

United Leasing Co declares dividend

United Leasing Company Ltd has declared dividend of Tk 32 per share and one bonus share for every two shares for the year 2005.

The dividend was okayed at the 17th annual general meeting (AGM) of the company held on Monday in Dhaka, says a press release.

ASMO Subhan, chairman of the company, presided over the AGM.

WB raises 2006 China growth forecast to 9.5pc

AFP, Beijing

The World Bank on Wednesday upgraded its 2006 economic growth forecast for China to 9.5 percent as it cautioned that more measures needed to be taken to cool and rebalance the economy.

In its quarterly report for China, the World Bank said it had revised up its forecast from 9.2 percent to 9.5 percent after faster-than-expected growth at the start of the year.

China's economy grew by 10.2 percent in the first quarter, taking many analysts by surprise, after recording growth of 9.9 percent for all of 2005.

"In light of the strong first quarter we revise up our GDP growth forecast for 2006 to 9.5 percent," the World Bank said in a statement.

Labour rights, investment dominate US-UAE trade talks

AFP, Abu Dhabi

Free trade talks between the United Arab Emirates and the United States continued Wednesday amid leaked reports of disagreements over labour rights and investment, a newspaper said.

The negotiations, which resumed Tuesday, continued behind closed doors, with US embassy spokeswoman Hilary Olsin-Windecker saying the virtual media blackout over the talks was still in place.

But the Al-Hayat daily newspaper quoted sources saying the US party has "made a (free trade) agreement contingent on amending the labour law in the UAE and establishing labour organisations."

The agreements, which require US congressional approval, are largely economic, but also include a major section on labour rights. That would require each party to recognise the right of association and collective bargaining, prohibit forced labour and respect minimum wages and caps on working hours.

Unions are banned in the UAE and a minimum wage exists only for the country's own citizens.

The UAE has a population of four million, of whom only 20 percent are nationals, and the vast majority of the workforce is made up of foreigners.

Human Rights Watch, which recently issued a strongly worded report on labour abuses in the country, has asked the United States and the European Union and Australia, which are also negotiating FTAs with Abu Dhabi, not to sign until the country reforms its laws to conform to International Labour Organisation standards.

IDCOL to install 36,450 domestic biogas plants

STAR BUSINESS REPORT

Infrastructure Development Company Limited (IDCOL) will install 36,450 domestic biogas plants in 19 districts by December 2009.

IDCOL, an energy and infrastructure finance institute, has signed an agreement to this effect with SNV, Netherlands Development Organisation for implementing the project.

Director general for International Cooperation of the Netherlands through SNV will also give 4.5 million euros to the project titled 'National Domestic Biogas and Manure Programme'.

M Fouzul Kabir Khan, executive director and chief executive officer of IDCOL, and Matthias Moyersoen, country representative, SNV/Bangladesh, signed the agreement on behalf their sides yesterday in Dhaka.

Ataur Rahman, joint secretary, ERD (Europe), and Riffat Zaman, advisor, economic and commercial affairs, the Netherlands embassy, among others, were present at the function.

SEC moves to introduce fund diversion rules

SARWAR A CHOWDHURY

The Securities and Exchange Commission (SEC) has initiated a move to introduce fund diversion rules for the listed companies in a bid to limit their authority to extend interest-free loan to their non-listed sister concerns.

A two-member committee headed by SEC Executive Director Mansur Alam has already submitted the draft of the new rules to the commission. The capital market watchdog at its next meeting may review the draft, sources said.

As per the draft rules, no company will be able to provide interest-free loan for their sister con-

cerns or its executives. An agreement will also have to be signed between the two parties while a time frame and other terms and conditions must be mentioned in the deal.

In recent times, many listed companies gave interest-free loans to their executives and their non-listed sister concerns for unlimited period and without binding them to abide by any terms and conditions. "But, these types of practices of giving loans hamper the companies' activities and also the investors' interests," said Alam.

"To protect such types of fund diversion, the SEC has taken the initiative to introduce new rules,"

he said.

The SEC will also set a possible six-month time frame for the companies, which provide such loans, to recover those.

Sources said recently a listed company has given a loan of Tk 3 crore to its chairman for a project. But, when the SEC asked the company to provide necessary information such as interest rate and time frame for paying back the loan, the company failed to provide the information.

"Fund diversion without any interest and terms and conditions is a major obstacle to the development of the capital market and it must be addressed properly," Alam added.

CCCI for keeping customs house open on Saturdays

UNB, Dhaka

Chittagong Chamber of Commerce and Industry (CCCI) has urged the Chittagong Customs authorities to keep the customs house open on Saturdays to ease the severe container congestion at Chittagong Port.

In an urgent message faxed to the Commissioner of Customs of Chittagong, CCCI President Saifuzzaman Chowdhury requested the customs authorities to continue its activities on Saturdays till June 30.

"You know that export-import has remarkably increased in recent times and container congestion at the Chittagong port has also taken a serious turn, and under the circumstances it has become indispensable to keep the Customs House open on Saturdays," the fax message said.

"It'll help facilitate taxation, export import activities, industrial production, eventually benefiting the consumers," the message said, adding, "We're requesting to take emergency steps to keep the Customs House open on Saturdays at least until June 30."

Spending on Chinese airports to soar

ANNI CHINA DAILY

China is set to spend on airport development in the next five years more than it did in the last 15, opening up huge investment opportunities for overseas and domestic investors.

According to the Civil Aviation Administration of China (CAAC), the industry regulator, 140 billion yuan (US\$17.4 billion) has been earmarked from this year to 2010, compared to the 120 billion yuan (US\$14.8 billion) from 1990 to last year.

The spending will be focused on 42 new airports and upgrading existing infrastructure.

Zhao Hongyuan, a senior CAAC official, told China Daily that the number of airports would rise to about 190 from the current 142, with the figure reaching 220 by 2020.

The fleet strength of commercial aircraft will grow to 1,580 by 2010, up from the current 863, before reaching about 4,000 in 2020.

Chairman, vice chairman of Jamuna Bank



Chairman



Vice chairman

Md Fazlur Rahman and Shaheen Mahmud have been elected chairman and vice chairman of Jamuna Bank Ltd.

The were elected at a meeting of the Board of Directors of the bank held on Monday, says a press release.

Chairman and managing director of City Group of Industries, Rahman is senior vice president of Bangladesh Vegetable Oil Refinery Association and also chairman of Loyeds General Insurance Company Ltd. He got 'Atish Dipankar Medal 2004' and 'Bangladesh Business Award 2005'.

Chairman and managing director of Cotton Group, Mahmud is also the first vice president of Bangladesh Hockey Federation. He got 'National Export Gold Trophy' for his outstanding export performance in readymade garment sector.

Seminar on improvement of productive maintenance

Padma Group of Converters in collaboration with TPM Club India, Confederation of Indian Industry and Japan Institute of Plant Maintenance organised a two-day seminar on 'Improvement of Total Productive Maintenance (TPM)' in Savar, Dhaka recently.

Around 100 officers and employees of Padma Cans and Closures Ltd., Savar, Padma Cap Manufacturing Co Ltd and Padma Glass Ltd, Barisal, participated in the seminar, says a press release.



PHOTO: STAR

Ricardo Tavares (2-R), vice-president of GSM (Global System for Mobile Communications) Association, speaks at a press briefing in Dhaka yesterday as Lars P Reichelt (L), CEO of Banglalink, Salahuddin Kasem Khan (2-L), chairman of AKTEL, and Erik Aas, CEO of GrameenPhone, look on.

Cut tax on SIM cards, get more revenue

STAR BUSINESS REPORT

As the mobile phone industry is one of the largest contributors to the government exchequer, cellphone operators yesterday urged the government to cut tax on new subscription and handsets, saying it (government) can earn more revenue by reducing tax.

"If the government cuts taxes, phone subscribers' base will increase, resulting in rise revenue from VAT and other taxes," said Ricardo Tavares, vice-president of GSM (Global System for Mobile Communications) Association, addressing a press briefing in Dhaka.

The press briefing was organised following 'GSM Association's Seminar for Regulators', jointly organised by GSM Association and Bangladesh Telecommunication Regulatory Commission (BTRC). Post and Telecommunications Minister Aminul Haque inaugurated the seminar, which was also attended by BTRC Chairman Muhammad Omar Farooq.

Quoting a study titled 'Economic and Social Benefits of Mobile Services in Bangladesh', Tavares said the study found the mobile phone sector contributes US\$650 million per annum to the economy of

Bangladesh while the industry has created almost 250,000 new high-paying and urban jobs in Bangladesh.

Citing another study titled 'Taxation and Mobile Telecommunications in Bangladesh' conducted by Frontier Economic, he said the study found if the SIM tax of Tk900 for new connections is removed, tax revenue will be 2.5 per cent higher by 2009, and in certain cases up to 4.4 per cent higher in 2009.

And if the import tax of Tk300 on handset is removed, the subscribers' base will increase by 1.8 per cent to 2.9 per cent by 2009, he said.

"Though Bangladesh is doing well in the sector, the country can do even better. And the GSM Association is here to facilitate dialogue with research-based recommendations between the mobile phone operators and the government," he said adding that a co-operation between the sector and government is also needed to remove the barriers in the industry.

Replying to a query, he said as per 2005 data the mobile phone industry of Bangladesh is a \$800 million industry.

Lars P Reichelt, chief executive officer of Banglalink, said, "It is true that VAT is a very effective tool for a

government in a country like Bangladesh to collect revenue. But, if the government reduces the tax on SIM cards, we can further develop the telecoms infrastructure in the country by investing instead of subsidising for the new connection."

Echoing him, Salahuddin Kasem Khan, chairman of AKTEL, said the government must decide whether it wants a bigger size of a smaller cake or a smaller size of a bigger cake.

"If there is no tax on new connections and import tax on handsets, our subscribers' base could be doubled by this time and it might be 20 million subscribers instead of present 11 million subscribers," he said.

He also said the government must have an incentive policy for foreign investors who want to produce mobile phone handsets in the country.

Erik Aas, chief executive officer of GrameenPhone, said in 2006 so far the GP has contributed around Tk2000 to the government exchequer. "If the SIM tax remains lower, our contribution will be much higher," he added.

BGMEA seeks garment village in Ctg

UNB, Dhaka

The country's apparel industry leaders yesterday urged the government to allocate a land for developing a 'garment village' in Chittagong.

The request was made when a team of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), led by its President Tipu Munshi, met Housing and Public Works Minister Mirza Abbas at his office.

The apparel sector leaders also requested the minister to allocate another small piece of land to have a

BGMEA Complex in the port city.

In response to the BGMEA's demands, the minister said he would discuss the matter with the chairman of Chittagong Development Authority (CDA) soon.

The minister also assured them of looking into another demand for land in Malibagh area in the capital to upgrade the existing BGMEA Health Centre to a full-fledged hospital.

BGMEA First Vice-president SM Abu Tyeb, Second Vice-president Abdus Salam Murshedi, Vice-president Shahidul Haque Shikder and Vice-president (finance)

Shahadat Hossain Chowdhury Arun were, among others, present at the meeting.

Earlier, the apparel sector entrepreneurs chose a site in Munshiganj for the proposed first 'garment village'.

The BGMEA leaders visited Munshiganj and chose a 200-acre site at Baushiya following a government proposal.

At least 700 factories, out of 1,200 in capital Dhaka, could be accommodated at the proposed site, industry insiders said.

Sri Lanka to offer oil, gas exploration block to India

PALLAB BHATTACHARYA, New Delhi

Sri Lanka will offer an oil and gas exploration block to India's state-owned Oil and Natural Gas Corporation (ONGC) on a preferential basis, the island-nation's Foreign Minister Mangala Samaraweera has said.

Wrapping up his three-day visit to India, he told a press conference here on Tuesday evening that "given our close relations, we are offering a block on a preferential basis to the ONGC. We are confident that the discussions would be finalised soon."

Sri Lanka, according to Samaraweera, hoped to benefit from the experience of the ONGC, India's biggest exploration company, which has acquired energy fields in over a

dozen countries.

Sri Lanka does not produce crude oil on its own but refines 60 percent of its fuel needs while remaining 40 percent of its petroleum products are met through imports from countries ranging from Saudi Arabia and Malaysia.

Samaraweera also sought more air connectivity with India. Indian and Sri Lankan officials are meeting in June for further liberalisation of air traffic between the two countries through revision of bilateral civil aviation agreement.

The Lankan foreign minister, who also holds the portfolio of Aviation and Ports, met Indian Civil Aviation Minister Praful Patel on Tuesday and said "we had a fruitful discussion about increasing the number of services between the two countries and also

the possibility of an open sky policy".

Patel said Sri Lanka is one of the countries, which has used its entitlement of flights to India to the maximum under the liberal air services agreement. Officials of the two countries would deliberate next month on how to further the flexibility within the framework of the existing air traffic pact.

He said Sri Lanka has sought more air connectivity with India and there is scope for enhancement within the Saarc (South Asian Association for Regional Cooperation) framework.

Four Indian air carriers – Air India, Indian Airlines and private Jet Airways and Air Sahara – operate flights between the two countries while Air Lanka flies to Indian destinations.

Oil prices fall on hopes of a build in petrol stocks

AFP, Singapore

Oil prices retreated in Asian trading Wednesday on expectations of a rise in gasoline stocks in the United States, dealers said.

In early afternoon trade, New York's main contract, light sweet crude for June delivery, was trading at 70.60 dollars a barrel, down nine cents from 70.69 dollars in late New York trades on Tuesday.

Brent North Sea crude for June delivery was at 70.90 dollars, down

18 cents.

World oil prices have dived in the past week, with Brent plunging from a historic record just below 75 dollars.

"The general expectation is that gasoline inventories will go up, so if that happens, that will prove to be a bearish factor," said Victor Shum, a Singapore-based analyst with Purvin and Gertz.

The United States Department of Energy (DoE) was to release its weekly snapshot of energy invento-

ries on Wednesday.

Gasoline reserves are in focus ahead of the US summer driving season, when demand for motor fuel traditionally peaks. Last week, the market was caught by surprise when the DoE said US gasoline stocks had risen, rather than fallen.

"The gasoline front is calming down a bit and the US refineries are back on stream after maintenance... However, the real reaction will probably come after the DoE report," he said.



PHOTO: IDCOL

Matthias Moyersoen, country representative of SNV/Bangladesh, and M Fouzul Kabir Khan, executive director and CEO of Infrastructure Development Company Ltd (IDCOL), pose for photographs at a programme agreement signing ceremony under National Domestic Biogas and Manure Programme yesterday in Dhaka. Md Ataur Rahman, joint secretary of ERD (Europe), and Riffat Zaman, adviser (Economic & Commercial Affairs) to the Embassy of the Netherlands, are also seen.