

Star BUSINESS

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OPENING OF L/CS

Govt assures importers of proper steps

Task force to sit to contain prices of essentials

UNB, Dhaka

The government yesterday assured that genuine importers have no reason to worry about opening LC for importing commodities as steps are being taken for smooth trading.

Reports have it that recently the rate of opening Letter of Credit (LC) for import has fallen, as a drive against profiteering and hoarding went on to create a clean business environment.

The assurance came when a delegation of divisional business organisations comprising FBCCI, MCCCI, DCCCI, Khulna Chamber of Commerce (KCC), Rajshai Chamber of Commerce (RCC), Sylhet Chamber of Commerce (SCC) and Barisal Chamber of Commerce (BCC) made a courtesy call on Chief Adviser Dr Fakhrudin Ahmed at his office.

Representatives of Chittagong Chamber of Commerce could not attend the meeting due to flight delay.

The chief adviser said his government would encourage and cooperate with the honest businessmen and mentioned that steps are being taken against illegal traders, hoarders and adulterators.

He categorically said the government is business-friendly and there would be no barrier to business operation for normal flow of business.

Dr Ahmed said instructions have been given to the concerned authorities so that nobody is harassed unnecessarily.

He said exchange-of-opinion meetings between administration and joint-forces and trade bodies would be

held all over the country to resolve various complications as well as help smooth operation of business.

"Meeting between joint forces and Chittagong Chamber held recently can be followed as a model to this end," Dr Ahmed asserted.

The meeting was informed that all the DCs have been directed to hold such meeting. Already meetings between administration and joint forces and trade bodies were held in 11 districts yesterday.

The chief adviser said the government wants to keep price of essentials under the purchasing capacity of all sections of people. He noted that it is the responsibility of both the government and business community to keep price of essentials under control.

The meeting was informed that the National Task Force formed by the commerce ministry with representatives of various business organisations would sit with the commerce secretary on February 18 and with the commerce adviser on February 20 on various issues, including price of essentials.

Such consultations have been arranged to accelerate normal flow of trade and business, removing roadblocks, in public interest.

The CA stressed field-level communications between government and business community.

Dr Ahmed welcomed various suggestions of the businessmen, saying that the business leaders should come up during important national junctures. "We are always open, you are welcome," he told the business leaders.

About eviction and demolition, he informed the businessmen that notices are being given before

taking such measures against the illegal establishments.

Law and Information Adviser Barrister Mainul Hossain, Finance and Commerce Advisor Dr AB Mirza Azizul Islam, Industries Adviser Geeteara Safia Chowdhury, home secretary, commerce secretary and law secretary were present at the meeting.

The business leaders thanked the chief adviser for his frequent meetings with business communities and taking effective steps in the last one month of assuming office.

They also appreciated the drives against illegal

trading and adulterated and rotten goods, saying that it is working as shock therapy among businessmen.

They also said the commerce ministry knows who do what type of business and can recognise the genuine businessmen.

The representatives of the trade bodies separately put forward various suggestions, which include clearing stock volume and period, clearing definition of hoard and syndication, banning hartal and blockade by enacting law, making Sunday only weekend and establishing supply-chain management and dredging of Mongla Port.

Among the members of delegation were FBCCI President Mir Nasir Hossain, MCCCI President Latifur Rahman, DCCI President Hossain Khaled, ex-president of RCC Md Mustafizur Rahman Suja, Senior Vice-president of KCC Sultan Hossain Khan, BCC President Ebadul Huq Chan and SCC President Zunun Mahmud Khan.

SPOT MARKET SHARE TRADING

SEC directive on 5 firms lifted

SARWAR A CHOWDHURY

Securities and Exchange Commission (SEC) yesterday withdrew the directive on trading of shares in the five companies under spot market, SEC sources said.

The stock market regulator in a letter to the Dhaka and Chittagong stock exchanges asked the bourses to place the shares of the five companies under public market with effect from today.

Earlier on Sunday, the SEC directed the bourses to place Brac Bank Ltd, Power Grid Company of Bangladesh (PGCB), Dhaka Electric Supply Company (Desco) Ltd, Summit Power Ltd and Eastern Cables Ltd under the spot market, without money adjustment facility, instead of public market from Monday.

"The directive was issued on a certain situation and it was a temporary measure, which cannot remain effective for a long time," said Farhad Ahmed, executive director (Supervision and Regulation of Markets Intermediaries Department) of SEC.

Meanwhile, share price indices on the bourses fell sharply yesterday due mainly to the regulator's move that placed the five large companies shares to trade under spot market, without money adjustment facility.

The DSE General Index yesterday lost 39.03 points, or 2.08 percent, to close at 1832.45 points while the CSE Selective Categories Index went down by 53.03 points, or 1.91 percent, finishing at 2713.70 points.

The DSE All Share Price Index also declined by 29.39 points, or 1.93 percent, ending the day at 1491.23 points while the CSE All Share Price Index dropped by 68.09 points, or 1.62 percent, to finish at 4127.43 percent.

The turnover on Dhaka Stock Exchange (DSE), however, rose

slightly while the turnover on Chittagong Stock Exchange (CSE) fell very marginally. The total turnover on the DSE was Tk86.59 crore and on the CSE was Tk15.16 crore.

Of the 205 issues traded on the DSE, 54 advanced, 136 declined and 15 remained unchanged, while of the 95 issues traded on the CSE, 23 gained, 65 declined and seven remained unchanged.

Meanwhile, Prime Islami Life Insurance Ltd made debut on the bourses yesterday.

Closing at Tk453.50, the prices of the company's share rose as high as Tk495 and as low as Tk400 on the DSE. On the CSE, ending the day at Tk451.25, Prime Islami share rose as high as Tk500 and as low as Tk450.

Earlier, the insurance company raised Tk4.5 crore from the public through floating 4.5 lakh shares of Tk100 each during the initial public offering period from November 26 to 30 last year.

With the inclusion of Prime Islami, the number of insurance companies listed on the DSE and CSE stood at 32 and 26 respectively.

China urged to speed up currency reform

AFP, Washington

US Treasury Secretary Henry Paulson said Tuesday the large US trade imbalance with China will remain until "structural issues" are addressed, and urged Beijing to step up the pace of currency reforms.

"We need more flexibility" in the exchange rate policy on the yuan, Paulson told reporters at the Treasury.

Exporters urged to enhance contacts for tech transfer

US Trade Show 2007 kicks off

STAR BUSINESS REPORT

Technology excellence is essential for competitiveness in the rapidly globalisation of today's world economy, observed the finance and planning adviser addressing the inaugural of a 3-day US trade show in Dhaka yesterday.

"Enhances contacts with your American counterparts to have up-to-date technology and skill for your own industrial units", Mirza Azizul Islam, also in charge of the ministries of commerce, posts and telecommunications, urged the Bangladeshi exporters, hoping that the show would make a notable contribution to useful technology transfer through more interaction between the two countries' businesspeople.

US Trade Show 2007, a yearly event which was co-sponsored by American Chamber of Commerce (AmCham) Bangladesh and US Embassy in Dhaka, began at Sheraton Hotel with around 58 exhibitors participating in it.

The companies from sectors like banking, oil and lubricant, energy and power, machinery, leather, beverage, electronics and cosmetics are taking part in the show, which will remain open for public everyday from 10 am to 8 pm until February 16.

Patricia A Butenis in her speech at the inaugural said trade between Bangladesh and US is heavily tilted to Bangladesh as Bangladesh from January to November in 2006

exported products worth US\$ 3 billion to the US market, while US exported products worth only \$300 million.



PHOTO: STAR

Finance Adviser Mirza Azizul Islam (2-R) inaugurates the US Trade Show 2007 yesterday at Dhaka Sheraton Hotel. US Ambassador Patricia A Butenis (2-L) was also present at the opening ceremony.

She hoped that an American market will rise in Bangladesh as a middle class is rising in Bangladesh.

Putting emphasis on enhancing bilateral trade relations between Bangladesh and the United States of America, she said American industry belongs excellent operating efficiency, reliability and value.

"I am confident you will find doing business with your American counterparts easy and profitable," she added.

While briefing journalists, AmCham President Andrew L Fawthrop described the US-

Bangla trade ties as excellent, expressing his hope that this trade show would help strengthen the existing economic ties between the two friendly countries. "It will also help improve the balance of trade between Bangladesh and USA," he added.

Chief of Economic and Commerce office of the US embassy David Renz, Director of American Centre Jonathon Cebra and the embassy's Economic Affairs Officer Wilber Carter also attended the opening ceremony.

AKTEL launches 'Power' package

Mobile phone operator AKTEL has launched a new package styled 'Power' under which subscribers will be able to choose as many as five FnF (friend and family) numbers from any operators.

Under the new offer, customers will also enjoy 28 minutes free talk time to any AKTEL number after first 2 minutes from 12am. This opportunity of free call will be from 12am to 8am, says a press release.

Besides, call charge to other operators from AKTEL Power is Tk2.5/min for 24 hours and the FnF call charge for AKTEL FnF is Tk0.90/min and for other operators' FnF is Tk1.50/min.

The new offer also has free 5 minutes incoming facility from BTTB, 10-second pulse from second minute and economy ISD facility for calling to 25 countries.

The connection fee for AKTEL Power is Tk225. Each new connection offers Tk50 free talk time and 50 free SMS to any AKTEL number.

India tightens monetary policy to fight rising inflation

PALLAB BHATTACHARYA, New Delhi

India's central bank tightened monetary policy on Tuesday for a second time in two weeks to fight rising inflation, hiking the amount of cash commercial banks must keep on deposit in order to mop up cash flow in the economy.

The Reserve Bank of India said it was raising the cash reserve ratio to 6 percent from 5.5 percent to take money out of the banking system and try to slow rapid credit growth that is spurring inflation. India's inflation has already reached a more than two-year high of 6.58 percent last week.

"In view of the paramount need to contain inflation expectations and in the light of current liquidity conditions, it has been decided to increase the cash reserve ratio," the bank said in a statement. The move is aimed at sucking \$3.17 billion from the banking system, the statement added.

The cash reserve ratio is the percentage of a commercial bank's total deposits, which it must keep with the central bank.

The government last week estimated economic growth at 9.2 percent for the financial year that ends on March 31, 2007, after the economy expanded by 9 percent a year earlier.



PHOTO: DHAKA BANK

Dhaka Bank Ltd opened its 37th branch at Bara Bazar on Thana Road in Satkhira on Monday. Managing Director of the bank Shahed Noman and other senior officials were present at the inauguration.

CTG CUSTOMS SPL AUCTION

Reconditioned car importers fear loss of Tk300cr business

STAR BUSINESS REPORT

Importers of reconditioned cars are fearing a loss of Tk300 crore business as the Chittagong Customs House has opted for a special auction to sell out the vehicles remained unreleased at the country's prime port yard.

Expressing their concern over the special auction, the importers urged the government to give them at least two months time for getting the cars released from the port.

"The government should give time to the importers before placing the cars in auction," Abdul Haque, the president of the Bangladesh Reconditioned Vehicles Importers and Dealers Association (Barvida), said at a press conference in Dhaka yesterday.

"We want immediate intervention from the finance ministry, National Board of Revenue and other concerned government organisations to solve the problem," he added.

In a bid to remove port congestion, the Chittagong port customs authority took a move to bring the reconditioned cars to a special auction and published advertisements in different newspapers.

The Barvida leader welcomed the move for removing congestion and said on receipt of a letter from Chittagong Customs House on January 28, major portion of the reconditioned cars had been removed from the port.

A total of 124 reconditioned cars

are being removed from the port everyday, he said, adding if such a pace is continued, shifting all cars from the port will be possible within a short time.

"But, as a whole, we fear about sustaining our business, as huge people are showing their interest in buying cars through auction instead of going to the reconditioned sales centres," the Barvida chief said.

When asked about the reason behind such port congestion, he blamed on the recent political turmoil.

As there are two separate shades to keep the reconditioned cars, he said, stockpiling of such vehicles did not actually cause this congestion.

Presently, some 3,000 reconditioned cars valued Tk300 crore are now stranded in these two shades..

Pointing to the fact that a total of 1100 equipment like crane, mixer lorry, bulldozer, oil tanker, tractor have been lying at the port yard for a long time, he said if these equipment are removed from the port, the congestion will be eased very shortly.

Some 16,000 used cars were imported last year. A total of 300 importers are engaged now in importing reconditioned cars.

Md Abdul Hamid Sharif, secretary general, and Md Anwar Hossain, former president of the Barvida were present at the press conference.

Oil prices fall

AFP, Singapore

Oil prices fell on profit-taking in Asian trade Wednesday after an international energy watchdog raised its estimate for demand this year, dealers said.

At 2:24 pm (0624 GMT) New York's main oil futures contract, light sweet crude for delivery in March, was 12 cents lower at 58.94 dollars a barrel from 59.06 dollars in late US trades Tuesday.

Brent crude for April delivery was 28 cents lower at 58.55 dollars.

Mark Pervan, senior resources analyst with Daiwa Securities in Melbourne, said the price fall stemmed from profit-taking in a market that remained well-supported.

He said the market continued to closely watch cold weather in the northeastern United States.

"I think that's probably the major driver," Pervan said. "You're not going to see prices falling too far" until the onset of warmer spring weather.

Prices gained on Tuesday after the Paris-based International Energy Agency said oil consumption had dropped in industrialized countries for the first time in two decades but was rising strongly in emerging economies.

In its monthly oil market report the agency, which represents the interests of consumer countries, raised its forecast for global oil demand this year by 273,000 barrels per day (bpd) to 86 million bpd, citing a major revision to estimates of China's needs.

Dealers were also looking ahead to the weekly update later Wednesday from the US Department of Energy on the country's energy stockpiles.