

Refrigerator

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Star BUSINESS

DHAKA SATURDAY JANUARY 8, 2005 E-mail: dsbusin@gononet.com

Washing Machine

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Local cement cos ready to make foray into India

M ABDUR RAHIM

Local cement companies are ready to make foray into cement-hungry eastern Indian states with some leading producers already getting Indian standard clearance.

Holcim (Bangladesh) and Shah Cement Limited have achieved Bureau of Indian Standards (BIS) Certificate, a standard requirement that earlier restricted cement export to India. And Aramit and Confidence Cement are in final stage to get the certificates.

India's seven eastern states bring cement from Madhya Pradesh. Cement shipment by road takes 20

days to reach the seven states. But the shipment of cement to those states from Bangladesh takes only three hours or a day at best.

Industry sources say the eastern Indian states have a growing cement market especially in Tripura and Assam where construction sector is seeing boom in recent times.

As Bangladeshi cement is price competitive, the provincial governments and chambers forwarded the standard issue to Indian central government and pushed it to give nod to Bangladeshi cement manufacturers, the sources added.

Holcim (Bangladesh), the first local cement company to get the BIS

certificate, has got three letters of credit for 1,600 tonnes of cement from Tripura. The shipment will be completed soon.

A high official of Holcim (Bangladesh) said preliminary study shows that 1.5 lakh tonnes of cement can be exported to Tripura alone. "The seven sister states have a huge cement market and with Bangladeshi companies getting standard clearance it is possible to grab the market there," he said.

Holcim plans to send expert team soon to conduct market survey there to boost export, he also said. Bangladeshi manufacturers need more market understandings and

increased interactions with Indian business community to grab the opportunity, he added.

Investment saturation puts Bangladesh on huge cement production base. At present, some 40 operational companies have an installed production capacity of 1.5 crore tonnes a year while the local consumption is only 70 lakh tonnes. The low capacity utilisation is causing huge loss to the industry and leading to demise of the minnows.

Sources say when Lafarge Surma Cement, a greenfield company, will go into production in 2006, it may create a glut in local cement market. The lone integrated dry process cement plant

in Bangladesh will produce 1.2 million tonnes cement per year.

Against this backdrop industry people say, access to a growing Indian market can be a strong boost to Bangladesh's over-invested cement sector.

In a visit to Dhaka last month, M. Debnath, president of Tripura Chamber of Commerce and Industry, said the eastern states are willing to import cement from Bangladesh. He, however, mentioned that if transport and infrastructure facilities at land port could be improved, more Indian people would import cement from Bangladesh.



State Minister for Tourism and Civil Aviation Mir Mohammad Nasiruddin visits a stall after inaugurating the four-day loan fair styled 'HSBC My Loan Fair 2005' at the MA Aziz Stadium gymnasium in Chittagong yesterday.

Curtailed trading schedule for today on CSE

Trading on the Chittagong Stock Exchange (CSE) will start at 12 noon today and continue until 3pm.

The curtailed trading schedule for today came following a decision of the main opposition Awami League to enforce a half-day strike in the port city only.

JP Morgan to buy Vastera for \$129m

REUTERS, New York

JP Morgan Chase & Co. on Friday said it would buy trade-management software provider Vastera Inc. for \$129 million to bolster the bank's logistics and trade-services business.

Under the deal, JPMorgan will pay \$3 for each Vastera share, a premium of 50 percent over the company's closing price Thursday of \$2 on Nasdaq.

Licensing system for auto imports not against WTO rules: Malaysia

AFP, Kuala Lumpur

Malaysia's licensing system for auto imports does not contravene World Trade Organization (WTO) rules, Trade Minister Rafidah Aziz said Friday amid rising pressure to abolish the controversial policy.

Rafidah said the system was necessary for "socio-economic reasons" -- to help poorer Malays catch up with a wealthier Chinese minority -- as such did not contravene WTO regulations.

Every car manufactured or assembled outside the country must secure an approved permit (AP) before it can be imported and sold locally.

APs are mainly issued to companies controlled by ethnic Malay investors under the system introduced in 1970 to encourage politically dominant but economically weak Malays and indigenous groups, jointly known as bumiputeras, to venture into the auto-distribution business.

Hyundai completes world's first 'on-ground' built vessel

AFP, Seoul

South Korea's Hyundai Heavy Industries (HHI) Co. said Friday it was set to deliver the world's first vessel constructed on land instead of in a dry dock in what it claimed was a technical breakthrough.

The 105,000-tonne crude oil tanker, which was named NS Challenger Friday, will be handed over to Russia's Novoship on Saturday, HHI said.

The NS Challenger, some 244 meters (805 feet) long, was the first ship constructed using the new "on-ground build" method, the firm said.

Ships are usually built and assembled on a dry dock, a facility similar to a huge swimming pool without water. The dock is then filled up with water to float the ships and launch it into the sea.

"We have a three-year backlog and our nine dry docks are already fully booked while owners cannot wait for a long time to have their ships delivered," a spokesman for HHI said.

CityIT computer fair ends on a high note

STAR BUSINESS REPORT

Attracting a considerable crowd for the nine days, the first computer show of the year in Dhaka ended yesterday.

Around two lakh people visited the fair styled Computer Fair CityIT at BCS Computer City at Agargaon in Dhaka, said organisers.

An exhibitor at Flora Limited stall said they received good response from the visitors and the sale of the company was satisfactory.

Visitors showed interest mostly in the Epson brand hardware, he said, adding: "We also sold a good number of clone PCs."

Each day we sold more than 200 Canon products including laser printer and scanner, said an exhibitor

of JANA Associates.

Termining visitors' response encouraging, officials of Solutions said in the fair people bought their casings, speakers and compact disk (CD) bags.

However, some of the exhibitors expressed frustration and said although huge visitors turned up everyday, they hardly bought anything.

A total of 165 companies put their products on display in the fourth edition of the fair. The participating companies offered discounts and gift items to the buyers.

"The fair is a good initiative as computer has become a part of our everyday life," Mohaiminul Haque, a service holder, said, adding: "I bought a PC for my son who is a student of standard V."

Another visitor, Shahidul Islam, a student of computer science department of a private university, said he came to see if anything new was on display in the fair. "I visited the software fair and another hardware fair held last month. I find nothing special here."

"Although I went to the fair held at Novotheatre recently, I decided to buy my PC from this annual fair as the companies sell their products from their permanent shops here," said Shahin Mansur, an employee of a private firm.

Speaking on any other initiative, President of BCS Computer City Azim Uddin Ahmed told this correspondent that they have a plan to organise promotional event every three months.



A policeman helps a buyer push a trolley loaded with computer hardware on the last day of the Computer Fair CityIT at BCS Computer City at Agargaon in Dhaka yesterday.

Little impact of tsunami on India growth: RBI chief

PALLAB BHATTACHARYA, New Delhi

The recent tsunami disaster that killed nearly 10,000 people in India will not have much impact on the country's economic growth and price level but may affect exports to the tune of 200 million dollars, according to the country's central bank chief.

"Tsunami has not caused significant disruption in the economic activities nor much impact on exports and imports, Reserve Bank of India Governor V V Reddy said on Thursday.

The possible effect of the December 26 strike on exports could be to the tune of 200 million dollars, he told reporters in the western Indian city of Pune.

Replying to a question, Reddy said tsunami will not have much impact on prices of cement and sugar but the insurance sector will be affected due to claims.

The RBI, he said, does not expect any hike in the government's borrowings due to tsunami. If needed, the government can raise additional resources for relief without straining the system, Reddy added.

For the first time since tsunami waves struck coastal areas of southern states of Tamil Nadu, Kerala and Andhra Pradesh, the government on Thursday came out with preliminary estimate of financial loss in these states putting it at Rs 5,322 crore.

This, however, does not include the damage assessment in Andaman and Nicobar islands, which were one of the worst hit by tsunami.

Oil steady after jump higher

REUTERS, London

Oil prices held strong Friday after a \$2, five percent surge higher as OPEC ministers weighed the timing of a possible further output cut for the spring.

U.S. crude futures which had hit the highest levels since late December on Thursday, pulled back 17 cents to \$45.39 a barrel while London Brent crude was 2 cents down at \$42.83 a barrel.

"We expect that volatility is likely returning to the high levels of late last year and the markets will probably work somewhat higher from here," brokers Refco said in a report.

For the next two weeks, the market will be overshadowed by the issues of insurgency associated with the Iraqi elections and the policy uncertainty surrounding the OPEC ministerial meeting, both forthcoming on Jan 30, the report added.

Oil's sharp price reversal since the highs of \$55.67 a barrel set in October has alarmed OPEC members, who view it as a sign of rising energy inventories and the possibility of a supply overhang ahead of the slack demand spring season.

Iranian Oil Minister Bijan Zanganeh said OPEC should take action at its Jan. 30 meeting if oil fell under \$40 a barrel, effectively setting a higher threshold for output cuts by producing countries.

A cutback of up to 1.5 million barrels per day (bpd) could be made to official output limits, in the event of a sub-\$40 U.S. oil price, an OPEC source also said.

"We should be very concerned about the market. It needs action," Zanganeh told reporters in India. But he added: "I don't think prices will quickly go below \$40."

HSBC loan fair begins in Ctg

STAFF CORRESPONDENT, Ctg

A four-day loan fair began yesterday at the MA Aziz Stadium gymnasium here with a call to improve loan disbursement system and help small entrepreneurs.

The fair designed to display loan products of Hongkong Shanghai Banking Corporation (HSBC), Bangladesh was formally inaugurated by State Minister for Tourism and Civil Aviation Mir Mohammad Nasiruddin.

Furniture, travel, automobile, motorbike, power and electronics,

interior design, real estate and IT companies put their products and services on display at the fair, styled HSBC My Loan Fair '05. Visitors can buy the products with the loan facilities of HSBC.

Lauding the My Loan programme of the bank, the state minister said the quick loan process by HSBC can be a good example for many banks for the benefit of customers and entrepreneurs.

The state minister also emphasised amendment to loan distribution systems of scheduled banks.

He also lauded the HSBC's initiative to offer loans ranging from Tk 50 lakh to 1 crore without collateral.

Conference and Exhibition Management Services Ltd (CEMS) organised the fair, the first of its kind in Chittagong. Private television Channel i is the media partner of the show, which will remain open to visitors from 10am to 8pm everyday.

Mamun Mahmud Shah, manager (personal and finance) of HSBC, Bangladesh, said the bank's loan programme is aimed at helping general people and small entrepreneurs as well.

India strikes 25-year deal to buy Iranian gas

AFP, New Delhi

India has reached an agreement with Iran to buy 7.5 million tonnes of liquefied natural gas a year over 25 years, the government announced Friday.

Oil Minister Mani Shankar Aiyar sealed India's first big gas deal with his Iranian counterpart Bijan Namdar Zanganeh on the sidelines of an Asian ministers' oil meeting in New Delhi.

"India's state-run Gas Authority of India Limited and Indian Oil Corp have signed an agreement with National Iranian Gas Export Corp Friday to import 7.5 million tonnes of LNG for 25 years," Aiyar said in a statement.

Zanganeh confirmed the agreement but neither minister gave details of the pricing formula. Negotiations had begun in January 2003 as India sought to meet a

huge need for gas in the country of more than one billion people.

India had been pushing for a fixed-term/price contract similar to a deal it has with Qatar, but Iran had signalled unwillingness to agree such terms.

"We have come to a good deal. In the present circumstances, it is a good deal," said Gas Authority of India Limited chairman Prashanto Banerjee.

India and Iran had failed to reach an agreement last month when Aiyar went to Tehran to attend an oil and gas industry conference.

The government statement also said India's state-run Oil and Natural Gas Corp's overseas arm has entered into an agreement with the National Iranian Oil Company to take a 20 percent stake in Iran's Yadavaran field and an unspecified stake in the Julefy

field. "It was agreed to further the mutual cooperation between the two countries in the hydrocarbon sector in a big way," said the Indian government statement. Aiyar said the Iranian oil minister had invited more Indian investments in his country.

"The Iranian side further offered to the Indian companies the opportunities for investments for producing fertilizers, ethylene, methanol, ammonia and other things in Iran," he added.

The Iranian side also suggested that Indian firms could set up energy-intensive projects such as aluminium, cement and steel firms, he said.

State-run Indian Oil Corporation, the country's largest oil refining and marketing company, would explore investment opportunities in Iran, he added.

Philippines cuts 2005 export target after MFA expiry

AFP, Manila

The Philippines sees lower export growth in 2005 with the ending of the Multifibre Arrangement (MFA) and softer demand in developed economies, Economic Planning Secretary Romulo Neri said Friday.

Neri forecast eight percent export growth for the country this year, compared to the 10 percent growth forecast for 2004.

The latest available official figures showed 8.9 percent growth in exports for the 10 months to October 2004.

The expiry of the MFA at the end of 2004 and the ending of its quota system of exports, particularly to the United States, "might mean lower demand for the country's garments exports," Neri said in a written statement.

He said slowing growth and rising interest rates in developed countries this year could also hit on the country's top exports of electronics products.

The MFA, established in the mid-1970s, allocated quotas of

clothing and textiles that developing nations with cheap labor could export.

Filipino garment and textile firms had joined counterparts from dozens of other countries in an appeal to the World Trade Organization for an extension of the quota regime to enable them to adapt to the new trading environment.

Garment exports were worth some 2.8 billion dollars or about eight percent of the country's total merchandise export earnings in 2003.

The industry employs more than 400,000 people and some 76 percent of the output of the sector's 1,000-odd manufacturers go to the United States, according to official figures.

By contrast, the electronics sector accounted for about 70 percent of export receipts and employs some 300,000 people.

Analysts have said the garment industry will face a real challenge to survive in the tougher post MFA environment with textile giants

China and India seen as the major beneficiaries at the cost of smaller producers.

"It is important that we upgrade the quality of our garments through better machinery and better-skilled labor. We should aim for high quality products, making sure they are better than those produced by China or India," Neri said.

"Our efforts should be directed at producing high-end products so we can compete with the likes of Italy, France, or the United States," he added.

A study by McKinsey consultants last year showed China could account for half the world's clothing and textile exports by 2008, up from 21.6 percent in 2000.

The rest of Asia would see their share of the world trade fall to 20.1 percent in 2008 from 31.9 percent in 2000, according to the report.

Neri said the government would address the local garment industry's continuing problems, such as labor unrest and the high cost of labor.