



Star BUSINESS

DHAKA FRIDAY JULY 30, 2004 E-mail: dsbusins@gononet.com

PAKISTANI 3 PIECE LADIES SUITS & SAREE

LADIES FASHION DESIGNER MRS. FAUZIA H. MERCHANT OFFERING MOST ATTRACTIVE UNCOMMON UNSTITCHED PAKISTANI 3 PIECE LADIES SUITS OF 100% COTTON PRINTED LAWN, BAREEZE CHIKEN, CHINON, CHIFFON, GEORGETTE, PRINTED & EMBROIDERY SAREE, BEST QUALITY LADIES UNDER GARMENTS & ALSO IMPORTED COSMETICS AT JOYA FASHIONS: HOUSE # 15, ROAD # 16, SECTOR # 3, UTTARA, DHAKA. PHONE: 8961669, MOBILE: 0173-018591 (FOR LADIES ONLY).

ADB suggests full automation of Chittagong Port activities

STAR BUSINESS REPORT

Projecting a four-fold traffic growth by 2020, the Asian Development Bank (ADB) has called for massive infrastructure development in Chittagong Port including deep-water facilities and enhanced capacity to handle growing containerised traffic.

The Manila-based multilateral development finance institution suggested complete automation of the port services and New Mooring terminal in the premier seaport that handles nearly 85 percent of the country's seaborne traffic.

ADB recommended a multi-lane access-controlled tollway, a new rail track, feeder container ship service and refined oil products pipeline between Chittagong and Dhaka to face the fast increasing traffic growth.

The bank finds serious deficiencies in the capacity of Chittagong

Port where container ship turn-around time is 5-6 days against only 1-2 days in Singapore and Bangkok.

The cost of handling container in Chittagong Port is double the amount charged in neighbouring ports. Though container cargo is increasing rapidly, ADB says, the port does not have a crane capable of handling full container load.

ADB has come up with a set of recommendations in its study on 'Dhaka-Chittagong Economic Corridor,' initiated by the bank to develop infrastructure and facilitate trade in the corridor, which accounts for 40 percent of the gross domestic product (GDP).

The bank recently released a draft report on the study which the bank thinks will be vital for government's quest for a seven percent GDP growth and halving poverty by 2015.

The ADB study incorporates infrastructure development

requirements in the corridor in areas like port, rail, road, inland waterways, energy, information and communication technology and sub-regional co-operation.

The bank emphasised the key infrastructure to be owned by the government but operated by private sector. For efficient management and regular maintenance of infrastructure, ADB proposed 'toll concession' model, which allows operators collecting toll from users.

The bank called for removing restrictions on inter-country vehicle movement and signing transit agreements between the countries. "As a principal transport corridor of Bangladesh, DCEC (Dhaka-Chittagong Economic Corridor) provides potential sub regional linkages to northern states of India and via Jamuna bridge to West Bengal as well as to Bhutan and Nepal," the study noted.

"Bangladesh has high potential,

particularly through the development of DCEC, to become a transport/transshipment centre for the entire SASEC (South Asia Sub-regional Economic Co-operation)," the ADB study said. The SASEC grouping involves Bangladesh, Bhutan, India and Nepal.

ADB said Bangladesh can turn Chittagong Port a revenue generating port if it is properly overhauled in view of landlocked Nepal, Bhutan and eastern states of India. The proposed 133km highway linking Bangladesh and Myanmar will also put Chittagong Port and the corridor in the centre stage with the connection of 40 countries.

Currently, the seaport handles 22.5 million tonnes cargo including 7,50,000 TEUs (Twenty equivalent unit) container which ADB estimates will go up to 28 million tonnes and 1 million TEUs by 2006 and 100 million tonnes and 3 million TEUs by 2020.

NCC Bank declares 20pc dividend

National Credit and Commerce (NCC) Bank Ltd has declared a 20 percent dividend (10 percent cash and 10 percent bonus share) for the year 2003.

The dividend was declared at the 19th annual general meeting of the bank held in Dhaka on Sunday, says a press release.

Presiding over the AGM, M Wazizullah Bhuiyan, chairman of the bank, said the NCC bank earned Tk 62.49 crore operating profit in 2003, the release added.

Ericsson to give equipment to Warid Telecom, Pakistan

Ericsson will provide a complete turnkey GSM solution comprising the supply of core and radio network equipment to Warid Telecom Communications Pvt Limited (Warid Telecom) to build a green-field nationwide GSM network in Pakistan.

A letter of intent (LoI) to this effect was signed recently between the two companies.

Under the LoI, Ericsson will also provide professional services covering complete network design, rollout and managed services encompassing full network operations and maintenance to the Pakistani company, says a press release.

Emirates signs deal for inflight entertainment system

Emirates has signed an agreement with Matsushita Avionics Systems Corporation (MAS) for the eX2 inflight entertainment system for the airline's new Airbus fleet.

The system includes interactive audio, video, games, communication and connectivity support, says a press release.

The agreement was signed by the senior officials of the organisations at Farnborough recently.

The overall value of the purchase order is approximately \$1 billion.

Oil prices fall after Russia says Yukos can keep pumping

AFP, London

Oil prices eased back from record high levels on Thursday after Russia's justice ministry said embattled oil giant Yukos can continue oil production and sales.

But traders remained nervous about the risk of disruption to supplies from Russia, whose oil is seen as crucial for the world's future energy needs.

The price of benchmark Brent North Sea crude oil for delivery in September dropped 35 cents a barrel to 39.18 dollars in early trading in London.

New York's reference contract, light sweet crude for September delivery, fell 41 cents to 42.49 dollars in pre-opening electronic dealing.

The US contract shot to an all-time high of 43.05 dollars a barrel on Wednesday after Yukos, Russia's largest oil producer, warned it could halt output within days because court bailiffs had ordered its subsidiaries to halt all operations that would affect the state of their assets.

But markets cooled somewhat Thursday after official orders signed by a Russian justice ministry bailiff said that three of the group's key subsidiaries can continue sales and production.

US gives okay to Sony, BMG music merger

AFP, Washington

The US Federal Trade Commission cleared the way Wednesday for the creation of the world's biggest music company by allowing the merger of the music businesses of Japanese group Sony and Germany's Bertelsmann Music Group.

In a letter to both companies, the FTC said it had closed an investigation into the proposed merger and that "it now appears that no additional action is warranted by the Commission at this time."

One of the FTC's five commissioners, Mozelle Thompson, said he agreed with the decision, but with reservations.

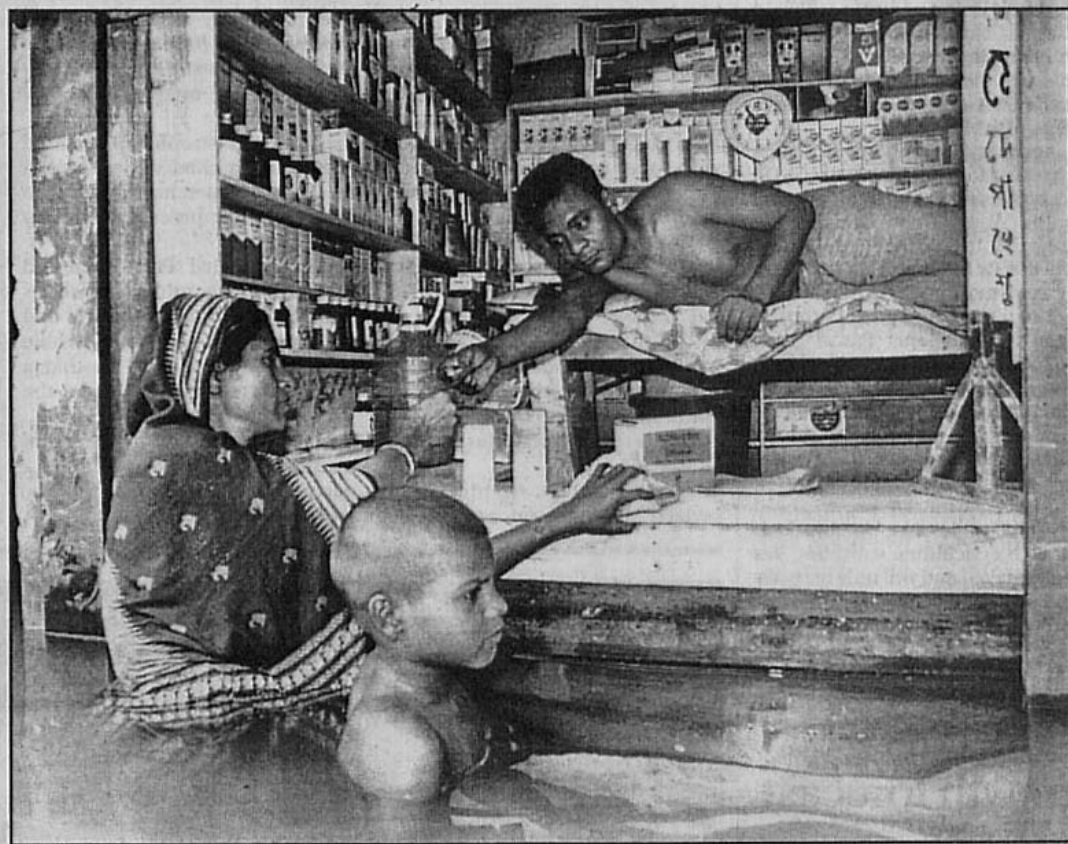


PHOTO: ANISUR RAHMAN

As floodwaters are about to enter a drug store at Kamrangirchar in Dhaka, a salesman lying on a raised structure sells medicines to a woman yesterday. The entire area has gone under floodwaters.

ICB announces dividends on eight mutual funds

Shareholders of First Mutual Fund to get 200pc dividend

STAR BUSINESS REPORT

The Investment Corporation of Bangladesh (ICB) yesterday announced dividends on its eight mutual funds and on unit fund for the year 2003-2004.

Shareholders of ICB First Mutual Fund will receive 200 percent dividend, ICB Second Mutual Fund 50 percent, ICB Third Mutual Fund 50 percent, ICB Fourth Mutual Fund 45 percent and ICB Fifth Mutual Fund 24 percent, ICB Sixth Mutual Fund 17.50 percent, ICB Seventh Mutual Fund 15 percent and ICB Eight

Mutual Fund 14 percent.

The ICB net profit from unit fund was recorded at Tk 49.71 crore.

After dividend approvals, at a press conference in Dhaka ICB Managing Director Ziaul Haque Khondker said though per unit dividend for unit fund stands at Tk 14.94, the ICB is going to pay Tk 11.50 per unit to the investors as the rest of the amount is kept as equitable fund to stabilise the dividends in future.

He said ICB first mutual fund has declared highest cash dividend for the second successive year compared with other listed companies in

the country.

He said in 2003-2004 the net profit meant for disbursement of the first mutual fund was Tk 318.63 lakh, second mutual fund Tk 95.64 lakh, third mutual fund Tk 150.74 lakh, fourth mutual fund Tk 135.38 lakh, fifth mutual fund Tk 48.67 lakh, sixth mutual fund Tk 111.27 lakh, seventh mutual fund Tk 70.34 lakh and eighth mutual fund Tk 107.75 lakh.

Among others, Jahangir Miah, general manager, Payekuzzaman, general manager, Khurshed Hossain, deputy general manager of ICB, spoke at the press conference.

US retailers urge Bush not to delay textile quota end

REUTERS, Washington

US retailers urged the Bush administration Wednesday not to give into textile industry pressure to delay phasing out import restrictions on clothing from China and other suppliers.

The United States and other developed countries agreed as part of a 1994 world trade deal to phase out a decades-old import quota system for textiles by Jan. 1, 2005.

At the time, the move was seen as a major concession to developing countries, who were eager to boost sales to rich countries for one of

their key exports.

But as the January deadline approaches, US textile industry leaders have spearheaded an international effort to keep quotas in place for three additional years.

In a letter on Wednesday to US Trade Representative Robert Zoellick, the National Retail Federation and the American Apparel and Footwear Association pressed for the quotas to be eliminated as scheduled.

They argued that would lead to lower prices and a better selection of clothing for US consumers.

However, many textile producers

in the United States and developing countries believe they will be driven out of business by China when the quotas are ended.

Beijing did not join the World Trade Organization until December 2001. When it did, the United States and other countries agreed to eliminate quotas on textiles and clothing from China by the same January 2005 deadline.

US textile and apparel imports from China shot to \$15.4 billion in 2003, from \$11.1 billion in 2001, as the United States began phasing out import quotas on that country.

New DMD of Phoenix Insurance



pany Ltd.

He joined Phoenix Insurance in 1987, says a press release. In 2002, he was made general manager of the company.

ADB wants flexible forex, tighter budget in Asia

REUTERS, Singapore

East Asian governments should modestly reduce their budget deficits and let their exchange rates strengthen to reduce the need for interest rate rises to cap inflation, the Asian Development Bank said Thursday.

The bank said East Asian growth was likely to slow to around 6.5 percent in 2005 from 7.3 percent this year but warned that the speed of US interest rate increases, the extent of China's slowdown and, especially, high oil prices all posed risks.

"If oil prices rise further or continue to remain high for an extended period, East Asia's growth outlook for next year may have to be revised down," the bank's Regional Economic Monitoring Unit said in its latest quarterly Asia Economic Monitor.

The 2004 forecast, which is drawn from the July survey of private sector economists conducted by Consensus Economics Inc, assumes an oil price of \$35-40 a barrel. US light crude prices on Wednesday scaled a 21-year high of \$43.05 a barrel.

A further spike in oil would fuel inflation and require a greater degree of tightening than would otherwise be the case.

"Countries would have to decide which macro policies to tighten, and by how much," the Manila-based bank said.

Pakistan plans share offers for two more state firms

REUTERS, Islamabad

Pakistan, encouraged by investors' record interest in the shares of state-run companies, plans public offerings for stakes in two more firms by the end of 2004, the privatisation minister said Wednesday.

The government is considering raising up to \$200 million by selling 10-15 percent of Oil and Gas Development Co. on the international market in the form of Global Depository Receipts, Privatisation Minister Abdul Hafeez Sheikh said in an interview.

"Our goal is to float OGDC GDRs this year," he said.

On the IPO front, electricity firm Kot Addu Power Co is next in line for disinvestment, he said. "The government plans its IPO in September."

US co plans to set up zipper factory in Bangladesh

STAR BUSINESS REPORT

Ideal Fastener Corporation, USA, a leading zipper manufacturer, plans to set up a joint venture plant in Bangladesh, a high official of the company has said.

"Necessary initiatives have already been taken to start the process of setting up the plant," Jameel Mahmood, country representative of Ideal Fastener, told The Daily Star.

Officials of the company hope the factory may go into production in early 2006.

At present, Ideal Fastener USA has manufacturing plants in five countries -- the US, China, Mexico,

Jordan and Israel.

Ideal Fastener USA and Ideal Fastener Bangladesh jointly organised a technical seminar on Wednesday at a local hotel where State Minister for Energy and Mineral Resources AKM Mosharrar Hossain was present as chief guest.

Speaking at the function, the state minister termed Bangladesh 'a good destination for investment' and said Indian giant Tata Group recently made proposal to set up power, steel and fertiliser plants in Bangladesh.

Presenting an overview of the company at the seminar, WU Zhong Shan of Ideal Fastener Singapore said the company's annual turnover is around one billion dollars.

Ideal Fastener's country representative said the company, which started zipper marketing in Bangladesh three years ago, currently meets 8 percent of the local demands for zippers. The total market size in Bangladesh is about \$80 million.

Ideal Fastener Bangladesh annually sells 40 million pieces of zippers. Its buyers include world's leading names such as Nike, Adidas, JC Penny, Levis, Carryfour, Tommy Hilffiger, K-Mart, Walmart, Fila and Sears.

Aftab ul Islam, president of American Chamber of Commerce in Bangladesh, was also present at the seminar.

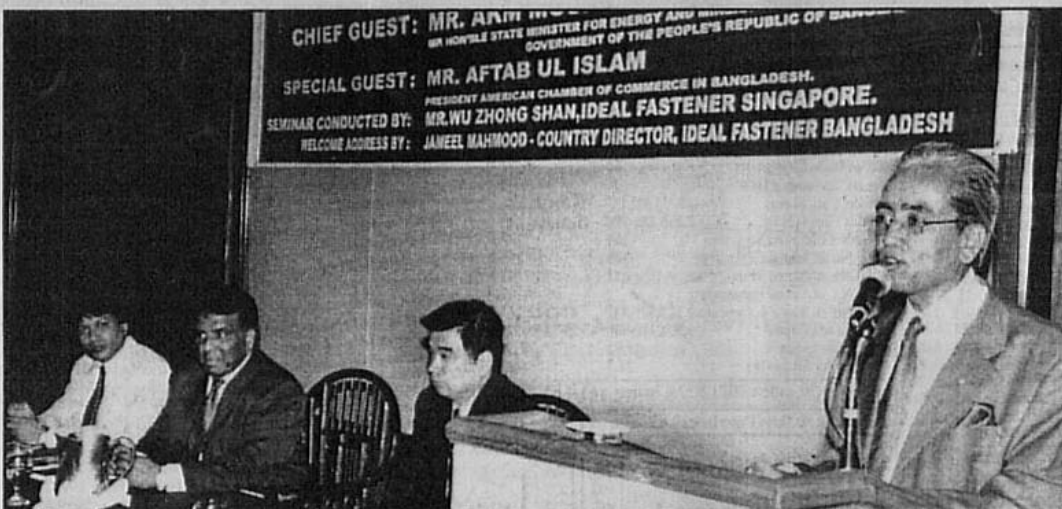


PHOTO: STAR

State Minister for Energy and Mineral Resources AKM Mosharrar Hossain speaks at a seminar on zipper technology jointly organised by Ideal Fastener Corporation, USA and Ideal Fastener Bangladesh at a hotel in Dhaka on Wednesday. Aftab ul Islam, president of American Chamber of Commerce in Bangladesh, 2nd from left, Jameel Mahmood, country director of Ideal Fastener Bangladesh, left, and WU Zhong Shan of Ideal Fastener Singapore, right, are also seen.

Weak monsoon threatens to hobble Indian economy

AFP, Bombay

India's economy, one of the fastest-growing in the world last year, may run out of steam with annual monsoon rains bypassing large swathes of its key food-growing regions, economists said.

The seasonal rains that usually begin in earnest at the start of June were 12 percent below average as of July 21, officials said, and although rainfall has intensified in the past week, no big improvement is expected.

Economists say rainfall patterns so far suggest several parts of western and northern India are headed for a drought after last year's monsoon turned out to be the best in a decade, producing bumper economic growth of 8.2 percent.

"Agricultural growth will be down and so economic growth will also be down," said New Delhi-based Institute of Economic Growth professor B.B. Bhattacharya.

The problem is simple -- despite all the headlines grabbed by India's high-tech industries, agriculture remains the bedrock of the Indian economy and society, with more than 60 percent of the population of more than one billion depending on agriculture for their living.

If the agricultural sector falters, as it did badly in the year to March

2003 during a bad drought, the rest of the economy inevitably struggles, making the June-September monsoon rains the key to India's fortunes.

"Widespread rainfall is yet to occur," A.B. Majumdar, director of the Indian Meteorological Department's key forecasting centre in Pune, told AFP.

"There's a low pressure area in the Bay of Bengal. If it intensifies, there's the possibility of some improvement but we don't expect a spectacular change in the situation," Majumdar said.

The breadbasket of northern India, including the main food-growing states of Punjab and Haryana, has so far received only 40 to 50 percent of average annual rainfall, he said.

Parts of the northern states of Uttar Pradesh, Himachal Pradesh, central Madhya Pradesh and the western states of Maharashtra and Gujarat are also suffering from a weak monsoon while the desert state of Rajasthan has been worst hit with some areas receiving no rainfall at all.

Southern India has not been affected as severely, while pervasively the eastern region has been lashed by heavy rains, creating disastrous flooding in several parts.

Economists had already forecast that growth would slip this year, saying two straight years of record

agricultural growth was impossible but the poor rains are going to pull it lower than the seven percent the government has targeted.

"Growth will be well below that of last year. I was expecting 6.0 to 6.5 percent. Now it will be even lower," said Bhattacharya of the IEG, adding that the real picture would only emerge after the monsoon season ends.

The patchy rains are likely to hit a wide range of crops from oilseeds, cereals, sugar cane to rice that are the staple produce of Indian farmers.

"This situation is tricky. The cost of several primary foods will go up," said Raja Bandyopadhyaya, economist at Birla Sunlife Securities, who expects 6.0 to 6.5 percent economic growth.

Pressure on food prices will likely stoke inflation which hit 6.5 percent recently and so put upward pressure on interest rates, now at three-decade lows, that have been partly responsible for fuelling recent growth.

The combination of higher inflation, higher interest rates and lower rural incomes will in turn hit industrial growth, economists said.

Bandyopadhyaya said he expected industrial growth to slow in the third quarter to December. Normally, there is a six-month lag between a fall in farm output and a decline in industrial growth.



WORKING TOGETHER FOR A CARING SOCIETY

Branch Shifting

This is for "Notice" of all concerned that Social Investment Bank Limited, Gulshan Branch is being shifted to a new address from tomorrow on 31st July 04.

Old Address
125 Gulshan Avenue
Dhaka - 1212

New Address
106 Hosna Centre (1st floor)
Gulshan Avenue
Dhaka - 1212

Our valued clients, patrons and well wishers are requested to contact us at the new address for all sorts of transactions.

M. Shah Alam
Executive Vice President
General Services Department