

## Private firm to recover default loans of Agrani Bank

The Peoples Development Services Corporation Limited (PDSC), a private organisation, will recover the default loans of Agrani Bank.

An agreement, initially valid for one year, to this effect was signed on Wednesday in Dhaka between the two organisations, says a press release.

Agrani Bank Deputy Managing Director KM Asaduzzaman and PDSC Managing Director Abdur Rahman signed the agreement on behalf of their organisations.

Among others, PDSC Chairman Abdul Wadud Master and general managers of Agrani Bank were present.

## Indian shares seen up, bonds down on central bank move

REUTERS, Bombay

Indian shares are expected to extend a rally this week, while bond prices head lower after a surprise central bank move to tighten liquidity to rein in inflation, analysts said.

The Reserve Bank of India announced on Saturday that it had decided to raise banks' cash reserve ratio (CRR) by a half percentage point to contain inflation, which hit a 3-1/2-year high annual rate of 8.33 per cent last week.

"This should ensure that inflation stays under control," said Sashi Krishnan, the chief investment officer at Cholamandalam Asset Management.

As rising prices had clouded the interest rate outlook and growth prospects in Asia's fourth-biggest economy, there was relief the central bank move would ease those concerns.

"It will boost sentiment," said Krishnamurthy Vijayan, CEO of J M Capital Management.

"Equity markets are on a firm footing and this should add to the feel good factor. We expect robust profit growth to continue," Krishnamurthy said.

The key Bombay share index rose 2.8 per cent last week to a four-month closing high of 5,370.05 points, logging its third straight weekly rise, during which it rose 6 per cent.

Technical analysts expect the index to meet some resistance at its 200-day moving average of 5,390. If that is breached, the index is seen scaling 5,500 in the next two weeks.

The index is down 8 per cent in 2004 despite recent gains.

## Oil traders worth their weight in black gold

AFP, London

Oil prices are near record high levels on world markets and banks and hedge funds are scrambling for a piece of the action, making oil traders some of the most sought-after workers in London.

A global stock market recovery has run out of steam and many financial firms have been expanding their speculative activity in oil to try to offset lacklustre returns from other assets.

"We are seeing a fair amount of expansion at the moment," said Colleen Quilty, a director at recruitment firm Alexander Mann.

"There are some new institutions getting involved in the energy trading arena."

Banks expanding their energy trading teams include Dresdner Kleinwort Wasserstein, ABN Amro and Barclays Capital, which are taking on the traditional heavyweights such as Morgan Stanley and Goldman Sachs.

It's good news for experienced oil traders, who can typically expect an annual base salary of 90,000-130,000 pounds (130,000-190,000 euros, 160,000-230,000 dollars).

Then there are the bonuses, which can be several multiples of the base salary.

The work can be hard, the hours long and stressful, particularly with markets so jittery at the moment.

## Correction

In a report titled "Software exports flat" on September 4, 2004 on this page, it was inadvertently published that Bangladesh earned only Tk 41 lakh by exporting software instead of US\$ 41 lakh against the target of Tk 2 crore in lieu of US\$ 2 crore fixed for the last fiscal year. We regret the error.

# Private cargo operators fly high

## Record 108pc growth on efficient services

M ABDUR RAHIM

With cargo operations of the national flag carrier, Biman Bangladesh Airlines, and foreign airlines remaining stagnant, private cargo carriers have recorded an impressive growth over 100 per cent on efficient services.

Inspired by the success, private cargo airlines are planning massive expansion both on international and domestic fronts. Overall, the country's air cargo industry saw 16.47 per cent growth in the last fiscal year.

MA Mannan, managing director of cargo carrier Bismillah Airlines Ltd, said, "As private operators offer quality and express service, exporters now rely on us. My company plans to procure one more chartered aircraft for the next season that begins in February."

Bismillah Airlines currently has one plane for international and two for domestic freight service.

"The Tk 800 crore-Tk 1,000 crore

air cargo industry can solve the lead time problem and become affordable for exporters if the government reduces ground handling and parking charges at airports," Mannan said.

Best Aviation Ltd, which specialises in domestic air cargo market carrying shrimp fries from Cox's Bazar to Jessore, has now planned to make foray into international cargo business.

"We will start a cargo flight from September 18 on Chittagong-Middle East destinations. The 40,000kg capacity flight will fly twice a week and put emphasis on vegetable cargo to the Middle East," said M Haideruzzaman, managing director of the company.

"We will also use our domestic flights to bring vegetables from Jessore to Chittagong to finally send those to the Middle East," he added.

Another private cargo carrier Air Bangladesh has already procured a Boeing 747 aircraft for cargo opera-

tion. The 110-ton capacity plane, now in registration process with Civil Aviation Authority of Bangladesh, is expected to go into international cargo operation from next week.

"According to our agreement with an American company we will procure another Boeing 747 and the plane will come to Dhaka early next month. We are bringing in big airliners to meet rapidly growing demand," said Md Shahjalal Mazumder, chairman of Air Bangladesh.

Moin Rashid, chairman and CEO of Z-Airways Services Ltd, said, "We want to go for further expansion but high ground handling and parking charges deter us. We cannot reduce freightage to make it more affordable due to the high airport charges."

Biman, 16 foreign airlines and five local private airlines carried 99,000 tons of cargo in the last fiscal year against 85,000 tons in the previous fiscal.

Private operators carried alone around 24,000 tons international

in 2003-2004 up from 2002-2003 fiscal's figure of 11,500 tons, witnessing a staggering 108 per cent growth.

Biman carried only 28,419 tons, a barely 200 tons up from the previous fiscal. Foreign airlines also followed suit of Biman seeing insignificant growth. The 16 foreign airlines carried 46,898 tons, which was 45,281 tons in previous fiscal.

A high official of Biman Cargo Village said as Biman only uses unoccupied space in its passenger flights to carry cargo, its growth is nominal. Biman has no dedicated cargo aircraft, he said.

The private air cargo operators also carry shrimp fries from Cox's Bazar to Jessore. During the breeding season between January and June, the carriers carry about 80,000 tons of shrimp fries.

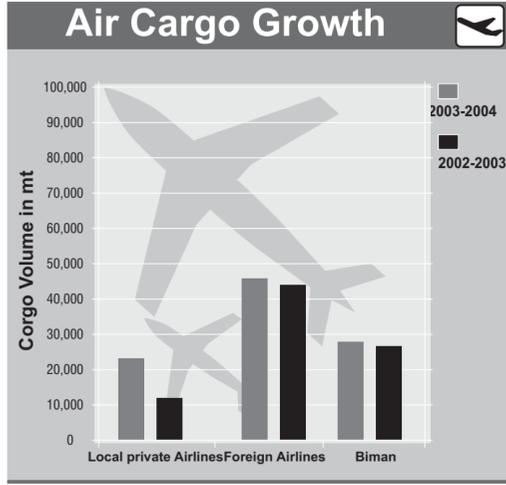


PHOTO: STAR

Mamoon M Shah, manager (Personal Finance Service), 2nd from right, Munir Hossain, manager (Marketing and Public Relations) of Hongkong and Shanghai Banking Corporation (HSBC) in Bangladesh, right, Meherun N Islam, managing director, 3rd from right, and Shaheed Sarwar, left, director of Conference and Exhibition Management Services, are seen at a press conference held in Dhaka yesterday. The conference was organised to announce the launch of a three-day 'My Loan Fair 2004' at Dhaka Sheraton Hotel from Thursday.

## HSBC loan fair from Sept 16

STAR BUSINESS REPORT

With a view to familiarising loan products of Hongkong and Shanghai Banking Corporation (HSBC), a three-day loan fair begins at Dhaka Sheraton Hotel on Thursday.

The HSBC is organising the fair titled "My Loan Fair 2004", the first of its kind, to inform visitors of loan products of the bank.

Conference and Exhibition Management Services (Cems) will assist HSBC in hosting the show. Commerce Minister Altaf Hossain Choudhury will inaugurate the fair. Commerce Ministry Advisor Barkat Ullah Bulu will also be present at the function.

HSBC officials said the fair will provide unique opportunity to visitors to purchase different household

items under HSBC's loan schemes.

"In the fair, customers will be able to get loans at one per cent less interest rate against the usual rates charged on different products," said Mamoon M Shah, manager (Personal Finance Service) of the HSBC in Bangladesh, at a press conference in Dhaka yesterday.

He said HSBC will charge 13 per cent interest rate under home loan scheme, 15.5 per cent for education loan and 13 per cent for car loan.

A total of 62 companies including real estate and construction material firms, electronic, computer, furniture and automobile companies, besides travel operators and services providers will showcase their products and services at the show.

Some nine universities will also

participate in the exposition aiming to woo students who are eligible for educational loans of the HSBC.

"HSBC will set up a service desk at the fair venue where the bank officials will assist customers in processing and getting loans," said Munir Hossain, manager (marketing and public relations) of HSBC in Bangladesh.

He said loans will be sanctioned within 24 hours for HSBC clients and within 72 hours for non-HSBC customers if necessary valid documents are found.

The fair will be open to all from 10am to 8pm everyday.

Meherun N Islam, managing director, and Shaheed Sarwar, director of Cems, also spoke at the press conference.

## Thai banking sector on track for growth

AFP, Bangkok

Thailand's banking sector is on track for further growth despite allegations of mismanagement, the availability of easy money and a bad loan crisis at the kingdom's second biggest lender, analysts say.

Problems within the sector sparked fears that lessons had not been learned from the 1997-98 financial crash but experts said banks were continuing to recover strongly buoyed by a robust domestic economy.

With more than a dozen interest rate cuts by the US Federal Reserve (news - web sites) between 2001 and last year, Thai banks also benefitted through an influx of foreign funds.

But pressure from the government on state-controlled institutions to make up for slow credit growth among private banks and alleged food-dragging over a sector cleanup have fuelled concerns.

Last month Thailand's second largest bank, Krung Thai Bank

(KTB) intensified speculation of a new crisis when it announced second-quarter non-performing loans had jumped from 79.65 billion baht (1.9 billion dollars) to 125.70 billion baht, or 7.7 per cent to 12.29 per cent of its total loan portfolio.

It also sparked fears of a bad loan crisis similar to China where international rating agency Standard and Poor's estimated that 40 per cent of loans could not be recovered.

The KTB reclassification brought the total amount of non-performing assets in the Thai banking system to 24 per cent of total loans at the end of 2003, according to the agency.

But other analysts say the agency has overestimated total bad loans in the banking sector which is more realistically around 16 per cent, according to Fitch Ratings' managing director for Thailand Vincent Milton.

"Notwithstanding the asset quality problems at Krung Thai bank, in general the bank sector is continuing to show a strong recov-

ery and that has been the trend over the past few years."

Despite its high projection of bad loans in the kingdom, Standard and Poor's says a healthy economy and dwindling state debt coupled with strong government and bank reserves ensure that existing problems will not lead to crisis like in 1997.

Thailand provided the spark for what is now known as the Asian financial crisis when it let its currency float in July 1997 amid a balance of payments crisis.

That set off a chain reaction of collapsing currencies and soaring interest rates throughout Asia which crippled economic growth and led to massive World Bank/International Monetary Fund bailouts.

"Regionally Thailand has been a bit mired with old problems. They are a bit slower to reform but I think progress has been achieved and they are moving in the right direction," says the agency's Singapore-based associate director of finance securities ratings, Adrian Chee.

## Ad agency Benchmark wins int'l award

Benchmark Limited, an advertising agency of Bangladesh, has won an international award in India.

The agency won the award at Sangbad Pratidin Srijon Samman-2004, a competition of Bengali ads, in Kolkata, India recently, says a press release.

Benchmark got nominations in seven categories including Best Consumer Product and Campaign of the Year for its Nandan Mega Shop and GMG Airlines ads.

Sangbad Pratidin Srijon Samman has been organised for the last five years by Daily Sangbad Pratidin and it was participated by reputed agencies from India and Bangladesh.

Ashraf Kaiser, managing director and CEO of Benchmark Limited, received the award. is what Benchmark stands for.

## DaimlerChrysler to build trucks in China next yr

AFP, Berlin

US-German auto group DaimlerChrysler will begin building trucks in China next year and commercial vans in 2006, the president of the company's trucks division said.

"If all goes well we shall be producing trucks in China from the end of 2005 with our partner Beiqi Foton, and from 2006 our vans, Vito, Viano and Sprinter," Eckhard Cordes told the German specialist magazine Automobilenwoche.

"I am expecting extremely significant growth next year, especially in China," he said.

The manufacturer plans to invest 200 million euros (245 million dollars) in the utility vehicle project, the magazine said. In the mid-term Chinese factories should begin exporting to other markets in South East Asia and South Korea.

Plans to export to Russia are also being considered.

DaimlerChrysler, looking to salvage its Asian strategy after setbacks in South Korea and Japan, said in August it was determined to reinforce its sales network in China by being more visible in cities.

## Bangladesh to take part in German footwear fair

Sept 16-19 show to help boost exports: EPB

SARWAR A CHOWDHURY

Bangladesh will participate in a high-profile footwear exposition in Germany beginning on September 16 aiming to expand international market of the finished leather product.

Four local big players--Bay Footwear Ltd, Leatherex Footwear Ind Ltd, Jenny Shoes Ltd and Landmark Footwear Ltd -- will represent Bangladesh in the four-day fair in the German city of Dusseldorf.

"The fair will help our footwear manufacturers consolidate and expand overseas market," said an official of the Export Promotion Bureau (EPB), the local coordinator of the exhibition.

"As finished leather products like footwear provide maximum value addition to export earnings, we should encourage and facilitate footwear exports," he said.

The Bangladeshi manufacturers will display a product range of men's

and women's shoes, leather sandals, moccasin shoes (for ladies) and boots at the exposition styled "GDS-International Shoe Fair, Dusseldorf" organised by Messe Dusseldorf in Germany.

"Through the buyer-seller contact at the fair our exhibitors will receive export orders," the official hoped.

As GDS is one of the most important trade events for professional footwear manufacturers and buyers from all over the world, the event will create an opportunity to the Bangladeshi manufacturers to showcase their products to the foreign customers, he observed.

More than 1,500 exhibitors from 50 countries and some 40,000 visitors from 80 states are expected to attend the fair.

According to EPB, earnings from finished leather, leather goods and footwear exports contributed \$211.41 million to national exchequer in 2003-2004.

## Entrepreneurship training for women begins in Khulna

STAFF CORRESPONDENT, Khulna

An eleven-day training programme began in Khulna yesterday aiming to train women on self-reliance through entrepreneurship.

Women Entrepreneurs Association, Bangladesh (WEA) has organised the programme titled "Women's Empowerment and Advancement by Learning and Training of Herself."

Rokia A Rahman, president of WEA and advisor to former caretaker government, inaugurated the training at Hotel Castle Salam on KDA Avenue.

Ferdousi Ali, president of the Khulna chapter of WEA and editor of The Daily Tribune, was present as special guest.

The training workshop, spon-

sored by Fair & Lovely Foundation of Lever Brothers, will focus on fish cultivation to make at least 300 women in 10 districts self-reliant.

Addressing the function, Rokia A Rahman said the training programme is meant for creating awareness among women so that they can build up their future by hard work.

She stresses the need for empowerment of women through training on entrepreneurship development.

WEA Central Secretary Rubina Husain Farouq, Executive Coordinator of WEA Farhana Ahmed, Chairman of Mini Mart Raushan Ara and representative of Lever Brothers Bangladesh Tariqul Islam also spoke at the inaugural function.

## GMG extends free ticket offer for Ctg-Kolkata passengers

GMG Airlines has extended its 'Buy 2 Get 1 Ticket Free' offer in all flights on Chittagong-Kolkata-Chittagong route until September 22.

Earlier, the offer was applicable for its first three commercial flights on September 11, 15 and 18, says a press release.

Under the promotional programme, passengers buying two tickets will get one ticket free.

The offer is available on 'first come first serve' basis and tickets can be purchased from any of the GMG Airlines sales offices.

The airline started its international flights on September 8 connecting Chittagong with Kolkata to become the first private carrier in Bangladesh spreading wings across the border.

## Malaysian budget carrier AirAsia gets okay for IPO

AFP, Kuala Lumpur

Southeast Asia's pioneer budget carrier AirAsia may have its initial public offering as early as October as it has secured preliminary government approval, a source said, while analysts predict the offering will attract investors despite high oil prices.

A source familiar with the exercise told AFP that the Malaysian-based company was pushing for October for its initial public offering (IPO) as part of a plan to fund its ambitious expansion programme.

"Since it has secured preliminary approval, the IPO can happen as early as October or by the latest November," the source said on condition of anonymity Saturday.

The source said the Foreign Investment Committee had approved the IPO and the airline was now awaiting final approval from the Securities Commission and its management board.

AirAsia in March said it had appointed Credit Suisse First Boston and RHB Sakura Merchant Bankers as the bookrunners for the IPO.

"The IPO strengthens our balance sheet, further cuts down existing low costs and accelerates our growth plans," Kamarudin Meranun, AirAsia's executive director said in March.

Suhaimi Saidi, economist with AmSecurities said that since oil prices are stabilising, the IPO would be well received, adding that AirAsia was the first budget carrier in the region to list.

"It is all about timing. Oil prices have stabilised. The timing is right. Investors will be bullish," he said.

## Foreign investors hold key to Tokyo's Nikkei this week

REUTERS, Tokyo

Foreign investors hold the key to whether Tokyo's Nikkei share average can hold on to the closely watched 11,000 level this week, although optimism about corporate earnings is likely to provide good support, brokers said.

A surprise downward revision in April-June quarter gross domestic product data weighed on the market on Friday, coming just a day after weaker than expected machinery orders figures.

"Investors are now concerned about how foreign investors will view the data as a whole, and whether they'll change their investment views," said Yoshihiko Kosuga, an equities manager at Mizuho Investors Securities.

Many analysts said, however, that Japanese investors were still optimistic about corporate earnings and that many were keen to scoop up stocks if the Nikkei fell below 11,000.

Nomura Securities said on Friday that Japanese corporate profits were likely to grow 34.9 per cent in the year to March 31, led by steel makers and chemical producers, and that earnings were expected to continue to grow in 2005/06.

The firm, part of Nomura Holdings Inc, said in June it expected aggregate group net profits of Japan's top 400 non-financial firms to rise 30.6 per cent in the current year.

The Nikkei fell 0.79 per cent on Friday after the government said the economy grew an annualised 1.3 per cent in the three months through June, down from a preliminary estimate of 1.7 per cent. Most analysts had expected an upward revision.



PHOTO: STAR

Rokia A Rahman, president of Women Entrepreneurs Association, Bangladesh (WEA) and advisor to former caretaker government, speaks at the inauguration of an eleven-day training programme organised by WEA in Khulna yesterday. The programme titled "Women's Empowerment and Advancement by Learning and Training of Herself" aims to train women on self-reliance through entrepreneurship.