

TCB to appoint private businesses for import of essentials

UNB, Dhaka

The Trading Corporation of Bangladesh (TCB) has decided to appoint private businesses to urgently import the essentials.

According to a government announcement made yesterday the resurrected state trading agency will buy back the goods from the private importers.

The TCB called upon interested parties to contact it "immediately" to know about the import and opening LC under the "buy-back" system.

It took the initiative a day after the Ministry of Commerce at a review meeting on the market prices of essentials on Sunday took a decision for the emergency import to keep prices of essentials at a reasonable level.

The commodities to be imported include all sorts of pulses, chickpea, onions, garlic, ginger, edible oil, and sugar.

Island Securities opens 3rd branch in Ctg

STAFF CORRESPONDENT, Ctg

Island Securities Limited, a member of Chittagong Stock Exchange, yesterday opened its third branch at Bohaddarhat.

CSE Chief Executive Officer Wali-Ul Maroof Matin formally inaugurated the new branch at Swajan Super Market.

While inaugurating, Matin urged prospective investors to be careful before making any investment in the stock market.

"An investor must have thorough knowledge of the company where he or she intends to invest money."

Island Securities Managing Director Mohammad Mohiuddin, presided over the function.

4 Chinese airlines sign \$5.04b deal for 42 Boeings

AFP, Beijing

Four Chinese airlines signed contracts worth 5.04 billion dollars Monday to buy 42 of Boeing's new-generation 787 planes, the first firm orders for the jet from China with more on the way, officials said.

The deal involved two of the nation's largest carriers, Air China (15 planes) and China Eastern Airlines (15), and the smaller regional Shanghai Airlines (nine) and Xiamen Airlines (three).

George Liu, vice-president of communications at Boeing China, told AFP negotiations were continuing with Hainan Airlines and China Southern Airlines which are also considering buying the jet.

"Forty-two planes are involved. The other deals with the other airlines are still in the works," he said.

In a statement, the Chicago-based aeroplane manufacturer said it was working to reach an agreement on 18 additional 787s, which are part of a previously announced commitment by China.

"We remain confident a deal will be completed in the near future," it said.

In January Boeing signed an initial agreement to sell 60 787s worth 7.2 billion dollars to Chinese airlines.

That was followed by an announcement in late July by the Chinese government that they would finalise the contracts for a combined six billion dollars for 50 787s this month.

HC stays FBCCI polls activities

STAR BUSINESS REPORT

The High Court yesterday stayed the FBCCI electoral activities following the polls rescheduling.

Passing the stay order, a division bench comprising Justice MA Matin and Justice Mamoon Rahman, also issued a rule returnable within three weeks upon the FBCCI election board, directorate of trade organisation and the commerce secretary to show causes as to why the electoral activities would not be declared illegal.

The HC passed the stay order and the rule after hearing a writ petition filed by Dewan Sultan, director of Laksmpur Chamber of

Commerce and Industry, and Abdul Wahed, director of Chapai Nawabganj Chamber of Commerce and Industry.

The two directors filed the writ challenging the legality of the August 5 rescheduling announcement of the polls by the election board. Holding of the election as per the previous schedule is also demanded in the writ petition.

All electoral activities as per the rescheduling will remain suspended until the disposal of the rule.

The writ petition said as per the FBCCI constitution the election must be completed 15 days prior to the expiry of the incumbent execu-

tive committee.

It also stated that the tenure of the present committee will expire on September 9 and in that case the election must be completed by August 25.

On August 5, the FBCCI election board rescheduled the election for September 10 following a High Court order.

August 21 was the original date of election announced by the election board of the Federation of Bangladesh Chambers of Commerce and Industries.

M Zahir appeared for the writ petitioners while Tanjibul Alam stood for the FBCCI.

India to introduce simple duty on textiles import from Bangladesh

PALLAB BHATTACHARYA, New Delhi

In a bid to tone up trade ties with its neighbours, India mulls over a fiscal measure that will attract lesser duty on import of textiles, clothing and jute from Bangladesh.

India plans to replace specific duty with simple duty on textiles, clothing and jute import from Bangladesh and a similar step is proposed on import of textiles, fruits and dry fruits from Pakistan, official sources said here yesterday.

Import duties on these items will be lesser as a result of India's proposal to replace specific duties with simple duties on them. Specific duty, which is assessed on the basis of some unit of

measurement such as quantity (per piece) or weight, usually turns out to be higher.

As a result of this move, 300-odd textiles and clothing items from Pakistan will attract simple duty.

After a two-day meeting of commerce secretaries of India and Pakistan, that began here today, the duty proposal will be taken up by Indian Prime Minister Manmohan Singh-headed Trade and Economic Relations Committee at its meeting here.

The issue had come up at the official-level talks for the preparation of a negative list of goods for exchange of tariff concessions under the South Asian Preferential Trading Agreement

(Sapta) held in Kathmandu in July this year.

Bangladesh and Pakistan during bilateral talks and Sapta negotiations had been demanding replacement of specific duties on textiles, jute, fruits and dry fruits as they felt duties on these goods to be very high, hurting their trade interests.

Pakistan President Pervez Musharraf had also raised the subject with Manmohan Singh during his visit to Delhi in April this year.

Sources said as trade balance with both Bangladesh and Pakistan is in India's favour, there should not be any problem in replacing specific duties with simple duties on the specified items.

India, Indonesia explore deal to boost trade to \$10b

AFP, New delhi

India and Indonesia are exploring the possibility of an accord that would boost bilateral trade threefold to 10 billion dollars by 2010, visiting Indonesian Trade Minister Marie Eika Pangestu said Monday.

"We have decided to set up a joint study group to examine the possibility of a Comprehensive Economic Partnership Agreement," Pangestu told reporters after a meeting with Indian industrialists, the Press Trust of India (PTI) news agency reported.

"We want to see a threefold rise in bilateral trade to 10 billion US dollars by the end of the decade," Pangestu said.

India's Commerce Minister Kamal Nath who was also present at the meeting said the India-Indonesian Joint Business Commission would work out a timeframe for exploring such an agreement.

Both countries have a range of issues to sort out with the other, with India campaigning for removal of non-tariff barriers on its exports including meat and other processed

food, PTI said.

Indonesia, on its part, wants to increase its palm oil exports to India and is seeking a lowering of tariffs on processed oil.

"We have asked the Indian government to look into the issue of differential duty structure on soya oil and processed palm oil besides the conditions on sulphur content of coal," Pangestu said.

Indonesian companies could team up with Indian units in textiles, steel, IT and telecoms, pharmaceuticals, health and other services, she added.

China sees no more yuan move soon

REUTERS, Beijing

China will not adjust the yuan's exchange rate any further in the next three to six months while it assesses the impact of last month's 2.1 percent revaluation, a senior Chinese economist said.

"Policy makers will observe the effects of the revaluation on the

economy and the degree to which it is digested. This is an adjustment period," said Ba Shusong, a vice director with the State Council's Development Research Centre.

"Exchange rate reform will affect trade, employment, farm products, and the overall economy. Companies and financial institutions all need time to adjust," Ba said

in a weekend interview with Reuters and Shanghai Securities News.

The Development Research Centre advises the State Council, China's cabinet, on economic policy.

Ba said the long-awaited revaluation, which also scrapped the yuan's peg to the dollar in favour of an exchange rate managed with reference to a currency basket, would make it easier for the central bank to fight speculators betting on further appreciation.

"Under the floating exchange rate system, the initiative to take on speculators is in the hands of the central bank, while under the fixed exchange rate system, the initiative is actually in the hands of speculative capital," Ba said.

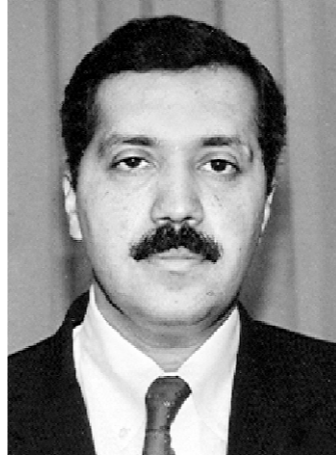
The modest size of the revaluation had not given speculators much of a profit, while the new managed float system introduced uncertainty by allowing the yuan to move up or down, Ba said.

The revaluation would help bring about an overall balance in China's trade account, but would have only a very small effect on China's huge surplus with the United States, Ba said.

China posted a \$39 billion trade surplus in the first half of 2005, bigger than the surplus for all of last year.

Many analysts expect the second-half surplus to be around \$40 billion, though a new estimate from a top Chinese think-tank said the revaluation would help slow export growth in the second half and limit the surplus to \$30 billion.

Citigroup South Asia head arrives today



Sanjay Nayar, area head for Citigroup South Asia and chief executive officer—India, arrives in Dhaka today on a two-day visit.

Nayar is to join the Citibank's 10th anniversary celebration in Bangladesh. During his visit, he is scheduled to meet senior government officials, major clients of the bank and explore the growth opportunities of Citigroup in Bangladesh.

Nayar was previously global sales head for Fixed Income Emerging Markets business at Smith Barney at New York and also held various positions in the Corporate and Transaction Bank, Corporate Finance and Capital Markets businesses in Citibank in the UK and India.

Training on women entrepreneurship

A training programme on 'Development of Women Entrepreneurs for Economic Empowerment project' was inaugurated on Saturday, says a press release.

Under the project, initiated by Jatiyo Mohila Sangstha (JMS), a wing of the Ministry of Woman and Children Affairs, a total of 900 females will be given training on different courses such as fashion designing, catering and interior decoration.

Under the project another 225 women will be given managerial skill development training.

JMS Chairperson Masuda Hossain inaugurated the project.

South Korea moves to contain fallout from airline strike

AFP, Seoul

The South Korean government said Monday it would consider classifying airlines as an essential public service which could limit the impact of labor action by striking pilots.

"The government will consider taking such measures because of the impact the airline industry has on our economy," Construction and Transportation Minister Chu Byung-Jik said.

His comment followed a meeting of economic officials who discussed steps to contain the fallout from a prolonged strike by Asiana Airline pilots.

The labor ministry said it may refer the dispute to the National Labor Relations Commission for arbitration if it remains unsettled.

The walkout has cost the country's second largest carrier about 200 billion won in lost fees from both passenger and cargo services since it began on July 17.

StanChart sees profits rise 20pc

AFP, London

Standard Chartered, the British-based emerging markets bank, posted on Monday a 20-percent increase in pretax profits during the first six months of 2005, helped by solid growth in its Asia Pacific markets and a revenue boost from recently acquired Korea First Bank (KFB).

The bank said pretax profits rose to 1.333 billion US dollars (1.078 billion euros) during the six months to June 30, compared with 1.107 billion dollars over the same period in 2004.

The result beat forecasts made by analysts, who had predicted earnings in a range between 1.16 and 1.28 billion dollars.

Revenue rose 19 percent to 3.236 billion dollars during the first half.

"Our performance is showing the benefits of our investments in organic growth, and the strategic alliances and acquisitions we have made," Standard's chairman Bryan Sanderson said in a statement accompanying the results.

Basic industrialisation key to creating jobs

Seminar told

STAR BUSINESS REPORT

The country needs basic industrialisation to develop sustainable employment scenario, said economist Prof. Muzaffer Ahmad yesterday at a seminar in Dhaka.

Prof. Muzaffer said the development in utility services sector such as real estate will not be able to ensure sustainable jobs.

Speaking at the seminar on employment plan Prof. Muzaffer also said education systems must be upgraded to create more jobs.

Juba Karmasangsthan Society,

an NGO working for the development of youths, organised the seminar on the sidelines of a two-day job fair that concluded yesterday at Osmani Memorial Hall in Dhaka.

Prof. Abul Barakat, general secretary of Bangladesh Economic Association, said growth in utility sector does not represent the real economy.

He said criminalisation has crept into economy. Of the 14 crore people in the country, 9.10 crore are poor, 4.50 crore belong to middle class and 60 lakh belong to upper

class. Of these 60 lakh rich people, there are 10 lakh people have criminalised the country's politics and economy.

Monwar Mostafa, a researcher of Unnayan Onneshon, an NGO, presented the main article in the seminar on the unemployment scenario of the country.

Among others, BNP lawmaker Moazzem Hossain Alal, Prof. Mizanur Rahman of Dhaka University, and AKM Fahim Mashrur, chief executive officer of Bdjobs.com, spoke at the seminar.

Fed to raise US interest rate again

REUTERS, Washington

With the economy showing new signs of vigour, Federal Reserve policy-makers are expected to order their 10th straight US interest-rate rise on Tuesday in a bid to head off inflation.

A stronger-than-expected US jobs report on Friday convinced analysts that Fed policy-makers were also likely to keep on with the campaign that started in June 2004, with some seeing steady increases through the end of the year.

"The whole world expects (the Fed) to hike its funds rate to 3.5 percent from 3.25 percent," said Rory Robertson, a rate strategist at

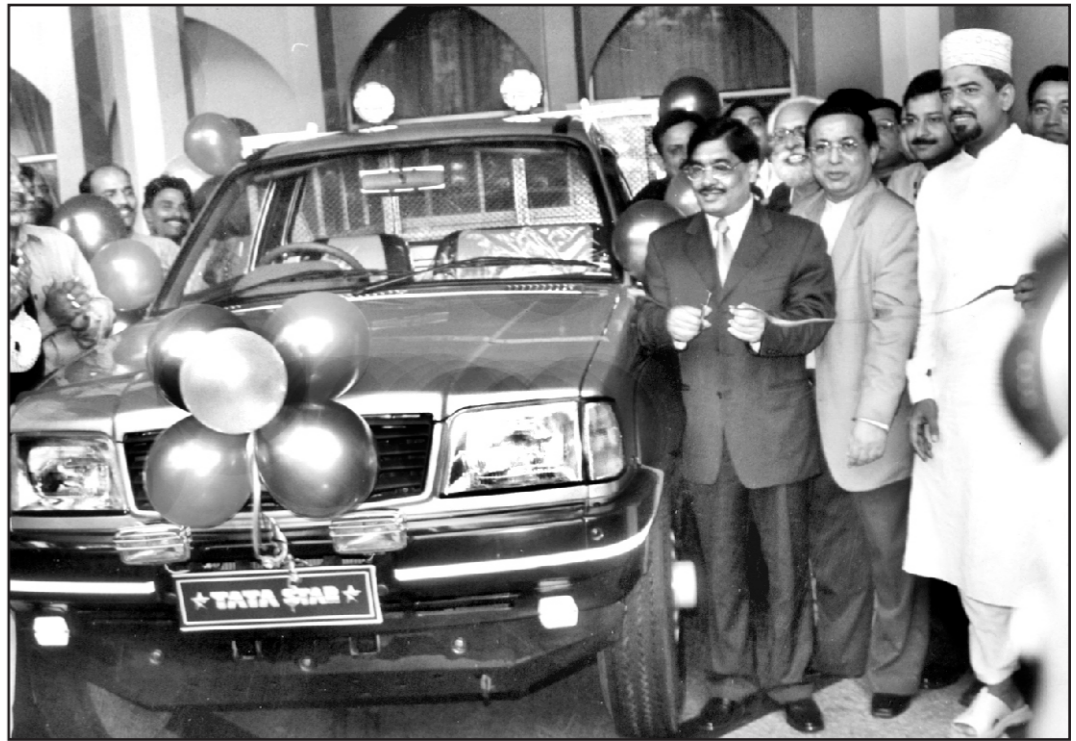
Macquarie Bank. "There's a strong market consensus they will follow (that) hike with moves in September, November and even December."

While some analysts believe the Fed is nearing the end of its steady-as-it-goes strategy of small rate increases, hot housing markets and signs of some wage inflation have others convinced policy-makers will raise official interest rates to 4 percent or higher by the end of 2005.

News that 207,000 new jobs were created in July -- above Wall Street forecasts for a 183,000 increase -- cemented perceptions that US economy was growing enough to withstand still-higher borrowing costs.

"This is an upbeat report, and reaffirms our expectation for the Fed to keep tightening through to the end of the year, with a rate hike at each meeting taking the Fed funds target to 4.25 percent by the year end," said Rob Carnell, economist at ING Financial in London, in a note to clients.

In addition to strong job growth, Fed Chairman Alan Greenspan and others on the Federal Open Market Committee will be looking at signs of inflation in wages and the nation's famously robust housing market when they meet on Tuesday.



Md Barkat Ullah Bulu, adviser to the commerce ministry, cuts ribbon to launch 'Tata Star' pickup and covered van in Dhaka yesterday. Nitol Group launched the vehicles in Bangladesh.

PHOTO: STAR