

Star BUSINESS

E-mail: business@thecurrentstar.net

Bajaj empire likely to split

ANN/ THE STATESMAN

India's two wheeler giant Bajaj Auto is all set to be carved into separate auto and finance entities, to be headed by group chief Rahul Bajaj's sons Rajiv and Sanjiv respectively.

A plan for demerger to utilise the company's cash surplus will be put before the Bajaj Auto board in the coming months, sources in the know of the developments said, amid reports of differences between Rajiv and Sanjiv, neither of whom could be contacted for comments.

When approached, Mr Rahul Bajaj said: "I am proud of my sons. They have done a wonderful job for the company. They are individuals in their own rights and if you call it differences, then so be it." He, however, declined to comment on the demerger plans.

According to the sources, the Bajaj Auto board is likely to consider, either in its March or May meeting, a proposal to demerge the automobile and financial and investments businesses to utilise cash surplus and cash equivalent (in the form of investments such as bonds and in other companies).

This could be carved out either as a separate entity or merged into Bajaj Auto Finance, they said.

The sources, however, said that the cash surplus of the company has now grown to about Rs 8,000 crore from about Rs 3,000 crore about three years back when plans were first mooted to hive off the financial services and investments to utilise the surplus.

As per the plans, Rajiv, who is currently the managing director of Bajaj Auto and credited for turning around the company, would continue to look after the core automobile business, the sources said.

On the other hand, the financial services company is expected to be headed by Sanjiv, a management graduate from Harvard.

British Airways cuts agents' commission in Bangladesh

British Airways in Dhaka has announced its decision to reduce travel agents' commission from 7 to 1 percent from April 1, 2007, says a press release.

The decision reflects a change in market conditions and is part of the airline's strategy to manage its cost base, a key element of which is reducing its distribution costs, added the release.

Chris Phipps, manager Bangladesh, said: "We need to continue to transform our business to remain competitive and to reflect the changing needs of the market and our customers. This is part of a global trend with established international carriers reducing their remuneration to agents and agents are charging additional fees for the services their customers require."

British Airways is committed to offering its customers a choice in terms of how they book their travel arrangements; either through a travel agent or directly with the airline on its website or by visiting its travel shop.

Malaysia now among top exporting nations

ANN/ THE STAR

Malaysia's total trade, which hit RM1.069 trillion last year, has placed the country in the league of top exporting nations such as Taiwan, South Korea, Japan, Germany and the Netherlands.

International Trade and Industry Minister Datuk Seri Rafidah Aziz told a press conference yesterday the strong 10.3% growth in exports last year resulted in the country recording a trade surplus for the ninth consecutive year.

The trade surplus of RM108.46bil the highest ever recorded, was an 8.7% increase from the RM99.78bil recorded in 2005.

Exports, valued at RM533.79mil in 2005, grew to RM588.95bil or 55.1% of total trade last year.

Imports also expanded by 10.7% to RM480.49bil from RM434.01bil in 2005, mainly due to an increase in the value of the imports of intermediate and capital goods.

Export growth was attributed to the strong external demand from major markets particularly Asean, the United States and China; a RM38.6bil rise in manufactured exports; higher prices for commodities such as crude petroleum, palm oil and crude rubber; and sustained competitiveness in the export sector last year.

EASING CTG PORT CONGESTION

Containers bound for two terminals to be kept separately

RAFIQ HASAN

In a bid to ease container congestion at the country's prime sea port, the Chittagong Port Authority (CPA) yesterday decided to keep separately the containers bound for the two terminals, Chittagong Container Terminal (CCT) and New mooring Container Terminal (NCT).

Sources said the Chittagong Port is now jam-packed with export and import containers having over 20,000 TEUs (twenty equivalent units) at different shades and seven ships awaiting off-loading of another 8,000 TEUs approximately at the outer anchorage.

A high-profile meeting, with Terminal Manager Moshiur Rahman Beg in the chair, reached the decision.

The import containers unloaded at the NCT would be kept there and export containers also be loaded from the jetty. This jetty has a wide space vacant where lot of containers can be kept.

The meeting observed that when unplanned and haphazard placement of containers often create heavy congestion, bringing the import containers from the NCT to the CCT simply adds to the misery, wasting a pretty long time.

Different stakeholders like shipping agents, port users, exporters importers and the private companies, assigned to look after handling of containers at the port, represented the meeting. The new decision, the sources in the CPA hope, would help expedite clearance of the containers from the yard besides streamlining the

business. The situation would further be improved with installing two more straddle carriers at the NCT, they said. The containers at the terminal are now handled through rubber tire gantry cranes (RTGs). The CPA will soon import the straddle carriers from Finland.

A total of five container ships can anchor at a time at the two exclusive container jetties of the port, three ships at the CCT and the other two at the NCT.

Meanwhile, the CPA chairman, Moslehdin Ahmed, is learnt to have placed some recommendations at the meeting of the advisers' council committee on shipping in Dhaka yesterday for capacity building and easing congestion of the port.



The inaugural ceremony of the three-day 'Corporate Bazaar-2007' was held yesterday at Bangladesh-China Friendship Conference Centre in Dhaka. Syed Faruque Ahmed, chairman of Texas Group, the owning company of Global Online Services Ltd that is organising the show, and Russell T Ahmed, convener of the fair, among others, were present at the function.

High oil prices 'biggest risk' to global economy

AFP, Essen, Germany

High oil prices constitute one of the biggest risk factors to the growth outlook for the global economy, Bundesbank President Axel Weber said on Friday.

"We've been in a phase of very solid growth" in the global economy for the past five years, with momentum this year expected to reach five percent, Weber told the introductory news conference of a meeting of G7 finance ministers here.

But there were risk factors that could jeopardise that favourable outlook, and "the biggest one" would be if oil prices were to remain

stuck at high levels, the German central bank chief said.

As Bundesbank chief, Weber also sits on the decision-making governing council of the European Central Bank. And he was speaking alongside German Finance Minister Peer Steinbrueck, host of the two-day meeting of the finance ministers and central bank chiefs of the world's seven richest nations, namely Britain, Canada, France, Germany, Italy, Japan and the United States.

Weber noted the "dynamism" of trade, as well as the economic recovery in Europe and Germany in particular, which was

enabling Europe to make an "important contribution" to global activity.

Both Weber and Steinbrueck nevertheless warned of "imbalances" in the world economy and "in that context, it is not possible to avoid discussing interest rates," the central bank chief said.

One of the main issues in Essen is likely to be weakness of the yen, which is a source of friction between the European G7 members, who want concerted action to drive the yen higher, and the US and Japan, who do not see the yen's exchange rate as a problem.

US asks for India's lead to jump-start WTO talks

AFP, Washington

The United States asked India on Friday to make "tangible" offers and to lead developing nations back to the moribund Doha Round of World Trade Organization talks.

"India's leadership is required to be able to get a WTO agreement that will help the whole world and will help India as well," US Commerce Secretary Carlos Gutierrez said ahead of a February 13-14 trip to New Delhi.

"It has to be tangible progress and it has to be tangible movements in those areas, but the important thing is that developing nations are watching."

"I do want to impress upon all of

"They look to India to play a leadership role and they want to see India is moving before they move," Gutierrez said.

The Doha Round is deadlocked because of differences between the European Union and the United States on agriculture and because of discord between rich and poor countries about farming subsidies. In addition, industrialized nations are seeking greater access to developing nations for their industrial services and goods.



Participants and organisers pose for photographs at a competition for young advertising professionals in Dhaka yesterday.



PHOTO: PID
Delegation of FBCCI (Federation of Bangladesh Chambers of Commerce and Industry) meets Chief Adviser Fakhruddin Ahmed at his office in Dhaka yesterday.

Bangladesh trade fair in Jeddah Apr 19-22

UNB, Dhaka

A four-day single country 'Bangladesh Trade Fair' will be held in Jeddah, the port city and main commercial hub of Saudi Arabia, on April 19-22 to promote and popularise Bangladeshi products.

Saudi-Bangladesh Chamber of Commerce and Industries is organising the fair in cooperation with the Ministry of Foreign Affairs.

Stalls of Bangladeshi banks, insurance, pharmaceutical, food, housing and handicrafts firms will be installed in the fair.

Bangladesh received an instant order of products worth Tk 1,200 crore and investment proposals of US \$3 billion in previous trade fair held in Riyadh in 2006.

Interested businesspeople have been requested to contact the office of the chamber at 62/1 Purana Paltan (phone: 955 8318-19) for information about stall booking.

Dhaka Travel Mart in April

A three-day international travel fair styled 'Dhaka Travel Mart (DTM) 2007' will begin in the capital on April 26, 2007.

The Bangladesh Monitor, a travel journal of the country, will host the fourth version of the fair while Triune Exhibition and Event Management Services (TEEMS) will be the event manager of DTM 2007, says a press release.

National carriers, private sector airlines, national tourism organisations, hotels and resorts, tour operators and travel agents, travel product distributors and entertainment centres will take part in the show.

Airlines and tour operators taking part in DTM-2007 will offer discounted tour packages to popular tourist destinations, while hotels and other related organisations will also announce attractive offers during the exhibition.

Advertising Club holds competition for young professionals

STAR BUSINESS REPORT

A three-day exhibition of corporate houses began yesterday at Bangladesh-China Friendship Conference Centre in Dhaka. The aim of the show is to showcase all types of products and services necessary for running a business.

The second version of the show styled 'Corporate Bazaar-2007' is providing solutions exclusively for local and multi-national corporate houses.

Telecommunications and IT companies, banks, airlines, office equipment manufacturers and distributors, advertising firms, security service providing companies, machinery and textile firms, hospitals, electronics firms and power supply companies, among others, are participating in the show.

Corporate Bazaar is a marketplace for corporate solutions such as products and services necessary for a business house, said convener of the show Russell T Ahmed.

Syed Faruque Ahmed, chairman of Texas Group, inaugurated the event. Global Online Services Ltd (GOSL), a local corporate internet service provider and a concern of Texas Group, is the organiser of the

Bangladesh sets Safta strategy tomorrow

Kathmandu meet Feb 26

UNB, Dhaka

nations.

According to the Safta agreement, the Ministerial Council meeting will be held at least once a year while that of the SCoE at least once in six months. But, officials said the half-yearly SCoE meeting has not taken place so far for political unrest in Bangladesh.

The trade ministers had their first council meeting in Dhaka on April 20 last year, approving the Safta work programme with a preset tariff-cut plan to boost regional trades.

The official said the agreement was put into effect on July 1 last year, but trades had been taking place without enjoying the facilities so far.

"The member countries could not yet complete some functional procedures to make it operational," he said, explaining the reasons behind non-implementation of the agreement.

As per the Safta roadmap, the developing members are to bring down their tariffs to 0.5 per cent in three years while the Saarc LDCs like Bangladesh will do that in 10 years.

Officials here could not give any timeframe to complete the procedures and give the real effect to the agreement concluded after tough negotiations for three years.

The member countries were working on a specified form of certificate of origin, which will certify a product to be eligible for

Emirates to start six weekly services to Brazil

Emirates, the fast-expanding international airline, has announced it would make its South American debut on 1st October 2007 with six-a-week, non-stop services to Sao Paulo, Brazil.

The 14-hour and 40-minute flight will be the first-ever non-stop service between South America and the Middle East, providing travellers from Emirates' network of 14 cities in the Middle East, as well as from the Far East and Indian Subcontinent, with a new direct connection to South America via Dubai, says a press release.

On the route, Emirates will fly its brand new Boeing 777-200LR - the first of its ten on order, expected to be delivered this summer.