

Star BUSINESS

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Oil prices rise above \$62

AP, London

Oil prices rose above \$62 a barrel Friday after Britain said Iranian naval vessels seized 15 British sailors and marines in Iraqi waters and gunmen kidnapped three foreigners in southern Nigeria.

Britain's Ministry of Defense said the personnel were "engaged in routine boarding operations of merchant shipping in Iraqi territorial waters," and had completed their inspection of a merchant ship when they were accosted by Iranian vessels.

Light, sweet crude for May delivery on the New York Mercantile Exchange rose 65 cents to \$62.34 in electronic trading by afternoon in Europe. This followed a surge of more than \$2 a barrel the previous day after the U.S. government reported more robust refinery usage for the first time in weeks.

The May contract for Brent crude rose 45 cents to \$62.96 a barrel on London's ICE Futures exchange.

In Nigeria, Africa's biggest oil producer, police said unidentified assailants waylaid a vehicle carrying an Indian and a Lebanese man in Warri and kidnapped them. In a separate incident, authorities said gunmen stormed a German construction firm in the main southern oil city of Port Harcourt and kidnapped a Dutch employee.

More than 150 foreign workers have been seized in the Niger Delta during a year of stepped-up militant attacks and rising crime. Militants say they are fighting to force the federal government to give more oil revenues to their region and release two leaders on trial for treason or corruption charges.

The focus back on geopolitical factors came after a U.S. inventory report released Wednesday that indicated that refineries are beginning to emerge from their seasonal maintenance period, after weeks of declining utilization, and will soon start demanding more crude oil ahead of the U.S. driving season.

The Energy Information Administration reported refineries operated at 86.3 percent capacity last week, up 0.7 percent from the prior week.

Korea, China begin study on FTA

ANN/ THE KOREA HERALD

Korea and China began their first joint feasibility study for a free trade agreement in Beijing on Thursday, Seoul's Trade Ministry said.

Government officials, experts from various industries, and academic scholars from both countries will be examining the possible economic effects of a bilateral FTA during their two-day meeting. They will also select the issues that need to be covered, as well as design the pace and content of their joint study, the ministry said.

Korea's Agriculture Ministry said it will aim to clarify the sensitive nature of the country's agriculture industry and stress its need to protect sensitive farm products.

Such studies take place before potential free trade partners officially begin negotiations.

On Tuesday (Mar 20), President Roh Moo-hyun during a presentation of the nation's 2007 agricultural policies in Seoul, stressed the importance of an FTA with China.

"An FTA with China will be inevitable in the future. The Korean government has been investing heavily in the restructuring of the nation's agricultural sector in preparation for the FTA with China," said Roh, noting an average of 16 trillion won (US\$16.8 billion) has been annually injected into the agricultural sector over the past decade.

HSBC opens new branch in Ctg

The Hongkong and Shanghai Banking Corporation (HSBC) Ltd in Bangladesh has opened a new branch in GEC circle in Chittagong recently.

Vincent Cheng, chairman of HSBC Asia Pacific, inaugurated the eighth branch of the bank in the country and second one in the port city, says a press release.

Brian Fredrick, head of (International) HSBC Asia Pacific, Steve Banner, CEO of HSBC Bangladesh, and Mamoon M Shah, head of Personal Financial Services of HSBC Bangladesh, among others, were present at the inauguration.

Corporate houses urged to practise CSR

Kumudini Welfare Trust, AKTEL win StanChart-FE CSR awards

STAR BUSINESS REPORT

Finance and Planning Adviser Mirza Azizul Islam has urged corporate houses to practise corporate social responsibility (CSR), as it does not contradict profit maximisation.

"I don't see any conflict between profit maximisation and the notion of corporate social responsibility," Islam said at the Standard Chartered-Financial Express Corporate Social Responsibility (CSR) Award 2006 ceremony in Dhaka on Thursday.

Kumudini Welfare Trust, which focuses mainly on health and education services, and cell phone operator AKTEL received 2006 awards for their significant contributions to CSR and philanthropic activities.

The implications of CSR are wider, said the adviser, as the notions such as environmental standards, weekly holidays, maternity leaves and compliance with legal and regulatory requirements are connected with it.

Islam said CSR should not be interpreted always to mean charitable activities.

He said equitable treatment for all stakeholders such as shareholders, consumers and suppliers is also connected to CSR.

The Standard Chartered-Financial Express award is introduced to recognize the organisations in the corporate world that excel in CSR apart from their main line of business.

Salahudin Kasem Khan, chairman of AKTEL, and Ahmad Bin Ismail, managing director of AKTEL, received the award on behalf of the cell phone firm, while on behalf of Kumudini Welfare Trust its Managing Director Rajiv Prasad Saha received the award.

AKTEL has so far sent 20 meritorious poor students to Malaysia for higher education. As a part of its CSR activities, it is also offering financial assistance to Underprivileged Children's Educational Programs (UCEP), a local non-government organisation.

Under the Tangail-based Kumudini Welfare Trust, 750-bed Kumudini Hospital provides free treatment for the poor from all over the country. Kumudini Hospital School trains 250 nurses a year and

Bharateswari Homes, a residential school, offers elementary and secondary education to over 1200 girls.

The Trust's operations also include Kumudini Handicrafts that helps over 5,000 artisans, mostly women, generate income by providing training and encouraging the development and preservation of traditional handicraft skills.

Kumudini also operates its own vegetable dyeing plant using leaves, petals, bark, and roots and has also developed a handmade paper line using the pesky water hyacinth plant.

Speaking in the function as special guest Bangladesh Bank Governor Salehuddin Ahmed lauded the corporate sector to come forward to help the disadvantaged section of the society.

Osman Morad, chief executive officer (CEO) of Standard Chartered Bank Bangladesh, and The Financial Express Editor Moazzem Hossain also spoke in the function. Economist Wahiduddin Mahmud also attended the function.



PHOTO: STAR

Kumudini Welfare Trust Managing Director Rajiv Prasad Saha (3rd-L) receives Standard Chartered-Financial Express CSR award on behalf of the trust from Finance and Planning Adviser Mirza Azizul Islam at a function in Dhaka on Thursday.

High-end property boom in HK

ANN/ THE STRAITS TIMES

Luxury homes in Hong Kong are getting more expensive, with the sale of a penthouse earlier this week setting a record apartment price of HK\$32,000 (US\$4,000) per square foot (psf).

This broke the previous high of HK\$27,407 (US\$3,500) per sq ft set in 1997 - right before the Asian financial crisis.

The highest-ever selling price for a home in Hong Kong was set earlier this month when one house in the high-end Peak district fetched HK\$38,500 (US\$4,900) per sq ft.

Last year, another house on the Peak sold at over HK\$35,000 per sq ft.

Analysts say rich mainlanders as well as people who have made huge profits in the financial markets are fuelling the demand for a limited supply of top-end luxury homes here.

"Penthouses in Hong Kong can cost a premium of as high as 40 per cent to 50 per cent because there

are fewer of them," said Simon Wong, the director of research at property firm CB Richard Ellis.

"In recent years, homes with full views of Victoria Harbour and with posh clubhouses have also commanded above-average prices."

More records look set to be broken with one of Hong Kong's leading developers, Sun Hung Kai Properties, forking out HK\$1.8 billion (US\$230 million) - a record HK\$42,196 per sq ft - for a plot of Peak land last December.

This means that prices of new homes there will have to be set above this mark, possibly as high as HK\$60,000 (US\$7,700) per sq ft, analysts say.

Sun Hung Kai is also co-developer of the luxury Orchard Turn condominium in Singapore, which this week set the city-state's record home price of S\$4,000 (US\$2,600) per sq ft.

But analysts have noted that such extreme prices extend only to a limited supply of homes that are located in an exclusive location and

that come complete with luxurious frills.

For Hong Kong, they told The Straits Times, this translates into an address on the Peak, country club-like facilities and top-end designer furnishings.

The latest record price of HK\$32,000 per sq ft was set by an apartment at The Legend at Jardine's Lookout, which was first released in 2005.

The 3,850-sq-ft penthouse with a private swimming pool cost a hefty HK\$123.2 million. It is part of a 376-unit condominium project located near the shopping district of Causeway Bay.

Incidentally, Causeway Bay also commands retail rents that are among the world's costliest, if not the highest.

Hong Kong's luxury home sector - units exceeding 100 sq m (1,076 sq ft) - are expected to rise by 10 per cent to 15 per cent on average this year.



PHOTO: HSBC

Vincent Cheng, chairman of HSBC Asia Pacific, inaugurates the eighth branch of HSBC Bangladesh in GEC circle in Chittagong recently. Brian Fredrick, head of (International) HSBC Asia Pacific, Steve Banner, CEO of HSBC Bangladesh, and Mamoon M Shah, head of Personal Financial Services of HSBC Bangladesh, among others, were present at the inauguration.

India-Japan FTA by 2009

ANN/ THE STATESMAN

India and Japan yesterday agreed to work for a bilateral free trade agreement by early 2009, enhance cooperation between their navies to strengthen maritime security and hold their first ever policy dialogue in the energy sector.

Issues relating to free trade, economic and maritime cooperation and Indo-US nuclear deal figured during a series of meetings the visiting external affairs minister, Mr Pranab Mukherjee had with Japanese leaders including Prime Minister Mr Shinzo Abe.

Mr Mukherjee is on a three-day visit to Tokyo for the first-ever strategic dialogue between India and Japan. As part of the dialogue, he held talks with the Japanese foreign minister, Mr Taro Aso.

Mr Abe said Japan desired closer cooperation with India citing the common values of freedom, democracy, rule of law and human rights that the two countries shared.

Mr Mukherjee told Abe it was important to enhance cooperation between navies of India and Japan to realise maritime security from the viewpoints of energy supply and economic development.

The issue of the planned bilateral Free Trade Agreement came up during Mr Mukherjee's talks with energy minister, Mr Akira Amari.

Mr Amari was quoted as telling Mr Mukherjee that Japan is seeking to conclude a 'high quality' economic partnership agreement, with an FTA at its core, at an early date.

The two ministers also agreed that energy ministers from the two countries will hold their first policy dialogue in the energy sector in Tokyo next month.

ADB approves infrastructure support loan for India

AFP, Manila

The Asian Development Bank said Thursday it has approved a 50 million dollar loan to India's Infrastructure Development Finance Company Ltd. to support the country's huge development needs.

Offered without a government guarantee, the loan will allow the company to offer dollar-denominated funds to eligible projects, the Manila-based ADB said in a statement.

"India needs substantial investment in infrastructure if it is to achieve its economic growth targets," said Seethapathy Chander, deputy chief of the bank's private sector department.

"The Infrastructure Development Finance Co. performs a critical role as the only significant domestic financial institution fully dedicated to infrastructure."

ADB helped create the company in 1997.

Dollar steady

AFP, Tokyo

The dollar held steady in Asian trade Friday after regaining ground as players reduced their expectations of a near term cut in US interest rates, dealers said.

They said that after digesting the Federal Reserve's remarks Wednesday, the market view now was that the US central bank was unlikely to loosen its monetary policy any time soon given lingering inflation concerns.

The dollar was steady at 118.18 yen in Tokyo afternoon trade after 118.15 in New York late Thursday.

The euro was flat at 1.3332 dollars after 1.3333 while firming to 157.49 yen from 157.39.

The dollar had fallen to a two-year low of 1.3411 against the euro after the Fed tweaked its policy statement in a move initially taken as a sign that it was laying the ground for a rate cut. Dealers later reconsidered that view.

"Market sentiment was that inflationary concerns remain, reducing speculation of a near term rate cut, which led traders to actively buy the dollar," said Yoshifumi Suzuki, forex dealer at Hachijuni Bank.

"But that is only a view that the market has of the situation. Traders have now readjusted their positions as they look ahead to (US) housing and GDP (gross domestic product) figures next week," he added.

Dealers said the yen was likely to remain under pressure given Japan's low interest rates which continue to encourage investors to borrow cheaply here to put funds into higher yielding assets elsewhere - the so-called carry trade.



PHOTO: STAR

Industries Adviser Geeteara Safiya Choudhury visits a stall after inaugurating the five-day National Furniture Fair 2007 that began at Bangladesh-China Friendship Conference Centre in Dhaka yesterday.

Nat'l furniture fair kicks off

STAR BUSINESS REPORT

With an emphasis on promoting locally made furniture, the five-day fourth National Furniture Fair 2007 began at Bangladesh-China Friendship Conference Centre in the capital yesterday.

Industries Adviser Geeteara Safiya Choudhury inaugurated the show, jointly organised by Bangladesh Furniture Industries Owners' Association (BFIOA) and Design and Technology Centre. BFIOA Chairman KM Akhtaruzzaman presided over the inaugural ceremony.

A range of furniture, including dinner wagon, dining chair and

table, cupboard, multipurpose shelf, reading table, showcase, bedside cabinet, corner showcase and TV cabinet are put on display.

The participating companies, which are offering from 5 to 15 percent discount, are showcasing their products at a total of 103 stalls at the fair, which is open to visitors from 9am to 9pm everyday without any entry fee.

The companies taking part in the fair include Navana, Otobi, Akhter Furniture Ltd, Athena's Furniture and Home Decor, Furniture Depot, Powerhouse Furniture, Legacy Furniture (Pvt) Ltd and Brothers Furniture.

Although a good number of

visitors crowded the fair on the first day, organisers said the number of real buyers was a few.

"High volume sale is not our objective as we want to promote local furniture through this fair", said Selim H Rahman, general secretary of the association.

Locally made furniture accounts for around three-fourth of the Tk2000 crore domestic market.

Currently, over 5,000 entrepreneurs are engaged in furniture manufacturing and the sector employs around 10 lakh people directly and indirectly, according to the organisers.



PHOTO: STAR

A salesperson briefs visitors about medical equipment at a stall at the three-day MedExpo-2006 at Dhaka Sheraton Hotel in the capital yesterday. The show ends today.

MEDEXPO-2006

Local medical furniture attract visitors

STAR BUSINESS REPORT

Locally made medical furniture are wooing visitors at the three-day MedExpo-2006, an international exhibition of medical equipment and healthcare services being held at Dhaka Sheraton Hotel.

Local manufacturers are becoming more confident due to good quality of their products, displays said yesterday, the second day of the fair.

They said import of hospital furniture reduced by around 50 percent in the last five years as local medical furniture manufacturers are producing quality furniture.

"We have supplied medical furniture to three newly established government hospitals including Tk2

crore furniture to a hospital in Bogra," said Ansar Uddin Ahmed, manager (Sales) of Otobi Ltd, a local furniture maker.

"The private clinics are also buying our products due to good quality," he said.

The medical furniture at the show include overbed table, medical trolley, medical cupboard, and food and instrument trolleys.

Describing the market growth of hospital furniture in the country, he said Otobi sells hospital furniture worth Tk15 crore annually.

"Had the import duty on raw materials been re-fixed, we could have expanded the local market," said Sharmeen Rakhi, executive (Marketing) of Bangladesh Befit Ltd that produces furniture and medical

equipment with the brand name of Babel.

The medical furniture makers said the country would be able to export medical furniture in near future if the existing growth rate in the industry sustains.

A total of 43 local and international companies including healthcare service providers, equipment manufacturers and diagnostic centres are displaying their products and services at 57 stalls at the fourth version of the show, which ends today.

Triune Exhibition and Event Management Services (TEEMS) is organising the show while The Daily Star and Channel i are the media partners.



PHOTO: STAR

Energy Adviser Tapan Chowdhury speaks at the inauguration of the branch of Union Capital Ltd on Sk Mujib Road in Agrabad, Chittagong on Thursday. Chairman of the company Amir Humayun Mahmud Chowdhury, among other senior officials, was present at the opening ceremony.