small farmers.

It wants the Bush administration to declare the United States "provisionally free" of mad cow, also called bovine spongiform encephalopathy.

"That's the whole reason for the losses," he said.

Standards set by the World Organisation for Animal Health say a nation can be classified as provisionally free of mad cow when the disease is found in imported cattle and authorities are diligent in rooting it out and in maintaining safeguards.

"As you know, we are just one week into the investigation so it is too early to say what actions we will be taking in regard to OIE status," an Agriculture Department spokeswoman told Reuters, using the French abbreviation for the animal health organisation.

That approach would jeopardise the administration's credibility, consumer groups said.

"It would not be a good interpretation from a public health standpoint" nor one that Americans would believe, said Caroline Smith DeWaal, food safety director of the Center for Science in the Public Interest, a consumer group.

Canada and the United States have a large cattle trade, DeWaal said, so blaming Canada would not end the need for U.S. caution. Canada reported its first native case of mad cow last May 20 in the same province where the

Washington state cow may have been born in April 1997.

"Now that two cattle have been discovered who probably ate from the same feed source, there probably are others. Where those cattle are today is anybody's guess," said DeWaal.

Both animals may have fallen ill because they ate feed contaminated with infected remains. U.S. officials are trying to locate 80 head of cattle that entered the United States with the infected cow.

People who eat infected cattle could be at risk of developing variant Creutzfeldt-Jakob disease, a brain-wasting ailment that has killed 130 people, most of them in Britain.

At the OIE, Alex Thiermann said discussion of how to classify the United States was hypothetical until the origin of the infected Holstein was known.

Thiermann, chairman of OIE's standards-setting committee, said by telephone from Paris that officials should focus on reducing the risk of disease because of the large U.S.-Canada cattle trade.

Canada usually ships 1 million head to U.S. buyers each year and is the fourth largest importer of U.S. beef. It has banned imports of U.S. animals older than 30 months.



Salahuddin Kasem Khan

New president of Bangladesh Malaysia chamber

Salahuddin Kasem Khan, managing director of AK Khan and Co Ltd, has been elected president of the Bangladesh-Malaysia Chamber of Commerce and Industry (BMCCI) for 2004-2005 term.

A former chairman of Bangladesh Textile Mills Association, Salahuddin Kasem Khan was also the first chairman of Textile Council of Islamic Countries, Islamic Chamber of Commerce and Industry, Karachi.

Md Nasir Baharom, managing director of Telekom Malaysia (Bangladesh) Ltd, and Abdul Matlub Ahmad, chairman of Nitel Group, were elected vice-presidents at the annual general meeting of the chamber held recently, says a press release.

Other elected office bearers are Abdus Salam, managing director of GMS Ltd (Honorary Secretary-General); CL Lim, administrator of PMB Façade Technology Sdn Bhd, Selangor, Malaysia (Joint Secretary General); and Sheikh Nasim Imam, managing director of N & S Management Co Ltd (Treasurer).

STB launches campaign to mark Chinese spring festivals

Singapore Tourism Board (STB) has launched a month long marketing campaign to draw more Chinese visitors to Singapore during the Chinese New Year festivals.

The 'Chun Jie' campaign, which started on January 3 will continue till February 5, says a press release.

Chun Jie means spring festival and is a synonymous term for the lunar New Year in Chinese culture.

Chang Chee Pey, STB's director for sightseeing and attractions, said the Board traditionally markets three major Chinese New Year festivals separately.

Chinese New Year light-up and festivities in Chinatown, the Singapore River Hong Bao and the Chingay Parade are the key Chinese New Year events in Singapore.

Other events included in the campaign are the Esplanade's Huayi Festival, the Rainbow Rhapsody at the Chinese Gardens and the Flower Garden Fair at Albert Mall.

Call money rate steady

BSS, Dhaka

The inter-bank money eased slightly yesterday as most banks could overcome their cash problems, fund managers said.

The call money rate touched its intra-day high at 8.00 per cent and in most deals ranged between 5.00 per cent and 7.50 per cent, they said.