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Chittagong Port witnesses fresh congestion

STAFF CORRESPONDENT, Ctg

Chittagong Port witnessed a fresh congestion of cargo containers yesterday, the first working day after a six-day Eid holiday. Port officials said, the long holiday caused a disorder in the operational activities, triggering the congestion.

Talking to The Daily Star, Chairman of Chittagong Port Authority (CPA) Shahadat Hossain said, "After the imposition of penal rent from November 10 delivery of cargo containers expedited, but a fresh congestion occurred due to the long holiday."

"We hope the congestion will ease within three to four days," the chairman added. According to official reports, a total of 15,660 containers remained stranded at the sheds yesterday against the capacity of 13,500 containers.

Space congestion has also slowed down the unloading of containers from the vessels, which anchored at port jetties, officials said.

AB Bank declares 5pc stock dividend

Arab Bangladesh Bank Limited (AB Bank) has declared a 5 percent stock dividend for its shareholders for the year 2003.

The declaration was made at the bank's annual general meeting held in Dhaka recently, says a press release.

Faisal Morshed Khan, chairman of the bank, presided over the meeting.

Among others, Sajedur Seraj, vice-chairman of the bank, Asgar Karim, Sayed Golam Kibria and Golam Sarwar, directors and MA Awal, managing director (acting), were present.

New free trade plan for Asia Pacific

ANN/THE STRAITS TIMES

Asia-Pacific leaders attending the annual summit here this week are being asked to consider establishing a Free Trade Area of the Asia Pacific (FTAAP).

The proposal will be discussed when leaders, including Prime Minister Lee Hsien Loong who arrived here yesterday, meet for the 12th Asia Pacific Economic Cooperation (Apec) Leaders' meeting on Saturday and Sunday.

The Apec Business Advisory Council, the grouping's business lobby, mooted the idea, which has the support of summit host Chile.

Its backers think it will help to accelerate progress towards the trade liberalisation goals mapped out at the Apec summit in Bogor, Indonesia, in 1994.

During that landmark meeting exactly a decade ago, the Apec economies agreed to implement a non-binding tariff-cutting plan to achieve free trade and investment among developed member economies by 2010 and developing members by 2020.

What makes the FTAAP proposal different from the Bogor agreement, which operates on the Apec principle of consensus, is that it is envisioned as a negotiated agreement which will be binding on member economies.

India's economy to grow 6.0 to 6.5pc: finance minister

AFP, New Delhi

Indian Finance Minister Palaniappan Chidambaram said Wednesday growth may slow to between 6.0 and 6.5 percent this fiscal year due to patchy monsoon rains and high global oil prices.

India's economy expanded 8.2 percent in last fiscal year to March 2004, the fastest rate in more than a decade, as good monsoon rains boosted farming incomes in the agriculture-dependent nation.

Whilst a 6.0-6.5 percent growth rate would be considered very respectable by many, India would still lag behind China which recently forecast growth of some 9.0 percent this year.

"Deficient rainfall in some parts of the country and the unprecedented hardening of international crude oil prices are likely to moderate output growth," said Chidambaram.

\$40m post-MFA action plan on the cards

MONJUR MAHMUD

The government will soon finalise a \$40 million 'Post-MFA Action Programme' to help garment exporters face challenges in the quota-free era beginning in January next year, commerce ministry officials said.

"We are discussing some aspects of the action programme with development partners and it is at the final stage," Commerce Secretary Md. Aminur Rahman told The Daily Star.

Post-MFA (multi-fibre arrangement) action programme will be announced soon, he said noting that stakeholders are involved in the

process.

The readymade garment sector will face an adverse situation in the open market regime, the commerce ministry observed in a working paper prepared for a meeting of the National Committee on Exports.

Issues including opening the RMG sector to foreign investors outside the export processing zones and offering electricity and gas at subsidised rates to export-oriented units are supposed to be discussed in the next meeting of the National Committee on Exports.

Making raw materials available at international prices and ensuring efficiency at ports to reduce lead-

time problem are key factors for the knitwear sector to face the challenges in the quota-free era," said Fazlul Huq, president of Bangladesh Knitwear Manufacturers and Exporters Association.

Bangladesh's RMG sector that fetches around 75 percent of the country's total export income will face stiff competition with China, India and some other countries when the quota system will phase out.

Of the total earnings from the garment sector, around 80 percent come from the USA and European Union countries, according to Export Promotion Bureau statistics.

HOLIDAY HANGOVER

Businesses yet to pick normal pace

STAR BUSINESS REPORT

Trade and businesses in the capital were yet to gather normal pace yesterday, the first working day after a marathon six-day Eid holiday.

According to businesspeople, normalcy will return to trade and business from Saturday.

Businesses witnessed thin transactions. Shopping malls remained closed and production in garment factories was slow.

Private companies also experienced little activities as people took leave after the official Eid holiday. However, investors found an upward trend on the stockmarkets.

"The shop owners will start opening their stores from Saturday,"

said Amir Hossain Khan, president of Bangladesh Dokan Malik Samity, an association of shop owners.

President of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) Fazlul Haque said: "Performance in the garment production units was very poor due to low attendance, although business activities officially started Wednesday."

"It seems works will not start in full swing before Saturday," he added.

After a long break, trading on Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) resumed yesterday with gainers outnumbering losers.

DSE General Index rose by .85

percent or 15.06 points to close at 1784.33 points while CSE All Share Price Index increased by 1.74 percent to close at 3179.58 points.

DSE-20 Index went up by 0.8 percent to close at 1967.61 points while CSE-30 Index rose by 0.095 percent to close at 3086.44 points.

Of the 167 issues traded on DSE yesterday, 105 gained, 43 declined and 19 remained unchanged. Trade volume on the DSE amounted to Tk 26.17 crore while 15,14,292 shares and debentures were exchanged in 9055 trades.

On CSE, of the total 55 issues traded, 27 gained, 20 declined and 8 remained unchanged and some 314,672 shares and debentures worth Tk 5.42 crore were exchanged.

The won closed at 1,081.40 won against the dollar here Wednesday, just off a 7-year high as exporters and currency dealers unloaded their dollar holdings amid growing downward pressure on the US currency.

BKB to extend Tk 50cr loan to 91 tea gardens in Sylhet, Ctg

Bangladesh Krishi Bank (BKB) will extend Tk 50 crore in agri development loan to 91 tea gardens in greater Sylhet and Chittagong regions for a period of five years from FY 2004-05 to 2008-09.

A memorandum of understanding (MoU) to this effect was signed between Bangladesh Tea Association, BKB and Bangladesh Tea Board recently in Dhaka, says a press release.

BKB Managing Director AKM Sajedur Rahman, Chairman of Bangladesh Tea Association M Wahidul Haque, and Chairman of Bangladesh Tea Board SAHM Tawhid signed the MoU on behalf of their organisations.

The loan will be utilised for tea cultivation on 2,720 hectares of new land and re-planting on 2,575 hectares of land.

Hyundai Motor works out cost-cutting programme

AFP, Seoul

South Korea's largest auto company, Hyundai Motor, has embarked on a cost-cutting programme as the country's currency the won, continues to firm against the US dollar, putting pressure on exports.

The Hyundai Motor group, one of the country's largest exporters, said Wednesday the won's steady gain was forcing a change in its business plans.

"Along with cost-cutting measures, employees are asked to strain every nerve in the face of the won's further appreciation," a Hyundai Motor spokesman told AFP.

A stronger won makes South Korea products more expensive abroad. More than half of Hyundai's overseas sales are realised in dollars.

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Singapore cuts 2004 growth forecast after Q3 slowdown

AFP, Singapore

Singapore cut its growth forecast for this year to 8.0-8.5 percent from 8.9-9.0 percent Wednesday following a sharp slowdown in the third quarter and warned of uncertainties on the economic outlook for 2005.

However, the government maintained next year's forecast at 3.0-5.0 percent, with officials and economists saying the general slowdown was not a cause for major concern following a period of very strong growth.

Gross domestic product (GDP) in the September quarter grew at a slower-than-expected rate of 7.5 percent from a year ago, according to the trade and industry ministry.

The figure was down from 12.5 percent in the three months to June and showed an annualised quarter-on-quarter contraction of 3.0 percent, ending four successive quarters of double-digit expansion.

EU battles over stability pact reform

AFP, Brussels

The European Union wrestled Tuesday with proposals to overhaul its ineffective budget rules but put off concrete action until January at the earliest in the face of big divisions.

At talks here, EU finance ministers also grappled with embarrassing revelations that Greece joined the eurozone in 2001 using bogus economic data.

The meeting of all 25 EU nations was held after eurozone finance ministers late Monday expressed their disquiet at "excess volatility" on currency markets, with the euro hovering near record highs against the dollar.

The debate about reforms to the EU's Stability and Growth Pact, which has been left in tatters by the refusal of countries including France and Germany to obey its deficit ceiling, did achieve some progress, officials said.

"We had a good exchange of views and some convergence seems to have appeared," Dutch Finance Minister Gerrit Zalm, whose country holds the rotating EU presidency, told a news conference.

Kmart to buy Sears in \$11b deal

REUTERS, New York

Savings but could also trigger sales of non-strategic real estate assets.

The deal came as a surprise to many analysts, who were uncertain of the motives behind the merger.

"They both bring to the table diverse opportunities, but it's not clear if they are merging to make them more able to stand up to Wal-Mart's greater strength or if this is a real estate deal," said Kurt Barnard, president of the Retail Consulting Group.

The companies, both of which have been struggling, said in a joint statement the merger, expected to be finalised by next March, was expected to generate significant cost

process.

Kmart shares jumped more than 12 percent in pre-market trading, while Kmart shares advanced 2.75 percent.

Kmart shareholders will receive

one share of new Sears Holdings common stock for each Kmart share; Sears shareholders will have the right to choose either \$50 in cash or 0.5 share of Sears Holdings for each Sears share.

The \$50-per-share cash price represents a premium of 10.6 percent over Sears' closing price of \$45.20 on the New York Stock Exchange on Tuesday.

Based on Kmart's closing price of \$101.22 on Nasdaq on Tuesday, the stock swap values Sears at \$50.60 a share, a premium of nearly 12 percent over its Tuesday close.

Asia's largest mobile tech show kicks off in HK

M SHAMSUR RAHMAN from Hong Kong

With a view to promoting worldwide adoption and growth of 3G mobile phones, the ninth Annual 3G World Congress and Exhibition started in Hong Kong on Tuesday.

3G is the industry jargon of third generation mobile technology which is capable of transmitting voice, data and video to subscribers' mobile sets.

Around 105 companies representing all segments of the industry are showcasing the latest 3G innovations and services in the Asia's most established and largest mobile technology exposition in the Hong Kong Convention and Exhibition Centre.

"We are witnessing a tremendous momentum growing behind 3G and the large number of industry decision-makers attending this year's event underline this," said Daniel Kirwin, managing director (Asia) of

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