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Four firms buy bid schedules to purchase Rupali Bank

STAR BUSINESS REPORT

Four local and foreign companies have bought tender schedules from Privatisation Commission to purchase Rupali Bank.

The companies include Domestic Investors Consortium Ltd, Summit Industrial and Mercantile Ltd, Sabre Capital and Bank Muscat Ltd, and Prince Bandar Bin Abdur Rahman Al Saud.

According to sources, three more companies -- State Bank of India, JI Finance and MAA International Ltd -- will buy tender schedules before the June 25 deadline.

Privatisation Commission Chairman Inam Ahmed Chowdhury yesterday said the commission is all set to privatise Rupali Bank by August 31 deadline.

"However, in the event of any legal complexity we will finish the process within September 7," he added.

Peoples Ins director gets SEC warning

STAR BUSINESS REPORT

Securities and Exchange Commission (SEC) has warned a director of Peoples Insurance Company Ltd for violating securities laws.

The capital market watchdog in a press statement yesterday said although MA Rashid, the director, has declared to sell his shares, he did not do so, which is a violation of the securities law.

Phulbari coal mine to contribute \$15.5b to GDP Says Asia Energy sponsored study

Asia Energy's proposed open pit coal mine at Phulbari will contribute an estimated \$ 15.5 billion to gross domestic product (GDP) and \$ 7.9 billion to gross national income (GNI) over its project life, according to a study sponsored by Asia Energy.

The study, conducted by Dr AKM Atiqur Rahman, an associate professor of economics at a private university, also forecast the cumulative net foreign exchange earnings from the mine will be \$8 billion and that direct government earnings may exceed \$5 billion, says a press release.

"The Phulbari coal mine will have significant positive implications for the economy of Bangladesh, not only by providing an alternative source of energy, but also in terms of other beneficial impacts at the local, regional and national level," the study said.

In contrast to a similar study by international consultants GHD, Atiqur's analysis of the 'Benefits and Costs of the Phulbari Coal Project', which was based mainly on data provided by Asia Energy, did not factor in any indirect or multiplier effects, nor did it take into account benefits of a planned 500 MW mine-site power plant.

The study also examined Asia Energy's plans for resettlement and compensation, and for restoration of agricultural production. Up to 40,000 people will be progressively resettled during the 30-year plus life of the mine.

Provide fair wage for garment workers

Commerce minister urges owners

STAR BUSINESS REPORT

Commerce Minister Hafizuddin Ahmed yesterday reiterated his call to the garment factory owners to provide fair wage for their workers.

"As the garment workers lead a hard life, you have to consider a wage for them which is fair enough to suit a good living," the minister said speaking at a cheque handover ceremony to the relatives of the workers who fell victim to some fatal mishaps in different garment factories.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) organised the programme at its conference hall in Dhaka. The commerce minister handed over 34 cheques worth Tk1 lakh each to the relatives of 34 workers who lost their lives during the last couple of months.

The owners should restructure their factories into full-fledged compliance units immediately, the minister urged, warning against any mismanagement and indiscipline or corruption in the sector,

which, he said, might ruin it as the jute industry experienced a disaster for these wrongdoings.

Referring to the recent unrest in the country's garment sector, Hafizuddin questioned, "Will any foreign investor be interested in investing his or her money in the garment sector if such unrest continues?"

Laying emphasis on a good owners-workers relationship, he said, "The factory owners and workers should work together like members of a family so that any untoward incident does not occur in future."

He also gave a directive to a number of factories to take immediate measures to arrange group insurance schemes for the workers as reports have it that some factories defaulted in this regard.

Speaking at the function, BGMEA President Tipu Munshi was optimistic about solution to all the existing problems in the garment sector in the next two or three months.

Regarding group insurance for the garment workers, the chief of the sector's apex trade body said the association had made it mandatory for the owners to arrange such group insurance to win the BGMEA membership.

BGMEA Vice-president (Finance) Shahdat Hossain Chowdhury Arun said, "Any movement of the garment workers should be realistic while the garment owners should maintain the commitments they made to the workers through different agreements on several occasions."

The BGMEA in 2002 signed an agreement with Sadharan Bima Corporation for group insurance of the garment workers. The factory owners pay the premiums of the insurance.

BGMEA Vice-president Abdus Salam Murshey and Managing Director of Shadharan Bima Corporation Wazed Ali Khan also spoke at the function.

LAND PURCHASE BGMEA asked to pay Tk 2.62cr arrears to EPB

UNB, Dhaka

The government has directed the BGMEA to pay Tk 2.62 crore to the Export Promotion Bureau (EPB) in arrears as the association purchased a patch of land way back in 1998 from the EPB.

Commerce Minister Hafiz Uddin Ahmed gave the directive at a meeting with the representatives of the BGMEA and EPB at the ministry yesterday.

Sources said Bangladesh Garment Manufacturers and Exporters Association (BGMEA) purchased a two-bigha plot of the EPB at Karwan Bazar in Dhaka for over Tk 5 crore in September 1998.

But Tk 3.62 crore remained unpaid to date. After the tripartite meeting at the commerce ministry, the BGMEA paid one crore taka to the EPB yesterday, reducing the arrears to Tk 2.62 crore.

The apparel-sector association, meanwhile, has constructed a multistoried BGMEA Complex on the land to house the association's office.

BGMEA leaders who attended the meeting assured the minister of paying off the arrears by August next.

BGMEA Vice-president (finance) Shahadat Hossain Chowdhury Arun and EPB Vice-chairman Mir Shahabuddin Mohammad, among others, were present at the meeting.

Bangladesh gets \$1.23 lakh order in Saarc fair in Pakistan

UNB, Dhaka

Bangladesh has received spot and prospective orders worth \$123,000 in the 7th Saarc Trade Fair-2006 held in Pakistan recently.

Fourteen local export-oriented companies participated in the fair displaying their products, including pharmaceuticals, cosmetics, handicrafts, tea, saree and apparels, said an Export Promotion Bureau (EPB) press release.

Of them, four companies received spot orders worth \$86,000 and five received prospective order worth \$37,600 in the fair held in Karachi from June 16-18.

A total of 88 companies from the seven Saarc countries took part in the fair.

BATB okays 30pc dividend

British American Tobacco Bangladesh (BATB) Company Ltd has approved a 30 per cent dividend for its shareholders for the year 2005.

The dividend was approved at the 33rd annual general meeting (AGM) of the company held yesterday in Dhaka, says a press release.

BATB Chairman M Mujibul Huq presided over the AGM, which was attended, among others, by directors MA Mokaddem, Md Nurul Amin, Saadat Husain, Kamrul Hasan and Md Ziaul Haque Khondker, Managing Director Emil Moskofian, and Finance Director Amanda Cavill de Zavaley.

BA customers can now book, pay for tickets online

British Airways (BA) customers in Bangladesh will now be able to book and pay for their tickets by simply visiting the website, ba.com.

The new facility of online payment will provide the airline's customers with more flexibility and give them total control of their travel plans, says a press release.

The British Airways customers simply need to visit the website, follow simple instructions, choose their flights and complete the process by paying for their tickets with their Visa, MasterCard, Diners International or American Express credit cards. The passenger will receive an instantaneous confirmation email along with an electronic ticket.

In May 2005, the airline had introduced a facility through which customers could book and pay for the tickets online at four branches of Standard Chartered Bank -- two in Dhaka, one in Chittagong and one in Sylhet.

Ian Petrie, BA country manager (Bangladesh), said: "I am pleased to announce yet another facility that will give our customers from Bangladesh full control of their travel plans. They can book and pay for their tickets at their convenience, at the location of their choice and anytime during the day."

False online reservation of tickets costs airlines huge revenue

Section of GDS firms, travel agents blamed

RAFIQ HASAN, back from Bangkok

A number of travel agencies in Bangladesh are making false online reservation of tickets of major airlines in connivance with a section of officials of online ticket reservation system providers known as global distribution system (GDS) firms to make huge sums illegally.

With the modernisation of air ticket booking, a number of such intermediary software-based GDS companies have developed worldwide.

In this system, airline tickets are booked using software of GDS companies, which charge money from the airlines for the service. And air travel of passengers with such ticket booking often remains unchecked.

Taking advantage of this, a section of officials of GDS firms prompt travel agencies to give more ticket booking than the actual number of passengers to realise extra money from the airlines and share it among them, sources said.

The foul play came to light when Gulf Air recently conducted an investigation into its ticket reservation from Bangladesh. The probe found that a GDS company made thousands of false reservation of tickets of the airline. The airline

suffered a loss of \$1.5 lakh due to such false ticket booking in the last six months.

In one case, a travel agency gave booking for 30,000 tickets in one month but none travelled against those.

Gulf Air detected that 44 travel agencies in Bangladesh were involved in this malpractice. It blacklisted them and snapped ticket booking links with them.

The probe report said the local travel agencies used to make false reservations in connivance with a Hong Kong-based GDS company -- Galileo.

The local Galileo office however denied any involvement in false reservation. "The Gulf Air never gave us any reminder of the false reservation," said Tofail Ibn Solaiman, a senior sales manager.

He said Galileo is giving booking to all airlines including Gulf Air.

He also said, "We do not have any dispute with Gulf Air but the airline might have some problems with travel agents."

When contacted, Secretary General of the Association of Travel Agents in Bangladesh (Atab) Ghulam Mostafa admitted the incidents of fake reservation of tickets. In travel agency business, there is a trend of pocketing crores of taka through such illegal means, he said.

He blamed GDS companies of

dishing out the idea of false booking of air tickets and polluting the atmosphere in travel agency business. He demanded punishment to both the travel agencies and GDS companies for this.

The Atab leader claimed that not more than 5-7 per cent of travel agencies are involved in such illegal activities.

Some sources said the trend of fake ticket booking emanated from tough competition among major GDS companies to capture a big air travel market in Bangladesh, having 2.5 million passengers a year.

And the competition is going to intensify as the market is expanding every year.

At least four major GDS companies are now operating in Bangladesh. Besides Galileo, the other three are Singapore-based Abacus, Amadeus of Germany and US-based Worldspier. Of the air travel market in the country, Galileo holds 45 per cent, Amadeus 25 per cent, Abacus 20 per cent and Worldspier 10 per cent.

False reservation of tickets has become a major cause of worry for the airlines operating in Bangladesh, the sources said.

GDS companies are providing various incentives and extra benefits for travel agencies to lure them into using their system.

Severstal sweetens tie-up deal with Arcelor

AFF, Moscow

Russian steel group Severstal proposed new terms for a merger with European producer Arcelor, offering to reduce its stake in a merged company to placate Arcelor shareholders hostile to the deal.

Severstal said in a statement that its chairman, Alexei Mordashov, would "receive 210 million new Arcelor shares... representing approximately 25 per cent of the enlarged company" instead of 32 per cent in the initial plan.

The proposed merger, announced May 26, was widely seen as ploy by Arcelor management to thwart a hostile takeover by Mittal Steel, the world's largest

steelmaker, which has Indian origins but is now based in the Netherlands.

While a Severstal-Arcelor union would deprive Mittal of its number one ranking, it has sparked a revolt among some Arcelor shareholders who fear that Mordashov might one day take control of the entire company.

Minority investors succeeded in postponing an extraordinary Arcelor shareholders' assembly called for Wednesday to approve a share buyback plan that would have allowed the Arcelor-Severstal deal to go ahead.

The buyback would also have resulted in Mordashov's stake in Arcelor increasing to 37.5 per cent.

Calls grow for Bank of Japan chief to quit

AP, Tokyo

A day after Japan's top banker acknowledged he had made a hefty profit from a scandal-tainted investment fund, calls for his resignation rose a notch Wednesday in this nation where symbolic and graceful show of remorse has long been valued.

Bank of Japan Gov. Toshihiko Fukui has not violated any laws or the central bank's internal regulations in investing 10 million yen (\$87,000) in the fund seven years ago, when he was working at a private think tank, and holding the shares after his appointment as bank chief in 2003.

The flamboyant founder of that fund, Yoshiaki Murakami, was

arrested June 5 on suspicion of insider trading. Murakami has acknowledged he may have engaged in insider trading although he did so unintentionally.

Over the last week, since Fukui's investment in the Murakami Fund surfaced, the Japanese public has been outraged and unforgiving.

"He should quit right now," said Daisuke Minegishi, a 35-year-old computer engineer. "Otherwise, people aren't going to stand for it."

In conformist Japan, appearances sometimes count as much as substance. Like ritualistic "harakiri," the samurai practice of disemboweling to preserve honor in death, quitting is often seen as the dignified option than hanging on to a job.



PHOTO: COMMERCIAL BANK OF CEYLON

S Renganathan, country manager (Bangladesh) of Commercial Bank of Ceylon Ltd, and Sibah Abu Al Hassan, general manager of National Exchange Company of Kuwait, exchange documents after signing an agreement recently in the Gulf country. Under the deal, non-resident Bangladeshis in Kuwait will be able to send their money home easily and quickly through the bank.

Oil prices drift lower before US energy report

AFF, London

World oil prices dipped on Wednesday as traders geared up for the latest weekly update on energy stockpiles in the United States, a major consumer, analysts said.

New York's main contract, light sweet crude for delivery in August, slid 37 cents to 68.97 dollars per barrel in electronic deals before the official opening of the US market.

In London, Brent North Sea crude for August delivery lost 36 cents to 67.72 dollars per barrel in electronic trading.

The US Department of Energy (DoE) was due later Wednesday to publish the latest report on the

state of American crude inventories.

London analysts expect gasoline or petrol reserves to build for the eighth week in a row, gaining some 1.5 million barrels in the week to June 16.

"The market expects a build in gasoline and a moderate drawdown in crude inventories," said Dariusz Kowalczyk, Hong Kong-based senior investment strategist with CFC Seymour.

The market will also pay attention to forecasts of American demand to see whether high energy prices have discouraged consumption.

In recent weeks, traders have

fretted over rising expectations that global central banks will get tough on inflation by increasing interest rates to curb economic growth -- and also demand for crude.

"Many market participants are looking at inflation in the US and the potential for higher interest as a real threat to oil prices," said Sudden analyst Sam Tilley.

"China's central bank also made changes to fiscal policy last week that should make it harder for banks to lend money and so could slow the rate of demand growth for oil in China."

China is the second-biggest market for crude oil after the

United States.

However, Tilley added: "Concerns about slower demand growth continue to be countered by concerns of the potential for an active hurricane season and geopolitical tension."

Traders remain anxious over the Iranian nuclear energy crisis because Iran is the fourth-biggest producer of crude and any action against the Islamic republic could drastically reduce its exports.

Nigeria, Africa's biggest crude producer, is also a key concern due to ongoing unrest which has slashed the country's production by around 20 percent since the start of 2006.