

CONTAINER CONGESTION

Stakeholders to co-operate one another

STAR BUSINESS REPORT

Garment exporters, shippers and ship owners yesterday agreed to co-operate one another in carrying containers to and from Bangladeshi ports.

Against the backdrop of huge stockpiled of Chittagong-bound containers, Bangladesh Garments Manufacturers and Exporters Association (BGMEA), Bangladesh Ocean-going Ship Owners Association (BOGSOA) and Shippers Council of Bangladesh (SCB) at a joint meeting decided to co-operate one another, said a press statement by BOGSOA.

It was agreed that BGMEA will issue a circular to all Main Line Operators (MLOs) to use Bangladesh flag vessels on priority basis to ease the pressure of backlog of Chittagong-bound containers stockpiled in the ports of Singapore and Malaysia.

BGMEA President Annisul Huq also expressed concern at the meeting over various charges being imposed by the Chittagong Feeder Trade Committee (CFTC) in the name of service charges.

He told the meeting that BGMEA will give full support to Bangladeshi feeder vessels.

Janata Ins chairman, vice-chairman re-elected



Abdul Gaffar Jahangir Alam

Abdul Gaffar Chowdhury has been re-elected chairman of Janata Insurance Company Limited while Md Jahangir Alam Khan vice-chairman of the company.

The election was held at the board meeting of the company on Saturday in Dhaka, says a press release.

Chowdhury, an industrialist, is the managing director of Marine Foods Ltd, Quality Stationery Ltd, and Seagold Aqua Culture Ltd. He was also a sponsor-director of United Commercial Bank Ltd (UCBL).

Khan is chairman and managing director of JK Fabrics Ltd, JK Knit Apparel Ltd, JK Knit Composite Ltd, JK International Ltd, JK Spinning Mills Ltd and JK Real Estate Ltd. He is the vice chairman of United Commercial Bank Ltd and chairman of Chattagram Samity.

AG Automobile launches CNG bus

AG Automobiles Ltd, an enterprise of Anwar Group of Industries, has launched CNG bus with the technology of Jong Tong Holding Company.

AG Automobiles held a discussion with the bus track owners association recently in Dhaka to mark launching of the CNG bus, says a press release.

Manwar Hossain, managing director of Anwar Group, and Saadat Hossain Salim, managing director of Anwar Landmark spoke at the function.

Deen Islam, general secretary of Dhaka Bus Truck Samity was were present.

AG Automobiles and Dhaka Aricha Jatri Seba Mini Bus Malik Samiti also signed an agreement on purchase of the CNG bus.

Hossain Khaled, managing director of AG Automobiles, and Md Shamsuzzaman Sentu, general secretary of Dhaka Aricha Jatri Seba Malik Samity, signed on behalf of their organisations.

GP point of sales at Shoppers World

A point of sales (PoS) of GrameenPhone Ltd was launched at Unitel Communications at Shoppers World, a chain store at Gulshan, Dhaka.

Shoppers World organised a press conference in Dhaka on Tuesday to mark the launch of PoS, says a press release.

Managing Director of Shoppers World Yasir Ahmed Khan, Unitel Communications Director Ihsan Uddin Ahmed spoke at the press conference. Among others, Manager (Sales and Marketing) of Unitel Md Shafiqur Rahman was present.

Nitol, Thai co team up to run Kaliachapra sugar mill

STAR BUSINESS REPORT

A newly privatised sugar mill has taken a unique commercial strategy to come out of the country's longstanding experience of loss in the state-controlled sector.

When Central Properties Ltd, a subsidiary of Nitol Group, bought the Kaliachapra Sugar Mills through an open tender floated by the Privatisation Commission, the management thought it must find a partner to keep the mill running round the year.

Accordingly, the company forged partnership with Ban Pong Intertrade, Thailand's largest private sector sugar producer, as part of its strategy to keep the mill operational during off-season to make the industry profitable.

The state-run sugar mills usually run their machines three to four months a year due to shortage of crushable sugarcane and remain idle vessels.

during rest of the year, which is a major reason for loss in the sector.

Partnering with the Thai company, the owners of Kaliachapra Sugar Mills in Kishoreganj now target to produce about 10,000 metric tons of sugar from local canes in full season in the mill, which stopped production in 1994 due to unavailability of canes.

Besides, the company plans to keep machines busy to produce another 50,000 tonnes of refined sugar from imported 'raw sugar' during off-season.

To implement the unique strategy, Central Properties yesterday signed a partnership deal with Ban Pong Intertrade to form 'Nitol Sugar Industries'.

Central Industries holds 80 percent stake in the new company while the rest 20 percent is owned by the partner Thai company, a subsidiary of Ban Pong Group, one of the Thailand's

largest conglomerates.

"With eight lakh tonnes annual deficit, the country must take new look at the sector and adopt new technology and strategy to minimise the shortfall," Chairman of Nitol Group Abdul Matlub Ahmad said speaking at the agreement signing ceremony.

"As the mill has been closed for a decade farmers in Kishoreganj, Netrakona and Mymensingh have shifted to other crops. So, we'll start with cultivating sugarcane seedlings on 500 acres of land this year. Then we'll go for trial production next season and finally for full capacity operation in 2006," he said.

"With technical assistance from the Thai company, we'll provide the farmers with high quality seedlings, modern method and technology. This will help us double production," he said assuring higher than the government purchase rate for sugarcane.

Speaking at the function, Executive Chairman of Board of Investment Mahmudur Rahman said it is praiseworthy that the buyers of a privatised company are taking new strategy to become profitable. "If divested mills become profitable the government will feel encouraged to speed up the privatisation process."

Vibul Panitvong, chairman of Ban Pong Group, said, "With 50 years experience in sugar business, we hope to contribute to sufficiency in Bangladesh's sugar industry."

Bangladesh's 14 state-owned sugar mills annually produce around 2 lakh tonnes of sugar against an estimated demand of 10 lakh tonnes.

Kaliachapra Sugar Mills was declared closed in 1994. The Privatisation Commission signed letter of intent with Central Properties Ltd in October 2002 to sell the state-owned enterprise and handed over it in March this year.



PHOTO: STAR

Chairman of Nitol Group Abdul Matlub Ahmad and Chairman of Thailand's Ban Pong Group Vibul Panitvong exchange document after signing an agreement in Dhaka yesterday as Executive Chairman of Board of Investment Mahmudur Rahman and President of Bangladesh Women Chamber of Commerce and Industry Selima Ahmad look on. Under the deal, subsidiaries of the two conglomerates formed joint venture company Nitol Sugar Industries to revamp Kaliachapra Sugar Mills, which Nitol Group bought.

Thai stock exchange team in Ctg to visit CSE

Thai bourse president leads delegation to find areas of co-operation

STAR BUSINESS REPORT

A high-profile delegation of the Stock Exchange of Thailand (SET) led by its President Kittiratt Na-Ranong arrived here yesterday on a mission to foster ties between the Chittagong Stock Exchange (CSE) and the Thai bourse.

Na-Ranong, who is leading a three-member team, will meet CSE President Habibullah Khan and other high officials of the port city bourse to pinpoint the areas of cooperation and exchange information, knowledge, experience and technology.

The visit is aimed at working towards the goal of a memorandum of understanding (MoU) signed two years back between the two bourses.

The SET president and the then CSE President Mirza Salim Ispahani signed the MoU on December 13, 2002 in the Thai city of Chiang Mai during the visit of Prime Minister Khaleda Zia at a function attended by prime ministers of the two countries.

Purpose of the deal was to develop capital markets of both the countries by

utilising all possible means under the umbrella of a long-term friendly relation between Bangladesh and Thailand as well as to expand global connections.

During Khaleda Zia's December 13-15 visit, Thailand reduced tariffs on 128 Bangladeshi items, assured Bangladesh of extending support in its bid to join Asean Regional Forum (ARF). An agreement was also signed on reciprocal protection of investment.

Bangladesh and Thailand are two founding members of Bimstec, now renamed as the Bay of Bengal Initiative for Multi-Sectoral Technological and Economic Cooperation. So the cooperation of the two bourses bear special significance in contributing to the government's efforts to enhance bilateral trade relations, CSE officials said.

The SET has similar agreements with ten bourses in Asia-Pacific and the Americas. These are New York, Philadelphia and Pacific stock exchanges in the US, Lima Stock Exchange in Peru, Luxembourg Stock Exchange, Australian Stock Exchange, Tokyo Stock Exchange, Ho Chi Minh

Stock Exchange in Vietnam, Taiwan Stock Exchange and Hong Kong Stock Exchange.

According to CSE officials, the global network of SET will help CSE expand its international collaboration, bring new expertise and dynamism to the market and strengthen the port city bourse's capacity to adapt to a changing global environment.

Earlier, Thai Prime Minister Thaksin Shinawatra along with his 50-member entourage during a visit in Bangladesh went to the CSE and exchanged views with the bourse officials as well as the leading entrepreneurs of Chittagong.

During the discussion, leaders of both the stock exchanges agreed that the two sides could be benefited if they work closely within a common framework for their development. The decided to begin the task with exchange of visits by the executives from both the bourses.

CSE officials said they will also take steps to enlist rich Thai companies with the CSE under the existing rules and regulations of both the bourses to attract more investment.



PHOTO: CSE

Visiting President of Stock Exchange of Thailand (SET) Kittiratt Na-Ranong (left) is seen at a meeting with Vice-president of Chittagong Stock Exchange (CSE) Syed Mahmudur Huq (centre) as CSE Chief Executive Officer Wali-ul Maroof Matin (right) briefs the SET president on the activities of CSE.

BB asked to strengthen monitoring on banks

Speakers observe at BIDS seminar

STAR BUSINESS REPORT

As corruption and mismanagement have crept into commercial banks in both public and private sectors, the central bank should strengthen its monitoring system, speakers observed at a seminar in Dhaka yesterday.

They put the blame on liberalisation of the financial sector without taking measures to upgrade Bangladesh Bank's monitoring method.

The observation was made at a seminar titled 'Financial Liberalisation and Performance of Commercial Banks in Bangladesh' organised by Bangladesh Institute of Development Studies (BIDS).

"The central bank monitoring system did not see any reform, although the number of banks has increased in recent years," said BIDS Research Associate Jahirul Islam while presenting the keynote paper at the seminar, which was moderated by BIDS Director General Quazi Shahabuddin.

Islam, also a PhD student at the Oxford University, sought harmonisation of banking sector and the capital market to reap the maximum benefits from financial sector liberalisation.

Taking part in the discussion, Centre for Policy Dialogue (CPD) Executive Director Debapriya Bhattacharya said the World Bank only put emphasis on reforms of nationalised commercial banks and did not prioritise the reforms of private banks under its Financial Sector Reform Programme (FSRP) taken up in 1991.

"That's why irregularities have also been taking place in private banks," he added.

BIDS Senior Research Fellow Sajjad Zohir and Citibank NA Chief Executive Officer Mamun Rashid also took part at the discussion.

Bank Asia to collect fees of IUB students

Students of Independent University Bangladesh (IUB) now will be able to pay various fees through the branches of Bank Asia in Dhaka and Chittagong.

With online connectivity IUB will also benefit with real time updates on the status of collection account.

A fee collection agreement to this effect was signed between Bank Asia Limited and IUB in Dhaka recently, says a press release.

IUB Vice-chancellor Professor Bazul M Chowdhury and Bank Asia President and Managing Director Syed Anisul Huq signed the agreement on behalf of their organisations.

Bank Asia has proposed to provide admission and tuition fee loans to IUB students, the release added.

SIBL raises loan ceiling for SMEs

Social Investment Bank Limited (SIBL) has enhanced loan ceiling from Tk 2.5 lakh to Tk 5 lakh for small and medium enterprises (SMEs).

SIBL has been operating family empowerment micro-credit and micro-enterprise programme since 1996, says a press release.

The bank has been able to create job opportunities for 16,000 micro-credit and 5000 micro-enterprise borrowers through the SME financing.

The main theme of the programme is to develop the socio-economic condition of the potential entrepreneurs, small and medium businessmen and traders through income-generating activities.

Kazi Anwarul Mahbub, managing director of the bank, said the bank will patronise SMEs clients to fulfil their diversified needs.

JOBS training on Entrepreneurship development

Job Opportunities and Business Support (JOBS), an USAID Bangladesh funded project, recently conducted a 5-day long training for staff of Tamanna Foundation and Tamanna Electronics Limited.

The course -- Entrepreneurship Development and Business Management Training -- was designed for development of entrepreneurship capacity and business skills of the participants, says a press release.

China trade surplus \$2b in July

REUTERS, Beijing

China had a \$2 billion trade surplus in July, its third in a row, as exports jumped nearly 34 percent from a year earlier, official data showed yesterday. Exports were \$51 billion in July while imports were \$49 billion, up 34.2 percent on the year.

The growth rates marked a slowdown from the year to June, when exports rose by 46.4 percent and imports by 51 percent.

The surplus compared with a \$1.6 billion surplus last July, and \$1.8 billion in June and \$2.1 billion in May.

Multi-metering billing retards capital market growth

DSE seeks exemption for brokerage houses

STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) yesterday said the multi-metering billing system of Bangladesh Telegraph and Telephone Board (BTB) stands in the way of an orderly growth of capital market in Bangladesh.

It said the online trading system of DSE should get exemption from the incremental billing system as the Ministry of Science, Information and Communication Technology considers the online trading as an ICT sector activity.

BTB introduced the multi-metering system from July 1, 2002 exempting Internet Service Providers (ISPs) in line with the government's policy to promote Information and Communication Technology (ICT) sector, said a press release of DSE.

Under the system, BTB subscribers have to pay Tk 1.50 for every five minutes during peak hours, from 8:00am to 8:00pm. They are charged same amount for eight minutes during off-peak hours, from 8:00pm to 8:00am.

With the introduction of the system,

some 35 members of DSE who access the trading engine of the bourse through a wide area network (WAN) find their bills to be creeping up since they have to log onto the system throughout the trading hour.

A directive of Bangladesh Telecommunication Regulatory Commission (BTRC) issued on October 23, 2002 regarding the exemption remained unheeded by the BTB, the DSE alleged in the press release.

Ahmed Iqbal Hassan, president of DSE, said the multi-metering system hinders the growth of capital market and the brokerage houses should be exempted from the system. He said the high telephone cost is ultimately borne by the investors.

"This is unfortunate that when our neighbouring countries are providing incentives to boost growth of capital market, here we experience hindrances that discourages investors from participating in the nation-building process through capital market."

Salahuddin Ahmed Khan, chief executive officer of DSE, said, "The multi-metering system is obstructing

expansion of the capital market."

He said DSE has plans to expand its online trading to other cities but the BTB billing system is discouraging them as the cost gets unbearable.

The DSE CEO said: "It is imperative to ensure participation of small investors from all over Bangladesh to support industrialisation process. But the effort will prove futile unless the BTB exempts us from multi-metering billing system."

With BTB's continued denial to exempt brokerage houses, connected to DSE's online system through wide area network, the cost of business continues to remain high, hindering expansion within different areas of Dhaka city.

The Securities and Exchange Commission (SEC) is also bearing the brunt of the denial as the regulators has to remain hooked with the DSE system to keep an online vigilance of the market for five hours a day.

The denial is forcing each brokerage house connected through the WAN to count about Tk 18 per hour which was earlier only Tk 1.70 a day. The total monthly cost now stands at about Tk 4,000 including 15 percent VAT.

SEC clears prospectus of Islamic mutual fund

UNB, Dhaka

Two new securities, each of Tk 10 crore, are set to hit the primary market soon with the Securities and Exchange Commission (SEC) approving prospectus of one of them and the other expected to get approval next week.

The SEC yesterday approved the prospectus of Islamic Mutual Fund to float shares to the public by ICB Asset Management Company Limited (ICB-AMCL).

It also decided in principle to approve the prospectus of the company's Pension Holders Unit Fund, but the approval would be finalised after some minor changes, SEC spokesman Monsur Alam said.

ICB-AMCL would be able to float the instruments within a day or two after getting the seal of approval.

Meanwhile, Alam said, a draft rule facilitating the introduction of "asset-

backed securities" going public in a couple of days to have public opinion about the rules of the special-purpose vehicle.

The SEC has initiated the effort to introduce the new type of securities to meet additional demand for securities created on the capital market, he said.

He added that the SEC would take two weeks to get the opinion after the rules would be published in the press and take a month to allow the instruments.

Mansur Alam said the process of bringing government bonds in the secondary market is also at the final stage of processing.

He said the SEC held a meeting with the merchant bankers seeking their help to encourage "good companies" to bring their shares in the capital market.

"We're trying our best to bring more securities in the market to meet demands from investors," he said.

The capital market has recently been

on upturn following the demand-pull, sending a strong signal of need for good shares.

But the investors see hardly any possibility of new good issues, other than the two or three in the process, in the near future.

"Lack of new good issues is the cause of uncertainty on the market," an investor said, criticising policymakers for their silence about offloading shares of SOEs like power, telecommunications and so.

Dhaka Stock Exchange CEO Salahuddin Ahmed Khan, however, sees nothing abnormal in the present upward trend of the market as the investors were going mainly for the good chips, particularly of "A" category.

The market operators find breathing space when they see the investors' move towards the good ones. Of the total Tk 22.83 crore transaction today, Tk 22.10 crore went for the "A" category.

Oil price holds strong near \$45

REUTERS, London

Oil prices held strong near record highs on Wednesday as sabotage in Iraq, worries about Russian oil company YUKOS and a fresh warning on the lack of spare capacity in OPEC underscored concerns about tight world supplies.

U.S. light crude rose 11 cents to \$44.61 a barrel, after touching a record \$45.04 on Tuesday. U.S. prices are up 19 percent, or \$7 a barrel, since the end of June. London Brent rose 14 cents to \$41.42 a barrel.

Iraqi oil exports were running at about 1 million barrels per day (bpd) compared to the 1.9 million being pumped before a sabotage attack on

Monday on Iraq's main southern export pipeline. Iraqi officials said repairs were expected to restore full capacity as early as late-Wednesday.

Opec's spare sustainable production capacity shrank to 600,000 barrels a day in July as the cartel raised output in a bid to counter high oil prices, the International Energy Agency said in its monthly Oil Market Report.

"The thin margin of spare capacity held by Opec producers has contributed to recent price strength," said the IEA, adviser on energy to 26 industrialized nations.

That leaves a buffer of less than one percent on the 82-million-bpd world market, compared to about eight percent in 2002 when spare capacity in Opec was 6-7 million bpd.

Russia's biggest oil exporter YUKOS continues to battle bankruptcy, trying to avoid a disruption to its daily operations and export sales, a threat that has helped push up oil prices.

Russia's Federal Energy Agency said on Wednesday it will ask court bailiffs to unblock YUKOS's frozen accounts, worried that exports could be cut if it cannot access cash.