

Star BUSINESS

E-mail: business@thedailystar.net

Indian port users postpone agitation in Benapole port

A CORRESPONDENT, Benapole

Eight export-import organisations of India yesterday postponed their programme to suspend commercial activities for two hours through Benapole port following a meeting with authorities.

Benapole port users' associations in India postponed the agitation for two months.

After two hours of work abstention, port authorities and local administration had a meeting with the Indian port users' associations and assured them that they would ensure safety of Indian vehicles.

The organisations stopped all the port activities demanding safety of Indian trucks coming to Bangladesh.

The Indians said an Indian truck laden with exportable goods has been missing for the last four months, which unloaded the goods at Benapole port, but never returned.

Customs officials at Benapole however said the truck returned to India and its documents were kept in customs department.

EC to give Bangladesh \$270m in 4 yrs

UNB, Dhaka

European Commission (EC) Ambassador to Bangladesh Dr Stefan Frowein Tuesday said trade and economic development would help Bangladesh meet the challenges of globalisation and lift more people out of destitution.

He was addressing the signing ceremony of a memorandum of understanding (MoU) under which the EC will provide Bangladesh with a development cooperation assistance of around US\$ 270 million (205 million euros) in four years.

Of the total, 40 million euros have been allocated for boosting trade and economic development.

ERD Secretary Mohammed Aminul Islam Bhuiyan and Dr Frowein signed the MoU at the NEC conference room, on behalf of their respective sides, setting down the framework for Multi-Annual Indicative Programme (MIP) in this regard.

The EC has allocated the fund for the 2007-10 period with the overall objective of poverty alleviation in line with the Bangladesh Poverty Reduction Strategy Paper (PRSP).

"The focal areas which we've chosen are critical to the fight against poverty," Dr Frowein said at the signing ceremony.

The focal areas of the assistance are human and social development encompassing health and education (70 million euros), and good governance and human rights (55 million euros).

Non-focal areas are environment and disaster management (20 million euros), and food security and nutrition (20 million euros).

"The European Commission will extend substantial development support to Bangladesh during the next four years as part of our commitment to poverty alleviation in this country," Dr Frowein said.

Telenor to withdraw from Nasdaq

AFP, Oslo

The Norwegian telecommunications operator Telenor said Tuesday it would withdraw from the US high technology stock market Nasdaq because US regulations were too expensive and burdensome.

"Telenor's American Depository Shares will be delisted from the Nasdaq Stock Exchange in accordance with recent changes passed by the US Securities and Exchange Commission," a statement by the Norwegian company said.

Telenor, which will only be listed on the Oslo exchange, said US stock market reporting requirements "are expensive and burdensome for the company and that such costs outweigh the benefits of maintaining a US listing."

The Norwegian state owns 54 percent of the telecoms operator, the latest foreign company to forgo a US listing since corporate governance laws were tightened following the collapse of the energy trading group Enron in 2001.

BB for co-ordination of revenue, trade, monetary policies to curb inflation

STAR BUSINESS REPORT

The central bank chief yesterday suggested co-ordination between revenue, trade and monetary policies to keep checking soaring inflation.

He also advocated introduction of income generating schemes and direct communication between local producers and consumers through cooperative society to eliminate the role of middlemen to curb inflation.

Bangladesh Bank (BB) Governor Dr Salehuddin Ahmed was briefing journalists on the present inflation situation at his office in Dhaka.

Anticipating a 7 percent GDP growth by the next fiscal, he said Bangladesh would become a middle income country at the end of the next decade.

If the role of middlemen is reduced, the income of the growers and the supply of essential goods would mark rise, Dr Salehuddin said, adding that many developing countries have taken such measures and get benefits to keep inflation at a tolerable level.

Md. Allah Malik Kazemi, Md. Nazrul Huda and Ziaul Hassan Siddiqui, BB's three deputy governors, were present at the press conference.

The central bank governor suggested that government can

sign deal with the trade bodies and businessmen of essential commodities to keep inflation at permissive level.

He however said implementation of such a deal should be monitored, as most of the decisions reached at parleys between the two sides have not yet come into effect.

The governor said the average inflation rate at the onset of the current fiscal was 7.54 percent on point to point basis and 7.16 percent on average basis.

The rate came down to 6.72 percent on point to point basis and 5.94 on average basis in January due to oil price reduction in the international market and BB's tight monetary policy.

However, the inflation increased to 6.94 percent on average basis and 7.43 percent on point to point basis in March this fiscal due to surge in oil price and other commodities in the international market, he said.

Many people expressed their deep concern over the 21 percent hike in petroleum price in recent time.

In such context, inflation rate on point-to-point basis can increase slightly, but average inflation rate may stand around 7 percent in the current financial year.

The BB governor said, "High import cost basically results in inflation in Bangladesh, which is not

much higher than that in other neighboring countries."

Laying emphasis on encouraging small importers along with big importers of essential commodities, the BB chief said that the central bank has already taken some measures in this regard.

The BB directed all commercial banks to facilitate the small importers, he told the journalists, adding that it also monitors the big traders who import over 50 thousand tonnes of essentials.

It is the perfect time to increase the production of lentil, edible oil, spices and other agro-products locally, which can help reduce inflation, the BB governor opined.

He said coordination between the policies of revenue, trade and monetary is urgent to contain the inflation.

Citing an example, he said the National Board of Revenue (NBR) has to impose tariff on food items with a target of increased revenue.

On the other hand, the Ministry of Commerce always tries to avoid tax on food items.

Hence, an integrated policy is needed where revenue increases and price of food items does not soar, he said.

He stressed the need for increase in revenue collections, but it should be done in a coordinated way.

Sugarcane farmers seek policies to up sugar output

STAR BUSINESS REPORT

Sugarcane growers yesterday called for policies to encourage sugarcane farming to increase sugar production.

At a view exchange meeting in Dhaka, the farmers also said the existing rules and regulations are discouraging sugarcane farming, resulting in decrease in sugar production in the country.

Samata, a fair trade organisation, organised the programme to highlight the sugar industry's problems and possible solutions at CIRDP auditorium.

The meeting also advocated integrated policies for sugar and molasses production.

The annual sugar production of 15 state-run mills is decreasing because the farmers are reluctant to supply sugarcane to mills as they do not get fair prices of their crop, said Abdus Sattar, president of Sugarcane Farmers' Union.

He said as per rules the government can control the sales of sugarcane to ensure the supply of the raw material for sugar mills, Sattar said.

"But the sugarcane mills do not give us fair prices against our crop," he said.

"Besides, mill authorities are used to making delayed payments, much to the frustration of the farmers," said Ansar Ali Dulal, general secretary of Bangladesh Sugarcane Farmers' Union.

BIFC okays 15pc cash dividend

Bangladesh Industrial Finance Company Ltd (BIFC) approved a 15 percent cash dividend for the year 2006, says a press release.

The dividend was approved at the 11th annual general meeting of the company held in Dhaka on Monday.

Presided over by Chairman Abdul Mannan, attended, among others, by the directors, senior executives and a large number of shareholders of the company. It was conducted by Managing Director Ansar Uddin Ahmed.

Symantec, Huawei to form joint venture

Symantec Corp and Huawei Technologies Co Ltd (Huawei) has announced to form a joint venture company to develop and distribute security and storage appliances for global telecommunications carriers and enterprises.

The announcement came on Monday and the new company will be headquartered in Chengdu, China, with Huawei owning 51 percent and Symantec 49 percent stake, according to a press release.

Businesses around the world are building and maintaining IP (internet protocol) networks and IT systems that support a growing number of connections. This requires balancing increasing performance and availability requirements with system security and data integrity. The joint venture will help carriers and enterprises effectively address these challenges by offering security and storage appliances, the release added.

India must deepen reforms to sustain growth: WTO

AFP, Geneva

India must carry out further reforms in agriculture, and open up the country's maritime transport and energy sector to competition if it is to sustain its "impressive" economic growth, the World Trade Organisation said on Wednesday.

Continued structural reform would also help create productive employment for new entrants to the labour force, helping India reap a "demographic dividend," with one third of its population currently aged below 18, a WTO report said.

The WTO said in its Trade Policy Review on the South Asian country that India's economy is expected to grow over nine percent in 2006/07, building on "impressive" growth averaging over seven percent between 2001/02 and the present day.

SHARE PRICE MANIPULATION

Arrest warrants against BD Welding directors, MD, weekly editor

STAR BUSINESS REPORT

A Dhaka court has issued arrest warrants against the board of directors and managing director of Bangladesh Welding Electrodes Limited (BD Welding) and editor of a weekly following a case filed against them on charges of manipulation of the company's share prices.

The Securities and Exchange Commission (SEC) on Tuesday filed the case with the Chief Metropolitan Magistrate (CMM) court against BD Welding, its Managing Director S Nurul Islam and editor of the weekly, The Industry, Enayat Karim for spreading fictitious and fabricated information claiming a Saudi business-

man was to invest in the company.

The false information caused shares in BD Welding, a Z category share on the Dhaka Stock Exchange (DSE), to rocket 615 percent in the 10 weeks between January and March, up from Tk 6 to a high of Tk 50. During the period, the normally lightly traded share recorded huge turnover levels, with transaction values reaching more than Tk 17 crore.

The case was filed under section 24 and 25 of the SEC Ordinance, 1969 and under the section 109 of the Bangladesh Penal Code.

An SEC official said if the accused persons proved guilty in the court they will face five years in jail or Tk 5 lakh fine or the both.

Earlier, the SEC in its investigation found that a section of unscrupulous investors had taken away a huge amount of money from the stock market through disseminating that Al Awad Group of Saudi Arabia was to visit BD Welding with the intention of investing in the company and some copies of emails were also sent to the SEC and DSE in this regard.

The information was then published on the DSE website and followed up by several newspapers. But, the SEC investigation found no evidence that Al Awad Group exists. Rather the team found that the email correspondences were conducted from within the country not from abroad or from the Al Awad Group in Saudi Arabia.

KCCI urged to help up local investment in Mongla EPZ

UNB, Khulna

Executive Chairman of the Bangladesh Export Processing Zones Authority Brigadier General Ashraf Abdullah Yusuf called on the Khulna Chamber of Commerce and Industry yesterday to help increase local investment in Mongla EPZ.

"The success of the EPZ would help keep Mongla Port fully operational and the success of both the EPZ and port will create an opportunity for setting up an airport at Mongla," he told a meeting between Bepza and KCCI members here.

KCCI President Saharuzzaman Mortuza, who presided over the meeting, assured the Bepza executive chairman of all-out cooperation in increasing local investment in the Mongla EPZ.

Mentioning about the incentives and other facilities for the investors in Mongla, Ishwardi and Uttara EPZs, the Bepza chief said they have allocated lands for the three EPZs at half prices.

He said 11 industries are now in operation in the Mongla EPZ, while 29 more are under implementation.

He said the prospect for export of products by processing agricultural produces and fish produced in the southern region is bright.

Facilities like gas and water supply for production also came up for discussion at the meeting.

Bepza member (Investment Promotion) Prashanta Bhushan Barua and General Manager (Investment Promotion) AZM Azizur Rahman and Mongla EPZ General Manager ATM Saiful Alam were present at the meeting.



New chairman of Prime Bank

Azam J Chowdhury has been elected chairman of Prime Bank Ltd for two-year term with effect from June 1, 2007.

Chairman of East Coast Group, a leading business house, Chowdhury is also the chairman of Bangladesh-Norway Chamber of Commerce & Industry, says a press release.

Besides, he is vice president of Bangladesh Energy Companies Association and a director of Central Depository Bangladesh Ltd.

Japan's Kobe Steel to start low-cost production in India

AFP, Tokyo

Japan's Kobe Steel Ltd. plans to launch Indian production of steel by 2009 using its technology to keep raw material costs down to a third of current levels, a report said Wednesday.

Kobe Steel is in talks with India's Chowgule Group to build a steel mill in the southwestern state of Goa, the Nikkei business daily reported, without identifying sources.

The mill will be able to produce 500,000 tons a year with the Japanese firm's investment coming to 20 billion yen (165 million dollars), it said.

The two companies are expected to reach a final agreement over the next few months and begin construction by year-end, it said.

In addition to India, Kobe Steel is in talks with a US electric furnace steelmaker to begin construction of a mill in the state of Minnesota by the end of this year, while considering production also in Australia, it said.



Abdul Mannan, chairman of Bangladesh Industrial Finance Company Ltd (BIFC), speaks at the 11th annual general meeting of the company held in Dhaka on Monday. Directors, managing director and senior executives were also present.

Investment mission goes to Canada, Europe tomorrow

NRBs main target

RAFIQ HASAN

In a bid to attract investment from expatriate Bangladeshis, a government delegation will leave for Canada and Europe tomorrow, according to official sources.

The four-member team led by Executive Chairman of the Board of Investment (BoI) Nazrul Islam is scheduled to hold investment promotion seminars in Canada, England and Germany targeting mainly the non-resident Bangladeshis (NRBs).

Such a visit, the state-run investment promotional agency said, is the first of its kind, as the previous tours were basically aimed at convincing the foreign companies to invest in the country.

This time the Bangladesh team will focus the country's investment-friendly scenario to the NRBs, who have already established themselves as successful entrepreneurs in foreign lands.

These entrepreneurs will be

invited to invest their money in the manufacturing sector of their motherland instead of spending the money on lands and lavish apartments.

The seminars to be organised in Toronto, England, Birmingham, Manchester and Cologne in collaboration with Bangladesh mission in host countries will also apprise the foreign investors of various incentives and facilities the Bangladesh government offers.

A BoI high official told The Daily Star that they felt it necessary to go for such an initiative following a lot of queries from the NRBs about investment opportunities in the country.

He said the government eyes utilising the huge amount remitted by the Bangladeshis living abroad every year in generating employment opportunities for the local people.

The NRBs would be given the similar facilities offered to the foreign investors, the official said, adding that the atmosphere in the

country is now more conducive to investment as it witnessed an improvement in law and order since declaration of state of emergency and crackdown on corruption.

If the mission succeeds, he said, similar delegation would go to America and other countries where Bangladeshis live in a large number.

The current delegation is scheduled to back home on June 7.

Official data show that over five million Bangladeshis are living abroad and they remit over \$5 billion per annum.

Pointing to the flourishing information technology (IT) sector in the Indian city Bangalore, which experienced significant contribution from the expatriate citizens of that country, the BoI source said, "This type of labour intensive industry can also be sprang up in our country, if the NRBs come forward."

US, China clash over reforms

AFP, Washington

The United States told China Tuesday that it was becoming impatient with the Asian giant's lagging economic reforms but Beijing warned Washington against politicizing their trade relations.

US Treasury Secretary Henry Paulson, in his opening remarks at a two-day "strategic economic dialogue" meeting with top Chinese officials, urged Beijing to take prompt action to redress "persistent trade and financial imbalances," saying Americans were "impatient."

American concerns over a

burgeoning trade deficit with the Asian giant eclipsed the meeting as US lawmakers accused Beijing of keeping its yuan currency grossly undervalued to make its exports cheaper -- a key factor cited for the snowballing deficit that hit 232 billion dollars last year.

The lawmakers have threatened to push ahead with legislation imposing sanctions on Beijing if the Chinese refuse to budge on making their currency more flexible.

"Our policy disagreements are not about the direction of change but about the pace of change," Paulson told Chinese Vice Premier Wu Yi and 15 of her cabi-

net ministers attending the talks with an equally strong US delegation, including Federal Reserve Chairman Ben Bernanke.

Paulson said the United States was "not afraid" of competition from China, which has emerged as a global manufacturing power and displaced the United States as the primary trading partner for many nations.

In an apparent reference to increasing anxiety in the US Congress, Paulson said there was growing "anti-China sentiment" as China became "a symbol of the real and imagined downside of global competition."



PHOTO: FIRST SECURITY BANK

AAM Zakaria, managing director of First Security bank Ltd (FSBL), and M Fariduddin Ahmad, executive president of Islami Bank Bangladesh Ltd, sign a remittance facility agreement between the two banks on Sunday. Under the deal, money can be remitted through the Islami Bank branches.