

Star BUSINESS

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Privatise facilities of all services at Ctg port

MCCI urges govt

STAR BUSINESS REPORT

The Metropolitan chamber yesterday urged the government to privatise the facilities of all services at Chittagong Port through a transparent and open bidding process. The operation of New Mooring Container Terminal by private operators should also be decided through a transparent and fair international bidding process, it demanded, according to a press release of Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka, signed by its President Latifur Rahman. The MCCI also said situation at

the port and container terminal can be improved further if right types of private sector operators are selected. The chamber has hailed the caretaker government for the measures it has taken to improve the operations of the country's premier seaport. The measures have already helped improve efficiency in cargo handling and privatisation process of the New Mooring Container Terminal, soon to be operational, it said. The Chittagong Port, which handles 80 percent of the country's foreign trade, came to the focal point due to its slow cargo handling

process, congestion and corruption. The turnaround time for feeder vessels at the port is on an average 10 days compared with 2 days in Bangkok, 1 day in Singapore, 3 days in Mumbai and 5 days in Kolkata. The average cost of handling a 20 feet container at the port is around 300 percent higher than those of the other regional hub ports like Singapore, Colombo, Mumbai and Bangkok. This is despite the fact that tariff charges for Chittagong Port were fixed as late as in October 1986. In addition to the higher cost, the level of unseen costs is unbelievably high, the MCCI

observed. The chamber put up the issue of inefficiency of Chittagong Port in some recent meetings with the chief adviser and then with the adviser in charge of finance ministry. The MCCI also put forward a set of recommendations to the government with regard to increasing efficiency of the port. Expressing its optimism, the chamber said the measures taken by the government would go a long way not only to increasing the port's efficiency, but also to improving the overall competitiveness of the economy.

India to become power surplus nation in 4-5yrs

ANN/ THE STATESMAN

India, which currently faces huge power deficit, will become a "power surplus country" in the next four or five years, the Union power minister, Mr. Sushilkumar Shinde, told the Rajya Sabha Monday. "Currently, we have a 70,000 MW deficit," he said. He said the massive capacity addition programme, including introduction of ultra mega power projects with single generation unit of 4,000 MW had been launched. The power ministry will approach the Cabinet soon to change the hydro-electric policy to tap 1,50,000 MW of potential in the north-east. The private sector is also being encouraged to set up captive generating capacities, he said.

Philippines seen as most corrupt Asian economy

AFP, Singapore

The Philippines is perceived by foreign businessmen as Asia's most corrupt economy, according to a survey Tuesday that also found countries were failing properly to tackle corruption. Singapore and Hong Kong were seen as the cleanest economies, while China, Indonesia and Vietnam posted improvements, the Hong Kong-based Political and Economic Risk Consultancy (PERC) said in a summary made available to AFP. Perception of corruption in Thailand worsened, with the military junta now in power after last September's coup seen as little better than the government it ousted. "The Philippines has the distinction of being perceived in the worst light this year," PERC said after polling 1,476 expatriate business executives in 13 countries and territories across the region in January and February. In a grading system with zero as the best possible score and 10 the worst, the Philippines got 9.40, worsening sharply from its grade of 7.80 last year. Indonesia had been deemed Asia's most corrupt country in 2006.

PERC, which provides advice to private firms and governments, said it had not noted a worsening in the actual situation in the Philippines despite its deteriorating score. "It is bad and has been bad all along. People are just growing tired of the inaction and insincerity of leading officials when they promise to fight corruption," it said. The protracted corruption trial of deposed president Joseph Estrada "is an example of the problem and probably explains why respondents to our survey were so negative in their assessment" of the country. Thailand and Indonesia, both on a grade of 8.03, shared the spot as Asia's second most corrupt nations. Thailand's image worsened slightly on last year while Indonesia's score was better. The junta that ousted Thaksin Shinawatra as Thailand's prime minister last September promised to fight corruption "but there is no reason to be confident that its behaviour will be any cleaner," PERC said.



PHOTO: AMCHAM

Energy Adviser Tapan Chowdhury (2-L) speaks at a meeting of American Chamber of Commerce in Bangladesh (AmCham) in Dhaka yesterday. Charge d'Affaires of US embassy Geeta Pasy (L), President of the chamber Andrew L Fawthrop (2-R) and AmCham Executive Director A Gafur are also seen.

LIMITED GAS RESOURCES

Exploitation of other sources needed

Tapan tells AmCham meet

STAR BUSINESS REPORT

Bangladesh cannot rely on natural gas for its future energy supply and must exploit other sources, especially coal, Energy Adviser Tapan Chowdhury said yesterday. "Present natural resources are not enough to meet the ever-growing future demand of the country," the adviser told a meeting of the American Chamber of Commerce in Dhaka. "With limited known reserves of natural gas, it will be inappropriate to rely heavily on natural gas. It is essential that for future needs, and for the security of energy supply, other sources of energy, especially coal, are given due importance in the energy planning of this country," he said. The government is expected to

finalise its new coal policy within a short time. However the government has already come under criticism for saying it may consider leasing out the coalmines to foreign companies. Tapan said such criticism was misleading. "I want to ensure you that the present government will not make any policy that hurts the country's own interests." The present commercial energy mix of Bangladesh is about 68 percent natural gas, 28 percent oil and oil substitute, 3 percent coal and 1 percent others. In order to meet the gas demand forecast, significant investment is required in both exploration, production and transmission sectors, which have been defined in the Gas Sector Master Plan, the adviser said.

"In order to meet the supply challenge, Bangladesh must look to public/private investment in to the tune of US dollar 8 to 10 billion in the period to 2025," he said. The energy adviser also urged the local private sector and foreign entrepreneurs to invest in compressed natural gas (CNG) filling stations. In reference to the huge losses of Power Development Board (PDB), the energy adviser said it is not possible to say that PDB will not lose anymore as it would be difficult to change everything overnight. However losses at the PDB would be reduced significantly, he said. Andrew L Fawthrop, president of AmCham, and A Gafur, executive director, were also present at the meeting.



PHOTO: STAR

Kenny Tang, chief executive officer of Dragonair, speaks at a press conference in Dhaka yesterday. Ron Mathison, director and general manager (Cargo) of Cathay Pacific, the Hong Kong-based airline that acquired Dragonair last year, among others, was present.

Beximco Pharma launches export to Botswana

Beximco Pharmaceuticals Ltd (BPL), a leading medicine manufacturer of Bangladesh, has launched drug export to sub-Saharan African country Botswana, says a press release. BPL Chief Executive Officer Nazmul Hassan said the company recently entered the sub-Saharan country as part of its massive expansion plan in Africa. Among the sub-Saharan countries, Botswana has a massive network of primary hospitals, clinics and mobile health services. The press release notes that BPL pioneered Bangladeshi medicine export operations to Africa, Hassan added. BPL's tally of export destinations now stands at 21. The countries are Iran, South Korea, Malaysia, Taiwan, Hong Kong, Russia, Ukraine, Georgia, Pakistan, Myanmar, Singapore, Nepal, Yemen, Vietnam, Sri Lanka, Cambodia, Kenya, Philippines, Somalia, Mozambique and Botswana.

Citigroup raises Nikko offer by 26pc

AP, Tokyo

Citigroup Inc., the largest bank in the United States, said Tuesday it raised its takeover offer for scandal-tainted Nikko Cordial Corp. by 26 percent in a deal worth up to \$13.35 billion after the Japanese brokerage's largest shareholders rejected the initial price as too low. The boards of the two companies agreed to raise the tender offer price for Nikko Cordial to 1,700 yen (\$14.40) a share from last week's initial 1,350 yen (\$11.44) a share offer, according to a joint statement. It would be the biggest foreign acquisition of a Japanese securities company. Citigroup aims to raise its stake to up to 100 percent from the 4.9 percent it held at the end of December 2006 in an acquisition that is expected to cost the U.S. financial group \$13.35 billion. New York-based Citigroup said it will begin an all-cash tender offer for Nikko Cordial stock "as soon as practicable." Citigroup also raised the offer price after the Tokyo Stock Exchange announced Monday that it would keep Nikko Cordial's shares listed despite an accounting scandal last year. The Japanese brokerage was fined 500 million yen (\$4.3 million) on charges of falsifying financial statements, the largest fine ever levied by Japan's financial authorities.

Tata Tea aims for top position

ANN/ THE STATESMAN

Tata Tea said it is gunning for the top slot currently occupied by Hindustan Unilever Ltd in the Rs 6,000 crore organised tea market in India. "We have been achieving double digit growth while the industry is growing only at 3.3 per cent. We aim to be the number one in the Indian market," Tata Tea Ltd managing director, Mr PT Siganporia, told reporters here on Monday. At present the organised tea market in India is led by HUL with about 19 per cent market share, closely followed by Tata Tea with 18 per cent.

US coffee chain Starbucks aims for 40,000 new stores

REUTERS, Madrid

US coffee shop giant Starbucks plans to open at least 40,000 more stores over the medium term, half of them outside the United States, according to Tuesday's Expansion newspaper. Starbucks Chief Executive Jim Donald told the Spanish financial daily that the chain is expanding at a rate of six shops and 350 new employees per day. "We will open at least 40,000 cafes (half of them outside the United States)" (in the medium term), Expansion quoted Donald as saying in the interview. Starbucks will probably open between 10 and 12 shops per year in Spain, Donald told Expansion. The company currently has more than 13,000 shops, 9,000 of them in the United States, with operations in 39 countries employing 130,000 people, according to the Expansion report.

ISSUANCE OF RIGHTS SHARES

Keya Detergent, Keya Cosmetics get SEC nod

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The Securities and Exchange Commission (SEC) yesterday approved Keya Detergent and Keya Cosmetics plans for rights issues that will together raise around Tk 6.4 crore. The companies both plan to use the fresh funds for modernisation, renovation and expansion, sources said. Keya Detergent offers one rights share against a 10-share lot with Tk 10 face value each, while Keya Cosmetics offers one rights share against a five-share lot with the face value of Tk 15 each, including a premium of Tk 5. Through issuing rights shares, the detergent company will add Tk 1.62 crore to its existing paid up capital of more than Tk 16.23 crore and the cosmetics company Tk 4.8 crore, excluding premium, to its paid up capital of Tk 24 crore. As per the Rights Issue Rules, the companies need to announce a

date for book closure or record date within three working days for entitlement of the rights shares after getting the SEC's consent. The rights share issuer companies will also have to hold an extra-ordinary general meeting for book closure or record date in not earlier than 15 working days and not later than 20 working days from the date of said announcement. STOCKS BOUNCE BACK Following a three-day continuous fall, stocks bounced back yesterday, as the investors' anxiety eased a bit on the news that the government softens its stance on businesspeople in its drive against corruption. Meanwhile, the Dhaka Stock Exchange (DSE) suspended trade of Metalex Corporation Ltd only for yesterday to probe the abnormal price hike of the company's shares. The DSE also suspended trade of Bangladesh Shipping Corporation Ltd and Ashraf Textile Mills Ltd for a couple of hours to check the abnormal price hike of the

low-profile scrips. The DSE General Index ended at 1718.42 points, rose by 12.72 points or 0.74 percent over its previous day's close, while the CSE Selective Categories Index finished at 2602.46 points, up by 24.20 points or 0.93 percent. The DSE All Share Price Index went up by 33.56 points, or 2.32 percent, to close at 1475.17 points while the CSE All Share Price Index increased by 68.06 points, or 1.69 percent, to finish at 4089.44 points. Total turnover also increased on the stock exchanges. The turnover rose to Tk 62.52 crore on the DSE and Tk 18.08 crore on the Chittagong Stock Exchange (CSE). The upbeat mood also upped prices of most of the securities. Of the issues traded on the premier bourse, 184 advanced, 15 declined and eight remained unchanged. Of the issues changed hands on the port city bourse, 89 gained, 10 declined and six remained unchanged.

Dragonair may introduce daily Dhaka-HK flights

STAR BUSINESS REPORT

Dragonair is considering the introduction of daily flights between Dhaka and Hong Kong (HK) in order to serve the increasing business ties between China and Bangladesh. The announcement came at a press briefing held at a city hotel yesterday to inform reporters about the appointment of Global Aviation Services Ltd. as the general sales agent of the airline in Bangladesh. It comes only a month after the Dubai-based operator Emirates also announced that it will be starting daily flights to Dhaka, and reflects the growing market for both passenger travel and cargo. "Nowadays we have four flights a week and we are looking forward to increasing the frequency to seven days a week," said Ron Mathison, Director & General Manager Cargo at Cathay Pacific, the Hong Kong

based airline that acquired Dragonair last year. "We consider Bangladesh an important country as trade and commerce here are booming and the relationship with China, as well as Hong Kong, is increasing." "We hope that Bangladeshi customers will get a better service with greater frequency and a competitive price," he said. Mathison said cargo flights are increasing due to the rise in Bangladesh exports of readymade garments, footwear and seafood products. On the other hand, imports of telecom and engineering products, and electrical goods from China and Hong Kong are also going up. The executive said that apart from a ticketing office, a visa-processing cell will be introduced as Hong Kong had recently introduced visa requirements for Bangladeshi

citizen. Dragonair Chief Executive Officer Kenny Tang and Global Aviation Service Ltd Managing Director Mahbubul Anam attended the function. Dragonair became a member of the Cathay Pacific Group on September 28, 2006, a move that aims to reduce minimum connection time between the two carriers for passengers traveling through Hong Kong International Airport. Cathay Pacific Airways offers schedule passenger and cargo services to 104 destinations in 35 countries and territories with a network to Asia, North America, Australia, Europe and Africa. Dragonair operates a fleet of 28 passenger aircraft to 30 regional destinations including 21 cities in China.