

Thai co acquires 90pc stake in Summit Petroleum

BDNEWS, Bangkok

Thailand's Picnic Corp, a cooking gas distributor, said yesterday it has invested \$1 million to acquire 90 per cent stake in the Summit Surma Petroleum Co Ltd, a liquefied petroleum gas distributor in Bangladesh.

In a statement, the Thai company said it has used its working capital to fund the investment.

The company has plans to expand its LPG distribution business in the region, it stated.

Meanwhile, the Stock Exchange of Thailand halted trading of Picnic shares earlier Wednesday, asking the company to officially inform the bourse about the investment.

Shares of Picnic ended Tuesday at THB2.40, up 5.3 percent from the previous day's closing.

AKTEL launches transmission network at Ghorashal

AKTEL, a cell phone operator, yesterday launched a transmission network at AKTEL's Ghorashal Transmission Centre.

Through the transmission network, AKTEL subscribers of Sylhet region will get improved service and network facility. It will also ensure continuous coverage along the Dhaka-Sylhet highway, says a press release.

AKTEL Managing Director Ahmad Bin Ismail formally inaugurated the transmission network while Chief Operating Officer Vijay Watson, Director (Coordination) Fazlur Rahman, General Manager (Technical) Omar Bin Sahid, Head of Corporate Affairs Javed Tariq and Assistant General Manager (Technical) Abdur Rahim Abdur Rahman were present.

EU, Thailand finalize cooperation accord

AFP, Brussels

The European Union finalized a cooperation accord with Thailand Wednesday aimed at boosting economic ties and creating a "more structured" relationship, the head of the EU's executive said.

Speaking after talks with visiting Prime Minister Thaksin Shinawatra, EU commission chief Jose Manuel Barroso said the EU was also studying the option of funneling some aid through Thailand to other Southeast Asian countries.

The cooperation accord "will result, I'm sure, in a stronger, deeper more structured relationship, offering an upgraded framework for our dialogue on a very wide range of issues," he said.

"We have discussed the possibility of having trilateral cooperation between the European Commission, Thailand and some recipient countries in the area," he said.

Ecneec okays 7 projects involving Tk1,781cr

UNB, Dhaka

Executive Committee of National Economic Council (Ecneec) yesterday approved seven development projects involving Tk1,781 crore.

Of the projects, four will be implemented utilising the government's own fund while ADB, Japan and Denmark will provide Tk 322 crore financial assistance for the three other schemes.

The projects were approved at the Ecneec meeting in Dhaka with Finance and Planning Minister M Saifur Rahman in the chair.

LGRD and Co-operatives Minister Abdul Mannan Bhuiyan, Health and Family Welfare Minister Khandakar Mosharraf Hossain, Industries Minister Matiur Rahman Nizami, Agriculture Minister MK Anwar, Post and Telecommunication Minister

Aminul Haque and Education Minister M Osman Farruk, among others, attended the meeting.

The approved projects are Dhanua-Savar High Pressure Gas Supply Pipeline Construction under Dhaka Clean Fuel (revised) worth Tk 384.74 crore, Sylhet 90 MW Combined Cycle Power Station 2nd unit (revised) costing Tk 717.23 crore, Rural Development Project-16: Infrastructure in Patuakhali and Barguna 2nd phase (second revised) involving Tk 275.48 crore, Water Supply, Sewerage and Construction of Drain in 19 district towns (revised) costing Tk 41.80 crore, removing water logging in Dhaka city (revised) worth Tk 203.93 crore, Ashuganj-Monohordi High Pressure Gas Supply Loop Line construction (revised) costing Tk 190.34 crore and Rural Infrastructure Development in grater

Barisal district involving Tk290 crore.

Of the projects, Dhanua-Savar High Pressure Gas Supply Pipeline Construction under Dhaka Clean Fuel (revised) will get Tk 142.94 crore project assistance while the schemes titled Rural Development Project-16: Infrastructure in Patuakhali and Barguna 2nd phase (second revised) and Rural Infrastructure Development in grater Barisal district receive Tk 125.49 crore and Tk 54 crore respectively as project assistance.

After the meeting, Finance Minister Saifur Rahman told reporters that the waterlogging problem in Dhaka city would be resolved through the project approved in the Ecneec meeting.

He said initiatives to remove illegal structures on canals in the city and facilitating the drainage would be taken up under the projects.

SEDF, Islami Bank sign MoU on SME financing programme

The South Asia Enterprise Development Facility (SEDF) and Islami Bank Bangladesh Limited (IBBL) signed a memorandum of understanding (MoU) yesterday in Dhaka.

Under the MoU, SEDF will offer technical assistance to IBBL in expansion of the bank's small and medium enterprises (SME) financing programme, says a press release.

Gilles Galludec, programme manager of Financial Markets Group of SEDF, and Abdur Raquib, executive president of IBBL, signed the MoU on behalf of their respective organisations.

Citigroup announces donation for quake victims in South Asia

Citigroup, the owning company of Citibank NA, recently announced that the company and its employees will donate up to US\$3 million to assist the humanitarian aid effort following the earthquake disaster affecting South Asia, says a press release.

In addition to a US\$1 million immediate commitment, the Citigroup Foundation will match any eligible donation made by a Citigroup employee dollar for dollar to support relief efforts up to US\$1 million for a potential total of US\$3 million.

The foundation will work with a number of relief organisations, including the Red Crescent and the Red Cross societies, in order to ensure that this aid goes where it is needed most in providing immediate relief and support with rebuilding.

"Citigroup employees around the world have been saddened by this disaster and have expressed a deep desire to help," said Chuck Prince, chief executive officer of Citigroup.

Oil prices remain above \$63

AFP, Singapore

Oil prices continued rising in Asian trade Wednesday after the International Energy Agency (IEA) made a smaller-than-expected cut in its demand growth projections, dealers said.

At 10:30 am (0230 GMT), New York's main contract, light sweet crude for delivery in November was up 24 cents to 63.77 dollars a barrel from its close of 63.53 dollars Tuesday in the United States where it had jumped 1.73 dollars.

Market sentiment remained positive on prices after the IEA on Tuesday reduced its forecast for growth of global oil demand this year by 90,000 barrels per day to 1.26 million bpd, dealers said.

Prices were also on a rebound after sharp declines in recent weeks on talk of "demand destruction" in the United States which suffered from two major hurricanes in the space of four weeks, said Victor Shum, an analyst with energy consultancy Purvin and Gertz in Singapore.

Ericsson, Nokia to launch low frequency GSM telephony

ABU SAIED KHAN

Ericsson and Nokia are launching cost-effective cellular mobile solution for the emerging markets in order to expedite the proliferation of telecoms penetration in the emerging markets. The new GSM mobile system will operate in 450 megahertz (MHz) radio frequency.

Ericsson and Nokia claim this new version of GSM mobile telephony will be significantly cost effective to acquire and operate compared to the conventional GSM services in 900, 1800 and 1900 MHz. bands. The Swedish and Finnish vendors officially announced it on Tuesday.

Ericsson says that GSM 450 will

particularly help expand mobile services to remote areas previously considered not feasible to cover. Better coverage with lower operating costs is one result of the new technology. Supplementing fixed line networks is also an advantage in rural areas.

"GSM 450 is the next logical step in providing service to emerging growth markets,"

says Ulf Ewaldsson, Ericsson's vice president. It will support global roaming and have all the functionality and features including EDGE and GPRS like the existing GSM standards.

Nokia believes that a GSM 450 frequency is a viable solution in providing affordable handsets and mobile voice-based services to new growth

areas with a low penetration of telephony. For regions licensing a 450 MHz frequency band, GSM technology can provide a cost conscious alternative and thus enable mobile communications for a broad consumer base in very price sensitive markets.

Ericsson is the world's largest cellular mobile network equipment maker and Nokia is the world's largest cellular mobile handset manufacturer. Nokia and Ericsson also fiercely compete in the core network market. Ericsson's joint venture with Sony, however, remains far behind than Nokia in the handset business.

EU remains on bird flu alert as tests continue

AFP, Brussels

The European Commission welcomed Wednesday test results showing no signs so far of bird flu in Romania, but said the EU remains on alert for the potentially deadly virus after an outbreak in Turkey.

Suspected cases of avian influenza in Romania, combined with the Turkish outbreak, have rung alarm bells in the European Union, which fears that the disease could spread from Asia into the 25-nation bloc.

But the negative tests for Romania, for the moment at least, brought some relief in Brussels, though Romania's agriculture minister, Gheorghe Flutur, said Wednesday that slaughtering in the suspected infected area in the Danube delta would continue for the time being.

He said he had received no information from the EU, and Romanian experts had not yet succeeded in isolating the virus.

In Brussels the EU commission said that, while tests had so far proved negative for Romania, it will remain on alert.

If there are any positive findings in Romania, samples will be sent to an EU laboratory in Britain where the Turkish tests are taking place "in order to get the final results," the spokeswoman said.

The EU announcement came as Turkish officials said they had com-

pleted a mass slaughter to combat a bird flu outbreak in the northwest of the country, although the area remains quarantined.

While avian influenza primarily affects birds, one strain of the virus known as H5N1 has killed more than 60 people in South East Asia since 2003.

Scientists have warned that millions of people around the world could die if that virulent form of the virus crosses with human flu strains to become highly contagious among people.

Turkish experts say samples from infected animals in the area around the village of Kizikska have tested positive for the H5 virus, but it was not yet known whether it was the highly virulent H5N1 strain.

If it is the H5N1 strain, it would take the virus to the frontiers of the European Union as well as threaten the Middle East.

The EU commission spokeswoman said Wednesday that further Turkish tests results are expected on Friday, and should in theory determine if the Turkish outbreak concerns the most virulent strain of the virus.



PHOTO: AKTEL

AKTEL Managing Director Ahmad Bin Ismail formally inaugurates a transmission network at AKTEL's Ghorashal Transmission Centre yesterday. Chief Operating Officer Vijay Watson was also present.

Snow opens tour in China focused on yuan reforms

AFP, Shanghai

US Treasury Secretary John Snow opened his tour of China Wednesday focused on the steps the country has taken to greater currency flexibility since Beijing revalued the yuan and pledged greater forex reform.

Snow kicked off his visit in China's financial hub of Shanghai with a tour of the China Foreign Exchange Trading Centre (CFETS), a subsidiary of the central bank, where current forex trades are executed, as will be eventual derivatives contracts.

China's progress in new forex-based financial instruments is of particular interest to Snow and US officials as it helps to gauge how

rapidly China is moving towards its long-stated goal of a fully convertible currency system.

"It was a good discussion on the nature of the platform, how it's been operating since the move in July to widen the (forex trading) bands, its capability of handling further flexibility, where we were assured that the platform would be capable," Snow told reporters before visiting the Shanghai Stock Exchange.

CEFTS is still in the midst of developing new derivative instruments to manage interest and exchange rate fluctuations, which officials have insisted are crucial to further changes to the restricted currency regime.

Beijing took a small but key step towards freeing up the currency in July when it scrapped the yuan's effective peg to the dollar and placed it in a tightly managed basket of the currencies of its major trading partners, notably the US, the EU and Japan.

Since the initial 2.1 percent revaluation the yuan has appreciated 0.27 percent after closing Tuesday at 8.0879 per dollar, a race which has been criticised by some trading partners, including the US, as way too slow.

"It's clear that CEFTS is moving forward with a lot of work for trading products for (yuan) bonds, for derivatives on the currency, for forwards and options (contracts) on the currency," said Snow.

In Tokyo Tuesday, Snow insisted more needed to be done on yuan flexibility. Washington complains that the yuan remains undervalued against the dollar at the cost of millions of US jobs lost to cheap Chinese imports.

"We are anxious to see the Chinese fulfill the commitment they made (in July) to allow market forces play a larger role in setting the value of their exchange rate over time," Snow said in Tokyo.