

Star BUSINESS

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Election board vows to hold BGMEA polls today

STAR BUSINESS REPORT

The BGMEA election board yesterday vowed to hold polls scheduled for today.

The announcement of the board came after a case was filed with a court alleging an enrolment of huge number of 'fake voters'.

"So far we have not received any directives from the court to postpone the election," M Annissuzzaman, chairman of the election board, told journalists yesterday evening.

"As the election board is yet to receive any order, it is our duty to hold the election," he added.

Meanwhile, Sheikh Jahangir Alam of Shah Sufi Apparels and Textiles filed a case on February 22 with the 4th assistant judge court, Dhaka alleging that a huge number of 'fake voters' have been enrolled for BGMEA (Bangladesh Garment Manufacturers and Exporters Association) polls.

Following the case, the court issued a stay on holding the election until the case is disposed of, said a press statement signed by Sheikh Jahangir Alam.

However, the election board and the candidates have finished their preparations. Two panels, Sammilito Parishad led by Tipu Munshi and Forum headed by Anwar-ul-Alam Chowdhury Parvez, will contest the executive committee elections.

Candidates and members of the BGMEA predict a stiff competition between the two groups.

They said after the polls, elected directors would form the executive body of BGMEA. Forty-two candidates, including two independents, will vie for 20 posts in Dhaka and 14 candidates for seven posts in Chittagong.

A total of 2,411 voters, 1896 of whom are in Dhaka and 515 in Chittagong, will cast votes, officials said.

IT fair in Sylhet ends today

A three-day information technology (IT) fair organised by Bangladesh Association of Software & Information Services (BASIS), which began in Sylhet on Friday, is concluding today, says a press release.

Around 19 IT firms from Dhaka and Sylhet and three universities of Sylhet are showcasing various software, hardware, multimedia, internet and telecoms products and services at 30 stalls at the fair styled 'Sylhet IT Mela' at Hafiz Complex at Bandar Bazar.

The participating firms are offering discounts on their products at the show, which is open for all from 10am to 8pm without any entry fee.

Mobile phone operator CityCell is sponsoring the fair while development organisation Katalyst is supporting it.

Dr ABM Shahidul Islam, vice chancellor of Leading University in Sylhet, and AKM Fahim Mashroor, treasurer of BASIS, among others, were present at the opening ceremony of the fair.

Speakers at the inaugural session said the fair would be able to introduce modern IT products and services to the local students, IT users, corporate bodies, government and non-government organisations and the general people.

Nissan to make small cars in India

AFF, Tokyo

Japanese automaker Nissan Motor plans to build a car plant in India to make small cars now being developed for emerging markets, it said.

The plant will be set up in the port city of Chennai with its French partner Renault SA and local firm Mahindra and Mahindra Ltd, a news report said Saturday.

The joint venture plant, which is expected to start operating in 2009, will aim to turn out around 500,000 units a year, the Nikkei said, adding that an official announcement is expected on Monday.

The newspaper did not report the size of the investment.

The venture will likely be set up with the Nissan-Renault alliance putting up half the necessary investment and Mahindra and Mahindra providing the rest, the newspaper said.

In addition to Indian sales of this vehicle, the firm will likely export some of the output to Europe, the Nikkei said.

COMMISSION CUT BY BRITISH AIRWAYS

Travel agents oppose, demand new incentive package

STAR BUSINESS REPORT

British Airways' (BA) unilateral decision to drastically cut commission on ticket sales in Bangladesh evoked sharp reaction among its travel agents here. In a bid to impose a service or management fee on air travellers, the airline cut such commission to one percent from seven percent, according to the business insiders.

As many as 40 agents in a meeting, chaired by MAMuhamin Saleh, president of the Association of Travel Agents Bangladesh (Atab), yesterday reached a unanimous decision to urge the BA authority to reconsider its move saying that it is 'unacceptable' to them. The airline's new decision had also surprised and angered them, they added, suggesting introduction of an incentive package keeping the seven percent commission in place.

The BA in a letter to the Atab chief informed that the new commission rate would come into effect from April 1.

"The current seven percent

commission represents the vast majority of our overall cost of sales in Bangladesh and as it is heavily discounted which fails to add any kind of value for money to the British Airways," the letter mentioned.

The airline has already introduced service fees on direct sales and it is acceptable that most business agents charge for services as 'meet and greet' and transportation, it noted.

So, the concept of charging for the agents' services is not a new one, it added.

Responding to the letter, M A Muhamin Saleh opposed the commission cut on the plea that the time chosen for bringing the changes in the trade is not appropriate. "Not long ago our commission was reduced from nine percent to seven percent and the airline's move to reduce it to one percent is shocking to all of us," he said.

To make up for BA's overall cost you may at best charge your walk-in passengers a service fee, the

ATAB chief suggested.

The airline, however, explained that the new move is aimed to make a specific charge for service customers need at individual level.

It said it would go for reduction in the number of BA agents having ticketing access and all agents are required to introduce their own service fee structure.

The new system would improve margins and profitability of the agents' sales, it also expressed its hope in the letter.

Muhamin Saleh told The Daily Star that the commission cut would create an opportunity to remit huge amount of foreign currency from the country.

Around six million dollars were remitted from the country annually due to such commission cut by only two per cent earlier, he noted. He said all other airlines have been offering the travel agencies a seven percent commission to cover up the cost of sales.

The British Airways is carrying about 25 percent of the traffic to Europe and USA from Bangladesh.



PHOTO: MCCI

A delegation of Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka, led by its President Latifur Rahman calls on Adviser to Finance, Planning, Commerce, Posts and Telecommunications ministries Dr AB Mirza Azizul Islam in the capital on Thursday.

Good management can help eradicate corruption

Int'l confce told

STAR BUSINESS REPORT

Good management in public and private institutions can help eradicate corruption and guarantee prosperity in the society, speakers told an international conference in Dhaka yesterday.

Dearth of skilled manpower is also an obstacle to establishing good management in South Asian region, the speakers said at the inaugural function of the two-day biennial conference styled '9th South Asian Management Forum', organised by Association of Management Development Institutions in South Asia

(AMDISA).

Speaking at the function, Finance Adviser Mirza Azizul Islam said his government is trying to ensure good management since it is an important tool to fight corruption.

Mirza Azizul also said low quality education and resource constraints stand in the way of good management skills in the South Asian region.

Mohammed Jasimuddin, Commonwealth Secretariat (Asia region) adviser, said the Commonwealth is trying to ensure good governance in different parts of the world through good management.

Ajith Nivard Cabraal, governor of Central Bank of Sri Lanka, presented a keynote paper titled 'Importance of Corporate Governance for Banking Sector'.

Professor Syed Zahoor Hassan, vice chancellor of Lahore University of Management Science and President of AMDISA, Hafiz G A Siddiqi, vice chancellor of North South University and vice president of AMDISA, Farooq Sobhan, president of Bangladesh Enterprise Institute, and Mamun Rashid, chief executive officer of Citibank NA Bangladesh, also spoke at the ceremony.

REHAB fair concludes

STAR BUSINESS REPORT

The five-day housing fair ended at Dhaka Sheraton Hotel yesterday with huge responses from the visitors.

Participants and customers were found passing busy time on the concluding day with each other interacting about products and investments in the housing sector.

"We have received huge queries from the visitors. But customers took time to reach decision on spot purchase of plots or flats," said sales executive of a real estate company.

He said overall sales may drop this year compared to the last year's. The present government move against black money probably created panic among the buyers, which may have kept them aloof from frequent purchase of flats of plots, he added.

He, however, described the customers' interests in plots or flats as very impressive.

Real Estate Housing Association of Bangladesh (REHAB) organised the fair, while a total of 133 companies took part. The number of participating firms was 90 in the last year. Financial institutions as well as developers represented the exhibitors.

The organisers said they will give all sales account next week on gathering information from all participants.

According to the REHAB statistics, the fair had a business of about Tk 525 crore by selling 700 flats, 200 shops and 1100 plots last year.

Tata Coffee to take Eight O'Clock brands to Russia

AFF, Bangalore

Tata Coffee, India's largest producer of the commodity, said Friday it will sell instant coffee under the Eight O'Clock brand name in its overseas markets after buying the US company for 220 million dollars last year.

Tata is also setting up a coffee processing plant in Uganda that will export to China under the brand name Crane, owned by the government in Kampala, said Managing Director Hamid Ashraff.

The plan to export Eight O'Clock to Russia, the Ukraine and other former Soviet states is part of a drive by Tata Coffee to move into branded operations from being a commodity-based company, Ashraff said.

It is starting production of so-called freeze-dried instant coffee, a high-end variety, at a new 2,500-tonne plant by March that will be sold overseas under the Eight O'Clock brand, Ashraff told reporters.

Freeze-dried coffee results from brewed coffee that has been frozen before the water is evaporated. It is more expensive and flavorful than regular instant coffee that is "spray-dried."

"The consumption of spray-dried coffee is on the decline in Russia and other export markets while the consumption of freeze-dried coffee is growing by leaps and bounds," said Ashraff. "It sells for three times the price" of the low-end variety.

Xinhua plans US IPO

AFF, New York

Chinese business news giant Xinhua Finance Media Ltd. is seeking to raise up to 371 million dollars through an initial public offering (IPO) on the Nasdaq stock market, according to a US regulatory filing.

The Chinese media group, which operates major broadcast, print and Internet outlets as well as its own advertising agency, said it plans to use the cash raised in its US share listing to repay debts and to fund possible acquisitions.

"These outlets reach an estimated 210 million potential television viewers, a potential listening audience of 33 million people, and the readers of leading magazines and newspapers," Xinhua Finance Media said.

The media group, which has close ties to China's state-run Xinhua News Agency, said it hopes to sell 23.1 million American depositary shares priced between 12 and 14 dollars each.

Describing itself as "a leading diversified media company in China," Xinhua Finance said it would use 50 million dollars from its US share listing to repay debts and "an undetermined amount" for future acquisitions.

Safta CoE meet kicks off in Kathmandu

Bss, Dhaka

The Safta committee of experts (CoE) started a two-day meeting at Saarc headquarters in Kathmandu, the Nepalese capital city, yesterday ahead of the Safta ministerial council meeting scheduled to be held tomorrow, the official sources said.

On the following day, inter-governmental expert group on Afghanistan will meet at the same venue to discuss and clear issues related to Afghanistan's joining in the next Saarc summit, due in Delhi in April next.

The Safta CoE and its ministerial council will also discuss and clear intra-regional free trade issues for forthcoming summit of the regional body.

Saarc commerce ministers will take part in the Safta ministerial council meeting which is the highest decision making body of the free trade issues in the region.

Adviser to Finance and Commerce Dr AB Mirza Azizul Islam will take part in the ministerial council meeting. He will leave Dhaka today.

Meanwhile, a five-member team of the committee of experts from Bangladesh was attending the meeting from yesterday. Its members include: two senior commerce ministry officials, one representative each from Bangladesh Tariff Commission, National Board of

Revenue and the Ministry of Foreign Affairs.

The meeting of inter-governmental expert group on Afghanistan will be represented by the DG of the Saarc Desk in the Ministry of Foreign Affairs and a senior commerce ministry official. Bangladesh ambassador to Nepal will also take part in some of the meetings.

The first Safta ministerial council meeting and the CoE meeting took place in Dhaka last time. This round of their meeting is the second such meetings. The sources said removal of non-tariff and para-tariff barriers will be on top of the agenda of the CoE meeting.

Because the Saarc poorer nations including Bangladesh are failing to take advantage of the free trade regime as the big players, specially India, is yet to discipline its non-tariff barriers to support LDCs' efforts to increase exports to the Indian market.

This will be the major agenda on the table for the commerce ministers of the Saarc states, which has renewed its commitment to creating the free trade zone in South Asia.

Accordingly, the launching of the Safta took place in July last year and the phasing out of the tariff and non-tariff and para-tariff barriers remained on sharp watch from all quarters.

Euro up against dollar on rate hike prospects

AFF, New York

The euro rose against the dollar Friday as strong data pointed to higher interest rates in the eurozone, while the struggling Japanese yen perked up a touch, traders said.

Many analysts predicted European Central Bank rates would rise beyond an expected hike to 3.75 percent in March.

The euro rose to 1.3170 dollars at 2200 GMT, from 1.3142 late in New York on Thursday. The single currency stood at 159.35 yen, down from 159.55.

The dollar fell to 120.98 yen, from 121.56 yen on Thursday.

The euro dipped earlier in the day after Germany's key Ifo business confidence index showed a bigger-than-expected fall to 107.0 points in February, from 107.9 in January.

But it soon recovered as markets concluded that the data remained consistent with robust growth in the eurozone's largest economy.

Also, business confidence surveys out of France, Italy and Belgium on Thursday were all well

above forecasts, while French household consumption data on Friday were also strong.

"The news out of the eurozone is still positive and the ECB is not done with hiking rates," said Marios Maratheftis, a currency analyst at Standard Chartered.

The ECB next meets on March 8, when borrowing costs are widely expected to rise to 3.75 percent. Many pundits forecast another quarter-point rise in June as well.

Maratheftis said the rate outlook in the eurozone contrasted with the situation in the United States, where he said data point to the Federal Reserve leaving interest rates on hold.

"There was some overreaction in the dollar rebounding earlier this week" following Wednesday's stronger-than-expected US consumer price index, he said.

The yen recovered some ground after taking a hammering this week against the dollar and euro. Selling had intensified despite the Bank of Japan's decision on Wednesday to double its benchmark lending rate to 0.5 percent.

Export growth cheers India's tea industry

AFF, Guwahati

India's tea producers are reporting record production and a jump in exports after a nine-year slump caused by weak domestic demand and increased international competition, an industry body said Saturday.

"The Indian tea industry (is) beginning to look up, with overseas demand on the increase, mainly due to very good quality teas produced by us," said Dhiraj Kakaty, a senior Indian Tea Association official in Assam state.

"The overall mood is vibrant." The northeastern state of Assam, which is wracked by bloody insurgencies, accounts for over half of the tea production in India, the world's biggest producer, followed by China.

India's 1.5-billion-dollar tea industry has been in a slump since 1998 with prices and exports plummeting.

But last year it produced a record 955 million kilograms (2.1 billion pounds), 27 million kilograms more than in 2005, Kakaty said. Exports

went up by about 8 million kilograms to 200 million kilograms.

Now, weekly auction prices are on the rise as well. Prices for good-quality Assam tea last week hit 73 rupees a kilogram after languishing below 65 rupees last year.

Global demand for tea from India improved after the industry worked hard to reposition itself as a top-quality provider, Kakaty said.

"We are getting more overseas enquiries and that in itself is an encouraging trend," the official said. "There is no glut in the market now, unlike in previous years."

Countries such as Pakistan, Egypt, Iran and Iraq figure prominently in the export list and the tea body set up a marketing bureau in Tehran in March as part of an aggressive campaign to boost sales of the beverage there.

India's domestic tea consumption -- stagnant for over a decade -- also shot up from 620 million kilograms three years ago to 805 million kilograms last year, after aggressive marketing by the industry.

EXPO BANGLADESH

Over Tk50cr spot orders received

UNB, London

The Expo Bangladesh 2006-07 concluded Friday at Old Truman Brewery of Brick Lane receiving spot orders from buyers of Bangladeshi goods, including dry fish, worth more than Tk 50 crore.

The four-day Expo that began on February 21 ended a day earlier due to various reasons, including inadequate participants, according to the organisers.

"We had to end the fair one day before... we didn't get adequate participants as a number of Bangladeshi traders failed to get visa," project director of the Expo Bangladesh Mirza Zillur Rahman told the news agency.

He said the buyers gave spot orders for various items, including dry fish, mustard oil, readymade garments, jute bags, handicrafts and textiles.

Bangladesh-British Trade Cooperation organised the event to showcase Bangladeshi products abroad. The aim of the fair was to patronise Bangladeshi small entrepreneurs.

The United Kingdom, the third largest destination for Bangladesh products, particularly RMG, after USA and Germany, account for about 10.91 percent of the country's total exports.

China bans imports of US butter

AFF, Beijing

China's ministry of health has warned consumers against eating two brands of US-made peanut butter and has banned imports and sales of the products, state press said Saturday.

The ministry banned the "Peter Pan" and "Great Value" brands of peanut butter after the World Health Organization warned that the products could be contaminated by the food-borne bacterium salmonella, Xinhua news agency said.

The ministry warned people not to buy the brands and suggested that those who have eaten the foods seek medical advice if they come down with fever, abdominal pain or diarrhoea, it said.

Chinese import agents of the two brands were also ordered to immediately recall their products, it added.

Sino-Pak MoU on port business

APP, Islamabad

Pakistan and China have decided to set up a joint venture company "Pak-China Sost Dry Port Pvt. Ltd." for amicable handling of all affairs pertaining to business and management of Sost Dry Port.

The company will be registered in Northern Areas, a Memorandum of Understanding (MoU) in this connection was signed here Friday by Chairman Sinortans China Yuan Jianmin and Vice Chairman Saleem Khan in presence of Federal Minister for Kashmir Affairs and Northern Areas, Maj (R) Tahir Iqbal.

The minister said the account management and administration of SDP would be jointly controlled by Pakistani and Chinese side and a balance will be attained in the number of officials from the two sides.

Correction

In a photo caption of JCI (Junior Chamber International) Bangladesh published on page 9 yesterday, it was inadvertently mentioned that JCI Bangladesh 2006 national president received an award from civil aviation and tourism minister of India. Actually the award was handed over by Arun Arora, president of Times of India Group.