

Record rainfalls leave businesses in disarray

STAR BUSINESS REPORT

Businesses in the capital's prime commercial hub Motijheel were in disarray yesterday with non-stop rains continuing for the fourth consecutive day, adding misery to city commuters.

Banks witnessed thin transactions amid confusion of whether the financial institutions are closed or not, Dhaka Stock Exchange's main-frame servers were put on makeshift platform to keep those dry, knitwear factories saw productions disrupted and many offices experienced erratic power supply.

Kitchen markets ran out of stocks following transport disruption. Many commuters waded through waist-deep water to reach their workstations.

Confusion in banks

A branch manager of a state-owned bank in old Dhaka had to call a newspaper office to know whether the government had declared holiday due to heavy rains.

"My wife called me at around 10:30 in the morning saying that TV news bulletins had announced the government decision of public holiday in the wake of severe water logging," the

official said requesting anonymity.

"I called my head office but failed to contact anyone responsible enough to confirm the news," he said.

"I was told by the Bangladesh Bank that the clearing house is open," said a managing director of a private commercial bank.

Amid confusion, the bankers were finally directed by the central bank to continue transactions since they had already started transactions.

Talking to The Daily Star, Managing Director of nationalised Sonali Bank M Tahmilur Rahman said as his office did not receive any direction from the central bank to keep bank branches closed, Sonali Bank decided to continue transaction.

He said transactions were very thin as clients could not reach branches due to severe rains. "Also many clients thought banks were closed since there was an announcement of a public holiday."

Talking to The Daily Star, a high official of the central bank said bank transaction began well before the government announced the public holiday.

"There was a technical problem and banks

could not be closed since transactions had already started. Had we closed the operations of the banks there would have been a problem in fixing the date of the transactions," he said.

Few cheques were cleared yesterday from the Bangladesh Bank clearing house, said a central bank high official.

DSE trading to remain suspended until Thursday

The premium bourse of the country -- Dhaka Stock Exchange (DSE) -- was the worst hit with rain water finding its way to the sensitive trading engine located on the ground floor of the bourse building, which is always kept in dust free condition.

The servers worth crores of taka had to be put on bricks to protect those from waters.

The DSE officials say they will not be able to resume trading before Saturday.

"We had to shut down the main server today (yesterday) and place it on a makeshift platform to prevent waters from reaching it," DSE Chief Executive Officer Salahuddin Ahmed told The Daily Star.

"After recession of rain waters, engineers will check the server. If possible we will resume

trading from Saturday," he added.

Ahmed said rain waters have already submerged the ground floor of the exchange building and some telephone and computer cables have gone under water. "Rain waters have damaged parts of telephone system and few computers."

CSE feels pinch of Dhaka downpour

The impact of the rains was also felt on the Chittagong Stock Exchange (CSE) as clients in Dhaka could not participate on CSE trading.

"Besides, as central depository system did not function, there was a fear of trade backlog which forced us to keep trading suspended," CSE Chief Executive Officer Wali ul Maroof Matin said.

Production in 90pc knitwear units disrupted

The non-stop rains have also put a brake in the productions of knitwear factories at Narayanganj due to poor turn out of employees.

"Most of the workers live in low-lying areas which were submerged by waters preventing them from going to their workplaces," said Fazlul Haque, president of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

According to the BKMEA president, as pro-

ductions in 90 percent knitwear units were disrupted on Monday the units counted a possible loss of Tk 10 crore on that single day. "Though the attendance improved little yesterday, still the loss might be at least Tk 7 to 8 crore today (yesterday)," he apprehended.

The BKMEA president said erratic electricity supply has also disrupted the productions in the factories.

Another blow to economy: FBCCI

Talking to The Daily Star, Abdul Awal Mintoo, president of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said the rains have come as another blow to the economy after the devastating floods and gruesome grenade attack on a political rally that killed 20 people.

"The rains came at a time, when we were trying to make up our losses that we incurred due to the floods and grenade attack," Mintoo said.

He said the incessant rain also might affect farmers, who have just planted vegetables.

Farmers to bear the brunt: Expert

Uttam Kumar Dev, an agricultural expert of independent think tank Centre for Policy Dialogue (CPD), echoed the FBCCI president. However,

he said the rains might be beneficial to paddy farmers, who have just ended their seed plantations. "If the rains turned into floods the paddy farmers will be in trouble," he apprehended.

Hospitality business still unaffected

The country's hospitality business witnessed a little blow so far. "Booking of no rooms of Dhaka Sheraton Hotel has been cancelled due to rains," said Sinthia Siraj, marketing communication coordinator of the five-star hotel.

However, she said some of the rooms were booked again, as guests could not return home at night due to rains.

Shopowners keep shutters down

President of Bangladesh Dokan Malik Samity, an association of retail shopowners, Amir Hossain Khan said the retailers continued witnessing losses yesterday.

He said al though few shopowners opened their shops after lunch, they kept their shutters down later due to poor turn out of customers.

"Today I found most of the shops at Dhaka Stadium and Baitul Mukarram area closed."



From left (clockwise) 1. Three postal letter boxes have their lower portions swamped in rainwater in Dhaka yesterday. The rainwater disrupted postal services throughout the country. 2. A rickshawpuller paddles through knee-deep water road in front of Bangladesh Bank in Motijheel. 3. Wearing gumboots CEO of Dhaka Stock Exchange Salahuddin Ahmed Khan points to water level inside the IT room housing mainframe servers that facilitates automated trading of the bourse. As rainwater has entered the stock exchange building, DSE suspended trading until Thursday. 4. Security personnel find it hard to get a dry place to guard Brac Bank branch in Motijheel. Many bank branches located on ground floors are out of transactions as water entered their premises.



Indian tea plantation workers call strike

AFP, Guwahati

Tea plantation workers in India's northeastern state of Assam have called a strike to protest the deaths of 600 members of their community to waterborne diseases, for which they blame management, a unionist said Tuesday.

"We have called a general strike on September 29 in all 800 tea gardens in Assam, besides organising protest rallies and demonstrations in front of offices of the tea plantation managements," Durga Bhumi, president of the Assam Tea Tribes Students' Association, told AFP.

The protests follow the death of about 600 tea plantation workers and members of their families in the past three months due to waterborne diseases like gastroenteritis and diarrhoea and also malaria.

"Our investigations revealed the casualties were more in (tea) gardens where there were no clean drinking water provisions. People depend on water sources that are not hygienic and pure," Bhumi said.

"There has been virtually no medical aid coming in from the garden managements where the deaths took place."

Most of the casualties were reported from the northern Sonitpur district where more than 250 plantation workers died of diseases since mid-June, when the state was deluged by annual monsoon flooding.

Beijing responds to Dhaka's call for reducing trade gap

Two Chinese companies sign business deals

UNB, Dhaka

Beijing responded positively to an appeal by Dhaka to minimise the huge trade gap by sending a purchase delegation to make a shopping list of Bangladeshi items.

The Chinese purchase delegation, now in Dhaka, has made a spot order worth US\$6.5 million -- \$5 million for leather items and \$1.5 million for raw jute.

Though the figure is very nominal, Bangladesh business community calls the good gesture of Beijing a milestone decision in boosting Dhaka's export to the huge economy, likely to be world's number one in next 20 years.

"Chinese authorities responded very positively to an appeal from Prime Minister Khaleda Zia during her recent visit to China to minimise the trade gap. Now it's our responsibility to exploit the huge market of China," said FBCCI President Abdul Awal Mintoo.

Says Chinese Charge d'Affaires in Dhaka, Duan Zhiquan: The purchase delegation tried to find out the Bangladeshi products acceptable to the Chinese market. Initially, they found leather and jute items, and there are more products to be identified.

The Chinese charge d'affaires expressed the optimism at a function where China National Township

Enterprise Association signed an agreement with ABC Leather to buy the leather items, and Shandong Tinpeng Cotton and Jute Association made another contract with Bangladesh International Trading for raw jute.

The Chinese purchase still is a fraction of bilateral trade between Bangladesh and China grew from \$562 million in 1999-2000 to \$800 million in 2002-03, according to the Export Promotion Bureau. This volume includes only the mainland China. If Hong Kong is taken into account, the actual trade volume will be \$1,324 million.

"Recent statistics show export from China to Bangladesh was increasing while Dhaka's export to Beijing decreasing and in any case it was very negligible," said Mintoo, the chief of the apex business body, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

Bangladesh's export to China showed a fluctuating trend within a range of \$8.5 million and \$55.6 million over the last decade. On the other hand, the import from China during the period was showing continuous rising trend from \$119.07 million in 1991-92 to \$800

million in 2002-03.

Appreciating the Chinese initiative of including more Bangladeshi products in its shopping list to decrease the trade gap, Mintoo urged the Chinese authorities to make investment here.

"As China will make an investment of \$40 billion in Asia in next two years, we believe Bangladesh should be considered a good destination of the investment. You can invest here and go for production both for local consumption and importing for Chinese market," he told the signing ceremony in Dhaka yesterday.

The signing of the purchase agreement was also attended by Wang Qihui, the Chinese delegation leader and director of the Department of Asian Affairs. Among the FBCCI leaders present were its Vice-president Kamaluddin Ahmed and Directors Dewan Sultan Ahmed, Abul Kashem Ahmed, MA Wahed and MA Rouf Chowdhury.

Sun Jianwei of China National Township Enterprise Association, Zainal Abedin of ABC Leather, Han Peng of Shandong Tinpeng Cotton and Jute Association and SM Tariqul Haque of Bangladesh International Trading signed the agreements on behalf of their respective sides.

AirAsia's Thai unit launches Phuket flights with 17 cent promo fare

AFP, Singapore

Thai AirAsia will launch in November a new budget service from Singapore to the Thai resort of Phuket at a promotional fare of 29 Singapore cents (17 US cents) for a one-way ticket, the carrier said Tuesday.

The promotional fares will be offered for 3,000 seats for travel starting November 5, the day the carrier starts its service to Phuket, until March 26, 2005, Thai AirAsia said in a statement.

All bookings must be made with the carrier's website from Wednesday till the end of the month.

The normal one-way fare to Phuket will start from 49.99 dollars when the promotional period is over.

Thai AirAsia is a joint venture between Malaysia's AirAsia Bhd. and Thai telecommunication giant Shin Corp. owned by the family of Thai Prime Minister Thaksin Shinawatra.

Thai AirAsia is locked in a fierce battle with Singapore-based Tiger Airways which is due to start its maiden flights on Wednesday.

Both carriers have slashed fares to Bangkok in a bid to lay claim as being the lowest cost budget airlines in the region.

Saifur seeks more IDB finance to achieve millennium goals

UNB, Dhaka

Finance and Planning Minister M Saifur Rahman has urged the Islamic Development Bank (IDB) to provide additional financing to its least developed member countries (LDMCs) like Bangladesh to help achieve the Millennium Development Goals (MDGs).

He sought the concessional resources for the more vulnerable member countries to support the MDG-related sectors such as education, health, agriculture and water supply.

"We need the support of our development partners to carry forward and sustain the good work that we have undertaken in reaching the MDGs," he told the 29th annual meeting of the IDB Board of Governors in Tehran, according to a message received here yesterday.

Saifur Rahman made the appeal for additional fund support to maximise the impact of poverty interventions in Bangladesh, which had done significant works in areas of social and economic development.

He apprised the meeting of the Bangladesh government's efforts in finalising a comprehensive national strategy for economic growth, poverty reduction and social development.

He also proposed the IDB to consider establishing a separate concessional financing window with softer terms and conditions exclusively dedicated to the LDMCs to implement their poverty reduction agenda.

The Bangladesh minister urged the IDB to assist the member countries to build their capacity on WTO related matters as well as to step up its efforts to promote and facilitate intra-trade among the member countries.

He requested to consider increasing the ceiling of the IDB's loan financing under "Ordinary Operations," which is currently Islamic Dinar 7 million per project.

"This will greatly facilitate member countries' efforts to take up relatively larger projects to fight poverty, malnutrition and social insecurity," he said.

Saifur Rahman regretted the inadequate IDB financing to the LDMCs, who share only 27 percent of the various financing facilities of the bank.

"We hope that IDB, under the dynamic leadership of its President, will continue to accord priority to the member countries, who need the most and are lagging behind others," he told the meeting.

Oil climbs as Ivan approaches US

REUTERS, London

World oil prices rose on Tuesday as Hurricane Ivan charged toward the oil-rich Gulf of Mexico, where energy companies had evacuated thousands of offshore workers and shut some production.

Prices were also underpinned by another sabotage attack on a pipeline in northern Iraq that has halted Iraqi crude exports from the Turkish Mediterranean port Ceyhan.

US light crude climbed 58 cents to \$44.45 a barrel. London's Brent crude rose 64 cents to \$41.70 a barrel.

Ivan, one of the fiercest Atlantic storms on record, was heading into the Gulf of Mexico on Tuesday, home to about a quarter of US oil and gas output.

Shell Oil Co closed 272,000 barrels per day (bpd) of oil output and ChevronTexaco Corp, ExxonMobil and Total also shut some production as companies evacuated more than 3,000 workers as a precaution.

Although Ivan is not expected to directly hit the bulk of output in the gulf, relatively low fuel stocks in the world's biggest energy consumer has left traders nervous about any hiccup in the supply chain.

"US crude inventories have been drawing down as we head into winter, any headline on supply interruptions will push the market up," said Tony Numan, a general manager at Mitsubishi Corp in Tokyo.

Official US data has shown that national crude stocks have fallen more than six percent in the past two months to the lowest level since March.