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Desco makes debut on both bourses today

STAR BUSINESS REPORT

Dhaka Electric Supply Company (Desco) will make debut on DSE and CSE today.

Desco has been listed in country's both the bourses under the direct listing procedure and the Investment Corporation of Bangladesh (ICB) on behalf of the Desco will start offloading shares tomorrow through its subsidiary ICB Securities Trading Company Ltd, sources said.

The first two days -- June 18 and 19 -- trading of Desco shares will continue for two hours which starts from 10 am to 12 noon.

Buyers can put their orders in the pre-opening session (9.40 am to 9.55 am) and also in the trading session (10 am to 12 noon).

ICB Securities Trading

Company will start offer for sale from 10.16 am. Settlement of trades for the two days will be on spot basis. Orders can be placed only for a market lot or its multiple but not exceeding 250 shares.

Normal trading will start on the fourth day while there will be no trading for the Desco on the third day.

The company will join the capital market by releasing around 3.2 million shares worth Tk 317 million. The face value of each share is Tk 100 while its market lot is 50.

As per Direct Listing Regulations, the company is required to offload at least 10 percent of existing shares within 30 working days from the date of listing. However, Desco has intended to offload 25 percent (3,177,985) shares from its existing

shares to the public.

Out of this proposed offloading, 10 percent (317,798) shares will be distributed to the directors and employees of Desco as per government decision.

The initiative of offloading the shares of Desco is a part of the government's broader goal of the capital market development. Credit Rating Information and Services Ltd (CRISL), a credit rating company, has rated the Desco as A+ in long term and ST-2 in short term.

As on June 30, 2005 the net asset value (NAV) per share of Desco stood Tk 149.33 while earning per share (EPS) in the financial year of 2004-05 was Tk 42.51 as against Tk 26.59 in the 2003-04 fiscal. During the 2004-05 financial year, the net profit of Desco was Tk 540 million while operating profit was Tk 883

million against its operating revenue of Tk 5,476 million.

Meanwhile, Chittagong Stock Exchange (CSE) Ltd in a statement said shares of Desco will be traded in CSE under settlement category A and dematerialised form. Desco is the second company to be listed with the CSE under direct listing regulations, it added.

CSE said Desco has been listed in CSE on June 7, 2006. For smooth trading of Desco shares from today, CSE organised Friday an awareness programme for the members and their authorised representatives so that they can cope with the new trading system as announced earlier.

Nasiruddin Ahmed Chowdhury, CSE first vice president, and AB Siddique, chief executive officer, also spoke at the inaugural programme.



The Daily Star Editor Mahfuz Anam speaks at a roundtable titled 'Economic Growth of Chittagong: Prospects and Challenges', jointly organised by Chittagong Chamber of Commerce and Industry and the daily, in the port city yesterday. (Story on page 1)

Find long-term solution to power crisis

Energy experts urge govt

STAR BUSINESS REPORT

Speakers at a seminar yesterday suggested organising a national dialogue with all political parties and energy experts participating in it to find out a concrete long-term solution to the country's power sector crisis.

The short-term initiatives that have been taken by the government will not do unless political interference in the sector is stopped, they opined.

The seminar on Power Shortage: Mitigation with Shortest Time' was organised by Energy Professionals Association of Bangladesh (EPAB) at its office at Karwan Bazar in Dhaka yesterday.

ANH Akhter Hossain, secretary for Power Division was present as chief guest at the seminar while ANM Rejwan, chairman of Power Development Board (PDB), MAK Azad, president of EPAB spoke at the seminar, among others. STS

Mahmood, former chairman of Dhaka Electricity Supply Authority (DESA) presented a keynote paper at the seminar.

Criticising the government's three-year master plan for power development, the speakers said the plan has no specific directions that how the government will meet the demand of electricity for everybody by 2020.

They said there are seven projects targeting generation of about 2200 MW electricity in the action plan but nothing is moving on. If these were implemented in the past the present crisis could be averted, they added.

To develop the power division they made an advice to give full administrative and financial authority to the chairman of Power Development Board to act as its chief executive.

The PDB chief should be accountable to the minister of power for his actions, they also

suggested.

The power division secretary called upon all to come forward to protect any misuse of electricity.

"The gap between power demand and supply is very natural," ANH Akhter Hossain said, admitting that the recent master plan, for mitigating power crisis lacks any transparent direction on how the crisis will be resolved.

"Political interference in the power sector is one of the main obstacle in developing the power sector," said STS Mahmood in his keynote paper.

He said, "All political parties should be committed not to allow interference in the evaluation and selection of investor on any particular project in the interest of power sector development."

Political parties should also make a commitment that no programme will be affected and allowed to suffer due to change of government, he added.

Air India offers less fare for some int'l routes from today

STAR BUSINESS REPORT

Air India is offering reduced fares for several international destinations from Dhaka marking the first anniversary of its resumption of operation in Bangladesh.

The airliner will also offer reduction in fare for the Sylhet-London route similar to the one applicable for the Dhaka-London route as a gift for the huge support from the passengers of Sylhet.

AK Mitra, manager-Bangladesh of Air India, disclosed this at a press conference in Dhaka yesterday.

He said the airliner will charge the passengers less for traveling to London, New York, Chicago and Toronto from today.

The reduced fare for one-way Dhaka-London trip is now US\$1250 in first class and \$2500 in return, \$800 one-way and \$1500 in return in business class, and \$400 one-way and \$800 return in the economy class.

The both one-way Dhaka-New York and Dhaka-Chicago fare is \$2000 in the first class and \$5000 in return, \$1600 one-way and \$3000 in return in business class, \$600 one-way and \$1000 in return in the economy class.

The one-way Dhaka-Toronto fare is \$2000 in the first class and \$4000 in return, \$1400 one-way and \$2600 in return in business class, \$700 one-way and \$1200 in return in the economy class.

"The above fares are made further attractive as additional discounts between 5 to 10 per cent are available on these fares with Air India's preferred travel partners," Mitra said.

Air India is the only airline connecting Dhaka with three international cities -- London, New Delhi and Kolkata.

He also said as of now the airline has 44 aircraft, which will be reached 68 by the end of this year in line with its commitment announced early in the year.

Australian banana crisis results in fruit hustlers

AFP, Sydney

Some three months after a fierce cyclone destroyed most of Australia's banana plantations, reports have emerged of thieves stealing fruit worth thousands of dollars from unaffected farms.

Cyclone Larry hit northeastern Queensland state in March, wiping out 90 percent of the nation's banana crop.

The storm has resulted in the price of bananas rising to as much as 15 dollars (11 US) a kilogram, an increase of some 400 percent, in a country which does not allow imports of the yellow fruit.

The Australian newspaper Friday reported that several farms in northern New South Wales state had been hit by thieves.

"This is the first time that anything like this has happened to us and we have been working that farm for 20 years," grower Sanita Atwal told the paper, after bananas worth 3,000 dollars were taken from her Coffs Harbour farm late last month.

Atwal said she believed a fellow banana grower was responsible for the theft.

"I think it would be a grower that's run short of fruit because the cold weather's coming in," she said. "They probably put our bunches in with their own pallets for sale because they know ours are worth 100 dollars a carton."

Meanwhile, the Australian government said it would not allow the import of bananas from the Philippines just to relieve the current shortage.

"Importing bananas could mean importing exotic pests and diseases, which would have an even more crippling, long-term effect on our banana production than Cyclone Larry," Agriculture Minister Peter McGauran said.



AK Mitra (R), manager (Bangladesh) of Air India, speaks at a press conference in Dhaka yesterday.

Starbucks targeted over high-fat products

REUTERS, New York

Starbucks Corp may be next on the target list of a consumer-health group that this week sued the operator of the KFC fried chicken restaurant chain for frying foods in oils high in harmful trans fat.

The Center for Science in the Public Interest said it is planning to campaign against the global cafe chain because of the increased risk of obesity, heart disease and cancer associated with high-calorie, high-fat products it sells.

And the possibility of legal action against Starbucks, similar to the case it is taking against KFC owner Yum Brands Inc. has not been ruled out, said CSPI executive director Michael E Jacobson.

"Regular consumers of Starbucks products could face Venti-sized health problems," Jacobson said, referring to Starbucks' use of the 'Venti' designation for 'large.'

The group is primarily funded by newsletter subscribers and individual donors. It has support in the campaign from the small

IWW Starbucks Workers Union, which has members in three stores, all in New York.

They would like Starbucks to list nutrition information -- which is currently available online and in store brochures -- on its menu boards.

"Customers can ask for nutrition information, but when you're talking about a transparent business in a busy world, that's not enough," union organizer and Starbucks' 'barista' staff member Daniel Gross said in an interview.

He said the company should use healthier shortenings without trans fat, and publicize its smallest size, "short," which is available but does not appear on the menu.

The union contends that Starbucks staff gain weight when they work at the chain. They are offered unlimited beverages and leftover pastries for free during their shifts.

A 20-ounce Venti banana mocha Frappuccino with whipped cream contains 720 calories and 11 grams of saturated fat, and a banana cream crunch bar weighs in at 630 calories and 25 grams of

saturated fat. By comparison, a McDonald's Corp. Big Mac has 560 calories and 11 grams of saturated fat.

A Starbucks spokesman said in a statement it is "actively researching" alternatives to high-fat products. The company said it plans to eliminate trans fat from seasonal baked goods -- but not necessarily other products -- by this fall.

"In our beverage ingredients, we have reformulated any component that contained significant artificial trans fat content," the spokesman said.

Wendy's International Inc. and Panera Bread Co. have recently announced efforts to reduce or eliminate trans fats from their menus. Trans fat is an artery-clogging solid fat found in partially hydrogenated oils.

"Most people are taking the trans fat out of their foods because they raise the risk of heart disease and obesity," said Marion Nestle, professor of nutrition at NYU. "There's a lot of pressure to do so, especially since the (KFC) lawsuit."

Advocacy session on WTO, trade issues for journos held

An advocacy session for journalists on different trade-related issues was held yesterday in Chittagong, says a press release.

Chittagong correspondents of national print and electronic media and reporters of local dailies attended the session, which discussed multilateral trading system, trade policy, World Trade Organisation (WTO) and its functions, principles, agreements and implications of those for Bangladesh.

Special focus was given to increase awareness among the journalists on port and international trade issues.

The Management and Resources Development Initiative (MRDI) organised the advocacy session under a project titled "Open Flow of Info on Trade & Economy" supported by Delegation of the European Commission. The Centre for Policy Dialogue (CPD) is providing technical assistance for the project.

Zillul Hye Razi, trade adviser to the Delegation of the European Commission to Bangladesh, Shawkat Hossain Masum, business editor of the daily Prothom Alo, and Syed Ishtiaque Reza, chief news editor of private satellite television channel RTV, attended the session, among others.

The MRDI will organise another session in Bogra this month. Three such sessions have already been held in Barisal, Sylhet and Khulna.

Correction

The news item on Agrani Bank and IDLC, published yesterday on page 8 of The Daily Star, inadvertently stated Syed Abu Naser Bukhtear Ahmed as the managing director and CEO of IDLC of Bangladesh Ltd. Actually he is the MD and CEO of Agrani Bank and Anis A Khan is the MD and CEO of the IDLC of Bangladesh Ltd. We regret the mistake.

said notification for the duty free facility of dry cell battery was inserted wrongly and it stands for spare parts of the item.

"We were enjoying duty free export facility against our product using the mentioned HS code in the notification. Recently the customs of India has imposed 50 percent duty on it, saying that the HS code mentioned in the notification does not stand for dry cell battery," Mahbubul Alam, General Manager of the Quasem Drycells, Ltd told the news agency.

"Our exports to India are facing difficulties due to this deadlock. We are not responsible for it. The government of India should change its HS code in notification and allow us to export under its announced facility," he said.

He said his company had informed the matter to several departments of the government of Bangladesh and India such as Ministry of Commerce, Export

Promotion Bureau (EPB), Tariff Commission and Bangladesh High Commission to India. The company also placed the issue to the Indian High Commission here and Indian Customs.

But none took the issue seriously and no development is still seen, he said, adding that export orders worth US\$ one million have remained pending now.

Alam said, "At last, we have sought assistance from the Federation of Bangladesh Chambers of Commerce and Industry (FCCI) on May 30."

When asked, EPB Vice-chairman Mir Shahabuddin Mohammad told the news agency that they had informed the matter to the government of India through the high commission.

"We will place the matter along with other non-tariff barriers at the joint working committee meeting of India and Bangladesh which is expected to take place next month in Delhi," he said.

Ford to upgrade three Mexican plants

REUTERS, Detroit

Ford Motor Co. said on Friday it will revamp three factories in Mexico over the next several years as part of its North American restructuring plan.

The No. 2 U.S. automaker, however, did not reveal where it plans to build a new, low-cost manufacturing facility. A leaked Ford document had suggested that the automaker is looking to build the plant in Mexico.

Ford's intent to build the facility was announced in January as part of the company's restructuring plan dubbed Way Forward.

"We remain committed to a new low-cost manufacturing facility. But we have made no decisions on where it will be located," Mark Fields, the executive vice president in charge of Ford's North American restructuring effort, said in a statement.

"The key to success will be high quality and low cost and that certainly can be in the U.S., Canada or Mexico," he added.

A leaked copy of a confidential Ford document, obtained by a Michigan newspaper this week, showed that Ford is preparing to invest up to \$9.2 billion over the next six years in Mexico to leverage its low operating costs there.

Ford did not reveal the investment involved in upgrading the plants. The automaker has called the leaked report "speculation."

"The dollar amounts are incorrect," Ford spokesman Said Deep said, declining to comment further on it.

Under Ford's restructuring plan, the automaker plans to close 14 plants and cut up to 30,000 hourly workers in North America.

Ford, which is struggling with rising costs and declining U.S. market share, said it will upgrade assembly plants in Cuautlan and Hermosillo, as well as its engine plant in Chihuahua.

China hikes reserve ratio to cool economy

AFP, Beijing

China's central bank on Friday ordered major commercial banks to set aside more money as reserves in an effort to slow lending growth and to cool its break-neck economic growth.

The People's Bank of China said the required deposit reserve ratio for commercial lenders would rise 0.5 percentage points to eight percent

from July 5.

"This rise in required deposit reserve ratio is to prevent credit from growing too fast and to provide a stable currency and financial environment for the country's sustainable and healthy development," the central bank said in a statement on its website.

"Currently, fixed asset investment is growing too quickly, money supply

is growing too fast," it added.

The latest move would freeze 150 billion yuan (18.75 billion dollars) in inter-bank liquidity, the central bank said.

The announcement was made just two days after China's cabinet and central bank called for more curbs on fixed-asset investment and lending and urged a more balanced model of growth.



Zillul Hye Razi, trade adviser to the Delegation of the European Commission to Bangladesh, speaks at an advocacy session for journalists on different trade-related issues in Chittagong yesterday. Shawkat Hossain Masum, business editor of the daily Prothom Alo, Syed Ishtiaque Reza, chief news editor of private satellite television channel RTV, and Hasibur Rahman, executive director of MRDI, are also seen.