

CSE to launch new index

Chittagong Stock Exchange (CSE) is going to launch a new index styled CSCX (CSE Selective Categories Index) that comprises A, B and Z category companies.

The index will replace the current CSE Trade Volume Weighted Index and will be effective from February 14, says a press release.

The base date of this index is April 15, 2001 (when A, B and Z category were introduced) and base value is set to 1000.

The new index includes all but the Z category companies. This also excludes the companies/scripts that are debt securities, mutual funds, suspended for indefinite period and non-traded for preceding six months of review meeting.

The index will be reviewed in the index committee meeting every six months like other two indices of CSE.

This index will be disseminated on line to all the brokers' work stations during trading sessions and after every three minutes the index value will be refreshed.

According to the said bases of this index, the value of the index yesterday stood at 1165.3754.

Prime Bank arranges syndicated loan for ColorMaster

Prime Bank Limited has arranged a syndicated term loan of Tk 171,389,000 for ColorMaster Limited, a sister concern of SQ Group.

Bank Asia Limited has participated in the syndication, says a press release.

Prime Bank Limited Managing Director Shah Md Nurul Alam, Bank Asia Limited Managing Director Syed Anisul Huq, and ColorMaster Limited Managing Director Syed Abbas Habib signed the loan facility agreement Tuesday at a hotel in Dhaka.

Among others, ColorMaster Limited Chairman M Ghulam Faruq, Additional Managing Director of Prime Bank M Shahjahan Bhuiyan and other officials of the bank and sponsors of the project were present at the agreement signing function.

The term loan has been sanctioned to set up a 100 percent export-oriented yarn dyeing plant using European technology in the name and style of ColorMaster Limited.

EPB, SEDF sign deal to develop SMEs

Export Promotion Bureau (EPB) and SouthAsia Enterprise Development Facility (SEDF) signed a letter of understanding (LoU) yesterday to co-operate with each other for the development of local small and medium enterprises (SMEs).

EPB Director General Mustafa Mohiuddin and SEDF General Manager Anil Sinha signed the LoU on behalf of their organisations, says a press release.

Commerce Minister Amir Khosru Mahmud Chowdhury was present at the signing ceremony.

As per the LoU, the EPB and the SEDF will co-operate with each other in implementing a work plan for boosting export earnings through improving the quality of goods of small and medium industries and exploring market.

SEDF, a private arm of the World Bank Group and managed by International Finance Corporation (IFC), will provide technical assistance and effective trade promotion services for the private sector in Bangladesh.

STB opens regional office in Jakarta

Singapore Tourism Board (STB) has opened its regional office at Jakarta in Indonesia.

Indonesian Minister for Tourism and Culture Bapak I Gede Ardika and Singapore Minister for Trade and Industry George Yeo were present at the opening ceremony held in Jakarta's diplomatic area of Kuningan on Monday, says a press release.

The opening of the office is a concrete step towards enhancing bilateral cooperation between the two countries in tourism sector.

Both Indonesia and Singapore account for each other's top visitor destinations. Indonesia is one of Singapore's key markets.

Local ball pens losing edge

Smuggled pens flood market

STAR BUSINESS REPORT

Smuggled ball pens have flooded the local market, resulting in a decline in sales and profits of local pen factories over the past few years.

Ball pens are being smuggled mainly from India and China. Besides, products from Japan, Malaysia, the US and some other countries are also available in local market.

The local manufacturers said it has now become very difficult for them to sustain in the stiff competition with foreign products.

The sales of GQ Ball Pen Industries Ltd., a pioneer in manufacturing ball pen in the country, are on decline over the past five years.

The turnover of GQ Ball Pen was Tk 25.58 crore in 2002, down from

Tk 27.12 crore in 2001, Tk 27.78 crore in 2000, Tk 29.97 in 1999 and Tk 34.84 crore in 1998.

The company is yet to prepare its financial statement for the 2003 but company officials indicated that the turnover would further fall.

However, despite the decline in sales the company has managed to maintain its profitability, an official of GQ Ball Pen Industries said.

"In fact, the influx of smuggled products is rapidly changing the consumer market of writing instruments in the country," he said.

Sales of Rose Heaven Ball Pen Ltd also dipped by 32 percent in 2003 than that of the previous year. The turnover of 2002 was 20 percent less than that of 2001.

The company's turnover went down to Tk 8.56 crore in 2002-03 fiscal year from Tk 12.62 crore in the

previous year. Its sales was Tk 15.83 crore in the 2000-01 fiscal.

Rose Heaven made a moderate profit of Tk 12.16 lakh in 2000-01 fiscal but incurred a net loss of Tk 26.21 lakh in 2001-02 and Tk 5.93 lakh in 2002-03.

Prices of local ball pens range between Tk 3 and Tk 7 depending on quality while the price of smuggled pens, mostly of low quality, range from Tk 2 to Tk 10.

"The cheaper ball pens smuggled from India and China are causing serious threat to the local industries," said an official of Rose Heaven Ball Pen Ltd.

"We cannot reduce production costs as we have to pay high duty for importing raw materials. As a result, we are losing competitiveness," he explained.

Tk 4.7m Danish grant for seed drill production

As part of Danida Private Sector Development (PSD) Programme, Danish Embassy in Dhaka has approved a grant of Tk 4.7 million as training and technical assistance to Bangladesh.

The grant will be utilised by a local company in establishing an assembly operation for manufacturing seed drills in Bangladesh, says a press release.

The seed drills will be manufactured under a technical cooperation agreement between Fiona Maskinfabrik A/S, Denmark and Metal Private Ltd of Bangladesh.

The use of seed drills under PSD will enable Bangladeshi farmers to have precise control over the depth at which seeds are planted.

PSD supports the establishment of profitable, long-term and mutually binding commercial ventures between Bangladeshi and Danish companies.

Organic tea hits auction market

A new type of tea -- organic tea -- grown for the first time in the country by a local company hit the auction market on Tuesday.

National Brokers Limited put 'Meena' brand organic tea on the Chittagong Auction House, said a press release.

Each kg of various categories Meena tea witnessed different prices including Tk 650, Tk 450, Tk 400, Tk 350, Tk 320, Tk 200, Tk 150, Tk 90, Tk 85 and Tk 25 during the auction.

However, customers can purchase per kg of different grades organic tea at Tk 150 to Tk 1800 from local market.

Kazi and Kazi Tea Estate is the lone company of the country in the field of this kind of tea production by applying the organic method at its garden at Tentulia in Panchagarh.

Nat'l Beverage achieves Best Bottler Trophy from Monarch

STAR BUSINESS REPORT

National Beverage Industries Ltd, the sole distributor of Monarch Beverage International in Bangladesh, has achieved the 'Best Bottler Trophy' from the USA-based soft drinks manufacturer.

Umme Qulsum Mannan, managing director of National Beverage, received the trophy from Raymond Chow, vice-president of Monarch Beverage International, at a function in Dhaka on Tuesday evening.

Speaking at the function Raymond Chow said, the National Beverage Ltd of Bangladesh has been selected for the award from eight bottler countries of Monarch's beverage items in South and Southeast Asia.

ANM Ehsanul Hoque, state minister for education, Maj (ret'd) Abdul Mannan, chairman of National Beverage Industries and Mesbaur Rahman, director (marketing) of the company, were present at the function.

In 1992 the National Beverage Ltd launched SunCrest Cola, Bubble Up and Kickapoo Joy Juice, soft drinks of Monarch Beverage USA, in Bangladesh market, said an official of National Beverage.

Monarch Beverage International is the third biggest soft drinks manufacturer in the world, he said.

Iraq granted observer status at WTO

AFP, Geneva

Iraq was granted observer status at the World Trade Organisation on Wednesday, a first milestone in the long road to joining the 146-member group and reviving its foreign trade.

The decision was taken by the 146 member states of the WTO at a meeting in Geneva, a spokesman for the global trade body, Keith Rockwell, told journalists.

"It's done. They have been accepted," Rockwell said. Iraq's governing council, which announced last November that it was seeking observer status in an attempt to boost its long-term economic prospects, welcomed the move.

"This is a good day for Iraq and it gives me great pleasure to come here today to thank you on behalf of the government and people of Iraq for accepting our request for observer status at the WTO," Ahmad al-Mukhtar, a senior trade official at Iraq's Governing Council, told the meeting.



PHOTO: STAR
Dhaka Mayor Sadeque Hossain Khoka (3rd from right) addresses the members of Metropolitan Chamber of Commerce and Industry (MCCI) yesterday at the Chamber's conference hall. MCCI President Kutubuddin Ahmed (2nd from right), Vice-president Shahab Sattar (3rd from left), former president Tapan Chowdhury (2nd from left), Secretary-general CK Hyder (right), and Women Entrepreneurs' Association, Bangladesh Present Rokia A Rahman (left) are also seen.

Anwar calls for second revolution in agriculture

BSS, Dhaka

Agriculture Minister M K Anwar yesterday called upon all concerned to start the second revolution in agricultural sector aimed at alleviating poverty by boosting production.

"It is not possible to achieve overall development ignoring agriculture as it is the driving force of the country's economy," he said.

The minister was addressing as the chief guest at a seminar on "Role of Quality Seed in Poverty Alleviation" organised by Bangladesh Agricultural Development Corporation (BADC) at a city hotel.

Among others, agriculture secretary ASM Abdul Halim, Chairman of BADC Mohammad Ismail, President of Bangladesh Seed Dealers Samity Mohammad Gias Uddin Ahmed and Senior Vice-President of BADC Krishibid Samity Mohammad Sirajul Islam

spoke on the occasion. Referring to supply of quality seed for boosting production, he said the country's agricultural production could be increased by another 20 percent with the supply of high yielding quality seeds.

He said though the modern techniques of agricultural production is to ensure quality seeds yet the farmers of the country are getting only five to six percent such seeds from the concerned authorities. The rest of the required seeds are being developed by the farmers by using traditional methods, headed.

In this context, the minister stressed on strengthening the BADC's seeds wing to develop high yielding variety of modern seeds and ensuring its smooth supply to farmers. He also called for private initiatives in this regard.

MK Anwar, however, said that along with the BADC activities,

the farmers have to be provided assistance including training and other logistic support so that they could produce quality seed.

Laying emphasis on reducing production cost in agri-sector, he said the BADC has to work for using surface water in irrigation project, which would help reduce production cost. The production cost in Bangladesh is the highest compared to other developing countries in Asia, he said.

The agriculture secretary said that the farmers have to be given education and training for ensuring proper use of quality seeds. If our farmers are not provided training in this regard, they would not be able to ensure best use of quality seeds towards increasing production.

The BADC Chairman said the country could be able to achieve an additional 10 percent (15-18 lakh tonnes) production every year if all kinds of seeds are replaced by quality seeds.

Some countries may be 'left out' in global free trade push: US

AFP, Tokyo

US Trade Representative Robert Zoellick on Wednesday warned that countries reluctant to push forward global free trade talks may be "left out" as America cuts bilateral deals on its own.

Speaking to reporters in Tokyo, his first stop in a whirlwind two-week global tour to promote World Trade Organization trade talks, Zoellick noted Washington had cut free trade deals with six nations in the past few months.

"The free trade agreements provide another role, which is to demonstrate that at least in the case of the United States, we're going to move ahead towards open markets and free trade one way or the other," he said.

"Some countries might find

themselves left out."

Zoellick noted however that Washington needed major players like Europe, Japan and China to remain committed to the Doha round of global trade talks to be concluded by January 2005, and which he said would be far more beneficial for all involved.

"We have to demonstrate some leadership and responsibility, but we can't do it by ourselves," he said.

The United States and Australia said Sunday they had agreed on a multi-billion dollar free trade deal after two grueling weeks of negotiations that left out a key Australian export, sugar.

It came after Washington also signed free trade deals with Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua in January and December.

Int'l trade fair begins in Khulna on Monday

STAFF CORRESPONDENT, Khulna

Month-long International Trade Fair begins at the Circuit House Maidan here on Monday.

Commerce Minister Amir Khosru Mahmud Chowdhury is expected to inaugurate the fourth edition of the fair.

A total of one hundred companies from the host country Bangladesh will take part at the fair.

Companies from Thailand, Iran, South Korea and Pakistan will also participate in the exposition.

Qatar Airways prepares for global travel and tourism summit

Qatar Airways is preparing for the Fourth Global Travel and Tourism Summit to be held on May 1-3, 2004 at Doha.

A number of 700 chief executive officers, presidents and directors from the world's top travel and tourism companies are expected to attend the summit, says a press release.

A senior delegation from the World Travel and Tourism Council (WTTC), led by its President Jean-Claude Baumgarten visited Doha recently to review the preparations for the summit to be hosted by Qatar Airways.

Organon, Schering start clinical trial on male contraception

A major clinical trial designed to test the reliability and safety of 'male pill' has started in 14 centres throughout Europe.

The study, which is a joint initiative of Organon and Schering, is one of the largest trials ever (conducted on 350 men) of a hormonal fertility control method for men, says a press release. Organon is a leading multinational pharmaceutical company with strong commitment to human health care.

EU launches battle over future budget

REUTERS, Brussels

The European Union plunged into a battle over future funding of an enlarged Europe Tuesday when Brussels outlined plans to spend up to one trillion euros despite calls for restraint from six leading EU nations.

Unveiling controversial proposals for the 2007-2013 budget, European Commission President Romano Prodi said actual spending over the seven-year period would be 1.14 per cent of gross national income (GNI), just over 900 billion euros (\$1.1 trillion).

Commission documents showed that this rose to more than one trillion euros, or 1.26 per cent of GNI, if overall planned commitments for expenditure were taken into account.

"In the coming years the European Union needs to improve growth and competitiveness provide for more and better jobs protect the rights of citizens, and offer them more protection against crime and illegal immigration," Prodi said.

Drawing broad backing in the

European Parliament, he stressed that EU governments had to pay up to fund the policies which they had agreed.

But the proposal met furious resistance from the bloc's six main paymasters, heralding tough talks ahead.

The fight over money began just before the EU expands in May to take in 10 new, mainly poorer, east European members, and as negotiations on a new constitution are stalled.

"The Commission has presented a proposal for EU expenditure where the level of expenditure is unrealistically high. Swedish Finance Minister Bosse Rnholm said in a statement.

In a pre-emptive strike, Sweden, Austria, Britain, the Netherlands, France and Germany had demanded that payments be capped at one per cent of GNI, the actual spending level in 2004.

The Commission said the budget must take into account new needs due to enlargement to 27 states from 2007 and boost investment in research and development.

The EU draws up seven-year budgets as part of efforts to increase the efficiency of future planning and to avoid annual fights over money.

EU governments aim to reach a budget agreement by mid-2005. After that, the European Parliament must give its assent.

"I doubt whether the objective of economic reform or fiscal stability is being served by the budget proposals of the Commission," British Chancellor of the Exchequer Gordon Brown said before the Commission's proposal was released.

The current spending ceiling is 1.24 percent of GNI, but it is usually undershot by a large margin.

Brussels plans to phase out aid to the poorest regions of the old EU gradually over seven years, while increasing funding for new eastern European member states which are much poorer.

European Parliament President Pat Cox, an Irish liberal, backed the Commission's call for higher spending.



PHOTO: UNITREND
Anil Sinha, general manager of SouthAsia Enterprise Development Facility (SEDF), and Mustafa Mohiuddin, director general of Export Promotion Bureau (EPB), sign a letter of understanding (LoU) to co-operate with each other for the development of local small and medium enterprises (SMEs) yesterday in Dhaka. Commerce Minister Amir Khosru Mahmud Chowdhury was present at the signing ceremony.

Prospects for Americas free trade pact dim

REUTERS, Washington

Talks to create a Free Trade Area of the Americas, launched amid much fanfare a decade ago, are close to collapsing following a stalemate at a crucial round of negotiations last week, analysts said.

Negotiators for the Free Trade Area of the Americas, or FTAA met in Puebla, Mexico, but came out largely empty-handed, besides a commitment to meet again in two or three weeks. It was the 17th negotiating round.

Analysts interviewed this week now see the pact bogged down in agriculture and service sector issues.

"The original vision of the single undertaking, of a hemispheric FTAA ... appears to be on life support," said Eric Farnsworth of the Washington office of the Council of the Americas, a pro-free trade business group.

The United States and Brazil came no closer to solving their differences over tough issues like agricultural subsidies and intellectual property rights, leading some pro-traders saying the Brazilians were using agriculture to stonewall the agreement into failure.

"I think in some cases that's been a convenient excuse for some of the countries that may not be so smitten with the idea of trade at the moment, anyway," Farnsworth said.

The Puebla talks saw a clear split among the 34 countries of the hemisphere involved in the process.

Thirteen nations rallied behind Washington in aiming for an FTAA that includes service and government procurement issues but not -- as Brazil wants -- a roll-back of agricultural subsidies.

"It just seems to me that Brazil and

the United States are too far apart to reach an agreement," said Peter Hakim of the Inter-American Dialogue, a Washington think-tank.

As a way to avert an outright talks collapse, negotiators at a Miami trade summit last year agreed the FTAA would include a two-track approach, with countries that made the biggest concessions reaping the largest benefits in terms of market access for products.

The rest would go into a slower track, with fewer obligations and benefits.

But Brazil, its Mercosur trade pact allies and the United States are bickering over the content of even the minimum commitments, raising the specter of a watered-down FTAA or one potentially bereft of some of Latin America's biggest players.