

GMG's maiden int'l flight takes off tomorrow

Three flights a week on Ctg-Kolkata route

STAR BUSINESS REPORT

GMG Airlines becomes the country's first private carrier to operate international flight as the airline starts its operations on Chittagong-Kolkata route tomorrow.

The maiden flight will take off from Chittagong Shah Amanat International Airport at 11am carrying GMG high officials and a group of journalists. The Dash 8-100 aircraft will land at Netaji Subhas Chandra Bose International Airport in Kolkata at 11:45am BST.

To celebrate the landmark event in the country's civil aviation history, GMG, the country's lone operational private passenger carrier, will organise two inaugural ceremonies -- one each in Chittagong and Kolkata.

State Minister for Civil Aviation and Tourism Mir Mohammad Nasiruddin and Indian High Commissioner to Bangladesh Veena Sikri will attend the inaugural function at Chittagong airport prior to the flight's take-off.

"GMG Airlines will secure a place in history as it becomes the first private airline of the country to spread its wings across the border," Managing Director of the company Shahab Sattar said.

The airline will operate three weekly flights on Mondays, Wednesdays and Saturdays between Chittagong and Kolkata. The one-way fare is fixed at \$89. Passengers buying two tickets will get one ticket free in the first three flights after the inaugural one.

Currently Biman operates two

weekly flights on Chittagong-Kolkata route. Monthly passenger volume in the Biman flights is about 300 but GMG Airlines hopes the volume will go up if quality passenger service is ensured.

"When we started operations in 1998, yearly domestic passenger volume was about three lakh which now has grown up to over five lakh. If caring service is available more passengers will travel by air," Sattar told The Daily Star.

GMG Airlines got air transport operating licence on January 13 this year to operate on Dhaka-Colombo via Chennai, Dhaka-Male via Colombo and Chittagong-Chiang Mai routes. Later, the government added two more routes -- Chittagong-Kolkata and Dhaka-Kathmandu -- to GMG's

allocated international routes.

GMG Airlines however wants to fly on Dhaka-Kolkata and Dhaka-New Delhi routes. The existing air service agreement with India allows one or more Bangladeshi airlines to operate 30 weekly flights to Indian destinations of which Biman utilises 23 frequencies.

The airline urged the government to revise the air service agreement with India to allow it to operate flights to more Indian destinations.

GMG that began domestic flight operations on April 6, 1998 now connects Dhaka with Chittagong, Sylhet, Jessore, Barisal and Cox's Bazar operating 28 flights a day. It has one 37-seater Dash 8-100 and a 50-seater Dash 8-300 aircraft in its fleet.

Thai fair begins in Ctg today

STAFF CORRESPONDENT, Ctg

A two-week Thai fair begins at the Institution of Engineers, Bangladesh in Chittagong today.

Amir Humayun Mahmud Chowdhury, president of Chittagong Chamber of Commerce and Industry, will inaugurate the fair styled as 'Thai Lucky Grand Fair 2004' at 11am. Minister Counselor of Royal Thai Embassy Inthorn Wankao will also be present.

A total of 30 firms will display their products at the show organised by Thai Business Society in Bangladesh.

Kwality, Diploma brand condensed milk launched

STAR BUSINESS REPORT

Sanowara Group of Industries launched its Kwality and Diploma brand condensed milk in local market on Saturday.

"We are producing sweetened condensed milk from Sanowara Dairy Food plant, which was established in 2001," said Nurul Islam, chief executive of Sanowara Group, while speaking at the launching ceremony.

The condensed milk will also be exported to Fiji and Ghana soon, the chief executive hoped.

At present, the export-oriented plant is producing some 120 tons of condensed milk a day, said BM Katal, the factory manager.

Sanowara Begum, chairperson of Sanowara Group, Kevin Fison, Australian consultant of the business conglomerate, and other high officials were also present at the function.

Trade thru' Sona Masjid land port stalls as labourers go on strike

UNB, Chapainawabganj

Export-import trade through Sona Masjid land port stalled as labourers yesterday went on indefinite strike in protest against jailing their leaders on Sunday.

Sramik Samonnya Parishad, the land port trade union, called the wildcat strike as its President Ekramul Huq and General Secretary Md Aminul Islam were denied bail in a case filed by Clearing and Forwarding (C&F) agents and sent to jail.

"Following the strike no Indian truck crossed Bangladesh side yesterday. Loading and unloading of cargo also came to a grinding halt," says a spot report.

The C&F Agents Association President, Mobinur Rahman Mia, called the strike "illogical".

"The strike will not only affect the businessmen but also deprive government of revenues," he said.

He urged the labourers to immediately call off the strike "in greater interest".

Filing cases and counter-cases by the associations of labourers and C&F agents has become a common practice at this land port over collection of toll, sources said.

Pakistan's trade deficit expands in August

REUTERS, Islamabad

Pakistan's trade deficit expanded to a provisional \$297.46 million in August from \$189.39 million in July and just \$3.56 million in August 2003, the Federal Bureau of Statistics said Monday.

The bureau said August imports \$1.474 billion, slightly up from \$1.372 billion in July. Exports fell to \$1.176 billion in August from \$1.183 billion in July.

Combined imports in July-August were \$2.846 billion against exports of \$2.359, leaving a trade deficit for the period of \$486.85 million, up 359 percent from a trade gap of \$106 million a year earlier.

Pakistan aims to ship \$13.7 billion in exports in the current fiscal year to the end of June 2005, up from exports of \$12.3 billion a year earlier.

The government estimates that imports will rise to \$16.7 billion this financial year from \$15.47 billion in 2003/04.

Code of conduct for travel agents soon to check 'unethical' practice

STAR BUSINESS REPORT

The Association of Travel Agents of Bangladesh (Atab) is going to formulate a code of conduct for its members to bring in discipline in the business and prevent some agencies from indulging in "unethical" activities.

The code will be formulated in line with Travel Agencies (Registration & Control) Ordinance, 1977 and its strict compliance by all travel agencies will ensure quality service for the customers, Atab leaders hope.

For proper enforcement of the code of conduct, Atab recently submitted a set of proposals to civil aviation and tourism ministry urging it to make the association membership mandatory for all travel agencies.

Atab says it was possible to bring in discipline in the readymade garment and recruiting agency business after the government made it mandatory for such enterprises to be members of Bangladesh Garment Manufacturers and Exporters Association and Bangladesh Association of International Recruiting Agencies.

According to Atab, an association registered with the Ministry of Commerce, some 1,500 companies have licences to do travel agency business, of which 550 are

active in business but only 350 of them are members of the association.

In the set of proposals, Atab said some travel agencies are indulging in unethical business in absence of a regulatory body and code of conduct.

Sources said some travel agencies often make false booking and sell tickets at zero commission to rope in clients which create an unhealthy business environment and also lead to defaults in payment to airlines against sales receipts.

The association said the proposed code will cover all aspects of travel agency business such as agency commission, relationship with airlines, training, booking system and punitive measures in case of violation of rules by any agency.

Atab also urged the ministry to ask Biman Bangladesh Airlines to stop providing sales incentive for travel agencies saying that the facility benefits a handful of agencies and creates an uneven playing field for small and new agents.

Biman gives one percent discount to agencies who sell at least Tk 1 crore worth of Biman tickets a year, two percent discount to agencies with minimum Tk 5 crore sales, 2.5 percent for Tk 10 crore sales and three percent for above Tk 10 crore turnover.

Atab requested the ministry to cancel licence of 40 travel agencies who defaulted on sales receipt payment to Biman forcing the association to pay the national carrier Tk 2.5 crore in the last few years from its fund.

The association also plans to set up a training institute for the staff of travel agency houses and sought necessary support from the civil aviation ministry and airlines operating in Bangladesh to implement the plan.

Atab also sought establishment of passenger assistance desks at all international airports for providing quality services for foreign guests like that opened for garment buyers.

In a separate letter to the Inspector General of Police (IGP), Atab has sought remedial measures to frequent police raids on travel agency offices. It urged the IGP office grant the travel agencies permission to keep passports of their clients for the time being.

It also requested the IGP to take immediate step to save the agencies from extortionists, robbers and burglars. It said 51 incidents of robbery and burglary took place in Dhaka, Sylhet and Chittagong in last few months. Passports bearing visas, important travel documents and cash money are the prime targets of the robbers.

Fund-hungry housing sector draws banks' attention

UNB, Dhaka

Commercial banks are turning to a fund-hungry housing sector in a desperate search for new areas to invest their idle money.

Two private-sector banks have already announced their presence in the realm of property business, with lending rates a bit lower, and a number of others are expected to follow suit.

But the interest rate offers so far announced still were far from matching the expectations and affordability of the prospective clients, said sources in the sector.

Dutch Bangla Bank Limited (DBBL) and the National Credit and Commerce Bank Limited (NCCBL) have announced 12 percent rate of interest on housing loans.

The current rates of interest charged by the housing-finance companies are within a range of 14-15 percent. Property developers, however, claimed that the cumulative rates of interest would be 17-18

percent.

The news agency investigated the banking industry move to find new areas of investment opening up in response to reduced lending rates. It was observed that the banks just turned their eyes on new investment opportunities apart from the problem-ridden traditional sectors, where a lot of bank money got stuck up in sick undertakings.

The commercial banks have identified the housing sector as a priority area considering that they would easily get expertise locally.

The banks have hardly any experience and expertise to go for trying other prospective sectors, like agro-processing, a survey in the banking industry unveiled.

A brief survey among the tenant city-dwellers suggested that they would buy a flat if the monthly installments of the total value came within the range of the amounts they now pay as rent.

"I must prefer to have my own flat at a payment system that would

match the amount I spend for monthly payment as house rent," said Rumeli Ahmed, a housewife residing in an apartment in Purana Paltan area of Dhaka city at a monthly rent of Tk 10,000.

"The rented house will never be mine. But after years, I'll be the owner of the flat," she said, urging the policymakers to actively consider the issue in order to solve the housing problem.

Real Estate and Housing Association of Bangladesh (Rehab) Chairman Toufiq M Seraj said a lending programme at interest rates ranging between 6 and 7 percent for 25 years would make it possible to meet the expectation of Rumeli.

"It would also help grow the industry at an additional rate of 5 percent for next five years," he said. In the capital, the industry has grown at an average 10 percent for last couple of years, contributing 10-12 percent to the country's GDP.

NCCBL Managing Director M Aminuzzaman, however, indicated

that the lending rates for housing loans would come down gradually when other banks would penetrate the sector taking the tips from them.

Bankers said the banks felt the urgency of venturing into the new investment area as they got stuck up with huge idle money at a moment while lending scope in the traditional areas gradually drying up.

Bangladesh Bank Governor Fakhruddin Ahmed said the commercial banks could take advantage of the excess liquidity and the central bank's refinancing facility to move into housing, small enterprise and agribusiness.

"To do this, banks need to accept these as areas of strategic focus and create specific units with exclusive focus on the new areas," he said, adding that the central bank has finalised separate lending guidelines for SMEs and consumer credits.

Mutual Trust Bank, UAE co sign deal on remittance

Mutual Trust Bank Limited (MTBL) signed a deal with UAE Exchange Centre LLC, Abu Dhabi, on channelling remittance recently.

Under the deal, UAE exchange will issue taka draft which will help Bangladeshi expatriates working in United Arab Emirates (UAE) to remit their earnings safely, says a press release.

MTBL Managing Director Mosharrar Hossain and UAE Exchange Centre Managing Director BR Shetty handed over the taka draft formally to a Bangladeshi on behalf of their organisations at a function in the UAE.



PHOTO: MTBL

Mutual Trust Bank Limited Managing Director Mosharrar Hossain and UAE Exchange Centre LLC, Abu Dhabi, Managing Director BR Shetty formally hand over remittance document to a Bangladeshi after the two firms formally signed a deal on channelling remittance recently in the UAE.

Opec hopes oil to fall as supply uncertainties fade

AFP, Jakarta

Crude oil prices are expected to fall over the coming two months as supply uncertainties fade and markets settle on the expectation of a smooth US presidential election, Opec's president said Monday.

"Future trading for September-October indicates a trend toward a drop in prices and this is good news," Purnomo Yusgiantoro, who is also Indonesia's energy minister told reporters.

He said prices would begin to slide ahead of the US presidential vote in November, which is expected to proceed without a hitch, and the resolution of problems with Russian oil giant Yukos.

In London, the price of benchmark Brent North Sea crude oil for delivery in October fell 34 cents to 41.23 dollars a barrel on Friday.

New York's reference contract, light sweet crude for October delivery, dipped seven cents to 43.99 dollars a barrel at Friday's close on the New York Mercantile Exchange.

Oil prices have fallen from record levels of almost 50 dollars per barrel in New York in August, when the market spiked over supply fears partly centred on Russia's Yukos.

India, Pakistan agree on energy co-operation

AFP, New Delhi

India and Pakistan agreed on Monday to step up cooperation in the energy sector in a move that could lead to New Delhi supplying its neighbour with large amounts of diesel fuel, a minister said.

The matter was discussed by Indian Oil Minister Mani Shankar Aiyar and visiting Pakistani Foreign Minister Khurshid Mahmud Kasuri over lunch on Monday.

"India and Pakistan have recognised the importance of available energy resources in the region," Kasuri, on a three-day visit to New Delhi, told reporters after meeting Aiyar.

"Officials from our ministries of petroleum and gas will meet later this year to discuss issues of multi-farious dimensions," he added.

"My friend, Mani, flagged the

issue of diesel exports. The issue has been discussed and will be taken up later," he added.

India's largest refiner, Indian Oil Corporation (IOC), has submitted a proposal to export surplus diesel to Pakistan, oil ministry officials said.

According to Pakistani officials, Islamabad may review its ban on imports of diesel from India to try to reduce its dependence on Kuwaiti supplies.

The IOC has pipelines running close to the Pakistan border.

India and Pakistan are also keen to discuss the safety of a proposed 3.5 billion dollar pipeline designed to transfer gas from Iran to India through Pakistan, officials said.

Neither minister mentioned the Iran-India gas pipeline on Monday although officials said it had been high on their energy cooperation agenda.

Negotiations on the 1,600-

kilometer (1,000-mile) pipeline began in 1994 but no headway was made due to tensions between Pakistan and India and the project's massive cost.

Officials said warming ties between India and Pakistan augured well for the project.

For Iran, which holds the world's largest gas reserves after Russia, the Indian market is as important as the European market which it hopes to serve one day through a pipeline across Turkey.

India, which imports nearly 70 percent of its annual energy needs, has been using ships to ferry liquefied natural gas from Iran because it fears a gas pipeline running through Pakistan could be targeted by militants.

Kasuri and his Indian counterpart Natwar Singh on Monday completed two days of talks.