#### Shahjalal Islami Bank opens branch at Karwan Bazar

Shahjalal Islami Bank has opened its branch at Karwan Bazar ir

Chairman of the bank Sajjatuz Jumma inaugurated the branch on Sunday, says a press release.

Among others, Yousuf Abdullah Harun, former president of Bangladesh Federation of Chambers of Commerce and Industry, CM Koyes Sami, managing director of Oriental Bank Ltd, Mohammad Farooq and Abdul Halim, vice-chairmen of Shahjalal Islami Bank, directors and M Kamaluddin Chowdhury, managing director of the bank, were present.

#### Islami Bank opens branch at Kanaighat

Islami Bank Bangladesh Limited (IBBL) opened a branch of the bank at Kanaighat Bazar, Sylhet recently. Farid Uddin Chowdhury MP

inaugurated the branch, says a

Among others, Chairman of the bank Nazir Ahmed and Executive President Abdur Raquib were present.

#### High oil price not due to supply problem

Opec chief says

REUTERS, Jakarta

The Opec producers' cartel is supplying enough crude oil to the global market and near-record oil prices are not due to any supply/demand imbalance, president Purnomo Yusqiantoro said Monday.

US crude futures raced higher today, making a session peak at \$49.36 a barrel, just 4 cents off the record high at \$49.40 struck in late

That is not the price of the Opec basket, it is the price of US crude. This is because of Hurricane Ivan and some problems in other

places," Purnomo told reporters. "We will wait until we meet in Cairo, this is not a supply and demand problem. Opec supply is enough," Purnomo, who is also Indonesian oil minister, said when asked whether Opec could take any

measures to cool the market The Organisation of the Petroleum Exporting Countries will meet in Cairo in December to review production policy.

The group agreed on Sept. 15 to increase official output limits to 27 million barrels per day (bpd) in a bid to cool prices, which have surged about 50 percent for US crude since the end of 2003.

Oil demand has risen in 2004 at the fastest pace in 24 years, leaving little leeway in the supply chain for disruptions.

The cartel, which controls more than half of global crude exports, is pumping almost at full tilt, with only top exporter Saudi Arabia with any significant additional capacity.

Purnomo said Opec had spare capacity of about 1.5 million bpd.

### regional headquarters at Singapore

European bus and construction equipment manufacturer Volvo Group said Monday it was bullish on China, Southeast Asia and India as it opened a new regional headquar-

Executives of Volvo, the world's second-biggest bus manufacturer and one of the biggest makers of construction equipment, would not give growth targets for their business in the region, which currently accounts for 10 percent of global

talking about is China. China is a very important driver in construction equipment," said Keith Ellis, president for Asia for Volvo Construction Equipment.

But he also said the outlook for Southeast Asia is buoyant because of evidence the economic growth is

for the long term. "Starting last year and the first part of this year, if we look at the total market numbers, we've seen what I would characterise as a real sustainable growth in the Southeast Asian market," Ellis told reporters after the opening of Volvo's sprawl-

## Meeting tomorrow to devise new anti-piracy strategy

NURUL ALAM, Chittagong

In the wake of growing incidents of piracy, an anti-piracy committee formed by the Ministry of Shipping will meet tomorrow to devise new strategies to combat robbery at the outer anchorage of Chittagong Port.

The meeting to be chaired by chairman of Chittagong Port Authority will also be attended by representatives from shipping, coastguard, police and navy.

"We want to devise a new action plan through the meeting to check the incidents of piracy at our port limit areas," said member secretary of the committee

Hossain who is also deputy conservator and member operation of Chittagong Port said they feel the need for a better guideline to ensure safety and security of vessels calling at Chittagong Port. "So we consider the meeting to be of utmost

Chittagong Port Authority (CPA) has recorded 28 piracy incidents at the outer anchorage in the past nine months this year (from January to September 23), official reports said while many incidents relating to foreign ships remained

In the latest incident on September 17 this year, foreign ship MV Bina Niaga which was stationed at the outer anchorage for scrapping came under attack of organised gang of pirates, port and shipping sources said.

On September 16 this year pirates attacked another foreign tug named Dea League which was towing a cargo vessel MV May Queen that ran into engine trouble at the outer sea.

Besides, many incidents go unreported as the victims prefer keeping silence due to cumbersome

The ship operators fear detainment and harassment by police and other authorities in the name of investigation for which they prefer to remain silent in case of minor incidents," said former chairman of Bangladesh Shipping Agents Association (BSAA) Tarek Anis.

Sources said the organised gangs of pirates were reportedly operating at the outer anchorage on board high-powered engine boats.

Those gangs maintain strong hideouts at the coastal villages of Patenga, Char Patherghata Anwara and Banskali, sources said.



President of Supreme Court Bar Association and Holcim Bangladesh Director Rokanuddin Mahmud formally launches Holcim's new

## Bangladesh, Taiwan joint business council soon

#### Bid to boost tie in technology transfer, up investment

STAR BUSINESS REPORT

In a bid to increase investment and boost cooperation in technology transfer, Bangladesh and Taiwan will form a joint business council

"A Taiwanese business delegation will visit Bangladesh from October 2 and is expected to open a deal to form a joint business body the next day," MA Awal, chairman of Bangladesh Textile Mills Association (BTMA), said at a press briefing at the association office yesterday.

A 15-member BTMA delegation led by MA Awal visited Taiwan from September 15 to 25 and signed an agreement with Taiwanese counterpart for technology exchange, ioint research, he said adding if Bangladesh doesn't invest in research it will not be possible to

see further progress in this area. Taiwan is very advanced in research and development which Bangladesh textile sector lacks. It has a modern textile sector, having specialised products in synthetic, blended and high value-added

"We have value addition around 75 percent but in some areas the value addition is 500 percent and it was made possible mainly due to extensive research and development," Awal added noting Bangladesh is lagging behind due to lack of investment and favourable business support

The BTMA chairman hoped there are lots of positive indications that Taiwanese investment in Bangladesh may come in a bigger phase in the next couple of months. He said a 60-member investment delegation will also visit Dhaka in November. Speaking at the briefing, former

BTMA chairman A Matin Chowdhury said unlike garment exporters textile sector is always in favour of foreign direct investment. "Even we welcome any joint venture or relocation of old indus-

tries here," he added. Referring to huge export growth in knitwear. Awal said knitwear exports surpassed the volume of woven garment exports and textile

regard. "It would not be possible to see rapid growth of knitwear if the sector didn't get support of local backward linkage industries."

Asked why prices of local yarn and fabrics are higher than Indian products, the BTMA chairman explained that there are some basic differences for such price hike and Indian cotton growers get subsidy.

"You should not consider one element. Local yarn producers start supplying raw materials the day after opening the letter of credit and they take 100 percent return if there is any defect of locally produced varn. But the exporters cannot return

such yarn if they import from India. In case of importing from India the exporters have to face around 12 percent wastage. It is almost half in case of using locally produced yarn, he arqued.

Akram Khan, vice chairman, and Shawkat Aziz Russel, executive committee member of the association, also attended the sector played the key role in this

#### **ICB** Securities Trading okays 25pc dividend

ICB Securities Trading Company Limited, a subsidiary of Investment Corporation of Bangladesh, has approved 25 percent dividend for its shareholders for FY 2003-'04.

The approval was made at the company's annual general meeting held on Saturday in Dhaka, says a press release.

Chairman of the company Md

Jahangir Miah presided over the

The company earned Tk 56.03 lakh net profit in FY 2003-'04.

#### Clouds on the horizon for low-cost airlines

REUTERS, New York

As larger US airlines suffer growing losses, low-cost carriers, previously thought to be invincible, are not far behind, industry experts say, due to soaring jet fuel prices, low air fares and more competition.

UAL Corp., which filed for bankruptcy in August 2002, is still in Chapter 11. Earlier this month No. 7 U.S. Airways filed for its second Air Lines, the third-largest U.S. carrier, is fighting to avoid bank-The US airline industry has lost

The parent of United Airlines,

more than \$30 billion since the Sept. 11, 2001, attacks on New York and Washington, as fear of flying and a weak economy have slowed demand for travel. The industry is expected to lose another \$3 billion this year, according to the Airline Pilots Association. But even though low-cost carri-

ers are believed to be immune to the losses, not all of them are cruising along, AirTran Airways, ATA Airlines. Frontier Airways and FLYi (previously Atlantic Coast Airlines), are all expected to post losses in the next quarter as the airline industry's turmoil starts affecting the highflying upstarts.

JetBlue Airways this month cut its third-quarter earnings forecast, citing low fares and high fuel costs. JP Morgan analyst Jamie Baker a week ago said he expected further cuts in forecasts by JetBlue and

#### India to spend \$550m to improve roads in IT hub

AFP, Bangalore, India

25.5 billion rupees (550 million dollars) into improving the road network in Karnataka state, home of IT hub Bangalore, a minister said

strain on highways

"Some of the projects which are cleared are direly needed," Balu told

IT companies complain that the sub-continental "Silicon Valley" is losing its lustre due to congested

Technology Parks of India, which facilitates hi-tech exports, 284 technology firms have set up base in the region over the last two years taking the total there to 1,322.

## Holcim launches new cement for plastering

STAR BUSINESS REPORT

Leading cement producer Holcim Bangladesh Ltd has launched lowcost cement exclusively for plastering and bricklaying works.

The country's first-ever low-cost masonry cement -- Holcim Easy Wall -- was formally launched by President of Supreme Court Bar Association Barrister Rokanuddin Mahmud, also a Holcim Bangladesh director, on Sunday in Dhaka.

Holcim Easy Wall is only meant for plastering and bricklaying works, not for concrete works, manufactur-

Speaking at launching ceremony Managing Director of Holcim Bangladesh Ramit Budhraja said the new masonry cement is manufactured in such a way so that it

covers more areas with less cement waste, saves labour costs and minimises cracks, lengthening wall durability.

The cement is also environmentfriendly, Budhraja added.

Senior Consultant of Holcim Support Group, Switzerland Dr Diego Rosani said at least 25 percent of the total cement consumption in construction work is used for plastering and bricklaying works and the use of the new masonry cement can save over eight percent

As the masonry cement has optimum plastering efficiency with superior water retention rate and better cohesion capability, it will reduce material waste in the process of applying mortar in between

The cement is a better alterna tive to masonry work promising to reduce construction costs amid price spiral of building materials, said President of Real Estate Housing Association of Bangladesh (Rehab) Toufig M Serai

"Rehab builds around five to six thousand units of apartments every year and we are looking for cheaper means to bring construction costs down." added Serai

Holcim Easy Wall is alternative to high-strength ordinary port land and composite cement, which is widely used for plastering and bricklaying works, causing huge wastage, said Buet Prof Shamim Z Basunia while chairing a technical session to mark the launch of Holcim Easy Wall

## Indian textile exporters resent DEPB rate cut

PALLAB BHATTACHARYA, New

Indian exporters have resented the government's decision to drastically reduce the Duty Entitlement Pass Book (DEPB) rates for textile exports and cautioned there could be a dip in textile exports.

The government yesterday reduced the DEPB rates by 45 percent across-the-board for textile products through a public notice. For products such as cotton yarn, the rates were brought down to over 3 percent from 6 percent, while for some other fabrics it has been fixed at 5 percent, down from earlier 10 percent.

Terming the cut in DEPB rates "irrational" Subhash Mittal, vicepresident of Federation of Indian Exporters, said the action was unwarranted as there has been no change in customs duty applicable

slashed the DEPB rates besides aligning them with various plastics and chemical goods apparently to offset the loss of revenue due to zero excise duty announced in the current budget in July.

The decision has been taken at a

time when the Indian textile industry is preparing to face the enhanced competition as well as bright prospects set to emanate from the postquota regime starting from January 1 next year, he said. Mittal said the DEPB rate cut in

the middle of the year will disrupt the execution of export orders already negotiated by exporters and make Indian textiles less competitive. Exporters would now have to iack up prices. which would directly impact exports, he added.

The rate cut is likely to result in a drastic decline in export of readymade garments which for the first time in the last three years declined by 12 percent, said Council Chairman Rakesh

He said rate cut is "uniustified". as they are not linked to excise duty because the rates are devised on variations in customs duty and value addition which are unchanged Besides, the customs duties on polyester staple fibre and viscose remain at 20 percent, he pointed

The Synthetic and Rayon Textiles Export Promotion Council has described the DEPB rates as a 'huge disincentive" to Indian textile industry and exporters at a time when competitors like China are taking steps to make their textile exports more competitive to cash in on potential deluge orders in postmulti fibre agreement regime.

Meanwhile, several Indian textile companies plan for capacity expansion to meet the enhanced demand in the quota-free textile era.

# Volvo opens

AFP, Singapore

But they said the outlook for Asia

"The market that everybody is

ing, state-of-the-art headquarters.

## FBCCI chief urges world business leaders to invest in Bangladesh

MA Awal, chairman of Bangladesh Textile Mills Association (BTMA), speaks at a press briefing in Dhaka yesterday as BTMA Vice-chairman

#### Forum on nat'l export strategies begins in Switzerland

The country's apex business body took an international conference being held in Switzerland as an opportunity to invite world business leaders to invest in Bangladesh.

Presenting a keynote paper at the conference, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Abdul Awal Mintoo elaborated the growth of private sector in Bangladesh and explained why an excellent investment climate exists in the country.

Geneva-based International Trade Centre is organising the September 26-29 Executive Forum on National Export Strategies" with the main theme of "Competitiveness through Public-Private Partnership: Successes and Lessons Learned'

According to Mintoo, private sector's share in investment shows a rising trend increasing from 10.27 percent in 1990-91 to 15.61 percent of GDP in 1999-2000 and 17.5 percent in 2003-04 while that of public sector stagnates between 6-7

"The growing emphasis on the private sector is reflected in the fact that the share of private sector investment increased from 11 percent in the first five-year plan to 44 percent in the fourth five years plan," he said.

He also said that owning 37.62 percent of fixed assets the private enterprises account for 74.57

percent of employment and 66.2 percent of value addition while owning 62.38 percent of fixed assets the state-owned enterprises (SoEs) account for only 25.43 percent of employment and 33.79 percent of value addition.

PHOTO: STAF

Presenting the paper on "Making Business Advocacy Work", Mintoo said Bangladesh government has over the last decade been engaged in the creation of an inviting environment by playing facilitator role.

Renato Pleno, the director of Exporters Confederation of the Philippines, and Joseph Zammit Tabona of Malta Enterprise cochaired the session. It was also addressed by Riaan Le Roux, director of Export Department, Trade and Investment South Asia.

The Indian government is to pump

India's junior minister for Road Transport and Highways, T.R. Balu said rapid industrialisation and a booming outsourcing industry in the southern state had put tremendous

roads and acute power cuts. According to the Software