

Ship arrival up at Ctg port

STAFF CORRESPONDENT, Ctg

Arrival of ships, mostly foreign cargo vessels, at Chittagong Port recorded an increase in the first nine months of current year compared with the corresponding period a year ago, port officials said.

According to reports available here, a total of 1,336 vessels called at this premier port of the country from January to September this year against 1,269 ships that arrived here during the same period last year, showing an increase of 67 vessels.

Officials attributed the increase in ship arrival to upsurge in trading through this port.

Besides, ships with food grains called at the port after the monsoon flooding that hit the country last August, they added.

Official reports said during the first nine months this year Chittagong Port handled 15.89 million tonnes of import and export cargo, up from 15.70 million tonnes recorded in the corresponding period last year.

Handling of container cargo also witnessed an increase at Chittagong Port, triggering space congestion at the port yards, officials said.

Tk 4.2cr Danish grant to set up e-marketplace

Denmark has approved Tk 4.2cr grant for training and loan for equipment to establish an e-marketplace in Bangladesh to assist readymade garments and textile products.

Danish Ambassador in Dhaka Niels Severin Munk formally approved the grant.

The first ever e-marketplace, as a part of the Danida Private Sector Development (PSD) Programme, will support the strategic purchase decisions in the RMG and textile industry, says a press release.

The e-marketplace will also help to handle RMG industry in its preparation to handle the post-MFA situation.

It will reduce the cost of using the traditional intermediaries and facilitate a better flow of information between buyers in Europe, North America and the local RMG producers, the release added.

Pan Pacific Sonargaon corporate client of GP

Pan Pacific Sonargaon Hotel has recently signed an agreement with GrameenPhone (GP) Ltd to become GP's corporate client.

Mehboob Chowdhury, director (sales and marketing) of GP, and Manabo Kumatsu, resident manager of Pan Pacific Sonargaon, signed the agreement on behalf of their organisations, says a press release.

Frank Fodstad, deputy managing director of GP, Kafil H S Mueyed, deputy director (sales and marketing), and Habibullah Monju, finance director of Sonargaon, were also present.

Proton's tie-up with Volkswagen may face bumpy road

AFP, Kuala Lumpur

Proton's tie-up with Germany's Volkswagen AG (VW) heralds a new chapter for the Malaysian national carmaker but analysts warn the road ahead is bumpy and long-term benefits are hazy without any equity participation by Europe's top auto maker.

Proton announced Tuesday it would assemble and sell VW cars as part of a "long-term strategic partnership" that could lead to technology sharing and joint development of cars.

However there were no plans for VW to take a shareholding in the 38 percent state-owned Proton.

As part of the deal, Proton gets access to VW engines and other components. VW will develop a program to boost production standards at Proton plants and study opportunities to utilize Proton's technical expertise and facilities for the joint design and development of cars.

Analysts say Proton's technical collaboration with VW after the end of a 21-year alliance with its Japanese partner Mitsubishi Motors would bolster its competitiveness ahead of market opening in January under the Association of Southeast Asian Nations (Asean) Free Trade Area (Afta).

ICB Islamic Mutual Fund IPO sees 8 times oversubscription

ICB declares 10pc dividend

STAR BUSINESS REPORT

The initial public offering (IPO) of ICB AMCL Islamic Mutual Fund has received tremendous response from investors as it has been oversubscribed by more than eight times.

"Investors applied for more than Tk 57 crore against an offer of Tk 7 crore," said Md Fayekuzzaman, chairman of ICB Asset Management Company Ltd, at a press briefing in Dhaka yesterday.

Of the Tk 10 crore total mutual fund, Tk 3 crore went to pre-IPO placement and shares worth Tk 7 crore were offered for the general investors. Of Tk 57 crore worth application for shares, non-resident Bangladeshis deposited Tk 13 crore.

Islamic Mutual Fund is the second such fund the ICB AMCL floated. Now, the company is managing 1st ICBAMCL Mutual Fund.

Meanwhile, the Investment Corporation of Bangladesh (ICB) declared 10 percent dividends for the FY 2003-2004 out of its net profit of Tk 16.66 crore.

ICB Managing Director Ziaul Haque Khondker made the declaration at a press conference in Dhaka yesterday.

The shareholders approved the dividend package at the 28th annual general meeting of the ICB yesterday, presided over by Chairman M Hasinur Rahman.

At the meeting, the shareholders discussed at length various aspects of the annual report and audited accounts as well as the activities of the investment corporation during 2003-2004. They also made observations on the audited accounts of ICB subsidiaries.

The net profit earned in 2003-2004 is 56 percent higher than that of

previous year. The corporation had earlier declared handsome dividends on its Eight Mutual Funds and on the Unit Fund, the highest being 200 percent on the first Mutual Fund, the ICB management said.

During the past year, the corporation committed a net financial assistance of Tk 45.51 crore to 17 projects in the form of pre-IPO placement, lease financing, equity participation, investment in bonds and purchase of preference shares and debentures.

The corporation recovered an amount of Tk 113.81 crore from margin and project loans during the year, which is 68 percent higher than that of previous year.

It has offered a wide range of financial relief or benefit to those investment accounts which suffered badly due to abnormal market fluctuations in 1996.

A large number of investment

accountholders availed these facilities and rehabilitated or restructured their accounts for fresh participation in the securities market. Under this scheme, up to June 30, 2004, the ICB has waived interest amounting to Tk 31.78 crore against 12,814 investment accounts.

Under the investors' scheme, during 2003-2004, an amount of Tk 27.31 crore was received as margin deposit, Tk 58.73 crore was disbursed as margin loan and Tk 62.91 crore invested in listed securities, resulting in a total investment of Tk 642.56 crore up to June 30, 2004 on behalf of investment account holders.

"Portfolio position of each of the ICB, Mutual Funds and Unit Fund strengthened considerably during the year," the announcement said.



Md Ziaul Haque Khondker, managing director of Investment Corporation of Bangladesh (ICB), speaks at a press briefing in Dhaka yesterday.

3-day HSBC loan fair in Ctg from Dec 10

STAR BUSINESS REPORT

A three-day loan fair will be held in Chittagong next month to familiarise the residents of the port city with loan products of Hongkong and Shanghai Banking Corporation (HSBC).

Event management firm Conference & Exhibition Management Services Ltd (Cems) will organise the December 10-12 show titled 'My Loan Fair 2004 Chittagong' at MA Aziz Stadium Gymnasium.

A memorandum of understanding (MoU) to this effect was signed between HSBC and Cems yesterday in Dhaka.

Mamoon M Shah, manager (Personal Financial Services) of HSBC in Bangladesh, and Meherun N Islam, managing director of Cems, signed the MoU on behalf of their organisations.

Under the MoU, Cems will also organise next two loan fairs of HSBC.

Speaking at the function, Mamoon said after the grand suc-

cess of the 'HSBC My Loan Fair 2004' in Dhaka, the bank is going to hold the similar show in Chittagong.

Replying to a query, he said applications for around Tk 100 crore in loan were filed during the first loan fair in Dhaka in September this year.

Some 65 to 70 stalls will be set up at the Chittagong fair venue where the participant companies along with HSBC will showcase their products and services.

The fair will remain open to visitors from 10am to 8pm everyday.

OneTel to buy CDMA network from UTStarcom

OneTel Communications Ltd (OneTel) has signed an agreement for approximately \$4 million to purchase all-IP CDMA (code division multiple access) network technology from UTStarcom, the world's leading IP access networking and service provider.

OneTel Managing Director Asif Rabbani and UTStarcom Chief Executive Officer Hong Lu signed the contract at UTStarcom headquarters in Alameda, USA recently, says a press release.

Among others, Anil Mehndiratta, director of sales and marketing in South Asia for UTStarcom, and David Robinson, vice-president of international sales for UTStarcom, were also present.

OneTel, a fixed telecommunication service provider for the north-western region of Bangladesh, is expected to offer CDMA with WLL (wireless local loop) FWT (fixed wireless terminal) services in early 2005.

India's reserves rise on weaker dollar, IPO inflows

REUTERS, Bombay

India's foreign exchange reserves rose for the eighth week in a row to within striking distance of a record struck earlier this year, boosted by a weaker dollar and foreign investments in a \$1.2 billion share sale, analysts said.

They said reserves in Asia's fourth-largest economy rose in dollar terms after the US currency weakened on concerns over the US economy and comments from European Central Bank and Federal Reserve officials.

Central bank data released yesterday showed India's reserves rose nearly \$1 billion in the week ended Oct 22 to \$120.62 billion, not far from a record of \$121.1 billion struck on July 16.

The Reserve Bank of India said it expressed its foreign currency assets in US dollar terms after accounting for the appreciation or depreciation of other currencies in its reserves, such as the euro, pound and yen.

Pakistan to make oil payments from reserves

REUTERS, Karachi

Pakistan's central bank will start making payments for oil imports from its foreign exchange reserves to reduce dollar demand in the inter-bank market and stabilise the rupee, the bank's governor said Saturday.

"Extraordinary situations call for extraordinary measures," Ishrat Husain told a news conference after the release of the bank's annual report, which said record oil prices would push the current account into deficit and hurt the rupee.

"The State Bank of Pakistan will make all payments for oil shipments from its own resources. It will reduce (dollar) demand in the interbank market and go a long way in stabilising the rupee rate."

Husain estimated the country's current monthly oil import bill at \$350-\$400 million. He said the bank would make the payments from now until the situation normalised.

ICB offers tele-services

STAR BUSINESS REPORT

The Investment Corporation of Bangladesh (ICB) has introduced tele-service for its clients to provide them with investment-related information over telephone.

"Clients will be able to know the balance of their investment accounts and do certain other things over telephone from now on," Ziaul Haque Khondker, managing director of ICB, told a press briefing in Dhaka yesterday.

Now, ICB and its three subsidiaries -- ICB Capital Management Ltd, ICB Asset Management Company Ltd and ICB Securities Trading Company Ltd -- have more than 50,000 clients including investment account holders.

The ICB has recently started online trading in Sylhet and is now planning to launch similar service in Rajshahi and Barisal to encourage investors to trade in the capital mar-

ket from their places, Khondker said.

"We have also a plan to float a mutual fund exclusively for non-resident Bangladeshis (NRBs) to encourage them to invest in this country," he added.

The managing director said the subsidiary companies have already started publishing net asset value (NAV) in every 15 days in national dailies and the ICB has also decided to give information to its shareholders.

The ICB made a relaxed offer for its investment account holders who faced huge capital loss during the 1996 capital market boom. Under the offer, ICB waived interest of loans up to 100 percent.

Khondker said about 13,000 account holders have already restructured their accounts accepting this offer, and 49,627 investors have become active now. In 1996, the number of investment account holders of ICB was 58,726.

Khondker also told the briefing the ICB, in its bid to improve corporate governance, filed cases against some companies for not giving declared dividends and holding annual general meetings (AGMs) timely.

The companies include Wata Chemicals Ltd, Excelsior Shoes Ltd, Paragon Leather Ltd and Bangladesh Chemical Industries Ltd.

"And recently we got verdict in our favour," the ICB MD added.

Md Nurul Alam, chief executive officer of ICB Securities Trading Company Ltd, Md Fayekuzzaman, chairman of ICB Asset Management Company Ltd, Khondker Md Iqbal, CEO of ICB Asset Management Company Ltd, and other senior executives of ICB were also present at the briefing.

Tourism bounces back, oil shadow looms over airlines

AFP, Madrid

Tourism, headed for the canvas in 2003 owing to SARS and the invasion of Iraq, is back on its feet and packing a punch after a stunning comeback this year according to the latest official figures.

The lucrative sector enjoyed double digit growth almost across the board from January to August, according to the Madrid-based World Tourism Organization (WTO), which released its barometer report last week in Monaco.

"All regions saw a surge in international arrivals," said the report, which was unveiled by WTO Secretary-general Francesco Frangilli.

Asia and the Pacific led the way with 37 percent volume growth while North America ended three negative years to record a 12-percent rise, in line with the global average.

"Tourism has recovered strongly,

And while global passenger traffic and cargo volumes have shown double-digit rises this year compared to 2003 -- "an exceptionally bad year" in Bisignani's words -- oil prices hold the key to whether good times can keep on rolling for airlines and hence, the travel industry as a whole.

Airline analysts contacted by AFP said they agreed wholeheartedly with Bisignani's assertion that "the bottom line is worsening with the extraordinary price of fuel," particularly in the context of increased demand for long-haul travel.

With the net gain in arrivals standing at 41 million for January-August over the previous record year of 2002 (and 58 million more than last year), Espirito Santo analyst Joaquin Garcia told AFP: "Sheer demand could pose a problem" unless the price of oil falls by year's end.

Shortcomings in China's hospitals leave scope for foreign investment

AFP, Beijing

Sitting on a soft leather sofa in an elegant cream-colored reception area, a Beijing woman waited for a doctor's appointment.

The scene in a foreign-invested hospital contrasted sharply with that often seen in Chinese hospitals, most of which are state-run and notorious for their long lines, dirtiness and ill-tempered staff.

"We come here because the conditions are good," said the woman at the Beijing United Family Hospital who gave her surname as Yang.

"I have many Chinese friends who come here for check-ups during pregnancy. There's no need to line up and the attitude of the staff is nicer."

Foreign investors are putting their money into turning around existing hospitals or opening new facilities and are banking on middle-class people like Yang and her friends.

Since the Chinese government

began allowing foreign investment in hospitals in 2000, interest has steadily grown, with more and more foreign-funded outpatient clinics in operation and speciality and general hospitals also starting to open.

Previously targeting expatriates, the facilities now also lure the increasing number of well-to-do Chinese willing to pay more for better care.

"The interest is rising at a steep rate," said David Wood, president of investment consultancy firm The ChinaCare Group.

"Our survey shows people are willing to pay two to three times more for a higher standard of care."

In the past two decades of economic reform, government and state-run companies' share of total health expenditure, including financial support for hospitals, drastically fell from 78 percent of the total in 1980 to 41 percent in 2002, according to official figures.

China, Iran sign \$70b oil, gas deal

ANN/CHINA DAILY

China's oil giant Sinopec Group has signed a US\$70 billion oil and natural gas agreement with Iran, which is China's biggest energy deal with the No. 2 Opec producer.

Under a memorandum of understanding signed Thursday, Sinopec Group will buy 250 million tons of liquefied natural gas over 30 years from Iran and develop the giant Yadavaran field.

Iran is also committed to export 150,000 barrels per day of crude oil to China for 25 years at market prices after commissioning of the field.

Iran's Oil Minister Bijan Zanganeh, who is on a two-day visit to Beijing pursuing closer ties, said Iran is China's biggest oil supplier and wants to be its long-term business partner.

Official figures show that China imported 226 million tons of oil in 2003, about 13 percent of which coming from Iran.