

Star BUSINESS

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Oil hits 11 months peak above \$76
AFP, London

The price of New York crude struck a fresh 11-month high point on Friday, above 76 dollars a barrel, owing to tight US supplies, while London's Brent oil traded close to its historic high.

New York's main oil futures contract, light sweet crude for delivery in August, surged to 76.13 dollars per barrel -- the highest since early August 2006. Later Friday it stood at 75.79 dollars, down 13 cents from Thursday.

In London, Brent North Sea crude for September delivery eased four cents to 77.63 dollars per barrel after a peak of 77.98.

The August contract had struck 78.40 dollars on Monday, close to Brent's all-time high of 78.64.

"In our view, the oil market is highly overheated at present, irrespective of some news that has favoured prices," Commerzbank analysts said.

"The actual shortage is being overestimated by market players," they added in a research note.

Oil prices strengthened this week after official data that revealed an unexpected dive in stockpiles of US gasoline.

US motor fuel inventories fell by 2.3 million barrels in the week ended July 13, to 203.3 million barrels, leaving them 4.5 percent below their year-earlier levels, the US Department of Energy (DoE) said Wednesday.

Last week's drop in gasoline inventories compared with analyst forecasts for a rise of 700,000 barrels.

It came as gasoline consumption last week neared 9.71 million barrels per day, its second-highest level on record.

Baratakia Enterprise to market Thai light vehicles

BSS, Dhaka

Monika Motors Ltd of Thailand and Baratakia Enterprise of Bangladesh have signed a memorandum of understanding (MoU) under which Baratakia will act as the sole distributor, importer and assembler of Monika Motors' products in Bangladesh.

Chumras Virojanapa, president and CEO of Monika Motors, and Md Monirul Islam Yousuf, chairman of Baratakia Group, signed the MoU in Bangkok, while Jubidur Kabir, CEO of Baratakia Enterprise, and Thanat Edlokomol, export manager of Monika Motors, were present, said a press release here yesterday.

The light vehicles of Monika Motors generated with CNG (compressed natural gas) and LPG (liquefied petroleum gas) facilities have been appreciated in the developing countries, the release said, adding that Baratakia hopes the vehicles will get good response in Bangladesh.

ENSURING MINIMUM WAGE

Govt moves to take action against errant garment factories

STAR BUSINESS REPORT

The government has moved to take action against garment factories, which failed to ensure minimum wage for workers within the June 30 deadline.

Teams from the Office of the Chief Inspector of Factories are visiting many readymade garment units to seek information about the wage board implementation status.

"The Office of the Chief Inspector of Factories is struggling to make a list of errant factories in a short time due to manpower dearth," a high official said.

Labour and employment ministry recently however asked Bangladesh Garment Manufacturers and Exporters Association (BGMEA) to provide the ministry with a list of factories, which have not implemented the minimum wage.

The ministry is also asking the BGMEA to help implement the

minimum wage and ensure other facilities such as payment of over-time bill, allowing maternity leave, and issuing appointment letters as per the 10-point tripartite agreement signed between the government, owners and workers.

Labour Adviser Anwarul Iqbal on Wednesday told journalists his ministry will convene a meeting of garment owners to know their position in this regard.

At the meeting on 'national tripartite meeting on social compliance in the RMG sector,' organised by the International Labour Organisation in Dhaka recently the adviser said various monitoring teams found more than 50 percent of the garment factories are not socially compliant.

The caretaker government on May 13 warned the garment factory owners of dire consequences such as filing cases and shutting down factories after the June 30 deadline.

The 10-point tripartite agreement was signed on June 4, 2006 following a violent labour unrest in the garment sector in May last year.

A tripartite wage commission was formed to recommend a new minimum pay scale for the apparel workers following the agreement. The minimum wage for the workers remained unchanged at Tk 930 a month for 12 years.

The wage commission on October 5 recommended a new pay structure for garment workers, raising the minimum wage to Tk 1,662.50.

The government approved the proposed pay structure through a gazette notification on October 22.

Intelligence reports in May this year told the government the garment factories could face new wave of labour unrest because of the non-compliance with the tripartite agreement.

WB president backs WTO proposals

AFP, Washington

World Bank president Robert Zoellick backed Friday fresh proposals to drive the deadlocked round of World Trade Organization negotiations to a conclusion this year.

"A major final push will be needed to close the gaps but, with the right spirit, there is now a deal on the table to be seized," said Zoellick, a former chief US trade negotiator.

Negotiators at the WTO issued Tuesday proposals on agricultural and industrial trade to revive the Doha Development Round, dedicated to reducing global trade barriers and encouraging development.

Under the proposals, the US would cut farm subsidies to below 16.2 billion dollars a year, compared with a current ceiling of 19 billion dollars, and 27 developing nations would reduce industrial import tariffs to less than 23 percent.

The proposals came one month after the failure of a meeting between representatives of the United States, the European Union, Brazil and India to unblock the Doha Round, which was launched in the Qatari capital in 2001.

Representatives of the WTO's 150 members are due to meet in negotiating groups next week in Geneva, Switzerland, to give their initial reactions to the proposals.

Citigroup Q2 profits jump 18pc

AP, New York

Citigroup Inc., the biggest U.S. bank, said Friday its second-quarter profit rose 18 percent after pulling in record revenues, boosted by strength in overseas operations.

The New York-based bank said net income rose to \$6.23 billion, or \$1.24 per share, in the April to June period, from \$5.27 billion, or \$1.05 a share, in the same period a year earlier.

Revenue in the quarter grew 20 percent to a record \$26.63 billion from \$22.18 billion a year earlier. International revenue soared 34 percent.

The results beat the average forecast of analysts surveyed by Thomson Financial of earnings of \$1.13 a share and revenue of \$24.89 billion.

"We have very clear priorities to drive growth and we are executing on all of them," said Chairman and Chief Executive Charles Prince in a statement accompanying the report. "We generated record revenues, up 20 percent, and record earnings from continuing operations, up 18 percent, both driven by our record international results."

Operating expenses rose 16 percent due to higher business volumes and acquisitions the company said it opened or bought 160 new retail bank or consumer branches in the second quarter, 136 of which were abroad.

Credit costs rose \$934 million, as net credit losses increased \$259 million and after Citigroup padded its loan loss reserves by \$465 million. In the second quarter of 2006, Citigroup had released \$210 million from its reserves.

Two local cement firms get Indian nod to export

OUR CORRESPONDENT, New Delhi

India has allowed two Bangladeshi companies to sell cement in its market.

Cementmakers Aramit Cement Ltd and M I Cement Factory Ltd got the go-ahead of the Bureau of Indian Standards (BIS) after Delhi had liberalised the cement import policy in May this year.

India's domestic manufacturers earlier this month had hiked prices by Rs 3-5 per bag.

"With these two approvals, the total number of approved foreign manufacturers in cement goes up to 13," a senior government official said.

BIS, the designated agency, has opened a special cell to clear proposals from abroad following government's liberalisation of the import policy.

The Directorate General of

Foreign Trade in May this year suspended restrictions on cement import until March 2008.

Earlier, the import was allowed only for captive consumption and on continuous basis.

"The government's decision to allow import of cement from other countries is mainly aimed at facilitating availability of cement at reasonable rates for the consumers without compromising on quality," the official said.

Foreign manufacturers receive the clearance within two months of their complete application received by BIS if all conditions are met by them. BIS issues permission after inspecting manufacturing facilities and testing the samples.

Currently, there are six complete applications with BIS -- three each from Pakistan and Bangladesh -- for which the process is going on, the sources said.

New WTO formula good basis for deal: India

AFP, New Delhi

India believes a new formula proposed for a deal on agriculture and industry tariffs is a good basis for negotiations to resume in the stalled Doha round of global trade talks, a report said Friday.

Earlier this week, chief negotiators on agricultural and industrial trade at the World Trade Organisation released detailed technical proposals aimed at reviving the nearly six year-old effort to reduce global trade barriers.

The new draft text on Non-Agriculture Market Access and agriculture "is a good basis for starting intensive negotiations," Commerce and Industry Minister Kamal Nath was quoted as saying by the Press Trust of India.

Nath, who was speaking on the sidelines of a conference in New Delhi, said he talked with WTO Director General Pascal Lamy on Friday and told him "this is not a text of convergence. It is a text that will lead to further negotiations."

India has said it hopes the mandate of the Doha Round to speed up development of poorer countries is addressed when negotiations start in September.

The Doha round of talks, revived in February after a six-month hiatus, suffered another jolt last month when the key negotiators -- the United States, European union, India and Brazil -- failed to agree on the extent of tariff and export subsidy cuts.

Rwanda makes landmark use of WTO rule on drug import

AFP, Geneva

Rwanda has become the first country to resort to a four year-old rule that allows governments to waive patent protection and import more affordable generic copies of medicines to deal with major diseases, the WTO said Friday.

Rwanda informed the World Trade Organisation on July 17 that it intended to import 260,000 packs of Triavir, a treatment for HIV/AIDS made in Canada that combines three anti retroviral drugs, the WTO said in a statement.

It is the first nation to fully implement an agreement adopted by the WTO's members in August 2003, which was initially hotly contested by wealthy nations with major pharmaceutical industries.

The agreement supplemented an earlier 2001 deal -- which allowed individual patents to be suspended by poor countries facing health emergencies -- by granting generic producer nations the right to sell copies of patented drugs to countries that are unable to produce them.

Siemens brings Maximus brand handset

Siemens has launched a new brand of cell phone set in Bangladesh market recently.

Multi-featured Maximus phones will be available at affordable prices with various features like data cable, microSD card and extra battery with desktop charger, according to a press release.

Among other Maximus handsets, the V90 model includes features such as MP3/MP4 player, 2.4" large touch screen, 1.3 mega pixel camera and bluetooth.

Apart from V90, the S70 and EX60 are also available in the market with similar type of features. The price of V90 is Tk 7,790; EX60 Tk 5500 and S70 Tk 6,690.

Siemens is offering one year warranty and after sales service for these sets.



PHOTO: NCC BANK

Chairman of NCC Bank Ltd Tofazzal Hossain inaugurates the third branch of NCC Bank Brokerage House at Dhanmondi in Dhaka on Thursday. President of Dhaka Stock Exchange Md Abdullah Bokhari, Chief Executive Officer Salahuddin Ahmed Khan and Managing Director of the bank Md Nurul Amin, among others, were present at the inauguration.

China to set up trade centre

Chinese team due today in Dhaka

UNB, Dhaka

China is going to finance the setting up of a trade centre in Bangladesh under an agreement to be signed during the visit of a Chinese official delegation coming here today.

The delegation, led by Assistant Minister for Commerce Wang Chao, is coming with trade and investment high on their agenda. A high-power business delegation will accompany him.

Officials here said the Chinese delegation will explore ways of reducing the yawning trade gap between Dhaka and Beijing, particularly by phasing more products from here into their market.

A memorandum of understanding (MoU) will be signed to set up the planned trade centre with Chinese government assistance.

The two-way trade stood at US\$ 3.2 billion in 2006, with the balance heavily tilted towards China. Last

year China's export to Bangladesh was worth over \$3 billion against Bangladesh's insignificant export amounting only to about US\$ 98 million.

China earlier offered zero-tariff treatment to 84 categories of Bangladeshi products under the Bangkok agreement on trade.

On the huge trade imbalance Chinese Ambassador Zheng Qingdian observed his government takes the issue of trade imbalance with Bangladesh seriously and has made substantial effort to solve the problem.

Qingdian mentioned his country has granted tariff-free access to 84 items and preferential tariff treatment to 156 other items of Bangladesh commodities within the framework of the Asia-Pacific Trade Agreement (Afta).

Japan lagging behind in overseas investment

ANN/ THE DAILY YOMIURI

The Economy, Trade and Industry Ministry is urging service sector industries, including the financial, transportation, retail and hotel categories, to expand their business overseas, saying Japan lags behind the United States and the European Union in these fields.

In the 2007 White Paper on International Economy and Trade, METI also calls on Japanese companies to invest more in information technology and promote "Japan brands" such as animation and motion pictures.

The report devotes much space to an analysis of the Indian economy, with which Japan has thin relations, and predicts it will emerge as a promising market.

The white paper compares foreign direct investment (FDI) in the service sector by the United States, the EU and Japan to illustrate how much Japan lags in this area.

According to the white paper, 74 per cent of US FDI was in the service sector in 2004, 76 per cent of EU FDI was in the service sector in

the same year and 35 per cent of Japanese FDI was in the same sector in 2006.

Of the total direct foreign investment, 80 per cent is accounted for by the combined figure of the finance and insurance industries and the wholesale and retail industries. Other service industries lag far behind.

Taking the hotel industry as an example, the white paper cites the InterContinental Hotels Group of Britain, which operates about 3,700 hotels, including Holiday-Inn and other hotel brands, in about 100 countries and territories.

Japan's Prince Hotels Inc, on the other hand, operates only in three foreign countries and territories, and the number of hotels, including those in Japan, comes to only 60, according to a METI survey.

For the service industry to expand overseas, the white paper points out the need to enhance efficiency and international competitiveness. In concrete terms, it says IT investment has been lopsidedly made in hardware with less emphasis in software.



PHOTO: UTTARA BANK

Uttara Bank Ltd and Seylan Bank Ltd of Sri Lanka recently entered into a remittance agreement under which Bangladeshi expatriates will be able to send their money home through the branches of the banks. Ajita Pasqual, chief executive officer of Seylan Bank, and Shaikh Abdul Aziz, deputy managing director of Uttara Bank, signed the deal, while Shamsuddin Ahmed, managing director of the local bank, and other senior officials from both the sides were present at the signing ceremony.