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MCCI for handing over Ctg port to private management

Suggests short-term, medium-term strategies

STAR BUSINESS REPORT

The Metropolitan Chamber of Commerce and Industry (MCCI) said management of Chittagong Port should be given to private hands in ordet to improve productivity of the port and cut the turnaround time.

In a meeting with the Chittagong Port Authority (CPA) in Chittagong on Wednesday, MCCI President Kutubuddin Ahmed devised both short term and medium term suggestions for immediate improvement of services.

"The authorities can start the process by introducing customs clearance through green channel and reducing check/approval points of customs and port from existing 42 to 7 points," said Ahmed suggesting a short-term strategy for implementation within three to six months.

As medium term strategy, the government can undertake the construction of Dhaka-Chittagong Highway and officially permit door to door movement of containers, the MCCI president suggested.

He said there should be an alternative to Biswa Road on the route of Chittagong Port to Fouzderhat for easy entry and departure of trucks from Port.

MCCI President Kutubuddin Ahmed also said that the CPA should be restructured as a commission in line with the model of Bangladesh Telecom Regulatory Commission.

Ahmed pointed out that there has been an agreement regarding the process of export documents with a view to hastening the processes of goods delivery from the port. "Though there has been improvement in the overall situation, problems still continue, which lead to corruption."

"We feel that either a 'one stop service' or a 'special team' should be introduced to take care of this matter", said the MCCI president.

Ahmed's other recommendations include permission for submission of import general manifesto (IGM) prior to berthing of a vessel, customs' acceptance of amendments to errors and omissions in the IGM put forward by the declaring agents without delay and hindrances.

The MCCI also called for repealing requirements of assessment and bond formalities, which could be done by customs later after delivery of the goods based on the bill of entry returned to them for jetty examination.

Ranks Telecom, Square Informatix get land phone licenses

STAR BUSINESS REPORT

Ranks Telecom Ltd, a sister concern of Rangs Group, yesterday was awarded two more PSTN (Public Switched Telephone Network) licenses by Bangladesh Telecommunication Regulatory Commission (BTRC) to launch land phone services in the country's south-west and north-west zones.

Besides, Square Informatix Ltd, an enterprise of Square Group, also received four PSTN licenses from the BTRC to launch the same service in all zones excluding Dhaka.

Earlier on June 7, 2004, Ranks Telecom Ltd received two PSTN licenses to launch services initially in north-east and south-east zones.

Rangs Group Chairman A Rouf Chowdhury and Square Group Chairman Samson H Chowdhury received the licenses from BTRC Chairman Syed Marghub Morshed in Dhaka.

Speaking at the function, officials of the companies said CDMA (Code Division Multiple Access) technology will be used in PSTN services.

"We will start our services by March this year under the brand name of Rankstel targeting three lakh connections within 2005," said ATM Zakaria Swapan, chief operating officer of Ranks Telecom.

He said the connection fee, line rent and call charge under the PSTN services will be lower than BTTB's rates.

On the other hand, Square Informatix will start offering PSTN connections from Pabna district by the middle of June this year, said Hamidunnabi Dipu, senior executive of the company.

PHOTO: STAR

Bangladesh Telecommunication Regulatory Commission (BTRC) Chairman Syed Marghub Morshed shakes hands with Rangs Group Chairman A Rouf Chowdhury (top) and Square Group Chairman Samson H Chowdhury in Dhaka yesterday as he hands over the PSTN licenses to the companies to operate land phone services.

China needs freer currency, trade: Evans

REUTERS, Beijing

China should not only make its yuan currency freely tradable, but also knock down tariffs and other trade barriers to keep its economy humming for a long time to come, US Commerce Secretary Don Evans said on Thursday.

Evans, on his fourth and final tour of China before he leaves office this month, said Washington stood ready to help Beijing make the yuan, now pegged at about 8.28 to the dollar, more flexible.

"What we're interested in is doing what we can do to help them to create the conditions, or create the environment, for long-term economic growth in this country, so they can provide more jobs and better jobs for the people of China," Evans told Reuters in an interview.

"And that also means more jobs and better jobs for the people back home in America."

His remarks echoed comments he made in Beijing on Wednesday in which he said market-determined exchange rates were the "best policy" for large economies, including China's

Evans declined to specify what currency reforms China should carry out, saying that exchange rates were just one area where he was offering advice.

"We're talking about all the economic policies that we feel have been so key to the success of the American economy: free flow of capital, free trade, market-driven and market-determined exchange rates," Evans said.

Dollar rebounds with US trade deficit back in focus

AFP, London

The dollar clawed back Thursday after sustaining heavy losses on news of a record US trade deficit in November, dealers said.

The single European currency fell to 1.3224 dollars against 1.3255 late on Wednesday in New York.

The dollar gained to 102.42 yen compared with 102.31 on Wednesday.

Dealers were awaiting interest rate decisions from the European Central Bank and the Bank of England, but both were expected to leave their official borrowing rates unchanged, at 2.0 percent and 4.75 percent respectively.

The dollar fell Wednesday after data showed the US trade deficit unexpectedly widened to a record 60.3 billion dollars in November, well above the market consensus for a narrowing to 53.3 billion.

Major currency pairs have been trading in relatively narrow ranges "as market players continued to absorb the magnitude of yesterday's November US trade deficit", said Bank of New York analyst Neil Mellor.

After the US currency went into freefall during thin and volatile trading over the Christmas period, the market then took the opportunity to focus on the strength of the US economic recovery and prospects for aggressive interest rate hikes, causing the dollar to stage a recovery.

The trade data, however, put the focus back firmly on the fundamental concerns over the United States' ballooning current account deficit.

"If, amidst the haze of New Year hangovers, investors had truly forgotten the rationale behind the greenback's slide in 2004, then yesterday's figures were a timely reminder," Mellor said.

Ctg port introduces 'one stop service' from Sunday

STAFF CORRESPONDENT, Ctg

Preparations are afoot to inaugurate the 'one stop service' at Chittagong Port on Sunday in a bid to process documents of imported container cargo within an hour to ensure quick delivery of goods, port officials said.

The decision to introduce one stop service at the premier port of Bangladesh was taken following a recent directive from the ministry of port and shipping to simplify formalities prior to taking delivery of imported cargo.

The M-shed inside the port protected area is going to be used as documentation centre to provide the 'one stop service'.

Minister for Port and Shipping Akbar Hossain is expected to inaugurate the service formally on Sunday.

Talking to The Daily Star CPA Chairman Shahadat Hossain said, "We have completed all preparatory works to hold the inaugural function of the service on January 16. Through this service we want to ensure quicker delivery of goods to the importers."

Presently it takes four days for an importer to release his goods from the port, which will come down just to an hour from January 16 onwards, the CPA chairman said.

He said introduction of such quick service has been a long demand of the business community. However, the service is presently in practice for exportable goods mainly the ready made garments.

Tsunamis likely to put 2m more Asians in poverty

AFP, Manila

The earthquake and resultant tsunami that devastated Indian Ocean countries last month will likely throw nearly two million more people into poverty in Asia, the Asian Development Bank said in a report Thursday.

In Indonesia, worst hit in the December 26 disaster with more than 106,000 dead, nearly one million people are likely to be plunged into poverty by the lingering effects of the tsunami's devastation, the report said.

According to the ADB's key indicators for the region some 111 million people in Indonesia now live on two US dollars a day.

In India the number of poor was estimated to increase by 645,000, with Sri Lanka's estimate at 250,000, it said.

About half of the houses in the Maldives were affected and about half the population of around 287,000 could fall below the poverty line, it said.

The increase in poverty from the disaster, which killed nearly 160,000 people in Asia and Africa, will be "enormous" but the economies of the region should cope, the Manila-based bank's chief economist Ifzal Ali said.

"As devastating as the disaster is to the people in affected areas, Asia's resilience to external shocks will play a role in minimizing the impact the disaster will have on the region's overall economic growth," Ali said.

"This is a profoundly tragic event for the region and for the millions who are suffering. But the economies of the affected countries except Sri Lanka and the Maldives should emerge with minimal damage," he said.

In Indonesia, India and Thailand the damage was largely confined to rural areas rather than key economic and densely populated urban centers and industrial hubs that drive regional growth, the report said.

In Indonesia, the damage is concentrated in Aceh province, which accounts for two percent of Indonesia's overall GDP.

The report said the oil and natural gas facilities in the area appear to have survived intact.

In India, the economic impact should be minimal as well due to the huge size of the country's economy. The macroeconomic impact is also expected to be minimal in Bangladesh, Malaysia and Myanmar.

"In Thailand, the damage was centered on southern resort areas that contribute about three percent to the country's GDP," the report said.

"The greatest risk to the country's economy comes from the possibility of tourists perceiving Thailand as an unsafe destination.

"The rest of the country should not be affected unless there is some sort of negative perception about the country's safety that leads to a domino effect," the report said.

The report noted the region is well positioned to withstand such economic shocks.

"Following strong growth from 2001 to 2004, the economies of India, Indonesia, Malaysia, and Thailand should be in a strong position to overcome the tragedy.

"For these countries, recent growth has been strong, fiscal positions have improved, and external reserves are high, with the shock absorber of the disaster coming from the government's fiscal position," the ADB said.

It noted that the tragedy could also provide a surge of economic activity in the region that could have positive long-term effects.

"Reconstruction from natural disasters requires new investment that should have a positive impact. And investment should translate into jobs.

"The aid process has already increased demand for a range of domestic goods and services, including food, water, medicines, building materials and clothing, as well as transport and communication services, which will benefit a number of domestic businesses.

"Therefore, it is possible that the overall impact could well end up being somewhat positive," the report said.

"From an economic standpoint, the tsunami disaster should be seen in the context of other disasters that have hit Asia, the report noted.

"Historically, Asia has been subjected to regular shocks and its countries have always responded swiftly and pragmatically.

China tops 334m mobile phone subscribers in 2004

AFP, Beijing

The number of mobile phone subscribers in China topped 334 million in 2004, up 65 million from 2003, according to the Ministry of Information Industry Thursday.

The number of fixed-line subscribers reached 316 million last year, up 53 million from 2003, Xinhua news agency reported, citing figures from the ministry.

China's mobile subscriber numbers are expected to grow to 402 million this year, the agency reported last month. Such numbers would mean that nearly one out of every three Chinese citizens would have a mobile phone.

Revenue in the telecommunication sector reached 520.5 billion yuan (62.9 billion dollars) in 2004, up 1.07 percent from 515 billion in 2003.

That accounts for over 90 percent of the total income from the telecom and postal services, the agency said.

Global FDI grows 6pc in 2004: Unctad

AFP, Geneva

Global foreign direct investment grew six percent last year, with the United States reclaiming from China the title of leading destination for foreign capital, a UN report said Wednesday.

Worldwide foreign direct investment flows reached 612 billion dollars last year compared with 580 billion in 2003, marking the end of a downturn in FDI flows since 2001, the United Nations Conference on Trade and Development (UNCTAD) said in a report.

"This increase is good news for developing countries, which now account for an estimated 42 percent of world FDI inflows, compared to 27 percent during 2001-2003", said the head of UNCTAD's investment unit, Karl Sauvant, in a statement.

However, developed countries saw a 16 percent drop in investement inflows last year to 321 billion dollars from 380 billion dollars in 2003.

The report said the decrease was mainly the result of big repayments of intra-company loans by firms based particularly in Belgium, Germany and the Netherlands.

Despite the lower level of FDI into developed countries, the United States saw a recovery in investment inflows.

The US was the top destination for FDI flows after a slump since 2001 caused by the bursting of the Internet bubble.

FDI to the US grew fourfold last year to 121 billion dollars.

Meanwhile China fell from first to second place with 62 billion dollars. FDI in the Asia Pacific region as a whole surged by 55 percent last year to 166 billion euros.

Investment flows to developing countries surged 48 percent last year to 255 billion dollars, marking a historic high.

Looking ahead, the report said: "Overall, UNCTAD is predicting that FDI flows will expand over the medium term because the main fundamentals that drive FDI -- a broad-based economic recovery, equity market valuations, and mergers and acquisitions -- are in place."

EU parliament backs cancellation of developing nations debt

AFP, Strasbourg

The European Parliament called Thursday on the international community to gradually cancel debt owed by developing nations, adding that solidarity should go beyond responding to humanitarian crises.

"All creditors and especially international institutions and national governments, must agree to phase out the debt of the developing world, giving least developed countries priority," lawmakers said in a non-binding resolution.

The deputies urged European Union members in particular "to take the lead, in multilateral and bilateral fora, in phasing out the external debt of developing countries".

They also suggested EU states "actively pursue the objective of giving 0.7 percent of GDP (gross domestic product) as Overseas Development Assistance".

On Tuesday, finance minister Gordon Brown of Britain, which currently heads the Group of Eight industrialised nations, called on G8 partners to cancel debt owed by the world's poorest countries, which he did not name.

EU lawmakers took note of measures to suspend debt owed by countries hit by the South Asian earthquake and tsunamis on December 26, but added that "international solidarity should not depend on tragic events".

Crude prices higher in Asian trade after US inventory report

AFP, Singapore

Oil prices were higher in Asian trade Thursday following the latest US inventory report showed a drop in heating fuel stocks ahead of colder weather, dealers said.

At 11:00 am (0300 GMT), New York's main oil contract, light sweet crude for delivery in February, was at 46.64 dollars per barrel, up 27 cents from its close of 46.37 dollars Wednesday and after hitting a morning high of 46.76.

Victor Shum, an analyst in Singapore with US-based energy consultants Purvin and Gertz, expected prices to hover around the "mid-40s" as the market felt 47 dollars was too high.

"Part of the difficulty is the somewhat confusing inventory data coming out in the United States," he said.

Prices rose after the US Department of Energy said in a weekly report Wednesday that distillates inventories -- mostly heating fuel and diesel -- rose 1.9 million barrels to 123 million barrels in the week ending January 7.

A breakdown of data, however, showed that heating fuel stocks, followed closely by the market given the onset of winter in the northern hemisphere, fell 500,000 barrels to 49.16 million barrels.

Shum said the good news was that US refineries were running at nearly full capacity.

PHOTO: BANGAS LTD

Chairman and Managing Director of Bangas Ltd Md Mozammel Haque presides over the company's annual general meeting held recently in Chuadanga. Md Rafiqul Haque, director and chief executive officer, and Md Rabiul Haque, Md Mahbub-Ul Haque and Md Atiqul Haque, directors of the company, also attended the meet.

South Korean economy faces serious structural problems

AFP, Seoul

President Roh Moo-Hyun said Thursday that South Korea's economy faces the daunting challenge of resolving structural problems represented by a growing imbalance between industrial sectors.

In a New Year speech to the nation, he said the economy grew almost five percent and exports jumped 30 percent last year but at the same time "an increasing number of people are complaining about economic pain."

Analysts said the rates appear healthy but disguise real human misery.

Growth was entirely due to exports and monopolized by a few big exporting groups while the domestic market composed of consumers and small- and mid-sized firms was suffering badly, they said.

"Especially, small- and mid-sized firms, self-employeed people (such as shop keepers and restaurant operators), non-union part-time workers and merchants at traditional markets are suffering great pain," Roh said.

Bangas approves 12.5pc dividend

Bangas Ltd has declared a 12.50 percent dividend for its shareholders for the year 2004.

The declaration came in the company's 24th annual general meeting held recently in Chuadanga.

Chairman and Managing Director of the company Md Mozammel Haque presided over the meeting, which was also attended by Md Rafiqul Haque, director and chief executive officer, and Md Rabiul Haque, Md Mahbub-Ul Haque and Md Atiqul Haque, directors of the company.

China bans foreign investment in tobacco market

AFP, Beijing

China has banned foreign companies from setting up joint venture operations, a major blow to the world's tobacco giants seeking inroads into the globe's largest cigarette market, state press reported Thursday.

"The country's current cigarette manufacturing capacity exceeds market demand and the establishment of new cigarette factories will not be approved," the China Daily quoted State Tobacco Monopoly Administration spokesman Xing Wanli as saying.

"China won't allow any new cigarette factories to be built, including joint ventures," Xing said.

Although the regulations do not include deals approved prior to 2005, the news is a final nail in the coffin for British American Tobacco's (BAT's) hoped for deal to build its own operations in China.

Last year BAT, the world's second largest cigarette manufacturer, announced in London that Beijing regulators had approved its proposal to form a joint venture that would have the capacity to produce 100 billion cigarettes a year.

A week later the Chinese authorities denied that the British firm had won a contract to set up a 1.5 billion dollar manufacturing joint venture with China Eastern Investments Corp.

Japan, India to hold tax talks

AFP, Tokyo

Japan said Thursday it will enter talks with India on avoiding double taxation in a bid to give new momentum to bilateral trade which has floundered in recent years.

Indian finance ministry officials will hold negotiations in Tokyo February 7-10 on ways to revise the two countries' tax treaty for the first time since 1989, a Japanese foreign ministry statement said.

Japan was an early investor as India opened its economy, with Suzuki Motor now holding a majority stake in India's top automaker Maruti, but India's economic ties have grown more rapidly with other countries.

India's imports from Japan sunk from 2.47 billion dollars in 1998-1999 to 2.15 billion dollars in 2001-2002, the last year figures were available from the Indian commerce ministry. Exports followed a similar pattern.

Japan revised a tax treaty with the United States last March and is in talks on treaty rvisions with Britain, the Netherlands and the Philippines.

Shell output from protest-hit Nigerian stations rises

AFP, Lagos

Royal/Dutch Shell has increased crude oil output from Nigerian pumping stations which were shut down by unrest to 65,000 barrels per day, a spokesman for the country's biggest oil operator said Thursday.

"Ekulama II is up and running," he said, referring to one of several oil pumping stations in the southeast of the west African country, which recently reopened after more than a month's closure.

Community unrest had obliged Shell to shut down some facilities accounting for a daily output of some 130,000 barrels since December 5, 2004, when angry villagers from Kula briefly occupied them.

The shut-down forced Shell to declare "force majeure", warning clients that it would not be able to meet export contracts from its Bonny terminal until early February.

Last week, the company resumed production of 47,000 barrels with the reopening of its Belema and Santa Barbara plants in Rivers State, leaving some 90,000 barrels still halted in other stations in the coastal swamps of the Niger Delta region.