

ICB representative inducted on Rupali Bank board

STAR BUSINESS REPORT

The Board of Rupali Bank Ltd has approved induction of a representative from the Investment Corporation of Bangladesh on its board.

The decision was taken at a board meeting held on Saturday. The ICB holds a significant portion of the shares of Rupali Bank.

The central bank recently declared the directorship of Hafiz Ibrahim on the board of Rupali Bank Limited vacant.

In a letter, dated April 28, to the chairman of the Board of Directors of the bank, the central bank explained that the re-election of Ibrahim as the bank's director for the third time is not legal as per the Bank Company Act, 1991.

The Bangladesh Bank also allowed the board to appoint a person eligible for the directorship in the vacant post temporarily until the next annual general meeting is held.

BANGLADESH IN POST-MFA ERA EU sees indications of problems

BDNEWS, Dhaka

European Union yesterday said Bangladesh may face competition in the medium term from regional competitors in the post-MFA period for its textile products.

"...the overwhelming dependence on the export of textile products continued to keep the country vulnerable to the imminent restructuring of the global trade regime in the post-MFA period," Ambassador Esko Kentrschynskyj, head of Delegation of European Commission to Bangladesh, said.

Speaking at a traditional press meet at a local hotel on EU-

Bangladesh relations on the eve of Europe Day 2005 to be observed today, he said although it was early to ascertain the impact, "there are indications that Bangladesh may face problems in the medium term, especially from the regional competitors."

EU Heads of Missions and Honorary Consuls in Dhaka, including Ambassador of the Netherlands and EU local President in Bangladesh Kees Beamster Boer, British High Commissioner Anwar Choudhury, German Ambassador Dietrich Andreas, Danish Deputy Head of Mission Tom B Hansen and Jean Romnicanu of French

Embassy were present at the press meet.

The EU has announced the broad principles of the new GSP-2005-8 and the new rules of origin.

"We are very hopeful that Bangladesh will largely be benefited from the new rules of origin... But we also expect some kind of policy measures from Bangladesh in achieving that goal," said Kentrschynskyj referring to the issues of regional cumulation, quality, standards and certification, intellectual property rights (IPR) as well as issues of trade facilitations and enabling environment.

3-day mega show opens

UNB, Dhaka

A three-day Mega Expo'2005 began here yesterday to popularise export-oriented products such as construction materials and electronic equipment.

The Exhibition held at the Pan Pacific Sonargaon Hotel was formally opened by leading women entrepreneur and former adviser to caretaker government Rokia Afzal Rahman.

About 86 stalls have been set up in the exhibition where 56 companies are displaying their products.

Conexpo is displaying the products and services such as construction materials, method equipment and real estate. Another division led by Mid-mix is exhibiting cosmetics and toiletries, food and beverage, household and kitchen wares, jewelry and computers.

Another group Elexpo is also displaying electronic equipment.

The inaugural function was attended by Conference and Exhibition Management Services (CEMS) Managing Director Meherun N Islam and Director Shahed S Sarwar.

The entry fee for the exhibition is Tk 10 for each person.

The exhibition, organised by CEMS, will remain open from 10:00am to 8:30pm until Tuesday.



PHOTO: CEMS
Rokia Afzal Rahman, former adviser to caretaker government, formally inaugurates a three-day mega exposition, organised by Conference and Exhibition Management Services (CEMS), at Sonargaon hotel in Dhaka yesterday.

Bangladesh gets \$22m orders from Europe seafood fair

UNB, Dhaka

Bangladesh received spot orders worth US\$22 million for export of seafood when it took part at the three-day European Seafood Exposition 2005 in Brussels on April 26-28.

Bangladesh Frozen Food Exporters Association (BFFEA), and Seafood Exporters and Buying Agents Association of Bangladesh apprised Export Promotion Bureau (EPB) of the orders secured in course of negotiation, said an EPB statement yesterday.

Bangladesh Embassy in Brussels set up Bangladesh pavilion at the fair for EPB and its co-exhibitor BFFEA to display products for 32 exporters and 46 buying agents from Bangladesh.

Some 1,700 people visited the Bangladesh pavilion to examine the sample fishes on display while 310 international buyers made direct negotiation with the Bangladeshi exporters and buying agents.

Arrangements were also made at the front corner of the Bangladesh pavilion to offer the visiting guests fried shrimps that enticed the visitors to have a bite.

A website was built and launched by the Bangladesh Embassy in Brussels in connection with Bangladesh's participation in the ESE 2005.

TRILATERAL FTA

China urges Japan, ROK to expedite study

ANN/THE DAILY YOMIURI

China called on Japan and South Korea on Saturday to expedite a trilateral study on a possible three-way free trade agreement, Japanese officials said.

Beijing's proposal was conveyed by Chinese Foreign Minister Li Zhaoxing to his Japanese and South Korean counterparts, Nobutaka Machimura and Ban Ki Moon, during a meeting on the sidelines of an Asia-Europe meeting in Kyoto, the officials said.

Tokyo, Beijing and Seoul embarked on a joint study regarding a possible trilateral free trade agreement in 2001, involving government-affiliated research institutes.

The three countries are now expected to consider involving government officials in the joint study, according to the officials.

While an FTA with China and South Korea likely will help alleviate soured relations between Japan and its two neighbors, the future of the study remains uncertain in the face of trade and investment hurdles.

China is believed to be keen to conclude an FTA with Japan and South Korea, not only to give further momentum to its rapidly developing economy, but also to forge a regional economic alliance in East Asia to better cope with market integration in Europe and North America.

However, a senior Economy,

Trade and Industry Ministry official said, "China must improve its own rules governing inbound investment first."

Other officials pointed out that piracy of foreign products and theft of intellectual property remain rampant in China, even though it is now a signatory to the World Trade Organization.

Japan has a domestic issue of its own—safeguarding the agricultural sector—that has made Tokyo less than enthusiastic about negotiating an early conclusion to an FTA. Talks on a separate FTA with South Korea have been at a stalemate since November.

Slowdown filters down to street level in Malaysia

ANN/THE STAR

"Do you feel the economy is growing?" asks Michael Tan, a consultant engineer, who said he had read of economic growth in the newspa-

pers, but has not felt it himself. Business is slow, and in fact, he has not secured any new projects for several months.

Tan, who works in Kuala Lumpur, should feel a sense of vigour in the business sector. With the economy growing at a national average rate of between 5 percent and 6 percent, according to the central bank, business activity in city areas should be at least twice that.

Yet, Tan and many others make the same oft-heard remark these days that there is no observable pick-up in business activity. To some extent, this is accentuated for those involved in the construction sector as the current administration has shelved large infrastructure projects to progressively reduce its budget deficit.

This budgetary stance had caused the construction sector to go through three consecutive quarters of contraction from the second to the fourth quarter last year. Construction registered a minus 1.9 percent contraction last year as a whole.

This is an unfamiliar experience in Malaysia where the previous Government had pump-primed the economy by largesse for the construction industry.

The slowdown in this sector has continued into the first quarter this year, for which the Government has not released economic numbers yet.

The negative growth in construction has been aggravated by the lack of steady growth in the manufacturing sector, which has felt the absence of a rush of foreign direct investments (FDI) that it used to experience.

This is, of course, a common experience throughout the Asean area as China draws the lion's share of FDI.

Reflecting the lack of robust economic growth, the stock market in Malaysia has hardly stirred. The benchmark Kuala Lumpur Composite Index or KLCI has slipped into negative territory since the start of the year.

The absence of excitement on the local bourse is partly because of diffidence over the earnings outlook of the listed companies. In the largest sector, manufacturing, there are doubts as to whether the companies can compete profitably with China's juggernaut. All eyes are on China.

There are, of course, manufacturing companies that are operating efficiently and improving their profitability, especially where labour cost does not form a large part of total costs. But these companies do not form large sub-sectors in industry. The largest industry, by far, is the electrical and electronics sector, dubbed E&E, which tend to be relatively labour-intensive.

DHL to manage Ford Motor Indonesia distribution

DHL, a leading global express and logistics company, has been awarded a contract by Ford Motor Indonesia to manage the auto manufacturer's nationwide warehousing and distribution of automotive spare parts and accessories.

Under an initial contract of two years, DHL will help Ford Motor improve productivity, efficiency and cost savings through its supply chain expertise and resources, says a press release.

The initial stage of the contract will involve a comprehensive review and overhaul of the existing warehousing and distribution operations at Ford Motor.

DHL from its warehouses located in Sunter and North Jakarta will manage the motor company's warehousing and distribution operation.

New MD of Union Capital



SA Chowdhury

SA Chowdhury took over as the managing director of Union Capital Ltd, a financial institution and merchant bank, with effect from May 2, 2005.

Prior to this new assignment, he was the managing director of Jamuna Bank Ltd, says a press release.

Besides serving a number of commercial banks and financial institutions as a high profile official, Chowdhury was also the first chairman of South Asian Development Fund (SEDF).

New office bearers of ICAB Dhaka committee



Chairman Secretary

Md Raghieb Ahsan and Harun-or-Rashid were elected chairman and secretary of the Dhaka Regional Committee (DRC) of the Institute of Chartered Accountants of Bangladesh (ICAB) for the year 2005.

They were elected at the 25th annual general meeting of DRC-ICAB, which was held on Thursday in Dhaka, says a press release.

Ahsan is presently working in Rahman Rahman Huq as senior manager and Rashid in Quasem Group as controller of Accounts, Audit & Share.

SEC to modify IPO rule

BDNEWS, Dhaka

The Securities and Exchange Commission (SEC) will modify the IPO allotment rule-7 for giving preferences to institutional investors to check further fall of share index in capital market.

"We have initiated talks with institutional investors, and accordingly we had meeting with Investment Corporation of Bangladesh (ICB) Sunday. Other merchant bankers will be called to meetings gradually," said SEC Chairman Mirza Azizul Islam.

"We will talk to the top market

players for stimulating their committed role to make it vibrant," he said.

Replying to a query, he said the commission will consider taking steps after examining the law whether there is any sort of violation in case of aggressive sale.

He said the question providing liquidity support to ICB also been discussed in the meeting.

Earlier, in last three trading days the DSE general index recovered 155 points from drastic fall on May 2 (Monday) reaching at 1590 points on Thursday while redirecting to down sliding trend on the week's first trading day to close at 1546.97

Saturday.

On Sunday, the Dhaka Stock Exchange (DSE) All Share Price Index lost 9,486.7 points or 0.795 percent and closed at 1183.32 points Sunday from Saturday's 1192.90 points.

In Chittagong Stock Exchange (CSE), all share prices index lost 18.57 points or 0.63 percent to close at 2998.52 points.

The DSE general index closed at 1536.95 points losing 10.01 points or 0.795 percent from 1546.97 points of the previous trading day.

Inflation rise anticipated

Indian central bank governor says

REUTERS, New Delhi

Indian Central Bank Governor Y V Reddy said on Saturday the rise in wholesale price inflation in April was anticipated and the Reserve Bank of India's (RBI) inflation projection of 5.0-5.5 percent for 2005/06 remained valid.

Indian wholesale prices rose 5.91 percent for the 12 months to April 23, higher than the previous week's 5.64 percent and also above market expectations, mainly due to higher food, energy and manufactured product prices.

"Barring the uncertainties on the oil front, both with regard to their international and domestic prices, at this stage the annual policy projection on inflation remains valid, though as per normal practice, close vigil over prices will be maintained," Reddy told reporters.

He said the overall inflation levels noticed during April were not inconsistent with the RBI's inflation projection.

The RBI raised the short-term interest rate by 25 basis points to 5.0 percent in a surprise move last month citing inflation concerns in

Asia's fourth-largest economy.

But it left the benchmark bank rate unchanged at 6.0 percent, the lowest in more than three decades. The RBI expects inflation to end the current financial year to March 2006 between 5.0 and 5.5 percent.

"Overall, the responses of financial markets and analysts to the recent monetary policy statement have been positive, characterised by recognition of analytics consistent with RBI's objectives relating to price stability, as well as growth and financial stability," said Reddy.