

IDLC launches asset-backed zero coupon bonds

Industrial Development Leasing Company of Bangladesh Ltd (IDLC) recently launched asset-backed zero coupon bonds worth Tk 190 million.

The debt instrument initiated by Financial Institutions Development Project (FIDP) of Bangladesh Bank and assisted by World Bank is issued to mobilise funds.

The Investment Corporation of Bangladesh (ICB) will act as the trustee while IDLC will issue the bonds against its lease receivables, says a press release.

Commercial Bank of Ceylon Ltd, BRAC Bank Limited, The City Bank Ltd, Green Delta Insurance Company Ltd and Reliance Insurance Ltd subscribed to the issue under private placement.

CRISL to carry out credit rating of BFIC

The Credit Rating Information and Services Ltd (CRISL) will carry out the credit rating of Bangladesh Finance and Investment Co (BFIC) Ltd.

A memorandum of understanding (MoU) to this effect was signed recently between the two companies, says a press release.

Managing Director and Chief Executive Officer (CEO) of BFIC GM Salehuddin Ahmed and Managing Director and CEO of CRISL Muzaffar Ahmed signed the MoU on behalf of their organisations, the release added.

Emirates flies to Sydney via Bangkok

Emirates is going to start its thrice-a-week flights from Dubai to Sydney via Bangkok from March 29.

Initially the service will be operated on Tuesdays, Thursdays and Saturdays before starting daily flights from May 1, says a press release.

The Dubai-Bangkok-Sydney daily service will also be extended to Auckland in New Zealand from that day, the release added.

Pakistan seeks refined, raw sugar trade

REUTERS, London/New York

Pakistani authorities will tender to buy 150,000 tonnes of duty-free refined sugar and are scouting to import about 50,000 tonnes of raw sugar, US and European trade sources said on Tuesday.

The state-run Trading Corporation of Pakistan (TCP) would announce the refined sugar tender via the domestic press, trade sources told Reuters.

"It is confirmed that only TCP is allowed to import refined sugar duty free, and the quantity is 150,000 tonnes," a trade source said, adding that the decision was taken this week at a meeting of the government's Economic Coordination Committee.

Another trade source also confirmed Pakistani authorities would import 150,000 tonnes of white sugar duty free, in a move aimed at checking a rise in domestic sugar prices.

Trade sources said the refined sugar tender was expected to be for prompt delivery.

Pakistan's current harvest has been damaged by dry weather, trade sources said.

Pakistanis are making enquiries to buy around 50,000 tonnes of raw sugar, and have booked around 200,000 tonnes of raw sugar out of planned imports of 250,000 tonnes of raws, according to trade sources contacted by Reuters in London and New York.

Last week Pakistan announced a plan to import one million tonnes of white sugar to cover supply shortages and check rising domestic prices, but trade sources believe Pakistan's needs will be far below that level.

The decision to import sugar was taken at a meeting chaired by Prime Minister Shaukat Aziz last Thursday, and the imports would be on top of plans announced last month to import 250,000 tonnes of raw sugar.

"We're seeing mostly rolling, but the news from Pakistan cannot hurt," a trading house broker in the United States said, adding the trade and speculative buying which has come into the market may be linked to the cash news from south Asia.

QUOTA-FREE MARKET

Knitwear sees good days for costly China apparels

SARWAR A CHOWDHURY

Bangladesh's knitwear export sees bright prospect following the price hike of Chinese apparels in the quota-free market.

As price of Chinese apparels increased by 5 to 10 percent on average, foreign buyers are looking for cheaper apparels from countries like Bangladesh, said Fazlul Hoque, president of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

"Even foreign buyers who did not make any order from Bangladesh before, are also showing their

interest in Bangladesh items," he added.

Citing an example, Hoque said, "I attended a business meeting recently in Paris where a company named Saralee, an EU-based renowned apparel buyer, confirmed to buy 10 million pieces of T-shirt from Bangladesh within next year".

It is a positive sign for Bangladesh that new buyers like Saralee are eyeing Bangladeshi products, Hoque, also the owner of Knit Fashion, said.

"Not only Saralee, almost all of them who joined the meeting showed their keen interest for

Bangladeshi apparel items," he said.

Apart from price hike of Chinese apparels, social compliance issue of China has also become another reason for targeting Bangladeshi items. "Social compliance issue in China is messier than in Bangladesh," the BKMEA chief observed.

Moreover, foreign buyers are not much confident about China as the country can any time impose heavy duty.

For these reasons, knitwear export from Bangladesh is increasing and will further increase in the

coming days, he hoped adding, "It also proves that we are still competitive in the post multi-fibre arrangement regime."

Knitwear exports grew by 37.88 percent fetching US\$1402.34 million in the first half of 2004-05 fiscal, which was \$1017.07 million during the same period of last fiscal, according to the Export Promotion Bureau (EPB) statistics.

Knitwear sector experienced on an average 28 percent export growth in the last 10 years, industry sources said.

Pakistan, Lanka sign FTA

AFP, Islamabad,

Pakistan and Sri Lanka signed a free trade agreement yesterday and called for an early meeting of a South Asian summit, which was postponed after India withdrew.

"Today is a historic day," Pakistani Prime Minister Shaukat Aziz said after talks with Sri Lankan President Chandrika Kumaratunga, who arrived in Islamabad Monday on a three-day visit.

"This is the first such agreement we have signed with any country," Aziz added at a joint press conference with Kumaratunga after talks on regional and international issues.

The two leaders discussed rehabilitation work in tsunami-hit areas of Sri Lanka, officials said, adding that Pakistan had offered to help repair mosques destroyed in the December 26 tragedy.

Pakistan and Sri Lanka also signed an agreement on exempting students from visa fees, a memorandum of understanding for technical assistance in gems and jewelry and cooperation in agriculture, along with an agreement on a 10-million-dollar credit facility for Sri Lanka.

Aziz and Kumaratunga discussed the delayed summit of the seven-nation South Asian Association for Regional Cooperation (Saarc).

The summit scheduled to take place in Bangladesh on February 6-7 was put off indefinitely after India pulled out, citing security reasons.

"We hope that we could hold it as early as possible," the Sri Lankan president told reporters. "Both our governments are encouraging early resumption of the Saarc conference."

Pakistan's President Pervez Musharraf said Tuesday during a meeting with Kumaratunga that he was dismayed by the postponement.

Hewlett-Packard CEO steps down

REUTERS, New York

Hewlett-Packard Co on Wednesday said Chairman and Chief Executive Carly Fiorina has stepped down, effective immediately.

"While I regret the board and I have differences about how to execute HP's strategy, I respect their decision," said Fiorina in a statement. "HP is a great company and I wish all the people of HP much success in the future."

Robert Wayman, HP's chief financial officer, was named CEO on an interim basis and appointed to the board of directors.

The company said a search for a new CEO is underway.

Indian budget airline orders 10 Boeing planes

AFP, Bangalore

US aerospace giant Boeing has received an order for 10 of its 737-800 passenger jets worth 630 million dollars from new Indian budget airline Spicejet, a company statement said Wednesday.

"Spicejet has placed a firm order for 10 planes valued at 630 million dollars at list prices and has options for 10 more. The first delivery is scheduled for 2006," the Boeing statement said.

Spicejet would begin domestic air services in May with three leased Boeing 737-800s, it added.

The no-frills airline plans to offer fares 30-40 percent below those of full-service carriers. It said it would keep overhead costs low by selling food and beverages on flights.

SpiceJet is one of nine low-cost Indian carriers which have applied for licenses in the past year as the country allows industry competition to cut fares and bolster air travel.



PHOTO: PRAN

Finance and Planning Minister M Saifur Rahman, Post and Telecommunications Minister Aminul Huq, State Minister for Energy and Mineral Resources AKM Mosharraf Hossain, State Minister for Power Iqbal Hassan Mahmood and Pran Group Chief Executive Officer Amjad Khan Chowdhury are seen at the inauguration of Pran Agro Industrial Park at Singradah in Natore Tuesday.

Pran Agro Industrial Park opens in Natore

Bangladesh's first-ever agro-industrial zone, Pran Agro Industrial Park, was inaugurated in Natore on Tuesday.

Finance and Planning Minister M Saifur Rahman formally inaugurated the park at Singradah, says a press release.

The park will be comprised of automatic rice mill, spice, peanut, honey, tomato, pickle, jam and jelly processing units, fruit pulping units, pulses mill, puffed rice mill, cattle

feed mill, plastic molding and milk collection units to produce wide range of products, which will be exported.

Speaking at the function, the finance minister said only foreign aids and sanctions cannot reduce poverty. Rather, local entrepreneurs can alleviate poverty by creating employment and agro-based products can be a weapon to fight poverty, he added.

Post and Telecommunications

Minister Aminul Huq, State Minister for Energy and Mineral Resources AKM Mosharraf Hossain, State Minister for Power Iqbal Hassan Mahmood and Pran Group Chief Executive Officer Amjad Khan Chowdhury also attended the inaugural function.

The park is expected to create direct employment for 5000 people. Pran is the leading agro-based industrial group in Bangladesh.

Atab polls on March 24

STAR BUSINESS REPORT

The election of the executive committee of Association of Travel Agents of Bangladesh (Atab) for the 2005-07 term will be held on March 24.

Kazi Kamal Ahmed, election commissioner of the Atab election, announced the schedule at a press conference in Dhaka yesterday.

The voters will elect a total of 29 executive committee members, 17 from Dhaka zone, six from Chittagong and six from Sylhet zone, who will elect president, general secretary and other office bearers of the association.

According to the association, out

of 851 members, the election commission has primarily finalised 630 voters who will be eligible to vote. The final voter list will be published today.

Speaking at the press briefing, Ahmed said the candidates can file their nomination papers until 2pm on February 19 and can withdraw their nominations by 4pm on March 3.

Vote casting will be held at the ATAB head office in Dhaka and will run from 9am to 4pm without any break.

The official polls results will be declared at 7pm on March 29 and the newly elected executive committee will elect the office bearers on 31 March.

ICC-B lauds G-7 decision to relieve the poor of debt burden

STAR BUSINESS REPORT

International Chamber of Commerce-Bangladesh (ICC-B) has lauded the G-7 decision to relieve the developing countries of their debt burden.

Terming the decision a positive sign, ICC-B President Mahbubur Rahman in a press statement issued yesterday said such a unique gesture of the rich nations will benefit the poor countries in great proportion and help them achieve the millennium goal of poverty reduction by 2015.

He hoped the G-7/8 nations and the World Bank Group will be able to come up with appropriate mechanism for a final decision at the next G-8 Summit which is scheduled to take place in July, 2005 in Gleneagles, Scotland for its imple-

mentation as quickly as possible.

Welcoming the decision by the wealthiest nations to provide as much as 100 percent multilateral debt relief to the 37 most indebted nations, Rahman also emphasized the need to provide appropriate development assistance to the developing countries to come out of the vicious cycle of poverty.

"G-7 finance ministers have passed the first hurdle of 2005, but they need to move quickly to turn their proposals into reality for the worlds poorest," the ICC-B president said.

He also urged the G-7/8 leaders to reduce their farm subsidies and remove all tariff, para-tariff and non-tariff barriers and give meaningful free market access to the exports of developing countries.

Tea prices keep soaring

STAFF CORRESPONDENT, Ctg

Prices of tea kept soaring as the weekly auction witnessed an upbeat trend here on Tuesday.

Around 85 to 90 percent tea on offer this week was sold, although coarse and end-season varieties were neglected, auction sources said.

They said good liquoring types sold well in the market gaining Tk 5 to Tk 10 and occasionally Tk 15. Other types were firm to Tk 5. The prices of plainer sorts were irregular whilst poor and end-season types were neglected and were sold at discount.

"The Blenders continued to dominate the market with Loos Tea Traders giving good support and

exporters were virtually inactive. Well-made good liquoring types were most sought after and registered a further rise in price," said Amanat Hossain Arman, managing director of a brokerage firm.

Arman said Pakistan and Confederation of Independent States (CIS) took part in the auction but were less active than the local buyers. The offering this week (sale no-40) was 21,500 chests, of which around 18,500 chests were leaf tea, sources said.

The average price for tea ranged from Tk 95 to Tk 97 against Tk 86.80 last week.

The sale no-41 will be held on Tuesday next (February 15).

Mercantile Co-operative Bank running as per law

Says chairman

STAR BUSINESS REPORT

Dhaka Mercantile Co-operative Bank Ltd is running its business as per cooperatives law, which permits it to use the word 'bank' in its nameplate, said Abu Zafar Chowdhury, chairman of the bank.

He said the bank was registered in 1973 under the Bengal Co-operative Societies Act 1940 and was also upheld by 1984 Cooperative Societies Ordinance 1984 and Co-operatives Societies Act 2001.

He was speaking to reporters in Dhaka on Sunday just after Bangladesh Bank warned people through newspaper advertisements against depositing money with the Mercantile Co-operative Bank.

The Bank Company Act 1991, which made it mandatory for any institution to get license from the central bank for using the word 'bank' as its name, also kept co-operative banks and non-banking financial institutions registered with any other authority under any other law, Chowdhury said.

"Depositors are not only querying us, some of them even wanted to withdraw their money," the chairman said.

Chowdhury has already met the officials concerned of the central bank to tell them that their warning was not substantiated by relevant clauses of cooperative act and even the Bank Company Act, the guide-book for regulating banks.

The operative bank's deposit stood at Tk34.38 crore while it advanced Tk33.31 crore as of December 31, 2004. The bank runs its small financing activities through 29 branches in and outside Dhaka.

UN body to monitor garment factories in Cambodia

AFP, Phnom Penh

The UN's labour body announced Wednesday it was expanding its monitoring of garment factories under a project aimed at improving labour standards in one of the world's poorest economies.

Cambodia, where garment exports represent 40 percent of the economy, is angling to survive the December 2004 end of the world textile export quota system by marketing itself as being a labour-friendly, socially responsible exporter.

The Garment Sector Project is being expanded and re-named the Better Factories Cambodia Project, with the International Labour Organisation (ILO) and the Cambodian government working in partnership, the ILO said.