

## Taiwan cuts fuel prices

AFP, Taipei

Taiwan's oil companies said Monday that they had cut gasoline (petrol) prices Monday in line with a recent easing in international crude oil prices.

Formosa Petrochemical Co. said it had reduced its gasoline prices by 5.9 percent, while competitor state-owned Chinese Petroleum Corp (CPC) cut its gasoline prices by 3.48 percent.

A Formosa Petrochemical official said the price cuts mainly came after international crude oil prices fell below 60 dollars per barrel late last week.

The CPC's price reductions were aimed at matching Formosa Petrochemical's move in an attempt to maintain competitiveness, a company spokeswoman said.

The CPC controls about 75 percent of Taiwan's petroleum market with the rest going to Formosa Petrochemical.

## Oil below \$60

REUTERS, Singapore

Oil sank below \$60 to a near three month low Monday after Hurricane Wilma missed the storm battered US oil and gas facilities in the Gulf of Mexico.

US light crude fell as low as \$59.76 a barrel, the lowest since July 28. Prices were down 61 cents to \$60.02, shedding a gain of 61 cents on Friday on fears Wilma could hinder the recovery of oil operations in the Gulf. Prices were 15 percent below the record-high of \$70.85 a barrel struck in late August in the wake of Hurricane Katrina.

London Brent crude lost 51 cents to \$57.97 a barrel.

"The market has been sold off after the Hurricane headed for Florida instead of the Gulf Coast. So oil production is not affected," said Tony Nunan at Mitsubishi Corp in Tokyo.

Wilma, after devastating Mexico's Yucatan peninsula, spared oil and natural gas production areas in the Gulf Coast on Sunday. The 22nd named tropical storm, the record-breaking Alpha, posed no danger to Gulf oil facilities as it soaked Haiti and the Dominican Republic, before weakening.

Some 65.79 percent of the normal 1.5 million barrel-per-day (bpd) of oil production in the Gulf of Mexico was shut on Friday, compared with 64.52 percent on Thursday, the MMS said.

## Exporters busy upgrading shrimp processing plants

### EU inspection team due next month

SARWAR A CHOWDHURY

Frozen food exporters are busy upgrading their processing plants as a European Union team will arrive in Dhaka next month to inspect the prevailing standard of Bangladesh shrimp industry.

The four-member delegation from Food and Veterinary Office of EU, which will arrive on November 7, will inspect factory premises, quality control system and all types of infrastructure facilities of the shrimp industry.

According to the exporters, the team during its 12-day stay in Bangladesh will visit the government laboratories for fisheries standard control, shrimp processing units, hatcheries, shrimp enclosures and shrimp depots in Dhaka, Chittagong, Cox's Bazar, Khulna,

Bagerhat and Satkhira.

Ahead of the high-profile visit the exporters have taken initiatives to upgrade processing plants, standardise quality control system, implement HACCP (Hazard Analysis Critical Control Points) policy, refurbish government laboratories and provide training for officials and workers in shrimp industry.

Talking to The Daily Star, Maqsur Rahman, president of Bangladesh Frozen Foods Exporters Association (BFFEA), said the infrastructure development activities are yet to start in some places. But he hopes the tasks will be complete by the end of this month.

The future of shrimp exports to the EU market depends largely on the outcome of the visit, he added.

However, he said the government's quality control department

is yet to install modern machinery in labs.

Rahman also said the EU delegation may examine if there is any presence of Nitrofurantoin antibiotic in Bangladeshi shrimp.

Presently, the frozen foods sector contributes 4.86 percent of Bangladesh's total export earning. In fiscal year 2004-05, the country fetched US\$ 421 million in export earning from the sector posting a 7.81 percent growth compared to the previous fiscal's earning of US\$ 390 million.

In the current fiscal year, Bangladesh has a target to export frozen foods worth US\$ 450 million.

Exporters believe if Bangladesh can increase its production capacity of shrimp and fish, it will be able to earn Tk 10,000 crore annually from frozen foods export.

## India's central bank may raise interest rate today

REUTERS, Mumbai

India's central bank is expected to raise its benchmark short-term interest rate by a quarter percentage point on Tuesday to head off accelerating inflation in one of the world's fastest growing economies, analysts say.

Wholesale price inflation, the most widely tracked measure, has risen to an annual rate of 4.62 percent this month from about 3 percent at the end of August, which was a three-year low.

A Reuters poll last week showed 13 out of 15 analysts expected the Reserve Bank of India (RBI) to raise its short-term reverse repo rate by 25 basis points to 5.25 percent on Oct. 25. The reverse repo is the benchmark for money market rates.

Analysts say easy monetary conditions, rising commodity prices and strong growth would stoke inflationary pressures, pushing headline inflation above the central bank's forecast to hit 6 percent by the end of the fiscal year next March.

The central bank, which forecasts inflation at end-March of 5.0-5.5 percent, held rates steady at its last review in July to keep growth on track amid global uncertainties. In the April-June quarter, the first quarter of the fiscal year, the economy grew 8.1 percent from a year earlier.

## Korean airline in loss, hit by soaring fuel costs, strike

AFP, Seoul

South Korea's second largest airline, Asiana, said Monday it posted a net loss of 52.1 billion won (49.1 million dollars) in the third quarter to September due to a strike by pilots and higher fuel costs.

The loss compared with a year-earlier profit of 60.6 billion won.

The company's operating loss stood at 11.9 billion won, compared with a profit of 69.9 billion won a year ago. The loss missed market expectations of a marginal profit.

Sales fell 8.2 percent year-on-year to 742 billion won thanks to flight cancellations forced by a three-week walkout which ended in August.

## Saarc CoE okays technical aid package for LDCS

STAR BUSINESS REPORT

The Saarc Committee of Experts (CoE) has finalised a technical assistance package for the least developed contracting states (LDCS) in the run-up to the implementation of the South Asian Free Trade Area (Safta), Indian Commerce Secretary SN Menon said yesterday.

Inaugurating a workshop of the Saarc technical experts in New Delhi, Menon said the CoE, which met in Kathmandu last month, had agreed on a series of recommendations to facilitate the exports of LDCS to the non-LDCS, thus creating a suitable environment for the implementation of Safta from January 1 next year.

In his address, Consumers' Affairs Secretary L. Mansingh said, with Safta coming into force the dismal intra-regional trade of nearly 4 percent is bound to improve, according to a

report of Indian news agency UNI.

He, however, said merely signing of the agreement will not improve the situation. "Now it is time for each one of us to focus on the various trade facilitation measures," he added. Harmonisation of standards is among the most important measures for enhanced trade transactions.

The seven Saarc nations need to develop complete understanding of the WTO rules and regulations that impact their trade, he further added.

Some of the focus sectors for intra-regional trade include readymade garments, leather, steel products, jute products, plastic, fisheries, processed foods and pharmaceuticals.

Mansingh said an initiative has already been taken to set up a regional standards body since more than 60 percent of the trade barriers

comprise non-tariff barriers relating to standards and conformity assessment procedures.

Recognising the importance of regional standards in fostering intra-regional trade, SP Sharma, director general of Bureau of Indian Standards (BIS) said, Saarc Standing Group of Standards, Quality Control and Measurement, is working towards cooperation in the fields of standards, conformity, assessment, accreditation, quality control and measurement. BIS is also the coordinator of the group.

Regional cooperation and harmonisation among the Saarc member states in the area of standardisation would also play a crucial role in international standards setting process and common issues at the international level, Sharma added.

The workshop was jointly organised by the BIS and the Ministry of Commerce of India.

## Govts urged to ensure ICT infrastructure development

### Three-day international ICT workshop ends today

STAR BUSINESS REPORT

Speakers at an international workshop in Dhaka yesterday called upon the governments to ensure ICT infrastructure development.

They also said the governments should take steps so that private sector can contribute to the infrastructure development.

They were speaking at the second day of the workshop on 'Building Information Society: Road 2 Tunis'. The three-day workshop ends today at Bhasani Novo Theatre.

Taking part in a session, Science and ICT Minister Abdul Moyeen Khan stressed the need more investment from the private sector to develop ICT infrastructure.

He said although price of high-tech ICT products is reducing, it is still beyond the purchasing capacity of poor people.

Bangladesh Bank Governor Salehuddin Ahmed said the government is working to create a congenial environment welcoming private sector

### BA set to double flights to India

AFP, London

The number of British Airways flights between London Heathrow and India will almost double when the airline's winter schedule begins next Sunday, the company announced Monday.

BA had announced in April plans to begin increasing flights between Heathrow -- the world's busiest international airport -- and cities across India from October following an agreement signed between the British and Indian governments.

investment in the ICT (information and communications technology).

Ahmed said the central bank has formed a fund to support infrastructure development where ICT is getting priority.

In the first plenary session on "Gender and ICT", Dr Josephine Caddac, programs director of Informatics Professional Development Centre, Indonesia, presented a keynote paper.

In the second session titled "Financing for ICT Infrastructure and Solidarity Fund", Dr Petteri Terho, director of Nokia from Finland, tabled the keynote paper.

In the third session on "Internet Governance and Telecom Regulation", M Chanuka Wattagama of UNDP Regional Centre, Sri Lanka, placed the keynote paper.

## China issues new rules for overseas investment

ANN/CHINA DAILY

China's foreign exchange regulator has announced a new regulation relating to local citizens' overseas fundraising and return investment.

The new regulation, which comes into effect next month, will replace controversial rules promulgated early this year.

They were believed by many to have created administrative obstacles for the use of venture capital by many Chinese private companies, particularly small and medium-sized ones.

The new regulation was announced by the State Administration of Foreign Exchange (SAFE) Sunday.

It allows domestic citizens, by using domestic assets, to set up overseas special purpose vehicles (SPVs) for fundraising purposes and make a return investment in China. It specifies the procedures and requirements.

The new regulation aims to "encourage, support and guide the devel-

opment of the non-State sector, further improve the policy support system for venture capital, and regulate cross-border capital transactions by domestic citizens through SPV-based fundraising and investment activities," the administration said in a statement.

Partly to circumvent high listing standards and strict forex regulatory requirements, an increasing number of Chinese private firms have used overseas SPVs to raise funds in recent years.

This method also encouraged the participation of venture capital, which relies heavily on easy exit channels.

But SAFE rules enacted at the beginning of this year, aimed at blocking capital flight and tax evasion, reportedly slowed down the overseas listings of Chinese private firms, as they contained stricter approval procedures.

## China warns S Korea of possible trade retaliation

ANN/ THE KOREAN HERALD

China is considering possible retaliation against the series of government reports that has raised fears over the safety of Chinese food imports, South Korea has said.

The Ministry of Foreign Affairs and Trade said the Chinese government warned the Korean Embassy in China that it could take on a trade offensive.

The reaction comes as the Korean government failed to meet the Chinese government's request to hold off public announcement until the giant neighbor completed its own inspections. The Trade Ministry here said China believes such lack of cooperation has only made its products "look bad."

On Friday, the Korea Food and

Drug Administration (KFDA) announced that it detected eggs of parasites in kimchi imports. This discovery comes amid recent government reports of malachite-tainted eels and carp from China. Kimchi contaminated with lead has been another concern.

Kimchi is made by putting an assortment of seasonings into salted cabbage or radish.

Meanwhile, shipments of the Korean staple cabbage side dish surged 79 percent to 85,266 metric tons from January to September this year from a year ago, according to the Ministry of Agriculture and the Korea International Trade Association. The cheaper costs have increased demand by many local restaurants and other food businesses.



PHOTO: STAR  
Anisul Huq, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), speaks at a press conference in Dhaka yesterday. Garment exporters alleged some non-government organisations (NGOs) and foreign funded organisations are trying to destroy the country's garment industry. Anwar-Ul-Alam Chowdhury, BGMEA second vice president, is also seen in the picture.