

\$17m spot orders received from Brussels seafood fair

Bangladeshi exhibitors in the recently held seafood exhibition in Belgium received \$17 million worth of spot orders.

A total of 1,210 seafood firms from 37 countries participated in the three-day European Seafood Exposition in Brussels from May 4 to 6.

At the Bangladesh pavilion, 28 seafood producing and exporting companies displayed shrimp and white fish.

Export Promotion Bureau (EPB) and Bangladesh Embassy in Brussels jointly arranged their participation in the exposition, said an EPB press release.

Singer signs deal with CDBL to de-mat paper shares

Singer Bangladesh Limited yesterday signed an agreement with the Central Depository Bangladesh Limited (CDBL) for de-matting its shares for settlement under Central Depository System (CDS).

The agreement for converting the share certificates into electronic ones will come into effect from July this year after getting final clearance from the Securities and Exchange Commission, says a press release.

Mahubul Jamil, chairman and managing director of Singer Bangladesh, and MH Samad, managing director and CEO of CDBL, signed the agreement on behalf of their companies.

Mongolian envoy calls on Altaf

UNB, Dhaka

Newly appointed Mongolian Ambassador to Bangladesh Jantsan Gulgou called on Commerce Minister Altaf Hossain Choudhury at the latter's office yesterday.

During the meeting, they exchanged views on matters of mutual interests, particularly the development of commercial relations between the two countries.

EPB vice chairman

The Mongolian envoy also met with Mir Shahabuddin Mohammad, vice-chairman of Export Promotion Bureau (EPB) at his office yesterday.

During the discussion, the EPB vice chairman highlighted exporting some items to Mongolia specially woven garments, leather, tea, jute, ceramic products and pharmaceuticals, says a press release.

He invited Mongolia to participate in Dhaka International Trade Fair to be held in January next and offered a pavilion free of charge.

The Mongolian ambassador assured Bangladeshi exporters of help in exploring markets of jute, tea, RMG, pharmaceuticals and ceramics in his country.

Corruption, poor law and order retard FDI

Danish trade promotion seminar told

STAR BUSINESS REPORT

Corruption and poor law and order coupled with dearth of infrastructure and port facilities retard foreign investment in Bangladesh, speakers at a Danish trade promotion seminar observed in Dhaka yesterday.

Domestic investment must be increased first to encourage foreign investors, they told the seminar titled 'Danish Days in Bangladesh' organised by the Royal Danish Embassy in Dhaka at a local hotel.

"Bangladesh needs to address corruption and law and order issues for ensuring faster economic growth," Danish Ambassador Niels Severin Munk said speaking at the inaugural session of the seminar.

"I feel these issues have to be addressed. These are the barriers to foreign investment," he said. "If domestic investment does not take place, how come you expect that

investment will come from outside the country?"

Echoing the envoy, Chairman of Bangladesh-Denmark Business Forum Per Heisselberg said corruption and law and order are precisely the main obstacles to attracting foreign direct investment (FDI) to Bangladesh.

Heisselberg suggested increasing efficiency in Chittagong Port and doing adequate homework for wooing investors. Bangladesh can attract Danish investment in joint venture projects if right steps are taken, he felt.

Speaking at the function, Commerce Minister Altaf Hossain Choudhury invited Danish entrepreneurs to invest in Bangladesh taking the advantage of the attractive incentive packages offered by the government.

Executive Chairman of Board of Investment (BoI) Mahmudur Rahman however presented an optimistic investment scenario saying the increase in domestic

investment over the last two-and-a-half years was "phenomenal".

Actual FDI inflow to Bangladesh in 2003 was US\$432 million and the growth was 31.7 percent, he mentioned.

Referring to ESCAP report, Rahman said private FDI went up by 41.5 percent in 2003 and Asian Development Bank in its latest Quarterly Economic Update also mentioned that there was a turnaround in investment.

"We talk about only negative things...and it is frustrating. Of course, there is a serious problem in infrastructure. Despite that our growth in industrial GDP in the last two years was more than two percent," he said.

"If there was no confrontational politics, industrial GDP could have been much higher."

Referring to a Jetro (Japan External Trade Organisation) study on comparative cost of doing business, the BoI executive chairman said, "the cost of doing busi-

ness in Dhaka is much lower than that of New Delhi."

Commerce Secretary Suhel Ahmed said Bangladesh's products enjoy duty and quota free access to Danish market under 'Everything But Arms' initiative of EU and it provides a huge opportunity for the Danish investors.

"But the trade volume between Bangladesh and Denmark is low compared to potentials.

Bangladesh's export to Denmark amounts to only US\$70 million while its imports worth \$29 million," he mentioned.

Commercial Counsellor of Danish Embassy in New Delhi Ulrik Eversbusch made a brief presentation about 20 Danish companies while Deepa Hingorani of Industrial Fund for Developing Countries (IFU) made a presentation on IFU activities in trade promotion.



Commerce Minister Altaf Hossain Choudhury speaks at a seminar titled 'Danish Days in Bangladesh' organised by the Royal Danish Embassy in Dhaka at a local hotel yesterday. Commercial Counsellor of Danish Embassy in New Delhi Ulrik Eversbusch, right (sitting), and Danish Ambassador in Dhaka Niels Severin Munk, 2nd from right (sitting), among others, are also seen.

SEC tightens rule of categorising cos

STAR BUSINESS REPORT

The companies that default on dividend disbursement have no chance to get promoted to higher categories as from the next month the upgradation will be made only after full disbursement of dividend within the set deadline.

In its latest directive, the capital market watchdog yesterday asked the stock exchanges to promote companies to higher category only if the companies can complete dividend distribution within the fixed time limit.

The Securities and Exchange Commission (SEC) asked Dhaka and Chittagong stock exchanges to amend relevant provisions of the Settlement of Stock Exchange Transactions Regulations 1998 to

adopt the new requirements with effect from June 1.

The companies in A and B category now need to distribute dividend within 60 days of declaration and submit the report to SEC and stock exchanges by seven days of expiry of the dividend declaration deadline to retain their position. "Otherwise they will be relegated to lower category," the SEC directive said.

The Z category companies will be promoted to A or B category from the day following submission of their compliance reports to SEC confirming payment of the declared dividend within the deadline.

If the companies are able to fully distribute dividend within the time limit and report the same by seven days, they will be promoted to higher category from the next day.

Otherwise they would be downgraded to lower category.

According to present provisions in the Settlement of Stock Exchange Transactions Regulations 1998, companies are promoted once they declare dividend, whether or not they disburse full amount of dividend money to shareholders.

This provision led to many incidents of dividend default, capital market sources said adding, once implemented, the provision will encourage companies to complete dividend disbursement in time.

Companies declaring 10 percent or above dividend fall in A category and companies declaring less than 10 percent in B category while companies which do not declare any dividend fall in Z category.



GM Siraj, MP (left), chairman of Absco Limited and Abdul Matlub Ahmad (2nd from right), chairman of Nitel Group, exchange documents after signing a contract in Dhaka yesterday to form a joint venture for launching fixed line phones in the country's western zone. State Minister for Housing and Public Works Alamgir Kabir (3rd from right) is also seen in the picture.

Three-star hotel opens in Sylhet

A three-star hotel -- Rainbow Guest House -- was opened in Sylhet on Friday.

Sylhet City Corporation Mayor Badaruddin Ahmed Kamran formally inaugurated the hotel on Sunamganj Road, says a press release.

The rate of a suite in the hotel is Tk 1,800 per night and Tk 1300 for a mini suite, Tk 1100 for a deluxe room and Tk 900 for a standard room.

Iqbal Siddiqui, president of Sylhet Press Club, and Khandaker Shiper Ahmed, owner of the hotel, were present at the inaugural function.

Prices ease at Ctg tea sale

UNB, Chittagong

The weekly tea sale here yesterday witnessed a little more interest from the blenders, but international buyers were less forceful.

As a result, prices were generally a little easier, particularly for the popular types of tea, according to a market report.

There was only limited interest from Afghanistan, but all other out markets remained absent.

CTC leaf: 8,194 g/s, 1,125 ppws, 1,315 c/s, and (2,368 g/s of old season) on offer met with a fairly good demand but at slightly easier rates.

Brokens: A few black, well made Brokens met with a good demand but were generally a little easier and sold between Tk 68 and Tk 75. Other varieties met with a fairly good demand but declined by Tk 2 to Tk 4 following quality. A small weight of large brokens met with a good demand and were generally firm.

Fannings: A few well made good liquoring types were quite a strong feature and eased only slightly, often by Tk 1 to Tk 2 and sold between Tk 69 and Tk 71/50. Other fannings were also a fairly good market and eased by Tk 2 to Tk 3 following quality, the brighter liquoring varieties selling between Tk 67 and Tk 68/50.

Bangladesh, EC discuss post-MFA challenges

BSS, Dhaka

The European Commission and Bangladesh yesterday held fruitful discussions on challenges of the post-Multi-fibre Arrangement (MFA) era and the ways and means to

evolve appropriate trade policy to overcome those.

The discussions were held when the European Commission-Bangladesh Joint Ministerial Meeting in Dhaka and Dakar which Commerce Minister Altaf Hossain Choudhury and EC Trade Commissioner Pascal Lamy attended.

Bangladesh and EC also exchanged views on the challenges of the post-MFA era and the appropriate trade policy responses, which could be envisaged.

The EC also emphasised the need for a positive business and investment climate in Bangladesh. The role of regional and bilateral trading arrangements was also discussed.

A post-MFA Action Programme (PMAF) initiated by commerce ministry was also discussed at the meeting.

mind the concerns of least developed countries (LDCs) as expressed at the LDC Ministerial Meeting in Dhaka and Dakar which Commerce Minister Altaf Hossain Choudhury and EC Trade Commissioner Pascal Lamy attended.

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Toyota posts record net profit of \$10.3b

AFF, Tokyo

Toyota Motor Corp. on Tuesday became the first Japanese company to earn more than one trillion yen in net profit, with a record 1.16 trillion yen (10.3 billion dollars) for the year to March.

Despite a stronger yen against the dollar for the past year, Toyota said its net profit surged 54.8 percent while group pretax profit rose 44 percent to 1.77 trillion yen on record revenue of 17.29 trillion yen, up 11.6 percent.

Japan's largest carmaker and second ranked in the world did not provide sales and profit forecasts for the current year but Toyota executive vice president Ryuji Araki said the company aimed to "maintain" profit levels.

"Through improvements to our subsidiaries' profitability and cost structures, we were able to absorb the effects of a strong yen," he told a news conference.

EU move puts pressure on Japan in WTO: Malaysia

REUTERS, Washington

The European Union's decision to drop its demand for negotiations on global competition and investment rules puts pressure on Japan to follow suit, a top Malaysian official said Monday.

However, in a speech at a Washington think tank, Malaysian Trade and Industry Minister Rafidah Aziz said she was under no illusion that world trade talks would come to a quick conclusion despite other EU concessions on Friday.

"I'm sure this one can go another seven years. ... It wouldn't surprise us at all," Rafidah said, noting the last round of world trade talks stretched from 1986 to 1993.

In a letter to other WTO members on Monday, EU Trade Commissioner Pascal Lamy said the EU "would be ready to move" toward eliminating

farm export subsidies if other key elements of an agricultural reform package fell into place.

The EU's long-time refusal to commit to a goal of eliminating farm export subsidies has been a major stumbling block in the world trade talks.

In the same letter, Lamy said the EU was willing to drop demands for negotiations on competition and investment rules -- two of the four so-called "Singapore" issues that triggered a crisis in world trade talks eight months ago at the World Trade Organization's meeting in Cancun, Mexico.

Lamy said the EU was also willing to drop its demand for talks on government procurement, if that turns out to be the "consensus view" of the WTO. That would leave trade facilitation -- essentially, customs clearing procedures -- as the only

Singapore issue left on the table.

Rafidah welcomed the move, saying both the EU and Japan had insisted in Cancun that negotiations remain part of the negotiations despite strong resistance from developing countries to take on new rules in that area.

After Lamy's letter, "we have to see where Japan is. If it still wants to talk about investment, then it's going to be an isolated country," Rafidah said.

WTO members are trying to reach a "framework" agreement in July that would allow negotiations to advance next year at a more detailed level. Rafidah said it was obvious a January 2005 deadline for finishing the talks would be missed, even though a new target has not yet been set.

