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সময়: সকাল ১০টা থেকে রাত ১০টা পর্যন্ত (শুক্রবার বন্ধিলাক করা)

Stocks sail as savings instrument sales sink

Fixed interest bearing securities sale plunges 52pc in first four months of FY '05; transaction on DSE surges 440pc

REJAUUL KARIM BYRON

Interest rate cut on fixed interest bearing savings instruments has contributed significantly to the recent surge on the stock markets with the net sale of the once lucrative government certificates plunging by 52 percent in first four months of the current fiscal year.

An analysis indicates the move, aimed at channelling the funds into the stocks to help them come out of the depression period that had been prevailing for the past eight years following the 1996 market crash, to be very successful.

Investors prefer consolidating their investments on stocks particularly of banks and other financial institutions, which are hitting all time highs.

The transactions on DSE recorded a 440.37 percent growth in the first four months of the current fiscal over the corresponding figures of previous fiscal year. The

Chittagong Stock Exchange posted 759.99 percent transaction growth in the first four months of current fiscal compared to corresponding period of previous fiscal year.

On the other hand, sales of different savings schemes during the first four months of the current fiscal year were estimated at Tk 3,291.46 crore against Tk 3,520.28 crore during the same period of last year, according to the statistics of the National Savings Directorate (NSD).

Net sales of the savings instruments during July-October period of the current financial year amounted to Tk 834.67 crore against Tk 1,728.92 crore during the same period of last year.

The key index of the country's premier bourse, the Dhaka Stock Exchange (DSE), was hitting new highs with the influx of funds and new investments in the secondary market.

The DSE general index gained 31.16 percent in the first four

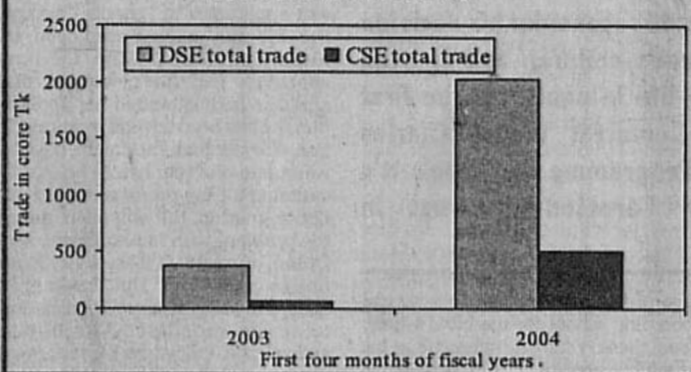
months of the current fiscal year, reaching 1710.44 points on October 31, 2004 from 1304.09 points on July 4, 2004.

Capital market analysts attributed the recent surge to a number of factors, which include cutting the interest rates coupling with government incentives allowing undisclosed funds into the stock markets.

In the face of pressure from the International Monetary Fund (IMF), the government cut interest rates on savings certificates in phases and withdrew some attractive schemes including defence, paribar and 6-month profit taking certificates in the last three years.

According to the official statistics, net sale in July this year amounted to Tk 305 crore, which was Tk 510 crore in July last year. This year the sales were Tk 230 crore in August, Tk 266 crore in September and Tk 31 crore in October while the sales were Tk 474 crore, Tk 385 crore and Tk 358 crore in these months

Turnover in value on DSE and CSE in first four months of '04-'05



respectively last year.

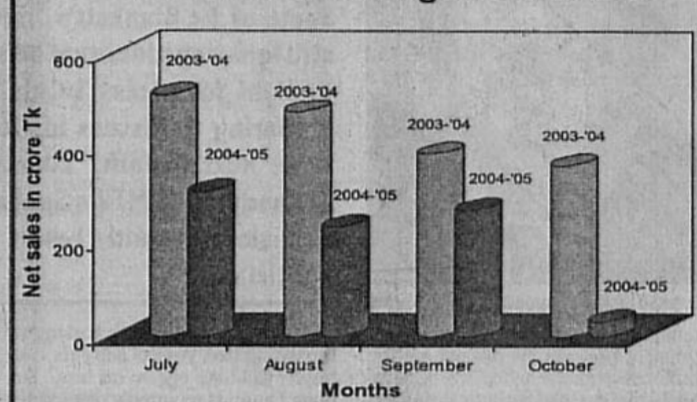
"Savers are not reinvesting their money after maturity of different certificates while new ones are being discouraged, resulting in poor net sales of savings certificates," said an official of NSD.

The government introduced a

new pensioner savings certificate offering 11 percent interest rate with a specific target group in the beginning of the current fiscal year. During August-October, pensioner sales amounted to Tk 177.34 crore.

The capital market is experiencing a bullish trend in recent months

Net sales of savings certificates



and deposits in banks rose substantially, up by more than 11 percent until October. Investment did not improve during the period, pushing liquidity up. Banking credit increased only by 3.53 percent.

In the last week of August, banks had liquidity amounting to Tk

11,319 crore. Interest rates in the call money market, which are between 2 and 2.5 percent, also show that market has excess liquidity.

The government net borrowing from the banking system in the first three months and the first week of October dipped by Tk 1984 crore.

Gemini Sea Food okays 25pc dividend

STAR BUSINESS REPORT

Gemini Sea Food Limited has okayed 25 percent dividend for its shareholders for the year 2003-2004.

The dividend announcement came at the 22nd annual general meeting of the company on Thursday on the factory premises in Khulna.

The company made a total sales of Tk 96.81 crore in 2003-2004 fiscal year ending on September 30, 2004. The total profit was Tk 6.69 crore and the net profit Tk 42.66 lakh, according to a press release.

Chairman Kazi Shahed Ahmed, directors and shareholders of the company were present at the meeting.

US-Thai free trade talks face indefinite delay

REUTERS, Washington

A third round of free trade talks between the United States and Thailand has been delayed until sometime after the Southeast Asian nation holds elections in February, US and Thai officials said Thursday.

The talks had been scheduled for next week in Honolulu. The delay is the latest sign that the difficult bilateral negotiations could possibly stretch into 2006.

"We have not set the (new) date for the third round, but both sides have significant work to do to analyse and exchange trade data and other information," a US official said, speaking on condition she not be identified.

Although the United States is pleased with the progress made so far in the negotiations, it's "too early to speculate when we'll finish," the aide said.

A Thai embassy official said the two sides would decide on the dates for the next round after the Feb. 6 general election. Negotiators could meet periodically to work on various issues before a formal third round is held, both sides said.

New president of Safa



Md Nurul Hasan has been elected president of South Asian Federation of Accountants (Safa) for the year 2005.

The election was held at the Safa assembly meeting held in Colombo, Sri Lanka on Saturday, says a press release.

Prior to this assignment, he was the vice-president of the organisation.

Hasan is a council member of the Institute of Cost and Management Accountants of Bangladesh.

Int'l export services fair begins today

BSS, Dhaka

The first international export services and logistics fair begins at Dhaka Sheraton Hotel today.

Advisor to Commerce Ministry Barkat Ullah Bulu will inaugurate the three-day exposition.

Vice Chairman of Export Promotion Bureau (EPB) Mir Shahabuddin Muhammad will also attend the function.

The fair will display software, logistic support systems, customs clearance facilities for exporters, services provided by shippers and freight forwarding firms, airlines, couriers and messengers.

Mobile phone users double since 2000

REUTERS, Geneva

Mobile phone subscribers around the globe totaled nearly 1.5 billion by the middle of this year, about one quarter of the world's population, the International Telecommunication Union (ITU) said on Thursday.

The figure reflected a sharp surge in the mobile telephony business, especially in developing countries, over the first half of the decade, with subscribers doubling since 2000, according to the United Nations (news - web sites) agency's annual report.

The ITU said the growth in mobile phone subscribers had outpaced that for fixed lines, who totaled some 1.185 billion today against 1 billion at the start of the century, and was also outstripping the rate of increase in Internet users.

Driving the mobile phone phenomenon, according to the report, was a rapid rise in subscriber numbers in three of the world's most populous nations -- China, India and Russia.

And by the middle of the year developing countries as a whole had overtaken rich nations to account for 56 percent of all mobile subscribers, while accounting for 79 percent of growth in the market since 2000.

By July this year, China was reporting 310 million users -- about one-quarter of its total population and more than the entire population of the United States, the ITU said.

Dollar rebounds further

REUTERS, London

The dollar rebounded further from this week's record low versus the euro on Friday as renewed focus on the US economy and interest rates provided some support for a currency badly hurt in the past two months.

The greenback has lost more than eight percent against the euro and yen since mid-October mainly because of concerns about the US current account deficit.

But soaring currencies in Europe and commodity-producing countries are putting a brake on local monetary tightening cycles and the narrowing interest rate differentials are prompting investors to unwind bets against the greenback. Markets are focused on US consumer sentiment data due later in the day and next week's interest rate decisions by the Federal Reserve.



Professor Md Anisur Rahman speaks at a special session on poverty at the 15th Biennial Conference-2004 of Bangladesh Economic Association (BEA) at Institution of Engineers, Bangladesh in Dhaka yesterday. Professor Abul Barkat, secretary of BEA, and Professor Muinul Islam of Chittagong University are also seen.

Economists seek concerted efforts to cut poverty

Biennial BEA conference ends

STAR BUSINESS REPORT

Economists at their biennial conference yesterday called for harmony of works among practitioners of different sectors to turn their theory into action for eliminating poverty effectively from the society.

Speaking at a special session on poverty at the concluding day of the three-day high-profile conference of Bangladesh Economic Association (BEA), eminent economists said there needs a harmonious and coordinated effort of economists, researchers, policymakers, implementing authorities and other concerned bodies to systematically eradicate poverty.

Presenting a paper at the session, veteran economist Prof Md Anisur Rahman said for sustainable poverty elimination the country needs collective efforts of all stakeholders.

"We must conduct research to identify the root cause of poverty, hammer out policy and strategy and

implement the policy to systematically eliminate poverty from society. Poverty reduction policy should incorporate participatory process," said Anisur Rahman, a former Dhaka University teacher of economics.

Speaking at the session, Saleh Uddin Ahmed, managing director of Palli Karma Shahayak Foundation (an organisation to promote micro credit by supporting NGOs), said as extreme poverty still exists largely in society, the policymakers should focus on providing basic human needs to the poverty-stricken people.

"We have got a lot of theories on poverty reduction but most of them remain confined to papers. Research and theory are not enough to eliminate poverty. The most important thing in this regard is implementation on the basis of the theory," he said.

"So, researchers, economists, policymakers, executing authorities

and other relevant bodies need to work together so that a viable policy gets implemented in the field level. The present system itself breeds poverty. So, we have to strengthen institutional capacity and harmonise policies to reduce poverty," Ahmed pointed out.

Chairing the session Prof Muinul Islam of Chittagong University said poor governance as well as abuse of resources at state level is leading the country to becoming a factory of manufacturing poverty.

"Resources get accumulated in few hands. Inequality is rising with the rich becoming richer and the poor becoming poorer. So, we need systematic and concerted efforts of all practitioners to overcome the situation," he added.

Qazi Kholiqzaman Ahmad, president of the BEA, and Prof Abul Barkat, secretary of the association, were present at the session held at Institution of Engineers, Bangladesh in Dhaka.

Nestlé completes 10 years in Bangladesh

STAR BUSINESS REPORT

Nestlé Bangladesh Limited yesterday celebrated its 10th anniversary of operations in Bangladesh.

To mark this occasion, the multinational food company arranged a daylong function at the theme park Fantasy Kingdom on the outskirts of Dhaka. Nestlé Bangladesh took 1,000 under-privileged children from Ucep (Underprivileged Children's Educational Programme), School of Hope, Anjuman-e-Mofidul Islam and Jyoti

Vidya Niketon, a school, to the park. There was also an exciting dance show and all the rides in the park were free for the children.

Carlo Cifello, managing director of the company, inaugurated the celebration by releasing colourful balloons.

Cifello said, "In this country, Nestlé Bangladesh had been growing at a double-digit rate and today it is the market leader in most products in Bangladesh."

He mentioned the future of Nestlé Bangladesh will be even

brighter as it has only started to capture the opportunities in food industry.

M Zulfiqar Hussain, human resource and corporate affairs director, said 10 years of operations of Nestlé is a milestone and Nestlé is committed to long term successful business development in Bangladesh.

Nestlé Bangladesh has so far invested Tk 130 crore since its launch in 1994. The factory of the company is located at Sreepur, 55 km north of Dhaka.

Central American apparel makers brace for China fight

REUTERS, Miami

The only way Central American and Caribbean apparel manufacturers can hope to fend off China once WTO export quotas expire is by establishing a "dirt to shirt supply chain that encompasses design, fabric production, manufacture and eventual shipment, industry executives say.

The Central American Free Trade Agreement with the United States, expected to be ratified during next year, will give the region's producers some breathing space to turn today's sewing plants into a sophisticated fashion industry.

But some industry insiders fear Central America and the Caribbean are acting too late to defend their \$9.6 billion in annual apparel sales to the United States, putting thousands of jobs at risk in some of the poorest countries in the Western Hemisphere. The quota system that has governed textile trade for decades expires on Dec. 31.

"They are behind the curve," James Jacobsen, vice chairman of St Louis-based apparel marketer Kellwood Co. KWD.N, said on Wednesday at a conference in Miami on economic integration in Central America and the Caribbean.

The World Trade Organisation expects China's grip on the global textile and clothing market to soar to 50 percent within three years from 17 percent in 2003.

Some expect that in the United States alone, around \$42 billion of clothing orders will go China's way by 2006, and surveys indicate that 91 percent of Chinese textile and clothing manufacturers are expanding their facilities.

Central America and the Caribbean, despite their proximity to the world's wealthiest economy and 10-14 day advantage over the East and South Asia in shipping to the US market, are likely to be among the hardest hit by the increased competition.

EU backs Lamy for top WTO job

REUTERS, Brussels

EU governments formally gave their backing Thursday to former Trade Commissioner Pascal Lamy as Europe's candidate to head the World Trade Organisation (WTO), the European Commission said.

European Union ambassadors from the bloc's 25 national governments agreed unanimously to support Lamy and France will now

present his candidacy to the WTO, said Claude Veron-Reville, the EU executive's spokeswoman for trade.

"The commission believes he is a very strong and clearly highly qualified candidate for the job... we are pleased that Europe has rapidly united," Veron-Reville said.

Lamy's successor as trade commissioner, Peter Mandelson, lauded Lamy and said he would be well-served for the task.



Carlo Cifello, managing director of Nestlé Bangladesh Limited, inaugurates a daylong celebration at theme park Fantasy Kingdom at Ashulia in Dhaka yesterday to mark the company's 10th anniversary of operations in Bangladesh.

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