



Sanofi-aventis EVP due today

Hanspeter Spek, executive vice president (Pharmaceuticals Operations) of sanofi-aventis, the world renowned pharmaceutical company, arrives in Dhaka today.

He will be accompanied by other senior officials of the group. During his two-day stay in Bangladesh, Spek will visit a plant, hold meetings with the company staffs and participate in a business review meeting, says a press release.

The sanofi-aventis Group in Bangladesh is comprised of Aventis Ltd, Fisons (Bangladesh) Ltd and Hoechst Marion Roussel Ltd.

StanChart launches ATM at Dhanmondi

Standard Chartered Bank has opened an ATM (automated teller machine) booth at ARA Plaza, Dhanmondi in Dhaka.

M Sajidur Rahman, head of Consumer Banking of Standard Chartered Bank, Bangladesh, inaugurated the ATM services of the new booth on Saturday.

Customers in and around Dhanmondi and Sobhanbag area will be able to get 24-hour banking services from the new ATM booth. With the new booth the number of Standard Chartered ATMs reaches 26 spreading at important points in six major cities across the country, says a press release.

NYK Group South Asia chairman visits Bangladesh

Shoji Murakami, chairman and managing director of NYK Group South Asia Pte Ltd (NYK Line), Singapore, arrived in Dhaka on Sunday on a short business trip.

During his stay, Murakami met with Matsushiro Horiguchi, Japanese ambassador in Dhaka, and visited NYK Line's new Dhaka office. He also attended an ISO certificate awarding ceremony to NYK Line (Bangladesh) Ltd before returning to Singapore yesterday, says a press release.

Rashed A Ali, director and COO of NYK Line (Bangladesh), received the ISO 9001:2000 Certificate from Ataur Rahman Khan, country manager of Moody International, the ISO certification body, at a function on Monday.

NYK Logistics & Megacarrier (NYK Line), is a shipping lines and logistics service provider, which currently owns and operates over 650 vessels all over the world.

France wants emergency measures on China textiles

REUTERS, Paris

French President Jacques Chirac wants emergency measures to resolve the dispute with China over textiles imports, a spokesman said Monday.

Chirac discussed textiles in a meeting with China's First Vice Foreign Minister Dai Bingguo as part of a regular series of discussions between the two countries.

"The president reiterated that the strong increase in Chinese textiles was creating serious social and economic difficulties for France and Europe," Chirac's spokesman Jerome Bonnafont said after the meeting.

"And in that regard, he underlined that emergency measures should be taken within the framework of the World Trade Organisation (WTO), as part of a negotiated solution," he added.

Europe will shortly decide whether to impose limits on Chinese imports which have surged since a global quota regime ended on Jan 1.

Don't borrow much from banking system

BB advises govt at AmCham meet

STAR BUSINESS REPORT

Bangladesh Bank (BB) Governor Salehuddin Ahmed yesterday advised the government not to borrow much money from the banking system as the central bank is fighting to stabilise inflation rate.

He explained the government borrowing from the banks can further stimulate the inflation.

He was speaking on 'Bangladesh Bank's Reforms Agenda: Challenges Ahead' at the monthly luncheon meeting of American Chamber of Commerce in Bangladesh (AmCham) at Dhaka Sheraton Hotel.

About bank interest rate, Salehuddin said, "Globally there is a trend of rising interest rate. BB has

been liberalising interest rate since early 90s and the rate is now being determined by the banks themselves and not by the central bank."

Replying to a question, the governor said now he does not have any application asking for issuance of banking licence.

Replying to another question, the governor said Bangladesh Bank is now trying to take measures so that it can reduce delays in disposal of service delivery.

AmCham President Aftab-ul Islam said corporate governance will improve in Bangladesh only when known defaulters, corrupt politicians and businesspeople and hoodlums are exposed. "Effective sanctions can be essential as a deterrent to bad governance in this

instance."

As much as 17.63 percent of the loans in the private commercial banks portfolios are classified, while a significant percent of the NCBs' loans have been marked as classified, he added.

AmCham president said in contrast to the impression that the NCBs' problems primarily have to do with the piling up of old bad debt. Recent analyses have indicated that it was due to low repayment rates on the new loans extended during the last five years.

Bangladesh Bank should prepare itself and guide scheduled banks to get ready to effectively and efficiently compete with the rest of the world, he added.

JOINT COMMISSION MEET ENDS

Dhaka, KL agree to pursue closer trade ties

STAR BUSINESS REPORT

Bangladesh and Malaysia at the 3rd joint commission meeting that ended yesterday agreed to promote closer cooperation between the private sectors of both countries.

In agreed minutes signed between the two countries after the ministerial-level meeting, both the sides agreed to encourage participation of Bangladeshi and Malaysian companies and trade bodies in various trade fairs and exhibitions in their countries.

They also agreed to establish a Malaysia-Bangladesh chamber of commerce and industry in Malaysia.

The Malaysian side also agreed to forward a Bangladesh proposal to the Malaysian private sector to work with Bangladesh businesspeople on halal food processing projects.

The Malaysian side encouraged Bangladesh to accept the offer of

the utilisation of US \$ 10 million of the Palm Oil Credit and Payment Arrangement (POCPA).

Malaysian delegation at the meeting also expressed its interest to encourage Malaysian companies especially in the labour intensive industries to relocate their operations in Bangladesh.

Malaysian side showed interest to promote reverse investments in Bangladesh's textiles, telecommunications, pharmaceuticals, power generation and gas-based industries.

On trade financing arrangements, both the sides agreed to examine the possibilities of a new trade financing arrangements.

Both sides further agreed that Bank Negara Malaysia and Bangladesh Bank will conduct a technical discussion at the working level to design appropriate trade financing arrangements that will

cater to the specific requirements of Malaysia and Bangladesh.

Malaysian side said Bank Negara Malaysia is willing to provide Bangladesh with technical assistance in anti-money laundering and combating terrorism financing, besides assistance in Islamic banking and Takaful.

Malaysia welcomed the participation of Bangladeshi companies in the OIC Trade Forum to be held in Putrajaya, Malaysia on June 20-21. The Malaysian side hoped the forum will enable Bangladesh's private sector to enhance business cooperation with Malaysia and other OIC member countries.

The Malaysian side further requested the government of Bangladesh to consider measures to improve a more business friendly environment including providing sovereign guarantee for Built-Operate-Transfer (BOT) projects.



PHOTO: STAR

Officials of Mahin Group jointly inaugurate an ice-cream sales centre titled TC's Best on Kamal Ataturk Avenue in Dhaka yesterday. Ice cream and frozen yogurt of Thailand's Key International Food Ltd will be available at the sales centre.

Check Bangladeshi knitwear quality

BKMEA urges Yunnan businesses

BDNEWS, Kunming, China

Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) yesterday urged the businessmen of Yunnan province of China to visit Bangladesh to check the quality of their products before importing the knitwear products. Reciprocating to Bangladesh's offer, Chinese businessmen showed their interests to visit Bangladesh soon prior to making orders from there.

BKMEA also asked the Textile and Garments Association of Yunnan to sign a memorandum of understanding (MoU) with BKMEA for working together to promote trade between them.

BKMEA President Fazlul Haque told this to BDNEWS after holding a meeting with Zhanglikun, chairman of China Council for the Promotion of International Trade (CCPIT), Yunnan chapter, and chairmen of Garments Association, Light and

Textile Association and Designing Clothes Association of Yunnan province.

Bangladesh Ambassador to China Ashfaqur Rahman and a representative of China Commerce Ministry were also present at the meeting, held in Yunnan's capital Kunming.

Haque said knitwear exporters, who are in Yunnan to attend the Kunming International Export and Import Fair 2005, are getting huge responses from the retailers. "We have already got four orders from the wholesalers in Kunming," he said.

Urging the Chinese businessmen to invest in Bangladesh, Haque said China could take the chance of duty-free access of Bangladeshi textile products given by two of the world's largest markets - European Union and Japan.

"Labour cost in Bangladesh is even cheaper than in China," he told the Chinese business community.

"You can invest in Bangladesh on easy terms and conditions."

Referring to rapid increase of export from Yunnan province to Bangladesh, Haque said signing of the MoU will give solid foundation for building further co-operation between the businessmen of Yunnan and Bangladesh.

"I am confident that the MoU will be signed by this week," he told the news agency.

The BKMEA president also invited the Chinese businessmen to participate in the forthcoming Knit Expo to be held in December in Dhaka.

Ashfaqur Rahman said fabrics can be produced in Bangladesh in joint venture, which will benefit both the countries. "A business delegate can visit Bangladesh to see the feasibility of import of raw jute, frozen fish and medicine," he told the leaders of different trade bodies of China.

Export from EPZs crosses target

UNB, Dhaka

The enterprises of Bangladesh Export Processing Zones have exported goods worth US\$1251.12 million in 10 months until April of the current fiscal year, crossing the target for the period.

An official announcement said yesterday the export target was fixed at US\$1,167.7 million for the 10 months, which is exceeded by US\$83.42 million. It was US\$1,069.22 million during the same period of the previous fiscal year.

This shows an increase of about 17.012 percent over the same period of the last fiscal year.

During the July 04-April 05 period, export earnings from Chittagong EPZ stood at US\$ 628.59 million while that of Dhaka EPZ US\$ 608.31 million, Comilla EPZ US\$ 8.26 million, Mongla EPZ about US\$ 5.84 million and Ishwardi EPZ US\$ 110 thousand.

Including these, the total cumulative export from six EPZs of the country so far stood at US\$ 9,706.06 million.

Of the total export earnings, the share of Chittagong EPZ stood at US\$5,884.71 million while that of Dhaka EPZ US\$3,794.12 million, Mongla EPZ US\$13.60 million, Comilla EPZ US\$13.52 million and Ishwardi EPZ US\$110 thousand.

Beximco Synthetics okays 10pc stock dividend

Beximco Synthetics Limited has approved a 10 percent stock dividend for its shareholders for the year 2004.

The dividend was approved at the company's 14th annual general meeting (AGM) held in Dhaka on Monday, says a press release.

Salman F Rahman, vice chairman of the company, presided over the meeting.

IMF reviews its work on global financial sectors

REUTERS, Washington

International Monetary Fund chief Rodrigo Rato Monday announced a review of the lender's monitoring of global financial sectors and private capital flows.

The review panel will be led by US Public Company Accounting oversight Board head William McDonough and will last six months, Rato said in a statement.

He said the panel of government and private-sector economists would examine how the IMF could improve its scrutiny of regulations and the environment in which financial institutions and private capital markets operate.

"During the last 15 years, the increasing importance of private capital flows and of a stable and functioning financial sector have led to greater emphasis of these factors in the fund's work," he said.

"It is now time to review the ways in which the fund has adapted. It is intended that analysis of financial sector and private capital flows -- and the frameworks within which member governments oversee these activities -- be further strengthened," Rato added.

India revives state asset sales drive

REUTERS, New Delhi

Needing \$6 billion to fund projects for the poor, India's ruling coalition has revived its faltering state asset sales drive. But analysts are worried that opposition from its communist allies could derail the project.

Last month the communist-backed government approved a 10 percent sell-off of Bharat Heavy Electricals Ltd, a maker of power-plant equipment.

The planned public offering, which would raise just under \$500 million at current market prices, will cut the government's holding to 58 percent and represents the Congress party-led coalition's second stake sale since taking office a year ago.

The finance ministry also wants to offer 20 percent of another blue-chip firm, National Aluminium Company, but is facing resistance from the mining minister and the far left, who say it is profit-making and therefore should not be sold.

"The intention is good and there is no doubt about the reformist credentials of the government, but the implementation of decision has been doubtful," said Sanjeet Singh, an analyst with ICICI Securities in Bombay.



PHOTO: STAR

Lars P Reichelt, chief executive officer of Banglalink, speaks at a press conference in Dhaka yesterday.

Banglalink eyes 1 million subscribers by year-end

STAR BUSINESS REPORT

Mobile phone operator Banglalink yesterday said its subscriber-base will reach one million by the end of this year.

"Less than four months on, Banglalink's subscriber base has skyrocketed to over 400,000 and is still growing," Banglalink Chief Executive Officer Lars P Reichelt told reporters at a press briefing in Dhaka yesterday.

"Our growth is over 100 percent month-on-month," he said explaining the remarkable success in the first four months of operations.

Egypt's Orascom, which launched Banglalink in February after acquiring the country's tiny mobile phone operator Sheba Telecom, had a plan to invest \$180 million in 2005 to increase its network. It also plans to extend network to all 61 administrative districts by the year-end. Presently, 27 districts are under its network.

Reichelt's comment came a day

after rival Pacific Bangladesh Telecom Ltd (PBT) announced a skyrocketing plan to boost the subscriber base of its mobile phone brand CityCell. PBT's new investor, Singapore Telecommunications Ltd, yesterday expressed a plan to spend further \$150 million for its subscriber base.

Banglalink has doubled its talk time for Tk 300 prepaid card to 110 minutes from 55 minutes previously for a limited period. Its effective per minute call charge is Tk 2.37 also for a limited period.

Banglalink's Tk 300 prepaid scratch card will offer 55 minutes talk time to all mobile phone networks and 55 free minutes to Banglalink numbers anytime of the day, he said.

Banglalink has leveraged its international linkages and introduced international SMS services covering 181 countries. "Today, only one operator extends SMS services to countries such as Sierra Leone, Kuwait and Liberia where

Bangladeshi UN Peacekeepers are stationed," he said.

Banglalink will introduce international roaming in some 108 countries of the world, the Banglalink CEO said.

Bangladesh, with a population of 140 million, has over five million mobile phone users and five mobile operators.

Analysts said Orascom had raised competition in the country's fast-growing mobile phone market, where number of subscribers has more than doubled from a year earlier, forcing rival operators to reduce tariff charges.

The country's largest mobile operator GrameenPhone Ltd has a market share of about 62 percent. Telekom Malaysia International Bangladesh (AKTEL) has a 26 percent market share, while PBT has 6.7 percent and state-owned Teletalk Bangladesh Limited, launched in late March, has about 40,000 subscribers.

Bangladesh-China road link needed to boost trade

Chinese business team meets FBCCI, DCCI

STAR BUSINESS REPORT

Business leaders of Bangladesh and China have underscored the need for establishing a direct road link between Bangladesh and China via Myanmar to promote bilateral trade between the two countries.

They urged their respective governments to take immediate measures to establish a 900-kilometre road link, which will also help reduce the huge trade gap between Bangladesh and China.

The proposal was made at the meetings between the visiting 11-member high-profile business delegation of China and leaders of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and Dhaka Chamber of Commerce and Industry (DCCI) in Dhaka yesterday.

Wang Chao, deputy governor of Dehong Prefecture of Yunnan Province, China led the Chinese delegation.

The business leaders of the two countries reached a consensus

about potential of the road link in strengthening bilateral trade ties.

"The purpose of our visit to Bangladesh is to explore potential for increasing trade volume through land routes along with air and sea routes," Wang Chao said.

"It is possible to set up a direct road link and we would like to co-operate Bangladesh in this regard," he added.

He invited Bangladesh to join a five-day Border Trade Fair to be held in December in China to gear up business activities in South Asian countries.

After the meeting in the morning, FBCCI President Abdul Awal Mintoo told reporters that it would hardly take two or three years to construct the road.

"The governments of Bangladesh and China can discuss the issue under Bangladesh China India Myanmar (BCIM) sub-regional co-operation," he said.

"China is going to be the largest trading partner of Bangladesh and construction of the road would boost

regional trade among China and the Saarc countries," he said.

The FBCCI president sought zero tariff access of all Bangladeshi products to China.

Speaking at the meeting in afternoon, DCCI President Sayeeful Islam said, "A road link can make exports much faster."

The DCCI chief called for Chinese co-operation and sought direct investment to set up backward linkage industries to feed Bangladesh's readymade garment industry.

Underlying the need for duty free and quota free market access for all Bangladeshi products to China, Islam said, "It is necessary to reduce the trade imbalance for a healthy and long-term growth of trade co-operation."

Bangladesh's export to China declined from US\$48.51 million in FY1997-98 to \$45.52 million in FY2003-04 while import from China increased from \$592 million to \$1197.68 million during the same period, he told the meeting.

Siemens sells mobile phones unit to BenQ

REUTERS, Frankfurt/Taipei

German engineering giant Siemens is selling its mobile phones unit to much smaller Taiwanese rival BenQ, it said on Tuesday, drawing a line under hundreds of millions of euros of losses.

The deal -- which will cost Siemens 350 million euros (\$431 million) before tax -- will enable BenQ to double its annual revenues to \$10 billion, the company said, and catapult it out of relative obscurity into the world's top 10 mobile handset vendors.

BenQ will use the Siemens brand name for five years and will take over some high-profile sports sponsorship contracts, including one with star soccer team Real Madrid.

It will also take on 6,000 Siemens employees -- half of whom are in Germany, where many have job guarantees until 2006 negotiated last year in exchange for longer working hours.

The company's headquarters will remain in Munich, Germany.

In return Siemens will acquire a 2.5-percent stake in fast-growing BenQ -- Taiwan's top maker of computer equipment and mobile phones -- with the issue of 50 million euros worth of new BenQ shares.

The companies did not disclose further financial details, but Siemens executives were due to meet with reporters and analysts' later on Tuesday. The deal is expected to close in the September quarter if approved by BenQ shareholders and competition regulators.

"With this partnership we have found a sustainable perspective for our mobile phones business. BenQ and Siemens complement one another ideally," Siemens Chief Executive Klaus Kleinfeld said in a statement.

Siemens investors welcomed the deal, as it brings an end to months of uncertainty over the

future of the mobile-phones unit, which has been plagued by quality problems with its more expensive models and price pressure at the low end of the market.

The unit -- Siemens' only remaining consumer business in a portfolio that stretches from turbines to trams -- brought in 5 billion euros of revenues out of Siemens total of 75 billion in its last fiscal year, but made an operating loss of 152 million euros.

By 1141 GMT Siemens shares were trading 1.6 percent higher at 62.21 euros, leading the gainers on Germany's blue-chip DAX index, which was up 0.7 percent.

It was clear that Siemens could not succeed with the mobile-phones unit. With this solution the issue is off the table. That will bring calm to the company and to the shares," said SES Research analyst Oliver Drebing.