

US embassy encourages its commercial interest outside Dhaka: Thomas

STAFF CORRESPONDENT, Khulna

American ambassador to Bangladesh said yesterday the US embassy is trying to encourage American commercial interest outside Dhaka.

Harry K Thomas said his country's aim is to partner with Bangladeshi businesspeople to improve opportunities for all. "The America Week is our way of bringing not just Americans to Khulna but also to encourage investment and development in the region," added Thomas.

He was speaking at the American Chamber luncheon meeting in Khulna. Sponsored by Bangla Trac Ltd, the luncheon meeting was also addressed by President of AmCham in Bangladesh Aftab-ur-Islam and Mozammel Huq of Bangla Trac Ltd.

Thomas said port and the EPZ of Mongla are key to development of this part of Bangladesh.

He also said Khulna is an economically important place because of its thriving and ever-growing shrimp industry.

"I am confident that growth in the shrimp industry will be significant in the coming years as Bangladesh develops stronger international compliance mechanisms," the American ambassador said.

Bangladesh to amend air service deal with China

Mir Nasir tells Yunnan Airlines officials

UNB, Dhaka

Air service between Bangladesh and China will start soon after necessary amendment to the existing Air Service Agreement (ASA) between the two countries.

State Minister for Civil Aviation and Tourism Mir Mohammad Nasiruddin said this when a seven-member delegation of China Eastern Yunnan Airlines, led by Chinese Ambassador Chai Xi, met him at his office yesterday.

He said the air-service would start following a bilateral discussion between the two countries, as this is the perfect time to do so in the context of Bangladesh's present political and socio-economic condition.

The state minister said, "As per the instruction of the prime minister, Bangladesh is interested to start air-service with China considering its economic feasibility.

The delegation said they would send a proposal soon to Bangladesh in this regard.

The state minister asked the delegation to experimentally start flight on Kunming-Myanmar-Chittagong-Dhaka or Kunming-Dhaka route.

After getting the formal proposal from China, the service would be started after revision to ASA through holding meetings between the two countries, he added.

Gulf Air pulls out of Sri Lanka

ANN/THE ISLAND

Gulf Air has decided to pull out of Sri Lanka effective from March 26, under network changes it is implementing in Asia and Africa with a view to optimising performance.

A Gulf Air spokesperson in Colombo said Monday that in addition to Colombo, termination of African operations will commence on March 24.

"As a first step in the process to conclude African operations, Casablanca in Morocco will be stuck off on March 24."

This decision he said will allow Gulf Air to re-allocate assets more effectively, strengthen the network further in key areas, either by increasing flight frequencies to key destinations or by assigning aircraft for service on high demand sectors.

Gulf Air's Vice President Fareed Al Alawi said that their first commitment however remains to customers and steps are already in place to minimise any potential impact of the decision.

"Assistance will be provided to ensure seamless travel with minimal disruption when the change is implemented at the end of March. Representation will be retained in Colombo through the appointed General Sales Agent (GSA), and the office in Morocco will remain open until other measures are in place."

French investment key to offsetting trade imbalance with Bangladesh

French trade commissioner says

STAR BUSINESS REPORT

his country.

Attracting more French investment here will be key to reducing existing trade imbalance between France and Bangladesh, which is heavily in favour of Dhaka said French Trade Commissioner Dominique Simon.

"France has one percent market share in Bangladesh's total import, which is a nightmare for us. We are trying to increase investment here if it is possible," he told a luncheon meeting of France Bangladesh Chamber of Commerce & Industry (CCIFB) in Dhaka yesterday.

French Ambassador in Dhaka Jacques-Andre Costilhes spoke as the guest speaker in the meeting with CCIFB President A Qayum Khan in the chair.

Costilhes said Bangladesh export to France was around 620 million euro in 2004 while its import was only 65 million euro, creating this huge imbalance a problem for

France.

Trade got momentum in the last few years but the present trade situation is not credible, Costilhes said noting France is the fourth largest trading partner of Bangladesh but its market share here is only one percent.

Referring to France's strength in the global market, he said it is the second largest exporter in agro-based industries, a leader in telecommunications and above all the fourth largest exporter of the world. "I can't understand how come

France has one percent market share here," he expressed. France is one of the largest investors here, the ambassador added mentioning Bangladesh has around 10 million middle class population, which offers a good market.

Simon said it is not very easy to increase investment in Bangladesh. But visits of French trade minister and trade delegation here last year

were greatly successful.

"We are trying to arrange meets of renowned Bangladeshi business personalities with big French company chiefs to develop Bangladesh's image and thus attract investment here," he explained.

France wants real competition in a transparent way and non-transparency in different areas must be checked, Simon observed. "We are very concerned in Paris. We have to downsize trade commission here if present efforts don't work well," he went on.

Costilhes hoped relation between the two countries will be stronger in the coming days, adding French foreign minister has invited his Bangladeshi counterpart to visit his country.

CCIFB President Qayum Khan introduced some new members of CCIFB to the meeting where other office bearers and members were also present.

WB postpones Nepal aid package after failure in reform

AFP, Kathmandu

A proposed 70 million-dollar World Bank aid package to Nepal has been postponed because the country failed to meet economic reform targets for the money, the bank said Tuesday.

But the aid suspension had nothing to do with King Gyandendra's February 1 decision to sack the government and suspend civil rights to tackle a Maoist insurgency, said Rajib Upadhyay, World Bank spokesman in Kathmandu.

The money was for funding poverty reduction programs in the current financial year starting July 2004 if the country reformed governance and labor laws and cut subsidies for petroleum products.

But the World Bank confirmed a report in the Kathmandu Post this week that the bank had dealt a blow to the country's new regime by suspending the budgetary support.

"It is true that proposed second poverty reduction support credit has been postponed, but this decision is not related to the political situation," Upadhyay said in a e-mailed response to a query.

"Instead, the decision to postpone the operation is related to the slow progress in the implementation of the reform agenda. The agreed reform actions... have not been completed, and therefore further processing will be delayed," he added.

Qatar Airways to launch Japan flights

Qatar Airways has announced its new flight schedules to Japan's commercial hub, Osaka, from March 31, 2005.

The Osaka service is the airline's first foray into Japanese sky with four non-stop weekly flights between its operational hub of Doha and Osaka.

Osaka, the 11th Far East destination of Qatar Airways, will be operated with the modern Airbus A330-200 in a three-class configuration, says a press release.

Philips distributes prizes of Hattrick Gift Offer

Winners of the Philips Hattrick Gift Offer have received their gifts, return air tickets, at a prize distribution ceremony at Transcom Electronics head office in Dhaka recently.

Joyce Ong, export accounts manager, Philips Singapore Pte Ltd, handed over the gifts to the twelve winners.

Arshad Huq, general manager (Sales & marketing), Yeamin Sharif Chowdhury, marketing manager, and Tanvir Ahmed Khan, product manager of Philips, among others, were present at the function, says a press release.

Industry cheers infrastructure facelift in India budget

AFP, New Delhi

India's shabby infrastructure, seen as a key roadblock to wooing foreign investment, stands to get a major makeover under ambitious plans announced by the government in the country's annual budget.

Finance Minister P. Chidambaram proposed in Monday's federal budget major spending on big-ticket infrastructure items like highways, metro rail networks, ports, airports, power and telecommunications.

"The importance of infrastructure for rapid economic development cannot be overstated. The most glaring deficit in India is the infrastructure deficit," the Harvard-educated finance minister told Parliament.

Giant rival China received 60 billion dollars in foreign investment money in 2004, Chidambaram noted in his budget speech. India, by contrast, received less than four billion dollars.

The thrust on India's infrastructure is pragmatic," said Indrajeet Borkatoy, vice president of ICICI Securities. "It will boost employment, investment and growth."

The announcement of the plans for big-ticket spending sent Bombay shares soaring by over two percent to hit a record closing high of 6,713.86 points.

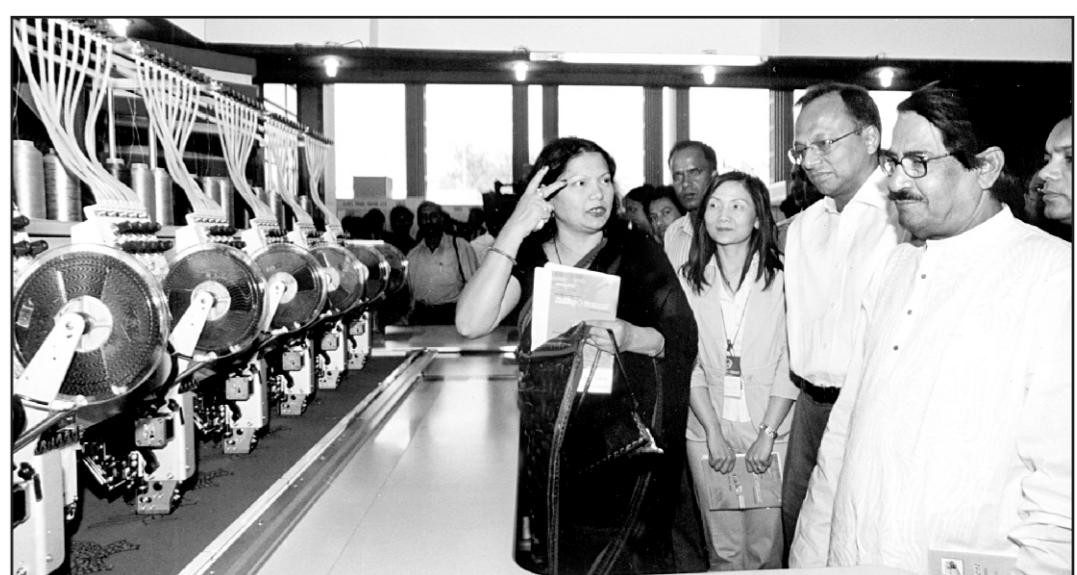


PHOTO: STAR

Textiles and Jute Minister Shahjahan Siraj and Board of Investment (Bol) Executive Chairman Mahmudur Rahman visit a booth at 'The 2nd Dhaka International Textile and Garment Exhibition' in Dhaka yesterday.

RMG, textile need Tk16,000cr investment in 5 years

Minister says as int'l textile machinery fair begins

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ES Event Management SDN, BHD, Malaysia to showcase a wide variety of garment and textile machinery of some 229 exhibitors in 325 booths.

BTMA Chairman MA Awal said as Bangladesh maintains liberal policy, the country can be a potential destination for foreign direct investment (FDI) in the textile sector.

"Exposition of this type will always create new avenues for our entrepreneurs to rediscover their potential to go for new ventures," he added.

The minister was speaking at the

inaugural function of 'The 2nd Dhaka International Textile and Garment Exhibition' at the Bangladesh-China Friendship Conference Centre in Dhaka. Bangladesh Textile Mills Association (BTMA) organised the five-day show in co-operation with

"In the first eight months of the

current fiscal year, domestic entrepreneurs invested \$600 million in the textile sector while it was \$350 million during the same period of the last fiscal," he said.

"The textile sector also attracted \$70 million FDI in the first eight months of the current fiscal year while the figure was only \$20 million in the last corresponding year," Rahman added.

Among others, Chong Chong Tik, managing director of ES Event Management, spoke at the function.

Exhibitors from the USA, Germany, Switzerland, France, Italy, Japan, South Korea, Singapore, China, India, Hong Kong, Turkey, the UK, Spain, Belgium, Canada and Taiwan are taking part in the show, which will remain open to all from 11am to 7pm until Saturday.

IPO SCAM

SEC to take actions against Premier Bank

UNB, Dhaka

Securities and Exchange

Commission (SEC) will take actions against Premier Bank Limited on the nature of offence the bank allegedly committed in a bid to grab major shares from the initial public offering (IPO).

"SEC will take actions, but would not do anything that will affect the investors' confidence," SEC Chairman Mirza Azizul Islam told reporters yesterday.

His remarks came while replying to a question following a discussion on corporate governance for listed companies.

Bangladesh Enterprise Institute (BEI) organised the discussion at its conference room at Gulshan in Dhaka. Chairmen, directors, chief

executive officers and senior executives of the listed companies joined the meeting.

The chairman of the stock market regulator would not disclose the nature of offense they have so far detected as the investigation was still going on.

He only said the accounts were opened improperly -- the addresses of the account holders were incorrect and in many cases photographs were not attached.

The bank reportedly induced opening fake bank and beneficiary owners' (BO) accounts to grab shares.

Opening fake BO accounts, according to Depository Act 1999, is a punishable criminal offence. Any individual or a company can be punished for five years of imprisonment or penalty and both, according to the law.

Under the circumstances, Islam said if the bank's top management claim that the incidents took place keeping them in the dark it was their failure.

"It is more dangerous if the top management was aware about the misdeeds," he said, adding that it was a complete failure of the top management of the bank -- be it willingly or beyond their knowledge.

The probe body chief, Mansur Alam, who is an executive director of the stock market watchdog, told news agency that they have found authenticity of the allegations and would submit the interim report on the initial findings sometime next week.

He said the probe body is now in the fact-finding process to identify who were involved in the incidents.

AKTEL introduces e-refill service for pre-paid phones

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AKTEL mobile phone yesterday launched electronic refill service for its pre-paid subscribers.

"It [e-refill] enables our prepaid customers to get their accounts recharged through SMS from their nearest authorised AKTEL outlets without using any scratch cards," AKTEL Managing Director Nasir Bin Baharom told reporters at a press conference in Dhaka.

The PIN may be received either directly to customers' mobile phones

or in writing from the salespersons. The customers can then recharge the pre-paid account in the usual manner through the recharge centre.

Officials said e-refill system will work as a back-up of the physical recharge cards, which may sometimes go through phases of scarcity owing to natural disasters or other unforeseen conditions.

Jose Ravee, General Manager sales and marketing of AKTEL also spoke at the conference.



PHOTO: STAR
AKTEL Managing Director Nasir Bin Baharom speaks at a press conference in Dhaka yesterday to announce the launch of electronic refill service for the company's pre-paid subscribers.