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Star BUSINESS

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Dhaka for best use of Japanese GSP facilities

STAR BUSINESS REPORT

In the face of huge bilateral trade gap, Bangladesh yesterday sought Japanese help to make use of the GSP facilities offered by Japan to develop high-value garment products and increase exports there.

"Our garment sector may face serious challenge in the present quota-free regime and Japan can help us in this regard," Commerce Minister Altaf Hossain Choudhury told reporters after a meeting with the senior vice-minister of Japan in Dhaka.

"Besides, Japan can help us develop high-value garment products for its market as we enjoy duty-free access there," the minister added.

"We would like to give assistance to increase industrial and agricultural production in Bangladesh. Besides, Japan can assist to develop human resources in these fields," Takayoshi Tsuneda, senior vice-minister for Agriculture, Forest and Fisheries of Japan, told the reporters.

Pointing to the next WTO ministerial conference scheduled to be held in Hong Kong in December this year, Altaf said, "We have discussed how we can benefit from the next round of meeting."

Japan extended GSP (generalised system of preference) until March 2011 to the developing countries. Bangladesh also enjoys duty-free and quota-free preference under a special consideration provided to the least developed countries (LDCs).

Under this preference, around 99 percent industrial products including all kinds of textile and clothing products from LDCs are duty and quota free. About 360 items from LDCs have been earmarked until now for duty-free and quota-free treatment.

"But Bangladesh could not tap benefit from the measure until now," a commerce ministry official said after the meeting.

Bangladesh can produce high quality ceramic products that have a good demand in Japan as well as in some other countries. But Dhaka could not increase its ceramic export due to limited production capacity.

In the meeting, Altaf also sought Japanese assistance in ceramic industry.

Bangladesh exported goods worth \$107.96 million in 2002-03 financial year to Japan while its import from Japan was \$400.53 million, accounting \$292.57 million trade balance in favour of Japan.

In the first half of 2003-04 fiscal, Bangladesh's export was \$56.15 million while its import from Japan was \$250.13 million.

Tallu Spinning Mills Ltd declared 5 percent cash dividend for its shareholders.

The declaration came at the 15th annual general meeting of the company held in Chuadanga recently, says a press release.

Md Mozammel Haque MP, chairman and managing director of the company presided over the meeting. Among others, Md Rafiqul Haque, director and chief executive officer, Md Rabiul Haque, Md Mahbub-Ul-Haque, Md Atiqul Haque, directors of the company, attended the meeting.

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Emirates launches hotline for Hajj pilgrims

Emirates airline has introduced a round the clock phone service in Saudi Arabia to give hassle-free customer services during the Hajj.

The free of charge hotline service will enable customers to quickly receive information relating to Emirates' flight schedules and bookings, make changes to their travel itineraries and book special service, says a press release.

The month-long service (with number 800.8.971.487), commenced on January 10, will remain accessible to the customers calling from Jeddah, Mecca and Medina, the press release added.

Gillette launches 'Bend It With Beckham' contest

Gillette Bangladesh Pvt Ltd yesterday launched a promotional campaign titled 'Bend It With Beckham' to market its new triple blade shaving razor in Bangladesh.

The promotion is slated to be one of the largest in the fast moving consumer goods (FMCG) sector in Bangladesh, says a press release.

Under the promotion, consumers can win hundreds of prizes including an exclusive trip to Madrid in Spain to meet soccer superstar David Beckham.

To win these prizes, all a consumer needs to do is to buy a Gillette Mach 3 Turbo promotion razor, which is easily identified by a promotion sleeve around the pack, answer to the questions inside and send the details via mail, the release added.

Russia, India to deepen energy cooperation

AFP, New Delhi

One of Russia's biggest oil and gas players said Saturday the country offers fuel-hungry India vast potential to meet its energy demands.

S.S. Neruchev, vice governor of Russia's giant Sakhalin-1 oil and gas field project in the country's far east, said there were plenty of new areas in the region where Indian companies could make fresh investments.

"Large areas are being explored in a day so scope for expanding cooperation exists," he told a weekend Indo-Russian oil seminar. "The scale of cooperation is not sufficient. It can be much more."

India, which is able to meet only 30 percent of its crude oil needs from domestic sources, has been exploring new investment opportunities in the oil and gas sector overseas to ensure uninterrupted fuel supplies.

India's ambassador to Russia, Kanwal Sibal, said the country's growing oil appetite to feed accelerating economic growth could be met by Russian oil and gasfields to a large extent.

3 million Chinese come out of poverty in 2004

AFP, Beijing

China said it has cut the number of people living in poverty by three million in 2004, state media reported Saturday.

But 26 million people are still below the poverty line and another 60 million are living on low incomes, reported the China Financial and Economic News, citing figures from the Ministry of Finance and the State Council.

The Chinese government last year spent 12 billion yuan (1.44 billion dollars) on poverty alleviation, the report said.



Debabrya Bhattacharya, executive director of think tank Centre for Policy Dialogue (CPD), gestures as he speaks at a function to release CPD's half-yearly review on state of Bangladesh economy in Dhaka yesterday.

Repo bids hit record 10pc interest rate

STAR BUSINESS REPORT

Interest in repurchase agreement (Repo) hit record 10 percent yesterday as Bangladesh Bank (BB) went strict on the special loan arrangement to commercial banks.

The central bank provides loan to cash-strapped commercial banks through Repo auction where interest rate normally hovers around four to five percent.

Sources said the central bank nowadays carefully scrutinises Repo bids and discourages banks to participate in Repo bids. The central bank asked banks to develop a strong call money market to avail liquidity.

Central bank sources said over Tk 9,000 crore presently lie idle in banks that can help develop an active call money market. BB encourages banks to source liquidity from fellow financial institutions.

In yesterday's Repo transaction, BB received seven bids worth Tk 203 crore. The central bank accepted offers valuing Tk 81.5 crore at an interest of 10 percent.

India, US poised to ink open skies deal next month

AFP, New Delhi

India and the United States should be ready to sign a far-reaching open skies agreement to liberalise air travel between the two countries as early as next month, a report said yesterday.

Civil Aviation minister Praful Patel held talks in Washington this week with US Transportation Secretary Norman Mineta to replace a half-century-old pact that restricts flight frequencies, destinations and pricing.

The Indian Express newspaper quoted Patel as saying he hoped to sign the deal when Mineta visits New Delhi next month. The agreement will not need Congressional approval.

About two million passengers travel between the two countries each year and the figure is set to grow.

An open skies deal would allow unrestricted airline service from both countries to, from and beyond each other's territory, with no restrictions on prices, flight frequency or the type of airplane used.

Right now, only three carriers -- state-owned Air-India and the US's Delta Airlines and Northwest Airlines operate direct flights between the two countries, the reports said.

The agreement was proposed more than six months ago by the United States, which already has dozens of open skies deals with other countries.

Last month, the Indian government gave domestic private airlines permission to fly long-haul routes as long as they had five years flying experience under their belt.

India's aviation sector is booming due to recent rules changes. The country's domestic air traffic is growing at a rate of more than 20 percent annually, and international air traffic is growing at a rate of 17 percent, according to Indian industry figures.

Notifications of layoffs began on Friday and the majority of the cuts will be completed over the next 10 days, Oracle said.

Oracle cutting 5,000 jobs

REUTERS, San Francisco

Oracle Corp will cut 5,000 jobs as it combines with PeopleSoft Inc., the business software rival it acquired for \$10.3 billion after a bitterly fought takeover battle, the company said on Friday.

The layoffs, which were in line with Wall Street expectations, represent about 9 percent of the companies' combined work force of 55,000, Oracle said. Financial terms, including charges or cost savings, were not disclosed.

Oracle also pledged to keep more than 90 percent of PeopleSoft's product development and support employees and deploy new versions of PeopleSoft's software over time. The acquisition was concluded a week ago.

The ongoing support of PeopleSoft products -- used by companies to manage payroll, human resources and manufacturing operations -- was a point of contention during the 18-month takeover battle, with many high-profile customers fearing they would be left hanging.

"Oracle will have the resources to deliver on the development and support commitments we have made to PeopleSoft customers over the last 18 months," Oracle Chief Executive Lawrence Ellison said in a statement. He has pledged to provide technical support for PeopleSoft software for at least 10 more years.

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New MD of AB Bank

Kaiser A Chowdhury has been made president and managing director of Arab Bangladesh Bank Limited with effect from January 10.

Chowdhury started his career with ANZ Grindlays Bank Ltd in 1975. He was deputy managing director of ONE Bank prior to his new assignment, says a press release.

F1 Auto Fair in February

Event management and advertising firm F1 is going to arrange the second 'F1 Auto Fair 2005' on February 11 at Gulshan in Dhaka.

F1 will also introduce 'F1 Performance Factor' for driving license holders, says a press release.

3 local cos to take part in Germany paper fair

Bangladeshi entrepreneurs will participate in five-day Paper World Trade Fair-2005, the biggest international trade fair of handmade paper, beginning on January 26 in Frankfurt, Germany.

Job Opportunities & Business Support (JOBS), a USAID-funded project, is facilitating the participation of three local companies -- Nandan, Socio-Economic Development Society and Creation Private Ltd, says a press release.

The participation in the fair is expected to open new international markets for local handmade papers and paper products, the release added.

New chairman of Islamic Banks Consultative Forum



Sajjatz Jumma has become the chairman of Islamic Banks Consultative Forum (IBCF).

Jumma was elected chairman at the 17th general meeting of IBCF held in Dhaka on Monday, says a press release.

Jumma is the founder chairman of Shahjalal Islamic Bank Ltd and Mercantile Securities Ltd.

Hide traders likely to get Tk 220cr in loan this year

STAR BUSINESS REPORT

The nationalised commercial banks (NCBs) are likely to extend Tk 220 crore in loan to hide traders for the Eid-ul-Azha.

NCBs, however, will sanction loans cautiously so that the loans do not become bad. No default hide trader will get loan this year.

As the Eid-ul-Azha is approaching, the state-run banks are getting increased applications for loans from the hide traders. During the festival hundreds of thousands of animals are sacrificed.

Wary about previous experiences, the NCBs, who are the only institutions providing loans for hide purchase, have decided to extend loans to traders with clean records.

Sonali Bank may approve Tk 13 crore for hide loan this year. Janata Bank has already approved Tk 56 crore against applications for Tk 66 crore. Janata Bank sanctioned Tk 48 crore loan for hide purchase in 2004.

Always leader in hide purchase loans, Agrani Bank has received applications seeking Tk 113 crore

loans. The bank may sanction over Tk 100 crore this year. Agrani Bank approved 86 crore in 2004.

Although exact figure was not available, sources estimate that Rupali Bank may offer Tk 25 to 30 crore this year, which was Tk 35 crore in 2004.

Most of the private banks are reluctant to offer hide purchase loan. National Bank is the only private sector bank that gives loan to hide purchasers. Apart from NCBs, Krishi Bank also offers loan to hide and skin traders but in low volume.



Models pose for photographs at a function to launch a promotional campaign titled 'Bend It With Beckham' in Dhaka yesterday. The campaign was launched to market Gillette brand triple blade shaving razor in Bangladesh.

Oil prices near six-week highs on supply worries

AFP, New York

Oil prices hovered close to six-week highs on Friday amid renewed worries over US winter fuel reserves, the prospect of Opec production cuts and supply problems in the North Sea.

New York's main oil contract, light sweet crude for delivery in February, closed at 48.38 dollars a barrel in early deals, up 34 cents from Thursday's close and the highest level since November 30.

The price of Brent North Sea crude oil for February dipped six cents to 45.15 dollars a barrel, easing off six-week highs.

Donald Luke, analyst at Fimat, said traders were cautious ahead of the three-day holiday weekend in the US in case the supply situation worsens, warning of a possible jump back above 50 dollars a barrel.

"If you start adding cold weather into the mix, it's going to push us further and further into deficit," he said, adding that traders were also worried about weakness in the dollar and possible Opec production cuts.

"There are a lot of reasons not to be short," he said.

Oil prices have risen by about six dollars since early January on nervousness about cold weather in the United States and Europe, as well as supply disruptions in several areas.

"There is a tightening of crude oil availability," said Kevin Norrish, an analyst at Barclays Capital.

US oil imports have been falling steadily since early December, suggesting that the crude oil market is tighter than previously thought, he said.

"Opec cut output and we had a lot of production problems coming in at the same time: in Iraq, in the North Sea, in the Gulf of Mexico, where US production is still well below normal levels after the hurricanes. All these things add together and start to paint a tighter picture for crude."

Insurgents have cut production in Iraq. Technical problems in Norway, the world's third-largest exporter, have reduced output by 10 percent a day, also causing jitters.

Opec is to meet on January 30 -- the same day as the Iraqi election -- and the likelihood of a production cut has caused mounting market tension.

"Traders are keeping a close eye on Opec, as it is set to discuss potential supply cuts during its next meeting scheduled for the January 30," analysts at the Sueden brokerage firm wrote in a morning note.

"The cartel has already said that slicing production may be necessary to prevent a stock build as the northern hemisphere winter ends and demand falls."

The 11-member cartel agreed in Cairo last month to reduce production by one million barrels a day from the start of 2005 to bring the group closer to its official output ceiling of 27 million barrels.

There was some good news on the supply side, however.

Royal Dutch/Shell reopened all its oil pumping stations shut down last month because of community unrest in southern Nigeria, a spokesman said.

The shut-down caused a production loss of some 130,000 barrels per day of crude oil exports from the Bonny export terminal.