

Our error and clarification

In a news item headlined 'Fake BO accounts: three merchant banks blacklisted' published on this page on August 23, it was erroneously written that three merchant banks--Bangladesh Mutual Securities Limited, Raspi Securities and Management Limited and Capital Market Services Limited-- were blacklisted by the Securities and Exchange Commission (SEC).

The actual position is reflected in the SEC directive issued on August 22, 2005 whose last paragraph we reproduce:

"...the commission, in exercise of its power conferred by section 20A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), hereby directs AIMS of Bangladesh Ltd (Asset Management Company), Gramen Fund (Trustee), Standard Chartered Bank (Custodian) and Gramen Bank (Sponsor) of the aforesaid Fund to keep the units allotted to the portfolio account holders who have applied through Omnibus Accounts of the following merchant bankers, namely Bangladesh Mutual Securities Limited, Capital Market Services Limited and Raspi Securities and Management Limited, based on the lottery conducted on 21 August 2005, in the Suspense Account of the Fund opened with the Central Depository Bangladesh Ltd and subsequently deposit into the concerned allottees' own Beneficiary Owners (BO) Accounts only."

In a rejoinder to this newspaper, the Capital Market Services Limited further stated, "Capital Market Services Limited has NOT applied for units or shares, in whatever manner, in Gramen Mutual Fund One or any subsequent issues till date, and therefore question of allotment in our name does not arise at all."

The Daily Star regrets the error and apologises to the three merchant banks for having stated that the three companies were blacklisted.

S'pore, Pakistan wrap up first round of free trade talks

AFP, Singapore

Singapore and Pakistan on Friday concluded the first round of talks towards a bilateral free trade agreement (FTA), the city-state's trade ministry said.

Pakistan will host the next round of discussions in November, Singapore's Ministry of Trade and Industry said in a statement.

"Both sides had fruitful discussions on the key issues in trade in goods, rules of origin, trade in services, and investment, as well as the legal chapters of the FTA," it said.

The two countries announced in May plans to begin talks on a bilateral FTA when Pakistan Prime Minister Shaukat Aziz visited Singapore.

Singapore, whose economy is heavily dependent on foreign trade, is a pioneer in negotiating free-trade pacts, having signed such agreements with the United States, Japan, Australia and New Zealand, among others.

Chinese crisis may help boost RMG export to EU

Local apparel makers hope

BDNEWS, Dhaka

As retailers in the European Union countries are facing fresh supply crisis ahead of Christmas due to EU-imposed quota on Chinese textile import, local exporters yesterday said it can help boost Bangladesh's textile export to EU.

However, some said it may not help Bangladesh until the Christmas festival. But it will help them next year, as EU retailers will decrease their orders in China because of uncertainty, they added.

China had already exceeded its export limit of 69 million sweaters to the EU. The European Commission had stopped issuing import licences after 12 July because China had hit its limit.

Besides, recently China-made T-shirts, trousers and other garment products exceeded their export limit to the EU.

BBC reported retailers across

the EU got angry as restriction on the entry of a lot of textile goods of China into the EU has been imposed although they placed orders before the quota system came into being.

All of them apprehended that they won't be able to meet up the demand of customers during the Christmas.

"The EU had already increased placement of orders in Bangladesh due to the crisis," said Anwar-ul Alam Chowdhury Parvez, senior vice president of the Bangladesh Garment Manufacturer and Exporters Association (BGMEA).

President of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) Fazlul Hoque said, "No doubt, number of order is increasing especially in the case of trousers because of the fresh crisis and Chinese quota."

"It is very much positive for us as EU retailers will become unpredict-

able about China," Hoque, who is also a major exporter of T-shirts, said.

But another major sweater exporter of the country and President of the BGMEA Anisul Huq contradicted with the report saying that his order is not "increasing."

He also said, "Local garment industry is not capable of meeting up the demands before Christmas."

President of the BKMEA disagreed with him on this point. He said, "We, the knitwear exporters, are very much capable of meeting orders before Christmas and we are already receiving fresh orders to meet the deadline."

China is now selling more clothing to Europe than ever before.

Textile is the largest export earner for Bangladesh. It fetches 68 percent of the total export earnings. It also employs 2.1 million workers, almost 90 percent of them are women.

EU-China talks on textiles enter second day

AFP, Beijing

The European Union and China began a second day of talks Friday on dealing with millions of items of Chinese-made clothes that have surpassed annual EU import quotas and are being blocked in European ports.

"The talks resumed this morning. Earnest consultations between both sides are ongoing," a spokeswoman with the Ministry of Commerce told AFP.

In the first day of talks, "the Chinese side expressed its concern over the textile products blocked at the customs in EU countries..." she

said, citing a ministry statement.

EU negotiators "said the products stranded are not in the interests of EU traders and consumers," she said.

Chinese exports have surged since a global textile quota system was abolished on January 1 as part of World Trade Organization efforts to liberalize international trade.

The surge prompted the EU and the United States to provisionally reimplement quotas on Chinese textiles in an effort to protect domestic manufacturers.

Seven out of 10 textile categories covered by the EU import restrictions agreed in June have already

hit their limits and customs authorities have blocked new shipments.

According to the French trade ministry, 48 million sweaters, 17 million pairs of trousers, some 500,000 blouses, 1.6 million T-shirts, 3.4 million bras and 1,470 tonnes of flax yarn are being held up.

"The atmosphere of the discussions with our Chinese colleagues is, as could be expected, constructive and friendly, given that of course it's in the interest of the two sides to resolve this problem as quickly as possible," EU commission spokeswoman Amelia Torres told journalists in Brussels.

Prime Bank, Bangla Cat sign MoU

Prime Bank Limited signed a memorandum of understanding (MoU) with Bangla Cat, the Bangladesh dealer of Singapore Caterpillar Inc engaged in machine and engine sales, on Wednesday in Dhaka.

M Shahjahan Bhuiyan, managing director of Prime Bank, and Tarique E Haque, director of Bangla Cat, signed the MoU on behalf of their organisations, says a press release.

The MoU, signed to expand the bank's credit scheme, will enable the customers of Bangla Cat to avail credit facilities from the bank to purchase caterpillar brand diesel and gas generator.

ADB approves \$38m for bird flu-hit Vietnam

AFP, Manila

The Asian Development Bank said Friday that it has approved a 38-million-dollar aid package to fight disease in Vietnam, the country hit hardest by bird flu.

The soft loan and grant will fight communicable diseases as well as "lifestyle" problems such as heart ailments, diabetes and cancer, the Philippines-based bank said in a statement.

"Vietnam's preventive health system was designed when the pattern of disease development was much more homogenous and dominated by communicable diseases," said ADB economist Erik Bloom.

"The country now requires a system that can continue to support provinces with high levels of communicable diseases, while beginning to address new issues like occupational health and safety and noncommunicable diseases."

Avian influenza has killed 42 people in Vietnam, accounting for 61 bird flu deaths across Asia since 2003.

Consult businesses about trade negotiations

Seminar asks govt

STAR BUSINESS REPORT

Business leaders at a seminar said the government hardly considers their views while initiating bilateral or multilateral trade negotiations. "We are just at the receiving end ... we are not consulted on any trade-related issues," said Syed Taufiq Ali, former vice president of the Dhaka Chamber of Commerce and Industry (DCCI).

Pointing to the ongoing negotiations on Safta, Bimstec and other agreements, he said the government does not feel it necessary to consult the businessmen prior to the negotiations.

He was speaking at a seminar

on "Reforms for Institutional Development of Business Development Services (BDS)" on Thursday in Dhaka. A research report on institutional development of BDS was presented at the seminar, presided over by DCCI President M Sayeeful Islam.

The speakers said the BDS needs institutional reforms to provide required services for SMEs and keep pace with international business institutes.

The country's BDS facilities are quite backdated compared to the services in the developed world. As a result, the local business enterprises are being deprived of taking advantages of the WTO legal

system, Ghulam Rahman, former commerce secretary, said in his keynote speech referring to the research findings.

The DCCI in co-operation with Centre for International Private Enterprise (CIPE), a US-based organisation, conducted the research.

The business leaders also alleged that the government is not doing enough to develop the country's SMEs.

Obaidur Rahman, vice president of Australia-Bangladesh Chamber of Commerce and Industry, DCCI directors Khandakar A Salam and KHM Shahidul Haque, among others, spoke at the seminar.

Fusion food festival gets good response

STAR BUSINESS REPORT

The weeklong British Bangladesh food festival, which started at Dhaka Sheraton Hotel on Wednesday, is receiving a good response from food connoisseurs.

A good number of people have so far visited "British Bangladesh Fusion Food Festival" to taste delicious dishes.

Organisers said visitors are showing interest about fusion food, a combination of Eastern and Western dishes.

The second version of the event focuses on the relatively new but exciting fusion creations by the Bangladeshis and have already

aroused appetite among the British food lovers.

Four British chefs, who are expert in Bangladeshi cuisine, have come to Bangladesh to showcase their recent works in the festival.

In the festival, which is scheduled to conclude on August 30, the chefs, by turn, are exhibiting their contribution to fusion food culture.

State Minister for Civil Aviation and Tourism Mir Mohammad Nasiruddin inaugurated the festival. British High Commissioner to Bangladesh Anwar Chowdhury was also present at the function.

Speaking at the inaugural programme, the state minister said a fusion food restaurant will be set

up at Zia International Airport.

It is a matter of pride that Bangladeshi origins alone changed the food habit of the people of the United Kingdom, said British envoy.

This culture started in the 1950s and by the time it has developed an economy of three billion pound, Chowdhury added.

Mainly the Bangladeshi people made curry familiar in the UK and it is very interesting that now the British people observe a national curry day that depicts the success of Bangladeshis in the UK.

The visitors are allowed to taste the fusion dishes at Tk 1,275 from 7pm to 10pm everyday during the show.

Bharti ties up with French co for life insurance venture

PALLAB BHATTACHARYA, New Delhi

The 16-billion-dollar Indian life insurance sector is set to look up with French insurance giant AXA Group announcing partnership with Indian telecoms major Bharti Enterprise of Sunil Mittal group to have a pie of the Indian market.

Bharti Enterprise, which owns majority stake in telecoms firm Bharti Tele-Ventures Ltd, and AXA Asia Pacific Holding Ltd will together invest \$115 million in the next three to four years in India, the fifth largest life insurance market in Asia.

"India is going to be one of the fastest growing insurance markets in the next 10 to 15 years," said Les Owens, chief executive of AXA Asia Pacific, following the announcement on Thursday.

Sunil Mittal, chairman of Bharti Enterprise, said the Indian insurance market remains extremely under-penetrated and there is a long way to go.

The joint venture will have 74:26 equity. However, if the cap on FDI in

insurance sector is liberalised, the French company will have the opportunity to hike its stake in the venture.

At present, Indian laws allow foreign ownership of life insurance firms up to 26 percent. The Left parties, providing crucial outside support to the government of Prime Minister Manmohan Singh, are however firmly opposed to allowing FDI in insurance sector.

More than two thirds of the market is dominated by state-owned Life Insurance Corporation of India and the rest is shared by 13 companies. The Indian insurance market is estimated to grow by 20 to 25 percent in the next five years as there is a huge growth potential because premiums as a percentage of GDP are less than three percent.

AXA Asia Pacific is focusing on fast-growing Asian insurance market and has operations in China, Singapore, Thailand, Hong Kong, Indonesia, New Zealand and the Philippines.



PHOTO: PRIME BANK

M Shahjahan Bhuiyan, managing director of Prime Bank Ltd, and Tarique E Haque, director of Bangla Cat, the Bangladesh dealer of Singapore Caterpillar Inc engaged in machine and engine sales, exchange documents after signing a memorandum of understanding (MoU) on behalf of their companies in Dhaka Wednesday. Under the deal, customers of Bangla Cat will enjoy credit facilities from the bank to purchase caterpillar brand diesel and gas generators.

Oil prices pull back in Asian trade

AFP, Singapore

Oil prices pulled back from recent record highs in Asian trading Friday on indications Hurricane Katrina would spare offshore oil rigs in the US Gulf Coast, dealers said.

Oil prices however remained above 67 dollars a barrel on persistent concerns over production and refinery bottlenecks as a result of robust energy demand to meet the needs of the world's major economies.

At 2:25 pm (0625 GMT), New York's main contract, light sweet crude for delivery in October, was trading at 67.08 dollars a barrel, down 41 cents from its record closing price of 67.49 in the United States on Thursday.

Prices had touched an all-time high of 68 dollars a barrel in after-hours electronic trading on Thursday but failed to gain support.

"There are indications that the hurricane is veering away from the main production areas in the Gulf of Mexico, that's why traders are taking profit," said Tetsu Emori, chief commodities strategist at Mitusi Bussan

Futures in Tokyo.

"Also, today is a weekend so traders don't like to keep their positions."

Hurricane Katrina slammed ashore in Florida on Thursday, killing at least two people, leaving over a million homes without power and collapsing a Miami highway overpass.

There had been concerns that Katrina could swirl over offshore rigs in the Gulf of Mexico, but forecasts late Thursday showed the hurricane should remain to the east of the main oil fields.

Emori said he expects prices to dip further next week as the summer driving season in the United States -- the world's biggest energy consumer -- draws to a close, easing pressure on gasoline prices.

Emori said prices could still roar back to strike 70 dollars a barrel later this year during the northern hemisphere winter when demand for heating fuel would increase, but were unlikely to be sustained at those levels.