

Singaporeans urged to relocate sick industries to Bangladesh

STAR BUSINESS REPORT

Local business leaders have urged the leaders of Singapore Indian Chamber of Commerce and Industry (SICCI) to relocate their sick industries to Bangladesh as the country is offering an attractive package of investment facilities.

The call came at a meeting with the SICCI leaders at the conference room of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) in Dhaka yesterday.

Speaking at the function, FBCCI President Mir Nasir Hossain said Singapore should come forward to increase the flow of foreign direct investment (FDI) to Bangladesh, especially in shifting of sunset industries to Bangladesh by taking advantage of the attractive invest-

ment facilities provided by the Bangladesh government.

The FBCCI chief informed SICCI Chairman M Rajaram that his country's businesses could take the facilities of low cost, easily trainable labour, presence of natural gas, port and other infrastructure facilities.

Trade between Bangladesh and Singapore is around US\$655 million. During the July-March period of FY 2005-06, Singapore exported goods worth \$604.18 million to Bangladesh and imported goods worth \$51.79 million from Bangladesh.

"To reduce the trade gap, Singapore needs to enhance its imports from Bangladesh such as vegetables, frozen fish and shrimps, textile, woven garments, knitwear, jute goods, pharmaceuticals, chemical fertilizer and ceramic tableware," he said.

In reply, the SICCI chairman noted that his country has very less opportunity to trade with Bangladesh as it mainly trades with China and India.

He, however, stressed the need for exchanging visits by the business leaders of the two countries for exploring potentials for boosting trade.

M Rajaman spelt out that high taxes in Bangladesh had remained as an obstacle in the way of boosting trade and investment between the two countries.

Meanwhile, the SICCI delegation in a separate meeting with the Dhaka chamber expressed their eagerness to invest in some potential areas like real estate, tourism and manufacturing here.

The Singaporean business team head said, "We are very much eager

to enhance bilateral trade and investment between Bangladesh and Singapore."

The probable areas of investment, M Rajaman hinted, are property development, oil and gas, power, infrastructure development and agro-based and other manufacturing industries., he added.

On easing visa procedure, he said they would pursue their government for simplifying the procedure for the entrepreneurs of Bangladesh.

President of the Dhaka Chamber of Commerce and Industry M A Momen was present during the meeting, among others.



BASF president of Asia Pacific due today

UNB, Dhaka

Dr Tilman Krauch, president (Asia Pacific) of BASF East Asia Regional Headquarters Ltd, Hong Kong, arrives in Dhaka today on a two-day official visit.

During his stay in Dhaka, Krauch is scheduled to exchange views with the new management of BASF Bangladesh Ltd, a subsidiary of German chemical conglomerate BASF Aktiengesellschaft, and meet key customers.

One of the world's leading chemical company, BASF's portfolio ranges from chemicals, plastics, performance products, agricultural products and fine chemicals to crude oil and natural gas.

SEC warns 6 firms for defying rules

STAR BUSINESS REPORT

Securities and Exchange Commission (SEC) has warned six listed companies, their directors and company secretaries for violation of rules.

Of the six companies, one company namely Snipur Textile Mills Limited, its directors and company secretary have been cautioned for not submitting audited accounts statement for the year that ended December 31, 2005 on time to the commission, an SEC press release said.

Besides, the SEC warned four companies, their directors and company secretaries for not submitting half-yearly financial statements to the commission on time. These companies are Excelsior Shoes Limited, Pharmaco International Limited, Tamjuddin Textile Mills Limited and Amam Sea Food Limited.

The capital market watchdog also warned Amam Sea Food Limited, its directors and company secretary for not submitting audiovisual record of annual general meetings held in the year 2005 to the commission.

The SEC also warned Daffodil Computers Limited, its directors and company secretary for not submitting half-yearly revised financial statement to the commission on time.

Fed faces closest of rate calls

AFP, Washington

The Federal Reserve has been driving up US borrowing costs ever since June 2004. That could be about to change, economists believe after compelling evidence that the US economy is hitting the brakes.

The central bank's federal open market committee (FOMC) meets on Tuesday to decide whether to continue with 17 straight hikes that have pushed the headline US interest rate up to 5.25 percent.

If the majority of Fed-watchers on Wall Street are correct, chairman Ben Bernanke and his FOMC colleagues will decide that enough is enough, after rates had sunk to historic lows in response to a 2001 recession.

"We look for them to leave the rate unchanged for a long period and not just a short-term pause," Societe Generale economist Stephen Gallagher said.

"The Fed has been on the fence, faced with higher inflation and slowing growth. The desire has been to pause, provided inflation and inflation expectations could stabilize," he said.

"This (Friday's) employment report adds to softening evidence on the economy and will restrain inflation expectations."

In the last big piece of economic news before the FOMC session, the government said Friday that US employers added just 113,000 new jobs in July, while the jobless rate ticked up to 4.8 percent from 4.6 percent in June.

It was the fourth straight month that the Labor Department's "non-farm payrolls" report had proven tepid. Most worrying for an economy driven by consumer spending, retailers are proving most reluctant to take on new staff.

Invest in pharma sector

PM urges Thailand

UNB, Dhaka

Prime Minister Khaleda Zia urged Sunday the Thai government to take initiative to set up joint-venture or fully-owned pharmaceutical factories in Bangladesh to avail of the trading advantage granted under the WTO regime to the least-developed countries.

She also offered for the entrepreneurs of Thailandone of Asia's newly developed countries (NICs) to build hotels and hospitals in Bangladesh.

The PM made these requests when the visiting Foreign Minister of Thailand, Dr Kantathi

Suphamongkhon, made a courtesy call on her at the PMO.

The PM congratulated the Thai FM on his opening a new Chancery Building of the Thai Embassy-cum-Ambassador residence at Baridhara in the city and requested providing land for building the chancery of Bangladesh Embassy in Bangkok.

Cooperation in energy sector, air communications, express highway in Dhaka city, agricultural and tourism also came up for discussion in the meeting.

The PM also requested Thailand to import more items from Bangladesh to reduce a yawning

trade gap between the two countries, which is against Bangladesh.

Khaleda Zia thanked Thailand for its support to Bangladesh in becoming member of the Asean Regional Forum (ARF).

She also thanked the Thai foreign minister for providing coconut seeds to Bangladesh and hoped for their cooperation in coconut production.

Training at Defence Training Institutions in both the countries, vice versa, and cooperation between Medical Services in Armed Forces of Bangladesh and Thailand were also discussed.

3 HSBC Premier clients to win trip to China to watch golf tournament

STAR BUSINESS REPORT

The Hongkong and Shanghai Banking Corporation (HSBC) Limited Bangladesh will arrange a trip to HSBC Champions Golf Tournament in Shanghai, China in November for its three Premier clients.

Out of 900 Premier clients three lucky clients will be selected through a lottery, HSBC officials said at a press conference in Dhaka yesterday.

Each selected client will receive round trip air tickets for two people to Shanghai, two nights of five-star accommodation, and exclusive facilities to watch the golf tournament.

The eligibility to become a Premier client is to have at least Tk 40 lakh with the bank for three months.

Some 50 top ranking golf players including Tiger Woods will take part in November 9-11 tournament.

"The HSBC Champions Tournament offers a prize money of \$ 5 million," Steve Banner, chief executive officer of HSBC Bangladesh, told the press conference.

The event will be co-sponsored by the European Tour, Asian Tour, the PGA Tour of Australasia, the Sunshine (Southern Africa) Tour and the China Golf Association.

Mamoon M Shah, head of Personal Financial Services, and Shafquat Hossain, deputy head of Personal Financial services of HSBC Bangladesh, also spoke at the press conference.

Lacoste files suits in China

AFP, Beijing

French clothing giant Lacoste is suing a string of factories, retailers and even a government-controlled commerce agency in China in a bid to protect its trademark, state media reported recently.

In the most recent action to fend off imitators of its famous crocodile logo, Lacoste filed suits against two garment factories and a department store at the Beijing No. 1 Intermediate People's Court Monday, the China Daily said.

The same court is already handling two other lawsuits submitted by Lacoste, including one against the trademark appraisal committee of the State Administration for Industry and Commerce.

Last May, the committee reaffirmed the Singaporean Cartelo's trademark registration of its character and crocodile logo, holding that the trademark of Cartelo was "obviously different" from that of Lacoste, the newspaper said.

Lacoste rejected that decision and sued the committee at the Beijing No. 1 Intermediate People's Court, according to the report.

BIMSTEC DELHI MEET BEGINS TOMORROW

New govt in Bangkok to push forward FTA talks: Thai FM

UNB, Dhaka

The sagging negotiations on the proposed Bimstec Free Trade Area (FTA) agreement are likely to get momentum after a new government is installed in Thailand through October 18 elections, the Thai Foreign Minister said here Sunday.

Frictional internal politics in Thailand apparently slowed down the current negotiations on the 7-nation free-trade area under the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (Bimstec).

"We would like to continue the discussion on Bimstec FTA. The Thailand government is waiting for elections, which will be held on October 18. The new government would push forward the process," the Thai Foreign Minister, Dr Kantathi Suphamongkhon, told reporters after bilateral talks with his Bangladeshi counterpart M Morshed Khan.

Both the Thai and the Bangladesh foreign ministers are leaving here for India today (Monday) to attend the 9th Bimstec ministerial meeting to be held in New Delhi on August 8-9.

The 2-day meeting is expected to review the progress of the Bimstec FTA after a missed implementation deadline of July 1.

Morshed Khan, who is the current chair of the economic bloc, will hand over the helms to India at the meeting.

The economic bloc, comprising seven South and Southeast Asian countries Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan and Nepal would focus on some outstanding issues relating to the FTA deal.

The Trade Negotiations Committee (TNC) of senior officials and experts met in Colombo during July 25-29 to review the progress and observed that there were still many issues to be resolved before implementing the FTA.

An official of the Commerce Ministry here said the TNC negotiations on the proposed free-trade accord began afresh in July after a long stalemate since the first TNC meeting in February this year.

The next TNC meeting is scheduled for September, but it is unlikely to set a fresh deadline to implement the FTA, as huge groundwork still remained unresolved, he said.

The official said the member-states have once exchanged their respective sensitive lists of products to keep them out of the tariff-liberalisation programme (TLP). The member-countries are likely to review the lists and again exchange them after further review before the

next TNC meeting.

TNC experts at their meeting last month also discussed key trading arrangements such as rules of origin and lists of items to be opened under the fast track of trade liberalisation programme.

Technical experts had discussions on a separate framework of dispute-settlement mechanism. As for the FTA on trade in goods, the negotiators had agreed to open trade under 'fast track' and 'normal track' of trade liberalisation.

Under the fast track, the members have agreed to bring down tariffs ranging from zero to 5 percent by June 2009 for developing countries and by June 2011 for least-developed countries (LDCs).

Under the normal track, however, they will follow a gradual tariff-liberalisation programme. The developing countries will have to reduce tariffs for one another by June 2010 and with the LDCs by 2012.

While the compliance deadline for developing countries is June 30, 2015, for the LDC members it is July 2017.

Besides FTA on trade in goods, Bimstec members had agreed to kick-start free trade area for service trade and investment from July 2007.



Steve Banner (centre), chief executive officer of HSBC Bangladesh, speaks at a press conference in Dhaka yesterday.

Zimbabwe freezes price hikes after currency reforms

AFP, Harare

Zimbabwe has ordered a new freeze on prices of goods following a spate of increases on the heels of last week's currency reforms to combat the effects of the country's nearly 1,200 percent inflation, a state-run paper said Sunday.

"No trader, manufacturer, wholesaler, dealer or retailer shall as a result of the conversion of the price of a commodity from the old currency to the new currency, increase the price of that commodity by any amount," the Sunday Mail quoted Trade Minister Obert Mpofu as

saying.

Many traders last week had upped prices after the central bank knocked off three zeroes from the local currency and introduced a new series of bank notes.

Commuter fares on some routes in Harare doubled from 100,000 Zimbabwe dollars (40 US cents) to 200,000 a day after Reserve Bank chief Gideon Gono announced the change in currency and a 21-day ultimatum to hand in old bank notes.

Gono had said the reforms were aimed at snuffing out a burgeoning parallel currency market and help shoppers who had to carry bags and

rucksacks of cash even to buy groceries.

Mpofu ordered businesses to reverse "with immediate effect, any price of any commodity that was increased in excess of that obtained by converting from the old to the new currency."

He said traders who defied the order would be prosecuted.

Zimbabwe four years ago introduced price controls to fight a flourishing black market for staples such as cornmeal, cooking oil and bread, and had instituted a fine of one million Zimbabwean dollars for violators.



PHOTO: STAR

Mahmudur Rahman (C), energy adviser and executive chairman of Board of Investment titled 'FDI and Private Investment in Bangladesh during 2001-05' at a meeting organised by Economic Reporters Forum in Dhaka yesterday.

Govt to run 6 vessels on Mongla-Karachi route

Bid to facilitate jute export

UNB, Dhaka

The government has decided to run six vessels on Mongla-Karachi route annually in an attempt to accelerate the country's jute export.

State Minister for Shipping Quamrul Islam yesterday told this to the representatives of Bangladesh Jute Association (BJA).

During a meeting with the BJA, the state minister said the vessels owned by Bangladesh Shipping Corporation (BSC) will ply on the route to facilitate the export of the 'golden fibre'.

BJA leaders said Bangladesh fetches Tk 600-700 crore annually

by exporting raw jute.

They demanded withdrawal of VAT on export of jute through container and congestion surcharge that imposed on shipment.

The association leaders also requested the government to allow jute export via Bhomra land port.

The state minister assured the BJA of all-out support to facilitate jute export.

Shipping Secretary Md Rafiqul Islam, BJA Chairman Farhand Ahmed Akhand and Vice Chairman PM Saha were, among others, present at the meeting.

Asian currencies rise against dollar

AFP, Hong Kong

Asian currencies ended the week mostly higher against the dollar amid growing expectations of an end to the cycle of US interest rate hikes.

Traders speculated that the US Federal Reserve would bring a pause to its two-year campaign of rate increases at its meeting Tuesday.

US jobs data released Friday came in well below expectations, making another rate hike look increasingly unlikely.

The employment figures came on top of news that world's largest economy slowed markedly in the second quarter to a growth pace of just 2.5 percent, from the first quarter's red-hot expansion of 5.6 percent.

JAPANESE YEN: The Japanese yen firmed over the past week amid lingering speculation that the US Federal Reserve would halt its rate hike campaign, putting pressure on the dollar.

The yen climbed to 115.15 to the dollar, against 115.51 a week earlier.

The yen was buoyed on news that US growth slowed sharply to an annualised pace of 2.5 percent in the three months to June after 5.6 percent in the first quarter -- well below forecasts for a 3.0 percent expansion.

CHINESE YUAN: The yuan ended Friday at 7.9784 to the dollar on the exchange-traded market, compared with the closing price of 7.9768 on the previous day and 7.9712 a week before, traders said.

The yuan traded between 7.9755 and 7.9800 on Friday, according to a dealer with a domestic bank.

Friday's central parity rate for the yuan was set at 7.9772 to the dollar.

HONG KONG DOLLAR: The US-dollar pegged Hong Kong dollar

closed the week at 7.773 from the previous week's close of 7.7723.

INDONESIAN RUPIAH: The rupiah ended stronger at 9,300/9,305 to the dollar compared with the previous week's close of 9,400-9,410.

PHILIPPINE PESO: The Philippine peso rose slightly to 51.52 to the dollar from 51.56 a week earlier.

SINGAPORE DOLLAR: The dollar was at 1.5771 Singapore dollars from 1.5805 the previous week.

SOUTH KOREAN WON: The won closed at 964.80 won to the dollar, down from 953.90 a week earlier.

A senior official of ABN AMRO said the won was likely to weaken further, possibly to 980 won to the greenback by the end of the year.

He noted South Korea suffered a 270 million dollar current account deficit in the first six months to June and that foreign investors were net sellers of stocks worth 10 billion dollars in the past three months.

Dollar outflows from the sales of foreign holdings in Wal-Mart, Carrefour and Korea Exchange Bank, which amount to a total of some 8.7 billion dollars, were also expected to put pressure on the won, dealers said.

TAIWAN DOLLAR: The Taiwan dollar closed at 32.869 against the US dollar, down from 32.795 a week earlier.

THAI BAHT: The Thai baht rose against the dollar over the past week as investors speculated the US Federal Reserve could pause its two-year-old campaign of monetary tightening at its rate-setting meeting on Tuesday.

'High oil prices won't dent AirAsia's plans'

AFP, Kuala Lumpur

High oil prices will not put Asia's largest budget carrier AirAsia off new routes to Indonesia, China and India as it looks to fly 15 million passengers by the end of 2007, its CEO said.

AirAsia's Tony Fernandes, however, warned that rising fuel costs could force another round of consolidation among budget carriers in the region such as those in neighbouring Singapore.

"AirAsia has never experienced such strong passenger load. People want to fly and we will continue to offer discount prices," Fernandes told AFP over the weekend.

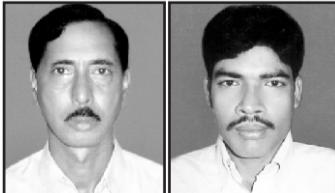
"People want to fly to new places in the region. We are not seeing any slowdown in traffic volume," he said, adding that "we expect passenger numbers to rise to 15 million in the year ending June 2007."

The profitable carrier flew nine million passengers in the fiscal year ending in June 2006.

Fernandes said the Malaysia-based airline was keen to expand in Indonesia with first flights to Yogyakarta and Palembang, and new routes to Pekanbaru and Solo.

"There is strong demand from passengers in Indonesia" where the number of passengers is expected to soar by 50 percent next year to three million, he said.

Office bearers of Transcom Beverages' employees union



President

Secretary

Gopal Chandra Saha, Jamal A Nasser and Lal Chan Molla have been elected president, general secretary and treasurer of the workers-employees union of Transcom Beverages Ltd, says a press release.

Other office-bearers of the union are Rafique Sardar, executive president, Nurul Alam, first vice president, Golam Mortuja, second vice president, Md Mayeen Uddin, first joint general secretary, Md Abdul Jabbar, second joint general secretary, Abdul Matin, organising secretary, Abdul Motaleb, joint organising secretary, Jahangir Alam, publicity secretary, Ruhul Amin, office secretary, Kazi A Bakul, sport secretary, and Md Abdul Malek, Harun Mia and Md Motaleb, members.