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Floods cast shadow on tea

STAFF CORRESPONDENT, Sylhet

The rising floodwaters twined with excessive and continual rains have cast a shadow on Bangladesh's tea industry.

Floodwaters swamped canals and low-lying areas around tea gardens, besides plantation and nursery plots. There have also been incidents of landslides in many tea gardens.

Bangladesh Tea Research Institute (BTRI) has already started assessing the loss, a top official of the institute said.

Officials with the BTRI said floods have played havoc with tea cultivation for the first time in recent

memory in the country since almost all tea gardens are located at low lands.

According to officials, after medium level rainfalls recorded in the second week of July, tea garden areas experienced cloudburst until July 22. In total, 3,027 millimeters rainfalls were recorded until July 24 this year against 2,726 mm up to July 31, 2003.

1,401mm rainfalls were recorded in 24 days of July at the Met office located at the BTRI, Srimangal against 1,478mm in 31 days of July last year.

According to tea industry sources, more than 50 tea gardens in Monu-Dholoi, Lashkarpur and

Balibera areas have been badly affected by the sudden flooding.

An official with BTRI said class one gardens suffered huge loss. Some 25,000 saplings in only a tea garden nursery have been damaged, he added.

BTRI Director AFM Badrul Alam said it is difficult to recoup the huge damage in a sensitive area like tea industry, which in many ways depends on weather condition.

The BTRI director also said the institute has already contacted the gardeners to make an assessment of the damage caused by the devastating deluge.

The target of tea production had been fixed at 56.5 million kg for this

year. Last year total production stood at 56.7 million kg.

The country's tea production was a little better the last year compared with the output in recent years due to favourable weather condition.

Bangladesh's 160 tea estates, mostly owned by private companies, produce about 55 million kg tea a year.

Roughly two-third of the production is consumed locally while the rest of the portion is exported.

Some 0.15 million people are employed in the tea industry, which contributes about 3.3 percent to the country's total industrial employment.

Chairman of Mercantile Ins reelected



Abdul Haque has been re-elected chairman of Mercantile Insurance Company Limited for the fourth consecutive year.

The election was held at the eighth annual general meeting of the company in Dhaka on Thursday, says a press release.

A sponsor-director of the company, Haque is a member of the National Council for Industrial Development. He is also the senior vice-president of the Dhaka Stock Exchange Limited.

He is the chairman of Royal Green Securities Limited, Royal Green Products Limited, Artisan Constructions Limited and managing director of Evergreen Group of Companies.

US slaps up to 67.8pc duties on shrimp from 4 countries

AFP, Washington

The United States slapped tariffs Thursday on shrimp from Brazil, Ecuador, India and Thailand in the second phase of a probe into a petition alleging "dumping" at artificially low prices.

The Commerce Department said the duties would range up to 67.80 percent for Brazil, 6.08 to 9.35 percent for Ecuador, 3.56 to 27.49 percent for India and 5.56 to 10.25 percent for Thailand.

The agency said a preliminary probe indicated imports from the four countries were sold "at less than fair value," opening the door to punitive tariffs.

It was the second action on shrimp in the past month after duties were imposed on shrimp from China and Vietnam.

A separate investigation was used for the other four countries because they are considered market-based economies, unlike China and Vietnam.

The duties may be adjusted, but will be collected until a final ruling by the quasi-judicial International Trade Commission next January.

A group representing the US shrimp producers that filed the petition welcomed the decision but said the preliminary tariffs may be

too low.

US shrimp producers argue that their wild-caught shrimp cannot compete with farm-raised shrimp from the other countries.

"We commend the Department of Commerce for imposing antidumping duties, but feel that in certain instances the duties underestimate the seriousness of the violations," said Southern Shrimp Alliance President Eddie Gordon.

"Today's findings confirm that unfair trade has allowed imports to slash import prices 41 percent since 2000 while flooding the US market with a 71 percent increase in imports. This is not the result of efficient production, but unfair competition."

But a trade group representing grocers, restaurants, processors and distributors called the duties an "unneeded tax" on US consumers. "These four countries are not dumping shrimp in the US. They are efficiently producing a high-quality product, and the US industry has failed to compete effectively with these imports," said Wally Stevens, chairman of the Shrimp Task Force.

"This is a case of the current administration imposing a new food tax on millions of Americans that will do nothing to help the shrimp industry except line the pockets of a

few shrimpers. It's a classic case of unnecessary, undeserved and unwise protectionism."

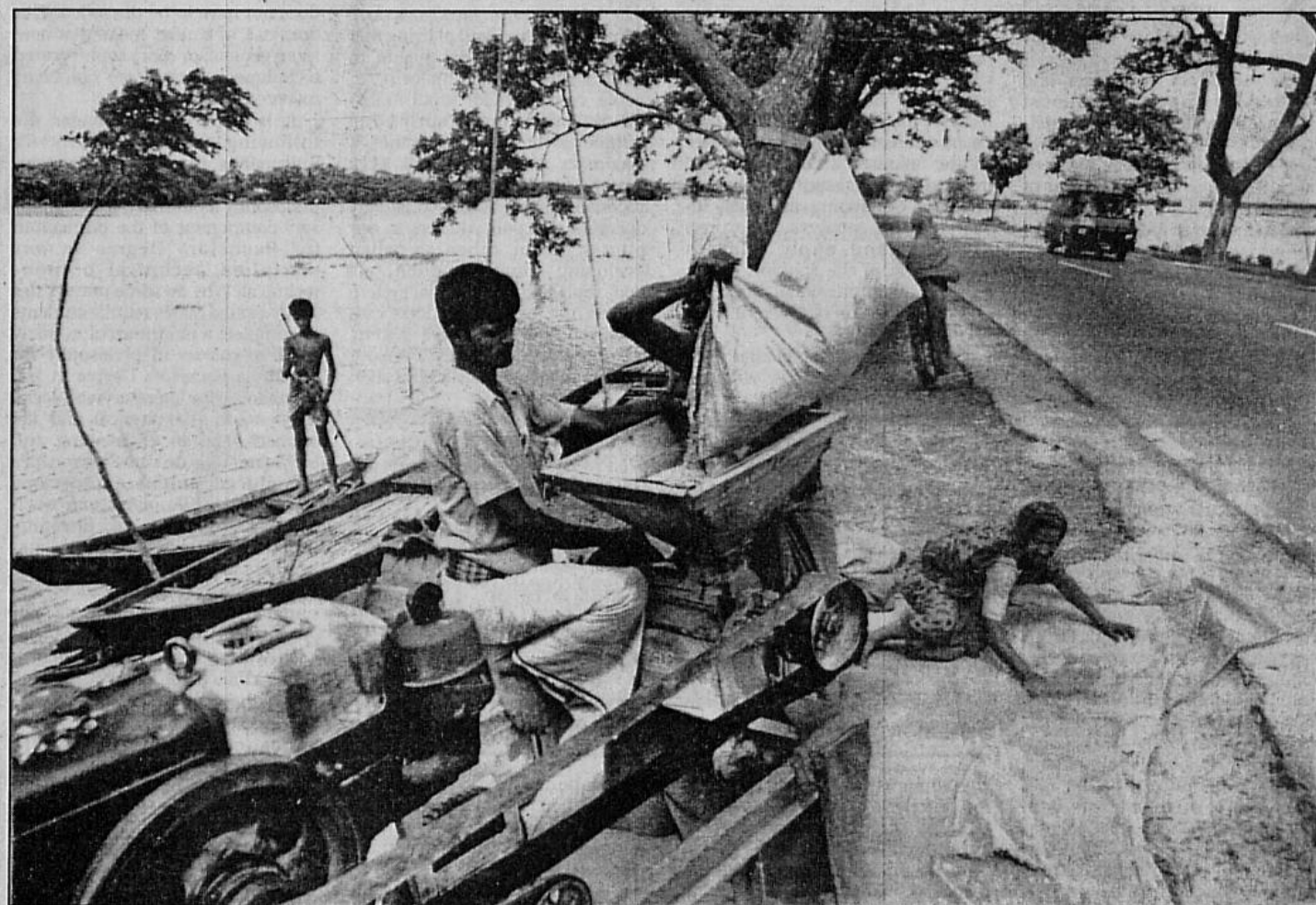
The fact that the preliminary duties were lower than what the US industry sought "is convincing evidence that imports are not the cause of domestic shrimpers' problems," said Stevens.

"Attempting to shut out competition by imposing a food tax won't make the US industry's problems go away."

Thailand last week pleaded with US trade authorities not to impose tariffs, claiming the move could devastate thousands of Thai shrimp farmers and workers in food processing plants as well as raise prices for US consumers, according to reports in Bangkok.

The US decision, in a further blow to some producers, found "critical circumstances" exist on imports from one Indian producer, meaning duties can be imposed 90 days retroactively. The agency said there was insufficient evidence to impose retroactive duties on Thai shrimp.

The duties affect some 956 million dollars in imports from Thailand; 398 million dollars from India; 206 million from India and 97 million from Brazil.



A man uses a roadside space on Dhaka-Aricha highway to keep his diesel-run husking machine running as floodwaters have submerged his shop at Balitha village in Dhamrai, Dhaka.

PHOTO: STAR

Karnaphuli Ins declares 16pc dividend

Karnaphuli Insurance Company Limited has declared a 16 percent dividend in the form of bonus share for its shareholders for the year 2003.

The dividend was announced at the 17th annual general meeting of the company held in Dhaka recently, says a press release.

Nizam Uddin Ahmed, chairman of the company, presided over the meeting.

Vice Chairperson Ummu Kawser Salsabil, directors Raquiba Fakhru, Maria Zaman, Mafizur Rahman, Shajahan Golder, Mohammad Shah Alam, Md Abdul Hai and Zohaida Parveen, Executive Director Nasir Uddin Ahmed and Managing Director Md Aliuzzaman Khan were present.

China sees foreign investment remaining flat this year

AFP, Beijing

China said Friday it expects total annual foreign investment flows into the country to remain flat this year, reaching around 50 billion dollars.

The Ministry of Commerce also reiterated the government's forecasts for foreign trade to rise 20 percent to one trillion dollars this year compared with 851.21 billion dollars in 2003.

Full-year retail sales are forecast to grow by over 10 percent year-on-year to five trillion yuan (603 billion dollars) compared with 4.58 trillion

in 2003, Vice Minister of Commerce Yu Guangzhou said in a statement.

Although retail sales were expected to pick up this year from last year's growth rate of 9.1 percent, slowing consumption was a problem for the commercial sector, Yu said.

Yu claimed that frequent trade restrictions against China were hurting commerce and resulting in unfair treatment for Chinese enterprises in the international market place.

High global oil prices and growing stockpiles of some commodities were also impacting the Chinese economy.

"Domestic tensions arising from the short supply of coal, electricity, oil and transportation haven't been fundamentally eased, which has lifted the production and operation costs of China's export enterprises," he said.

The ministry said it would still try to expand consumption and pledged to continue to implement China's World Trade Organisation accession commitments to improve the use of and maintain stable growth in foreign investment.

Overseas investment this year is expected to exceed two billion dollars.

SIA swings back to profit in first quarter

AFP, Singapore

Singapore Airlines (SIA) on Friday reported a 259 million-Singapore dollar (152.35 million US) net profit in its first quarter ending June as it swung back from a 312 million-dollar loss the year before due to SARS.

The carrier said a recovery in air travel from the impact of the Severe Acute Respiratory Syndrome epidemic underpinned the rebound, with revenues up 64.8 percent to 2.725 billion dollars.

The quarterly rebound continues the momentum seen earlier in SIA's year-to-March earnings performance and further strengthens the airline's recovery from the turbulence spawned by the regional health crisis in the first half of 2003.

SIA filed 72 percent of available seats during the quarter, up 14.6 percent as revenue passenger kilometers jumped 83.8 percent from last year.

The airline's cargo subsidiary, SIA Cargo, carried 9.7 percent more cargo.

Microsoft touts growth prospect

REUTERS, Redmond

Microsoft Corp, fresh from unveiling a plan to return \$75 billion to stakeholders, Thursday began the tough task of trying to convince investors it can maintain its past growth rate.

As part of Microsoft's pitch at its annual analysts meeting, the world's largest software maker unveiled a search engine that looks for information on computer hard drives as well as information on the Web, considered the next battleground among search technology providers.

Microsoft's executives are trying to deflect the perception that it has become a mature, slower-growth company, despite 13 percent revenue growth in the year to June at a time when corporate spending is low.

For two decades the industry leader, Microsoft shares now trail the broader market, rising only 12 percent in the company's past fiscal year while the Nasdaq composite index climbed 26 percent.

Oil prices hit new highs on supply fears

REUTERS, London

US oil prices hit fresh record highs Friday on fears of a disruption in supplies from world number two exporter Russia and doubts over oil cartel Opec's ability to make up for any shortfalls.

Opec is pumping at more than 95 percent of capacity, the highest for a quarter of a century, giving it little room for maneuver in an emergency.

US light crude struck \$43.34 a barrel, the highest in its 21-year history on the New York Mercantile Exchange. It was last trading at \$43.18, up 43 cents.

In London, Brent crude scaled heights not seen since the Gulf War, peaking at \$39.90, before trading at \$39.68.

Oil staged its first assault on historic highs Wednesday after news Russian oil giant Yukos might face a ban on oil sales while courts try to enforce a multi-billion-dollar tax debt.

Prices retreated after Thursday's reprieve by the justice ministry allowed Yukos to keep pumping, but the market remains on edge over the company's fate.

"There's a sense with Yukos of postponing the inevitable. Yukos's financial problems will get worse in the coming weeks and the market is very nervous that we will see some of its 1.7 million barrels a day shut in for some period," said Steve Turner, an oil analyst at Commerzbank Securities.

Yukos has said the company could collapse by mid-August because of a freeze on its bank accounts and assets, adding that its rail shipments of oil, which make up a quarter of its total sales, could be affected soon.

Yukos, whose former CEO Mikhail Khodorkovsky is on trial for tax evasion and fraud, pumps a fifth of Russian oil.

IRAQ VIOLENCE FEAR
Traders also remain wary over accelerating Iraqi oil flows after repeated export disruptions this summer.

"Problems could always occur in Iraq. It's difficult to see someone turning a switch and the situation changing there," Turner added.

The Iraqi oil minister said Thursday the country's oil exports would average between 1.7 million and 1.8 million barrels per day (bpd) next month, from 1.5 million in July.

However, Baghdad has consistently missed higher targets due to a spate of pipeline sabotage attacks in the south.

Even short-term outages this summer in major producers Norway and Nigeria have bolstered price strength, as traders fear Opec could be unable to compensate for even minor hiccups as oil demand grows at its fastest in more than two decades.

The head of the International Monetary Fund said Thursday that the spurt in demand showed no signs of impeding the global economic recovery.

Rodrigo Rato said the recovery had gathered enough momentum to weather the effects of rising oil prices, which he said was caused by both economic and political factors.

Rato said he agreed with the Paris-based International Energy Agency that oil prices would stay higher than was expected "only a few months ago."

The IMF and economists have forecast global growth in excess of 4.5 percent this year even as oil prices rise and more increases in US interest rates loom.

Tata chairman steps down

BBC ONLINE

One of India's most famous businessmen, Ratan Tata, has stepped down as chairman of the Tata group of industries.

Mr Tata is expected to go on playing a significant role at the company as a non-executive chairman for a further five years before relinquishing charge at the age of 70.

Ratan Tata will not nominate his successor. Like the Wallenbergs in Sweden and the Oppenheims in South Africa, the Tatas interests span much of India's economy.

They founded India's biggest private sector steel company, as well as a truck manufacturer, hotel chain, tea producer, and chemicals and software exporter.

A replacement to head the \$10.4bn (£6.5bn) Tata group of companies has yet to be announced.

Indian financial instt to merge with its banking subsidiary

AFP, Mumbai

One of India's largest financial institutions, the Industrial Bank of India (IBI), announced plans Thursday for an in-house merger with its retail banking subsidiary IBI Bank to create a mammoth single entity.

The new entity will have one of the largest networks in the domestic market that will put it in the league with India's largest retail bank, the State Bank of India (SBI).

"We are now embarking on the journey of merger. I think it will happen in this financial year," IBI chairman M. Damodaran said after a board meeting.

"We have decided to use SBI's size as the right benchmark. Therefore, anything smaller than SBI is not a good enough benchmark for us," he added.

The mammoth entity will become India's fifth-largest in value and would offer retail banking as well as financing for various industrial and development projects, he said.



Nizam Uddin Ahmed, chairman of Karnaphuli Insurance Company Limited, speaks at the 17th annual general meeting of the company in Dhaka recently. Vice chairperson Ummu Kawser Salsabil, directors Mahammed Shah Alam, Mafizur Rahman, Raquiba Fakhru and Abdul Hai and Managing Director Md Aliuzzaman are also seen in the picture.

PHOTO: KARNAPHULI INS

Subject: Dividends on ICB Unit Fund & Mutual Funds for the Year 2003-2004, Notice of Closure of Registers of ICB Mutual Fund Certificates & Fixation of Repurchase Price of Unit Certificates.

This is for information of all concerned that the Board of Directors of the Investment Corporation of Bangladesh in its fund related meeting held on the 29th July, 2004 approved Dividends on ICB Unit Fund & ICB Mutual Funds for the year ended 30th June, 2004 as follows:

Sl No	Name of Fund	Dividend per certificate of (Tk) 100.00 each
1.	First ICB Mutual Fund	200.00
2.	Second ICB Mutual Fund	50.00
3.	Third ICB Mutual Fund	50.00
4.	Fourth ICB Mutual Fund	45.00
5.	Fifth ICB Mutual Fund	24.00
6.	Sixth ICB Mutual Fund	17.00
7.	Seventh ICB Mutual Fund	15.00
8.	Eighth ICB Mutual Fund	14.00

- ICB Unit Fund (Tk. per certificate) 11.50
- Registers of certificates of all ICB Mutual Funds will remain closed from 15-08-2004 to 24-08-2004 (both days inclusive). The certificate holders of the Mutual Funds whose names will appear in the respective Registers on 14-08-2004 will be entitled to the dividends. The certificate holders of Unit Fund whose names appeared in the respective Registers on 30-06-2004 will be entitled to the dividend.
- The repurchase price of unit certificates has been fixed at Tk. 105.00 with effect from 01-08-2004.



GD-463

Dina Ahsan
Deputy General Manager/Secretary
Investment Corporation of Bangladesh
8, DIT Avenue, Dhaka.