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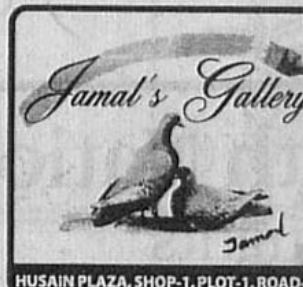


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Electra Telecom becomes GP dealer

Electra Telecom (BD) Limited, a sister concern of Electra Group, has signed an agreement with GrameenPhone Limited (GP) to become GP dealer.

Mahboob Hossain, head of Distribution of GrameenPhone Limited (GP), and Md Zakiah Shahid, managing director of Electra Telecom (BD) Limited (ETBL), signed the agreement recently in Dhaka, says a press release.

Among others, GP Managing Director Ola Ree, Director of Sales and Marketing Division Mehboob Chowdhury, Electra Group Chairman Md Sanaullah Shahid and founding chairman Md Shahidullah were present.

GP subscription and all other products will now be available at all Electra sales centres across the country.

Pakistan cotton prices remain soft on dull activity

REUTERS, Karachi

Pakistan's cotton prices have remained soft in the past week amid dull activity and will not pick up until next month, when arrivals from the new crop come into the market, dealers said Thursday.

Dealers said around 400,000 375-lb bales of unsold cotton were still available, but these were attracting little interest because of their low quality.

"There are no buyers in the market, as most textile mills have already covered their positions by importing good quality cotton," said Karachi dealer Mustafa Hussain.

Hussain said the market was likely to remain depressed until late August, when fresh arrivals from the new cotton crop would start.

Pakistan expects to produce 10.72 million bales of cotton in the 2004/05 crop year, against around 10 million in the current season. The season begins in April and ends in February.

The country imported over 1.9 million bales of cotton in the fiscal year to June 30.

On Thursday, the key cotton crop varieties were quoted in a range of 2,400 to 2,550 rupee per maund (40 kg).

The Karachi Cotton Association fixed the official spot rate, or base price, for Grade 3 cotton at 2,840 rupees per maund.

Grade 3 has a staple length of 1-1/32 inches and micronaire value between 3.8 and 4.9 NCL (no control limits), which represents fine to coarse varieties.

Japan grants tax breaks to Mitsubishi Motors

AFP, Tokyo

The government Friday decided to grant tax breaks to scandal-hit Mitsubishi Motors Corp. in a bid to help Japan's fourth-largest carmaker regain consumer confidence and recover lost sales.

Industry Minister Shoichi Nakagawa met Mitsubishi Motor chairman Yoichihiro Okazaki to announce the government's decision, made under the Industrial Revitalization Law, a ministry official said.

"In a meeting with the leadership of Mitsubishi Motors, I was able to confirm their resolve that they would do their best to regain public trust," Nakagawa told reporters ahead of his meeting with Okazaki.

The trade ministry had told the company to revise its application for government help, saying its business recovery plan was not good enough to regain public confidence.

Mitsubishi Motors is reeling from the fallout of a series of vehicle defect cover-ups of its own and by its truck-making affiliate, Mitsubishi Fuso Truck and Bus Corp., formerly a Mitsubishi unit and now a subsidiary of the US-German auto giant DaimlerChrysler.

The transport ministry Thursday raided a factory of Mitsubishi Fuso in Kawasaki, southwest of Tokyo, to probe whether the firm had covered up facts about defective clutch housings, which are believed to have caused accidents, including one fatal.

On Thursday Mitsubishi Motors said emergency funding for its rescue from group firms and other investors totalled 496 billion yen (4.5 billion dollars), below its target of 546 billion yen.

Textile alliance can benefit both Dhaka, Delhi

BoI chief says as Bangladesh business team visits Kolkata

SAKYASEN MITTRA, Kolkata

Both Bangladesh and India will reap benefits if the two next-door neighbours form a strategic alliance in textile sector, said executive chairman of Board of Investment (BoI) here yesterday.

Addressing a gathering of entrepreneurs in the West Bengal capital, Mahmudur Rahman, who is leading a high-powered business delegation in India, said an alliance will help both the countries capture a top slot in the world market.

"India as a developing country

will not be given GSP facility. But Bangladesh has the advantage and gets 12 percent duty relief in the international market. So, Indian entrepreneurs can invest in Bangladesh's textile sector for the benefit of both," said Rahman. "Bangladesh can be the manufacturing base for any investors. Labour is cheap and the country has a very business-friendly government."

He also said the government is ready to help any Indian investor willing to set up factories in Bangladesh.

"Recently, I was in Karnataka

state. IT secretary there said 35 days are needed for foreign direct investment (FDI) approval. In our country, we do it in 72 hours. It can also be done online," said Rahman. Indian investors willing to start ventures in Bangladesh, however, complained Bangladesh is yet to give 'business visa' to businesspeople.

Bangladesh's Deputy High Commissioner in Kolkata Touhid Hussain said a proposal to introduce 'business visa category' has already been sent to the government. "Some positive actions will be taken very soon," he added.

It venture fast food shop to be set up in Dhaka

Hassan and Associates Limited (HAL), a developer, and Jinding Industrial Investment Management Company Limited, a Chinese firm, will set up a joint venture fast food and wholesale shop at Maghbar in Dhaka.

An agreement to this effect was signed between the two organisations, says a press release.

Mahmudur Hassan, managing director of HAL, and Liu Hui, managing director of Jinding Industrial Investment Management Company, signed the deal on behalf of their organisations.

Among others, Deputy Managing Director of HAL Naimul Hassan and Director of Jinding Industrial Investment Management Deng Jing Chang were present.

India's inflation rate soars to more than 6pc as oil prices rise

AFP, Mumbai

India's inflation rate has climbed to more than six percent fuelled by rising petroleum and manufactured goods prices, government figures showed Friday.

Inflation rose by over a percentage point to 6.16 percent for the week ended July 3, from the corresponding period a year earlier, despite efforts by the government to keep aid on prices.

"I think inflation will increase. The increase in crude oil prices is going to stoke inflation further and it can easily reach up to 6.5 percent," said Raja Bandyopadhyay, an economist with Birla Sunlife Securities.

India's annual economic review released this month warned rising international oil prices were likely to boost inflation as the country imports nearly 70 percent of its oil requirements.

Japanese firms coming home after expansion in Asia

AFP, Tokyo

More Japanese firms are returning home from Asia in an effort to keep their high-tech expertise to themselves and to cash in on Japan's economic rebound, the Cabinet Office said Friday.

"Japanese companies are now coming back to production bases in Japan," Kenji Umetani, director for economic assessment and policy analysis at the agency, told a briefing on the Annual Report on the Japanese Economy and Public Finance.

To cope with the rising value of the yen that undermined their price competitiveness, many Japanese electronics makers moved production abroad, mainly to Asia, in the early 1990s.

That trend, however, went into reverse in the wake of the Asian financial crisis in 1997-98 and as labour costs rose in some Asian countries, Umetani said.

"Some companies find that being in Japan is the best for high value-added products, such as flat-screen TVs and other digital equipment and machinery," he said.

Umetani also pointed to fierce technological competition, saying Japanese firms are very cautious about protecting their patents.

"Formerly some technologies were exported to foreign countries and the Japanese businesses lost their technological competitiveness," he said.

China economy grows 9.6pc in 2nd quarter

AFP, Beijing

China's economy grew by 9.6 percent in the second quarter of 2004, easing slightly from 9.8 percent in the first three months, the National Bureau of Statistics announced Friday.

Growth for the first half of the year amounted to 9.7 percent compared with a rise of 8.2 percent in the same period last year.

"In the first half of this year the macro regulatory measures adopted by the government achieved significant results," said NBS spokesman Zheng Jingling.

"The uncertainties and unhealthy factors existing in economic performance have been initially put under control."

In announcing the figures, Zhang said the overall picture for the economy was good but he warned that problems, while being tackled, still existed.



PHOTO: STAR

President of Bangladesh Reconditioned Vehicles Importers' and Dealers' Association Abdul Mannan Chowdhury Khosru speaks at a press conference yesterday in Dhaka. Shah Mosharrar Hossain, and Abdul Hamid, vice-presidents, MAH Sharif, executive committee member, and other senior officials of the association were also present at the press conference.

3,500 reconditioned cars stranded at Ctg Port

New guidelines on duty assessment cause confusion: Barvida

STAR BUSINESS REPORT

Some 3,500 reconditioned cars have been stranded at Chittagong Port as customs authorities have stopped the process of assessment following an NBR (National Board of Revenue) order last month that created 'confusion' among customs officials and importers.

Officials of Bangladesh Reconditioned Vehicles Importers' and Dealers' Association (Barvida) at a press conference yesterday in Dhaka said in the last 36 days no reconditioned cars were released from Chittagong Port, causing crisis of cars in market and huge loss to importers and also to government.

In a statutory regulatory order (SRO) issued on June 10, the NBR restructured the guidelines on duty assessment and price valuation and revived the registration cancellation certificate (RCC) system for measuring age of cars. The order also nullified all the previous guidelines on duty assessment of used cars.

The SRO cut dealership commission from 35 percent to 25 percent. It also reduced price depreciation rate for one year old cars from 20 to zero percent, for two year old cars from 32.5 percent to 10 percent and for three and four year old cars to 15 percent which was earlier 45 percent for three year old cars and 50 percent for four year old cars.

Earlier, the manufacturing date published in Yellow Book for automobile sale in Japan was taken into account in determining age of cars. The new NBR order reintroduced the registration cancellation certificate system to determine the age which importers said will create scope for tax evasion through fake certificates.

Addressing the press conference, Barvida President Abdul Mannan Chowdhury Khosru said as the SRO nullified all the previous guidelines on duty assessment, the customs officials get confused. The Chittagong Customs House, he said, wrote to NBR to clarify the situation. NBR is yet to reply.

He said the importers are at risk as customs rules say if an imported item is not cleared by 45 days it will go to auction. "In this situation, we want immediate intervention from finance minister to solve the problem," Khosru said.

Appreciating the government for reintroducing the price depreciation system, he demanded the SRO to be amended cancelling registration cancellation certificate system and taking current Yellow Book price as base price for assessing duty.

"If the government recognises Yellow Book as a tool to determine age, it should also accept the current price of the Japanese government's officials book as base price of old

cars which will uproot all sorts of corruption stemming from the certificate system," Khosru said.

He demanded lifting of import ban on used cars above 1650cc and increasing age restrictions of cars from current four years to six years and for truck and bus from present four years to eight years.

He said Bangladesh Road Transport Authority gives road permit to new Indian cars for eight years but the cars go out of order in two-three years but the regulator provides eight years road permit starting from manufacturing date to reconditioned cars which are usable for 20 years.

Some 7,000 used cars were imported in the last fiscal year (2003-04). A total of 125 importers are engaged in import of reconditioned cars.

The government announced a ban on import of reconditioned cars in 2002, but lifted it following protest from businessmen. Importers said the old Japanese cars are far better than the new cars imported from India.

MAH Sharif, executive committee member of Barvida, said of the 9,000 Indian brand taxicabs about 3,000 are now out of order and remained dumped in garages.

Shah Mosharrar Hossain, and Abdul Hamid, vice-presidents, and other officials of the association were also present at the briefing.

Thai food festival ends on positive note

STAR BUSINESS REPORT

The week-long Thai food festival concluded yesterday in Dhaka on a positive note.

Organisers said about ten thousand food connoisseurs visited the festival held at the Pan Pacific Sonargaon Hotel.

"This is the first time I got the opportunity to watch Thai dance while having Thai food," said Hamida Masood, president of Women Welfare Association of Pakistan, who is attending the Global Water Partnership conference in Dhaka.

After dining at the festival yesterday, Sajjadul Kabir, a government official, said, "Festival has offered Thai dishes at affordable prices."

"The food here is fresh and authentic," said Anahara Aman, a housewife who lives in Dhaka Cantonment area.

"Bangladeshi people have shown great interest in Thai food and we hope to hold such festival annually," said an official of Pan Pacific Sonargaon Hotel.

The second edition of the festival styled 'A Taste of Thailand' offered 40 dishes and 20 salads with various desserts of authentic Thai cuisine at luncheon and dinner besides presenting Thai dance performances every evening.

Pan Pacific Sonargaon Hotel in collaboration with Thai Embassy in Dhaka and Thai Airways International organised the festival.

Nepal's economic growth at 3.6pc

AFP, Kathmandu

Nepal's economy grew 3.6 percent in the 2003/2004 fiscal year, despite months of anti-monarchy strikes and protests and an ongoing bloody Maoist insurgency, the Himalayan kingdom's finance minister said Thursday.

"The economic progress made during the current financial year was due to growth in agriculture production, improvement in trade and tourism and the seven-month ceasefire with the Maoists last year," Minister Bharat Mohan Adhikari said in the annual economic survey.

Gross domestic product (GDP) which was ... minus 0.6 percent in 2001/02 and 2.7 percent in 2002/03 has recorded a 3.6 percent growth during the fiscal year 2003/04," he

said.

Total agricultural production was estimated at 7.74 million tonnes as against 7.360 million tonnes the previous year, he said in the report for the year ending July 15, 2004.

The report, tabled on the eve of the presentation of the annual budget, said favourable weather conditions had boosted agricultural growth by 3.7 percent compared with 1.2 percent the previous year.

The non-agricultural sector had grown by 3.3 percent against 0.4 percent the previous year.

Per capita GDP growth, Adhikari said, was estimated to reach 269 dollars due to the "re-evaluation of the US dollar vis-a-vis the Nepalese currency."

Citigroup Q2 net income \$1.14b

Citigroup, the global financial services company and parent company of Citibank NA has reported net income (after tax) for the three months that ended June 30, 2004 of \$1.14 billion and earnings per diluted share of \$0.22.

For the six months that ended June 30, 2004, net income (after tax) was \$6.4 billion and earnings per share was \$1.23. Excluding the litigation charge and Samba gain, earnings for the six months would have been \$10.6 billion and earnings per share would have been \$2.03, an increase of 26 percent and 25 percent, says a press release.

"Second quarter results were significantly reduced by the WorldCom settlement and associated reserve increase, partially offset by the gain on sale of our Samba interest," said Charles Prince, chief executive officer of Citigroup.

Samsung triples profits

AFP, Seoul

South Korea's Samsung Electronics Co. said Friday its net profit for the second quarter to June almost tripled to 3.13 trillion won (2.7 billion dollars) but its "spectacular" figures still fell short of investor expectations.

Operating profit also rose more than three times to 3.73 trillion won from a year earlier but this was less than the 3.9 trillion won the market had been expecting, leading to an initial drop in the share price.

The world's largest maker of computer memory chips said sales rose 52.3 percent to 14.9 trillion won.

Samsung Electronics' investor relations head Chu Woo-Sik described the second quarter results as "spectacular."