

43 more companies selected for CDS

STAR BUSINESS REPORT

In its bid to consolidate the central depository system (CDS), the Securities and Exchange Commission (SEC) has selected 43 more new companies and asked them to get ready by April 30 to go for the scripless trading.

The commission will make formal announcement by May and electronic settlement of share trading of the companies will begin in phases starting from June, capital market sources said.

SEC sources said the capital

market watchdog will likely to ask all the 127 securities of A category to develop required infrastructure and sign agreement with Central Depository Bangladesh Ltd (CDBL), the service provider, by end of the year.

Sources said after completion of A category, the SEC will ask B category securities to go for the scripless trading.

Fourteen companies have so far been selected for the CDS. Square Pharma was the first company whose share trade settlement was done electroni-

cally on January 24.

Other 13 issues are Dutch-Bangla Bank, Mutual Trust Bank, BOC Bangladesh, Singer Bangladesh, Bata Shoe, AMCL PRAN, Apex Tannery, AB Bank, Green Delta Insurance, Lafarge Surma Cement, Infrastructure Development Leasing Company, ACI Ltd and British American Tobacco Bangladesh.

The SEC asked the 13 companies to sign agreement with the CDBL and develop necessary infrastructure such as online connectivity by April 8.

Spot trading of the securities will be held during April 24-26 and share trading of the companies will remain suspended during April 27-29 for smooth conversion of paper share certificates into electronic ones.

Under the CDS, all paper share certificates are converted into electronic ones and transactions are held electronically. Listed companies will no longer need to maintain full-fledged share department in office as the system will do all the depository and transfer jobs.

New container service on Ctg-Haldia-Colombo route from April 1

STAFF CORRESPONDENT, Ctg

A Singapore-based shipping company will launch a container service from Chittagong Port on India-Bangladesh-Sri Lanka route on April 1.

Officials said the Orient Express Lines (OEL) has pressed two container vessels into its service for the route.

"We may increase the number of voyages in future with the growth of cargo," said General Manager of OEL Biju Oomen.

"We want to provide faster and efficient service to our customers on this route as it (the route) holds potential," Oomen added.

In the first voyage from Chittagong Port, MV Makassar, a Panama flag-carrying vessel, will carry 400 containers to Colombo, said Hilton Mike, line manager of OEL.

"Our vessels will ply on Chittagong-Haldia-Colombo route. The vessels of other operators do not anchor at Haldia," Mike said.

Earlier, OEL introduced shipping service on Chittagong-Yangon route but suspended the services two months ago after one year in operation.

DHL launches global customer solutions unit

DHL, a leading express and logistics company, has launched global customer solutions (GCS), a new business unit to manage its top global customers.

GCS offers a single interface to all DHL products and services and is the logistics industry's first such business unit, says a press release.

GCS has been created to provide a single point of contact across all markets for DHL's top global customers. Its teams will coordinate all of DHL's air, freight and ocean services, as well as offer consultancy in solution development, implementation coordination, performance management and access to global industry expertise.

GCS will operate across all DHL markets -- Asia Pacific, Americas, emerging markets and Europe -- providing global consistency with local expertise.

The team based in Asia comprises front and back end professionals made up of regional and global account managers, solution consultants, implementation and program support managers.

Emirates plans Dubai-Vienna non-stop flights

Emirates, the Dubai-based international airline, is again expanding its European network with plans to link Dubai and Vienna.

The airline will start with four non-stop flights a week to the Austrian capital from May 1, rising to daily from May 15, says a press release.

The new route -- which will start barely 20 days after the launch of two other new Emirates services to Glasgow and Shanghai -- will make Vienna the 77th destination in a route network.

Ghaith Al Ghaith, Emirates' executive vice-president of Commercial Operations Worldwide, Keith Longstaff, senior vice-president of Commercial Operations Europe, and just-appointed Martin Gross, area manager Austria, announced the expansion at a briefing in Vienna.

Snow urges China to adopt flexible exchange rate

AFP, Washington

Treasury Secretary John Snow urged China to adopt a flexible exchange rate policy in a meeting with China's Central Bank Governor Zhou Xiaochuan at the Treasury Department Friday.

Snow reiterated the US view that the international trading system works best with free trade, free flow of capital and flexible market-based exchange rates. Treasury spokesman Rob Nichols said.

"The secretary commended the efforts underway to modernize China's financial markets and he urged the governor to continue those reforms," Nichols added in a prepared statement after the one-hour meeting.



Visitors crowd a stall in the just concluded international leather fair in Dhaka. The organisers said the fair has received \$7.73 million worth of spot orders, registering a 10.43 percent increase over last year's \$7 million spot orders.

Int'l leather fair fetches \$7.73m spot orders

STAR BUSINESS REPORT

Exhibitors in the just concluded international leather fair have received \$7.73 million worth of spot orders, registering a 10.43 percent increase over last year's \$7 million spot orders.

Bangladesh Finished Leather, Leathergoods and Footwear Exporters' Association (BFLFEA) Chairman Rezaul Karim Ansari disclosed the figure of spot orders at the closing ceremony of the three-day 6th Dhaka International Leather Fair (DILF) 2004 at Sonargaon Hotel on Thursday.

"The increased spot orders indicate that the world market is recovering from the shocks of September 11, Iraq war and Sars (Severe Acute Respiratory Syndrome)," he said.

Ansari also said more than 200

foreign visitors including buyers, tourists and agents from 25 countries visited the exhibition this year.

Bangladesh earned Tk1377.72 crore last fiscal (2003-03) from the leather sector, which is the third largest export-earning sector after ready made garments and frozen foods.

BFLFEA and Bangladesh Tanners' Association (BTA) jointly organised the fair, where some 70 leather firms including 24 foreign companies participated. Major participating countries were the US, UK, India, Italy, Germany, South Africa, the Netherlands, Switzerland and Spain.

Speaking at the function, Industries Minister Matiur Rahman Nizami said leather exporters must produce quality products and maintain environment standards to face the com-

petitive global market.

Advisor to Commerce Ministry Barkatullah Bulu, Nasiruddin Ahmed Pintu MP and BTA Chairman Harun Chowdhury also spoke at the function.

In the concluding ceremony, nine companies also received awards for their performance in the fair. Apex Tannery Ltd, Chowdhury Leather & Co Ltd and Bay Tannery Ltd received first, second and third prizes from tannery group.

Silva China of Italy, BASF BD Ltd and Alpa Spa from chemicals and components group won first, second and third prizes while Bata Show Co (Bangladesh) Ltd, RMA Leather and Shoes Industries Ltd became first, second and third from leather footwear and goods group.

India's two private airlines eye Dhaka, other Saarc destinations

PALLAB BHATTACHARYA, New Delhi

Having made foray into foreign sky by introducing flights linking Colombo with Chennai, India's two major private airlines -- Air Sahara and Jet Airways -- have brought Bangladesh and other Saarc destinations in their radar.

Air Sahara's next international destination will be Dhaka, Kathmandu, the Male and Islamabad, according to Chief Executive of the airline Wolfgang Prock-Shauer.

Uttam Kumar Bose, chief executive of Air Sahara, which also introduced a flight between the Sri Lankan capital and Madras a day before Jet Airways, said flights to Bangladesh and the Maldives are next in line possibly next month.

Air Sahara is understood to have entered into a tie-up with Cathay

Pacific from Colombo on onward movement of traffic from India to the Far East and the United States.

Jet Airways is also reportedly considering an alliance for onward international air traffic.

Both the private airlines are eyeing travellers to other parts of the world through their tie-ups and that is the reason why they have scheduled late evening flights to Colombo in order to connect East and West-bound flights from the island nation capital.

With Air Sahara and Jet Airways joining Indian Airlines in flying to Colombo, Sri Lanka is set to become a real tourist hub in South Asia and it will have ripple effect on the entire region, tourism industry sources here said.

Both the private air carriers are looking for leisure-travellers and businessmen to Sri Lanka as also East and West-bound traffic.

Whether or not the entry of private airlines in India-Sri Lanka section leads to a fare war, both Jet Airways and Air Sahara expect to reap the benefits of the potential of air travel transforming into a mass industry, the sources said.

For the private airlines, the pie in Saarc destinations is estimated at Rs 1400 crores every year as neither Indian Airlines nor Air India is able to use their rights in this zone to the tune of Rs 700 crore due to lack of requisite number of aircraft.

On the other hand, both Air Sahara and Jet Airways are exploring the possibility of procuring more aircraft, especially the wide-bodied ones.

Jet Airways CEO said with introduction of its flights between Colombo and Madras, the tourist traffic between the two countries will go up substantially. The air-

lines operation flights to 40 destinations within India carrying 6.4 million passengers every year.

The sky between India and Sri Lanka will be bristling with more planes. Indian Airlines has a daily Airbus 300 flight to Colombo and Air Sahara and Jet Airways will add another 14 Boeing service.

The number of flights from India to Sri Lanka is expected to go up to 93 next month and rise further in May with packages being readied for summer holiday-makers in view of star hotel room tariff on twin-sharing basis pegged around 88 dollars per day for a three-day-four-night stay in Colombo.

With Saarc region opening up to private airlines, travel and tourism sources say the consumer is going to be the king with so many flight options and possibility of competitive fares and attractive package offers.

Mutual Trust Bank, CDBL sign deals

Mutual Trust Bank Ltd and Central Depository Bangladesh Limited (CDBL) on Tuesday signed two separate agreements regarding issuer and custody participation.

The agreements will facilitate the electronic settlement of share transactions of Mutual Trust Bank Ltd.

Mosharrar Hossain, managing director of Mutual Trust Bank Ltd, and MH Samad, managing director of the CDBL, signed the agreements on behalf of their organisations.

EU plans to offer China extra quotas on garlic, mushrooms

AFP, Beijing

The European Union plans to offer China extra quotas on garlic and mushrooms before the bloc grows from 15 to 25 countries on May 1, the EU agriculture chief said Friday.

The quotas will help mitigate the pain for Chinese exporters as the 10 new member states will be forced to raise their tariffs on the two farm products to conform with EU rules, said Franz Fischler, EU commissioner for agriculture.

"We would add to the existing quota an additional autonomous quota," he told a briefing in Beijing. "We prefer we are able to sort out this problem before May 1."

The term "autonomous quota" refers to interim quotas provided outside the framework of the World Trade Organization (WTO).

China has said on several occasions that it is worried about losing out because the new EU members will have to scrap their existing bilateral agreements with non-EU states.

The EU has asked China to provide details on the size of its trade in garlic and mushrooms with the new EU member states to serve as a basis for negotiations on the kind of compensation China is entitled to.

With only five weeks to go before enlargement, there may not be enough time to conclude detailed talks on compensation for China and the extra quotas will act as a preliminary measure to satisfy the Chinese side, Fischler said.

The Chinese government maintains, and the EU agrees, that China has a right to demand compensation under the rules of the WTO.



Mutual Trust Bank Limited Managing Director Mosharrar Hossain and Central Depository Bangladesh Limited (CDBL) Managing Director MH Samad sign two separate agreements on behalf of their organisations on Tuesday in Dhaka. The agreements will facilitate the electronic settlement of share transactions of Mutual Trust Bank Ltd.

Plot thickens as EU hunts for new IMF chief

AFP, Brussels

European intrigue over who should lead the International Monetary Fund deepened Thursday with the nomination of a Spaniard to fill a vacancy on the eurozone's central bank board.

The nomination by eurozone finance ministers of Jose Manuel Gonzalez-Paramo for the vacant position at the European Central Bank set tongues wagging over whether Spain's hopes of getting the IMF job were now dead.

By tradition, the managing director of the IMF is a European while the top job at the World Bank, the IMF's sister institution, goes to an American.

Spain's outgoing economy minister, Rodrigo Rato, had emerged as an early front-runner to succeed Horst Koehler, who resigned as the IMF chief on March 4 to run for president in his native Germany.

But the Spaniard's chances were seen to have been dented after his conservative government suffered a shock election defeat three days after the March 11 attacks in Madrid.

And Rato's hopes may have been set back further by Gonzalez-Paramo's nomination to succeed his compatriot, Eugenio Domingo Solans, as one of the six executives responsible for the day-to-day running of ECB monetary policy.

The rest of the EU may balk at appointing two Spaniards in a

short period to two major jobs in international finance. Finance ministers are due to decide on a candidate for the IMF job at an informal get-together in Ireland next week.

Jean Lemierre, a Frenchman who heads the European Bank for Reconstruction and Development, may now be pulling ahead in the IMF race, European sources said.

The EU's decision on the ECB seat "paves the way for Lemierre to take the IMF job", one diplomat said.

Italian Prime Minister Silvio Berlusconi meanwhile muddled the waters by saying he had his own "exceptional" candidate for the IMF. But he declined to say who.

One Italian name rumoured is that of Mario Draghi, formerly a top economic adviser to the government and now vice chairman of US investment bank Goldman Sachs. Draghi is said to be highly respected in Washington.

Spain's newly elected Socialist government is still backing Rato for the IMF, and the minister was himself upbeat about his chances.

Speaking as European Union leaders opened a two-day meeting, he said his nomination would be "a great appointment for me and for Spain".

But he acknowledged: "It is going to be a complicated negotiation."

Gonzalez-Paramo beat off strong competition for the ECB job from Belgian National Bank direc-

tor Peter Praet, who was widely seen as the better qualified candidate.

Irish Finance Minister Charlie McCreery said the decision to submit the Spaniard's name for rubber-stamping by the EU leaders was taken "unanimously" by the 12-nation eurogroup.

But other ministers said Gonzalez-Paramo only emerged on top after the eurozone's four biggest countries -- Germany, France, Italy and Spain -- united to gang up on their partners.

"I had the impression that the big member states were trading like in a marketplace. There was a stitch-up in the air," said Luxembourg Prime Minister Jean-Claude Juncker.

Asked about the fall-out on the IMF decision, Juncker said: "The candidacy of Mr Rato would be welcome, but we'll have to evaluate what happened tonight and look at any other names that come forward."

In time-honoured EU tradition, there is dark talk of favours being traded.

Sources suggest that Germany is backing Lemierre for the IMF post in return for French support for a German to be given a new job of "super commissioner" responsible for the EU's economic, industrial and trade policy.

If it gets its way, Germany would overlook the fact that a Frenchman, Jean-Claude Trichet, already leads the ECB.

Thailand-Australia FTA to be launched next January

ANN/THE NATION

The Thai-Australian Free Trade Agreement will be officially launched next January when tariffs on more than half the goods traded between the two countries will be reduced to zero percent.

Pongsak Ruktapongpaisal, deputy commerce minister, said the average tariff rate on goods traded between Thailand and Australia was now about 9 percent.

Thailand exports 5,000 product items to Australia, compared to 6,000 Australian products exported to Thailand.

After January 1, 2005, Pongsak said, the tariffs on about 48 percent of all Thai exports to Australia will fall to zero. On the other hand, 83 percent of 6,000 items of Australian imports to Thailand will fall to zero.

Thailand and Australia completed bilateral free trade agreement talks in Bangkok earlier this week. The Thai permanent secretary for commerce acted as head of the Thai delegation.

Ongoing negotiations between the two countries have overcome all the sticking points and have

been drafted into a legal text, which will form the basis for the FTA between the two countries.

Each side will have to take the legal text back to its government for final deliberation before the FTA can be signed.

The Thai-Australian FTA has been negotiated in a comprehensive package, covering all items of goods and services and investment.

In the FTA, according to a document prepared by the Thai Commerce Ministry, Australia has agreed to slash tariffs on all items imported from Thailand to zero per cent over a period of five years after the FTA comes into effect.

The exemption is the textile sector, in which Australia aims to phase out tariff reduction to zero percent over a period of 10 years.

Thailand and Australia will set up a joint panel to discuss Thai vegetable and fruit exports to Australia, which are facing health or non-tariff restrictions.

This should lead to Thai vegetable and fruit exports to Australia. In investment and services, Australia

will allow Thai nationals to invest in different businesses such as legal advisory services, architecture, auto-repair shops, telecommunications, education, mining and all types of manufacturing.

In return, Thailand will allow Australian nationals to invest in big projects with intensive capital investment with a share ownership ratio of up to 60 percent.

These businesses include trade exhibition centres, conference halls, infrastructure construction projects, technology education institutes, hotels, aqua parks and marina projects.

Last year Thailand imported US\$1.57 billion (Bt61.8 billion) worth of goods from Australia, while Australia imported some \$3.73 billion worth of goods from Thailand.

The Thaksin government has already signed FTAs with Bahrain and China.

It is negotiating with a host of other countries, such as the US, Japan and India, to pry open foreign markets for Thai goods and to further open up Thai markets to trading partners.



Singer Momtaz performs at a concert sponsored by soft drink giant Pepsi to mark the Independence Day on the Sangsad Bhaban premises in Dhaka on Friday.