

Star BUSINESS

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Benapole customs fails to achieve revenue target

UNB, Benapole, Jessore

Benapole customs failed to achieve the revenue collection target set for the last fiscal year.

Customs sources said National Board of Revenue (NBR) earlier set a target of Tk 1,508 crore for Benapole Customs. Later, the NBR following the country's prevailing situation revised down the target at Tk 1,493 crore.

However, the customs realised Tk 1,377 crore during the period, which is Tk 115.12 crore less than the target.

Explaining the situation, Benapole Customs Joint Commissioner Mahbubur Rahman said revenue collection fell short of the revised target as the government reduced duties on some items.

"Around Tk 100 crore of revenue was lost on rice import due to the revised tariff," he added.

Oil prices dip

AFP, London

World oil prices slipped on profit-taking Monday after New York crude struck a 10-month high last week, though the market remained supported by tight energy supplies in the United States, traders said.

In London, Brent North Sea crude for August delivery fell 10 cents to 71.31 dollars per barrel in electronic deals.

New York's main oil futures contract, light sweet crude for delivery in August, dropped 13 cents to 70.55 dollars before the opening of US floor trading.

New York crude had struck a 10-month high of 71.06 dollars per barrel on Friday – the highest level since August 28, 2006 – on US supply concerns.

"Crude futures were almost unchanged (Monday)... holding onto strong gains from Friday, still supported by declining gasoline inventories in the US," Sudden analyst Michael Davies said.

New MD of City Bank



Kazi Mahmood Sattar has recently taken over as the managing director and chief executive officer of The City Bank Ltd.

Prior to this assignment, he has been associated with Eastern Bank Ltd for six years, says a press release.

Sattar, who started his career with ANZ Grindlays Bank in 1981, is a member of the executive committees of Bangladesh Foreign Exchange Dealers Association (Bafeda) and Association of Bankers, Bangladesh.

Bank Asia MD reappointed



Bangladesh Bank has approved the appointment of Syed Anisul Huq as the president and managing director of Bank Asia Ltd for the third time.

The central bank gave the approval on the recommendation of the Board of Directors of the bank, says a press release.

Huq joined Bank Asia as its chief executive officer in June 2000 and prior to joining the bank, he was the CEO of Southeast Bank Ltd.

With a career of four decades of experience in multi-dimensional areas of banking operations, he contributed much to the acquisition of local operations of two foreign banks, the release adds.

Exports clock 16.45pc growth in 11 months

STAR BUSINESS REPORT

The country's exports rose by 16.45 percent to US\$ 10,958.62 million in the first 11 months of fiscal year 2006-07.

According to Export Promotion Bureau (EPB), the country fetched \$ 10,958.62 million in July-May period against \$ 9,410.55 million in the corresponding period of 2005-06. The export target for July-May period was fixed at \$ 11,187.50 million.

Despite growth, knitwear missed the export target by 6.23 percent. Knitwear fetched \$ 4,067.11 million against the target of \$ 4,337.17 million, although it recorded 19.78 percent growth.

"Though we missed the target, we have maintained a steady growth in the knitwear sector," said Fazlul Haque, president of Bangladesh Knitwear

Manufacturers and Exporters Association (BKMEA).

"Primarily we have identified three major reasons to miss the export target – political volatility during October-December period of 2006, labour unrest in the apparel sector in 2006, and warm winter in the western countries that causes poor sales of sweater and heavy knit products," he said.

However, the BKMEA president is very much optimistic to increase knitwear export in the coming days.

During the July-May period, woven garments fetched \$ 4,182.88 million against \$ 3,646.99 million in the corresponding period of the previous financial year, showing 14.69 percent export growth.

According to the EPB statistics, frozen foods, ceramic products, handicrafts, footwear, light engineering, cut flowers, agro-processed food

and vegetables also registered significant increases, contributing to the overall export growth.

Although exports of leather, pharmaceuticals and petroleum by-products grew in the July-May period, the sectors missed the export target.

On the other hand, export of jute goods, chemical fertiliser, raw jute, tobacco, bi-cycle, tea and electronics goods declined. The products also failed to reach export targets during the period.

On month-to-month basis, the overall exports of May 2007 were 10.10 percent higher. In May 2007, the country fetched \$ 1,043.95 million against \$ 1,042.89 million in May 2006.

Asian Monetary Fund may be needed to deal with future shocks

AFP, Manila

Asia may need to establish its own monetary fund if it is to cope with future financial shocks similar to that which rocked the region 10 years ago, a regional forum was told here Monday.

An Asian Monetary Fund may be essential as the International Monetary Fund (IMF) was unable to cope adequately with the Asian crisis when it started in July, 1997, the forum hosted by the Asian Development Bank (ADB) was told.

"The IMF failed to make precise reforms (while) the US was ill-positioned to take swift action" when the crisis broke, said Duck-Koo Chung, former South Korean commerce minister.

"Instead of waiting for a fire department across the world to act, the region needs a voluntary, community fire brigade," he added, warning that "a sense of complacency may bring about another crisis."

Chung said the Asian crisis, triggered on July 2, 1997 when Thailand conceded defeat and allowed the baht to float freely, had been the worst faced by his country since the Korean war in the early 1950s.

Dorodjaton Kuntjoro Jakti, former minister of economic affairs in Indonesia, said IMF conditions imposed to get Jakarta out of the crisis "created continuous tensions within the body politic of Indonesia," contributing to the downfall of president Suharto in 1998 and leading to years of political turmoil.

ICC-B team to attend 5th World Chambers Congress

A 14-member delegation of International Chamber of Commerce (ICC)-Bangladesh led by its President Mahbubur Rahman left Dhaka for Istanbul to attend the 5th World Chambers Congress (WCC) of World Chambers Federation (WCF), an affiliate of ICC Paris.

Union of Chambers and Commodity Exchanges of Turkey is the co-host of the congress to be held from 4-6 July, says a press release.

Held every two years in different regions of the world, WCC is the only international forum for chamber leaders and executives worldwide to share best-practice experience, develop networks and learn about new areas of innovation from other chambers.

Prime Minister of Turkey Recep Tayyip Erdogan will inaugurate the Congress. Nobel laureate Prof Muhammad Yunus will also make a special address at the congress.

The Bangladesh delegation also includes ICC Bangladesh Vice Presidents Latifur Rahman and Samson H. Chowdhury, DCCI President Hossain Khaled, ICC-B Executive Board Member Syed Manzur Elahi, ICC-B members Nasir A. Choudhury, Barrister Nihad Kabir, Laila Rahman Kabir and Barrister Sheela Rahman.

Judges have finished evaluating the entries for the 2007 World Chambers Competition and announced the name of The Dhaka Chamber of Commerce and Industry, among others, on the list of finalists under "Best Skills Development Programme".

The theme of the 5th World Chambers Congress is "Partnership for Prosperity". Some 800 participants from more than 100 countries will attend the event.

Bourses greet new fiscal year

Price indices up

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The capital market yesterday started the new fiscal year 2007-08 with an upward trend in price indices.

The benchmark index of Dhaka Stock Exchange, DSE General Index, increased by 41.14 points, or 1.91 percent, ending the day at 2190.46 points while the CSE Selective Categories Index rose by 70.39 points, or 2.02 percent, finishing at 3548.99 points.

Besides, the DSE All Share Price Index also rose by 32.55 points, or 1.84 percent, to close at 1796.73 points while the CSE All Price Index gained by 97.52 points, or 1.87 percent, to finish at 5292.29 points.

Of the 209 issues traded on the DSE, 141 advanced and 47 declined with 21 unchanged, while of the 101 issues traded on the Chittagong Stock Exchange (CSE), 73 gained and 19 declined with nine unchanged.

Market analysts said starting of the new fiscal with an upward trend is the reflection of continuation of rallying of shares during the recent times.

They said during the first-half of the just concluded fiscal year the political volatility took its toll on the stock markets. But the stock prices bounced back in the early of second-half of the last fiscal year, as the state of emergency ended the political instability.

Besides, increased participation of institutional and foreign investors

pushed up the market during the time, they said.

They, however, expressed concern that increasing demand for shares may create an overheating situation in the market.

They observed that offloading of new shares of state-owned enterprises (SoEs) and listing of big multinational companies in the private sector, such as telecom companies, can meet the demands of new securities by the investors.

On the premier bourse yesterday, a total of 18,943,875 shares worth Tk 205.94 crore were traded, while on the port city bourse a total of 4,636,359 shares worth Tk 39.69 crore were traded.

At the end of the day, Exim Bank topped the turnover leaders on the DSE with 496,050 shares worth Tk 21.05 crore. The other turnover leaders were Power Grid Company of Bangladesh, Shahajalal Islami Bank, Brac Bank, Dhaka Electric Supply Company, Southeast Bank, Grameen Mutual Fund One, Pubali Bank, Premier Bank and Prime Bank.

On the CSE, Shahajalal Islami Bank topped the turnover leaders with 219,750 shares worth Tk 5.42 crore. The other turnover leaders were Exim Bank, Premier Bank, Power Grid Company of Bangladesh, Pubali Bank, Brac Bank, Lanka Bangla Finance, Standard Bank, Bextex and Grameen Mutual Fund One.

Warid offers daily bonus talktime, prizes for prepaid users

Warid Telecom has introduced incentives for users of its prepaid package Zem on daily basis. Zem users can get bonus talktime and win attractive prizes everyday, says a press release.

According to the offer, everyday the highest user of Zem connection will win a Sony Ericsson W200i handset.

Everyday 10 subscribers who will make 10 or more calls a day may be rewarded with Tk 500 bonus talktime. Everyday 500 subscribers making five calls may receive Tk 200 bonus talktime and 1000 subscribers making even a single call will be rewarded with Tk 100 bonus talktime.

The subscribers will also enjoy guaranteed instant talktime bonuses. Subscribers will get cash back of Tk 1 for five minutes usage, for 10 minutes the cash back is Tk 3, for 20 minutes the bonus is Tk 6 and for 30 minutes the cash back is Tk 11. These offers are valid till further announcement.

Warid subscribers do not need to pay any registration fee to participate in this campaign. Highest user will be determined based on the total duration (in minutes) voice calls.

Euro hits 6-week high against dollar

AFP, London

The euro spiked to a six-week high against the dollar on Monday following the release of positive economic data from the eurozone, dealers said.

The euro struck 1.3580 in early European trade – the highest point since May 16.

It later stood at 1.3578 dollars, compared with 1.3540 dollars late on Friday in New York.

The dollar fell to 122.56 yen, from 123.15 yen late Friday.

Manufacturing activity in the 13 nations that share the euro firmed more than expected in June after slumping in May, according to a widely watched survey on Monday.

The eurozone's seasonally adjusted purchasing managers' index (PMI), compiled by NTC Research, rose in June to 55.6 points from 55.0 in May, beating a provisional estimate and economists' forecasts for 55.4 points.

Citigroup HQs sold for £1b

AFP, London

Citigroup's European headquarters in London has been sold to a consortium led by an Irish private-equity company for 1.0 billion pounds (1.48 billion euros, 2.01 billion dollars), the buyers said Monday.

The sale of the building, owned by Royal Bank of Scotland but leased to US banking giant Citigroup, is the second largest single-property transaction seen in Britain.

The biggest such deal occurred in April, after the HSBC banking group sold its global headquarters in London for 1.09 billion pounds.

Both transactions are for the sale of skyscrapers in Canary Wharf, London's modern financial district to the east of the centre.

Quinlan Private, an international private equity and real estate group formed by financier Derek Quinlan, has bought 25 Canada Square with the help of the private property company, Propinvest, a joint state-ment said.

Drop in poverty in Asia accompanied by rising inequality

UN report says

AP, Bangkok

Rapid economic growth has lifted millions in Asia out of extreme poverty, but the continent has at the same time experienced a dramatic rise in income inequality, the United Nations said in a report Monday.

The UN report was released to mark the midway point of a 15-year global development plan – dubbed Millennium Development Goals – that targets improvements in various social and economic indicators.

The worldwide report said the greatest progress was made in East Asia, including China and South Korea, where the proportion of people living in extreme poverty fell to 9.9 percent in 2004 from 33 percent in 1990, in part because of rapid economic growth.

In Southeast Asia, the ratio of people living in extreme poverty dropped to 6.8 percent in 2004 from 20.8 percent in 1990, according to the new statistics. Extreme poverty is defined as an income the equivalent of US\$1 (euro0.74) a day, or less.

"At this rate, Asia is on a target to meet the goal of cutting extreme poverty by half by 2015," said Shigeru Muchida, deputy executive secretary of the UN's Economic and Social Commission for Asia and the Pacific. World leaders at a summit in 2000 adopted the 2015 target date.

The report also highlighted what officials said was a worrying trend in rising income inequality within and among countries in the Asia-Pacific region.

"Given the resources, it should be doing much better, but the benefits of economic growth in the developing world have been unequally shared," Muchida said.

Widening income inequality is of particular concern in East Asia, especially China, Muchida said.

The share of income of the poorest 25 percent of the population in the region declined to 4.5 percent in 2004 from 7.3 percent in 1990, contrasting with sub-Saharan Africa, where the share of income of the bottom 25 percent remained the same at 3.4 percent.

Overall success in achieving the

millennium goals is also being hindered by a number of challenges such as slow progress in improving child nutrition, gender inequality and unplanned urbanisation, said the report.

South and Southeast Asia are still among regions with the highest percentage of children under 5 suffering from malnutrition, the report said, warning Asia would fall short of reaching the target of halving the proportion of underweight children – a key statistic in measuring global hunger – if the current trend continues.

Progress in promoting gender equality in Asia remained slow, with a large number of women still facing employment discrimination and receiving poor health care, the report said.

Only a little more than one-third of women in South Asia received medical attention from health care personnel when giving birth, the report said. The report didn't break down the statistics by nation.

Fate of billions hangs on global trade deal

WTO, UN chiefs say

AFP, Geneva

The heads of the United Nations and the World Trade Organisation on Monday both urged a successful conclusion to long-stalled global trade talks in order to lift billions of people out of poverty.

"The world desperately needs a successful conclusion to the Doha trade negotiations," UN Secretary General Ban Ki-moon told a meeting of the UN Economic and Social Council (ECOSOC) in Geneva.

"Existing trade barriers, agricultural subsidies, and restrictive rules on intellectual property rights reinforce global inequities – and they make a mockery of our tall claims to eliminate hunger and poverty from the world," he said.

WTO director general Pascal Lamy told the meeting that the issues dividing the 150 members of the global trade body are small compared to the proposals already on the table.

"It is also small compared to the potential benefits of rebalancing the multilateral trading system in favour of developing countries," he said.

However, the chances of a deal in the short-term look scant after the collapse last month of talks between four key powers in the World Trade Organisation, the so-called "G4" group of the European Union, United States, Brazil and India.

Bangkok Asia Forum looks at challenges, trends in aviation sector

China, India to lead growth

ANN, Bangkok

The fast growing economies of China and India will largely shape the future of aviation in the Asian region and the world, as consumer demand continues to grow in these countries.

"What is clear is that Chinese and Indian trade and traffic with the rest of Asia will shape the future of aviation in the region," Thai Prime Minister Surayud Chulanont said in his keynote speech at the Asia Forum 2007: The Future of Aviation held in Bangkok last week. The event was organised by Asia News Network, Star Alliance and Thai Airways International.

Chulanont noted as average income in the region increases and

more people travel within the region, the intra-Asia air cargo is forecasted to expand by 8.4 percent annually through 2021.

The Asia Forum was attended by about 300 executives from the aviation, travel and hospitality industries to discuss trends and challenges ahead for the industry in the region.

Four Challenges
Jaen Albrecht, CEO of Star Alliance, said there are four important areas in which airlines shape the future of the aviation industry: competition, technology, environment and security.

"The Asian market has dramatically changed as a positive effect of liberalisation, which has encouraged more competition. This

means that sufficient infrastructure has to grow alongside as the industry grows," Albrecht said.

China
In the region, China is seen as the largest emerging market with an annual growth rate of 14 percent for 2001-2005. In 2005 alone, China's aviation industry grew by 35 percent.

Zhang Hexiang, head of the Institute of Economy of Management Research of the Aviation Industry Development Research Centre of China, said the construction of airports is also growing at a fast rate with 142 airports constructed in 2005; he said there will be 200 airports in China that would have been constructed by 2010 and 250 by 2020.

India

India, like China, is also facing similar challenges in growing consumer demand for better infrastructure and more aircrafts in the future.

Pradeep Panicker, head of strategic planning, noted that many of India's airports do not meet international standards. Among the challenges he cited are lack of investment and ageing infrastructure.

"We still have a long way to go," he said, adding that plans are underway for a high speed rail link from the city centre to the airport by 2010.

Growing Demand

Airbus Group, meanwhile, sees a growing demand for 23,000 new

aircraft deliveries in 20 years worldwide with a market value of \$2.6 trillion.

Joost van der Heijden, senior airline marketing director of Airbus Group, said the Asia will lead world traffic by 2025.

"Looking specifically at the Asia-Pacific region, we expect traffic growth to remain strong, averaging around 6 per cent per year for the next 20 years," van der Heijden said.

For Boeing's part, Randy Tinseth, the company's vice president for marketing, said airline companies in the Asia-Pacific region will need 8,350 new airplanes valued at \$1 trillion in a 20-year period from 2007-2026.