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BUSINESS

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## World Islamic Economic Forum chief due tomorrow

Tun Musa Hitam, chairman of the World Islamic Economic Forum Foundation (WIEF) and former deputy prime minister of Malaysia, will arrive in Dhaka tomorrow, says a press release.

Hitam will formally invite Chief Adviser Fakhruddin Ahmed to inaugurate the 1st WIEF regional forum in Dhaka scheduled for November 5-6, 2007.

The two-day forum's objective is to bolster trade and strategic cooperation between Malaysia, Indonesia, Maldives, Brunei and Bangladesh through forging a regional free trade agreement and multilateral public-private partnerships.

Theme of the forum is 'Regional Cooperation between OIC countries in South & South-East Asia'.

The forum will address eight priority areas shared by the five nations' development agendas, including partnerships in human resource excellence; women's leadership; youth entrepreneurship; regional relocation & backward-linkage industries; regional infrastructure; port twinning; government investment management firms; and regional travel for trade & tourism.

Bringing together high-level political and business leaders from the five nations, the forum will jointly facilitate an innovative framework and implementation plan for regional cooperation.

During the one day visit, Hitam will also meet industries adviser and foreign adviser.

## USER REGISTRATION Warid launches awareness campaign

Warid Telecom has launched a country-wide awareness campaign to implement Bangladesh Telecommunication Regulatory Commission's (BTRC) directives on subscriber registration, says a press release.

BTRC has made it mandatory for mobile companies to collect two passport-size photographs, identity certificate and other necessary documents from the subscribers while selling new connections.

Warid Telecom has started the campaign to create awareness about the BTRC rules on registration among the subscribers. The company has divided the country into six regions to make the country-wide campaign a success.

Warid Telecom has directed its sales centres and franchise outlets across the country to collect two recent passport-size photographs, completely filled-up registration forms, passport or driving licences or other ID for confirming identity of the subscribers while selling new connections.

As part of its countrywide monitoring of the campaign, high officials of Warid Telecom on Monday made an inspection visit to a sales centre in Mirpur to ensure implementation of the BTRC rules on subscriber registration.

# Govt won't raise lending rate for productive sector

UNB, Dhaka

A high-powered meeting has decided to keep aside the productive sector from possible shock of the current monetary policy on the interest rates on bank loans.

"The lending rate for productive sector will not increase," a senior official who attended the meeting told the news agency.

Finance Adviser Dr Mirza Azizul Islam chaired the meeting of the Coordination Council on Monetary and Exchange Rate Policies at the Ministry of Finance on Monday.

Bangladesh Bank Governor Dr Salehuddin Ahmed, Finance Secretary Dr Mohammed Tareq, NBR chairman Badiur Rahman and senior officials concerned were present.

Earlier, on July 14, Bangladesh Bank announced a "cautious

monetary policy stance" for the first half of the current fiscal year.

According to the policy stance, the policy rates - repo, reverse repo and treasury bonds - as well as commercial banks' mandatory reserve requirements (SLR and CRR) with the central bank would be increased.

Trade bodies and analysts apprehended that the "tight monetary policy stance" would push up the interest rates, affecting private sector lending.

The decision at the day's meeting followed Bangladesh Bank Governor Dr Salehuddin Ahmed's assurance on Saturday that the interest on bank loans, particularly long-term ones, would not increase as a consequence of the monetary policy.

The central bank's monetary policy stance was taken in the

backdrop of rising money supply and reserve money despite cautious monetary policy over the last 18 months.

Money supply increased 19 percent in the last fiscal year, far more than the central bank's expectation of about 15 percent. The reserve money also increased significantly, with around Tk 10,000 crore as surplus liquidity in the banking system.

Meeting sources said the high-powered meeting, however, stressed the need for holding back the growth in money supply as well as reducing the extent of excess liquidity from the money market to curb inflation.

The strategy is unlikely to affect the private sector growth, said an official.

## Cell to promote medicine export launched

The Pharma World, a monthly pharmaceutical journal, has recently launched a special cell styled 'Pharmaceutical Export Promotion (PEP)' to promote exports of pharmaceutical products across the globe, says a press release.

PEP provides assistance for the potential exporters of pharmaceutical products by disseminating information with regard to export rules abroad, identifying foreign buyers, and registration of products in the importing countries.

It also helps the country's drug manufacturing companies participate in the international pharmaceutical fairs.

## Telenor Q2 net profit rises 42pc

AP, Oslo, Norway

Norwegian telecommunications operator Telenor ASA on Tuesday reported a 42 percent rise in second-quarter net profit, mainly thanks to higher sales.

Telenor said its net profit for the three months ended June 30, rose to 3.25 billion kroner (euro411 million; US\$568 million), compared with 2.28 billion kroner in the year-ago period. The company said lower tax rates and higher income from associated companies also helped boost the result.

The 2007 figure did not include results from its unit in Ukraine, Kyivstar, because of an ongoing legal dispute. Telenor has been in ongoing dispute with Russia's Alfa Group, the key owners of Russia's OAO Vimpel Communications, over business strategy in Ukraine and Vimpelcom's offer to buy Kyivstar, where Telenor already holds a main stake.

The group said that despite the legal situation concerning Kyivstar, preventing Telenor from receiving financial information about the unit due to legal action brought by Alfa companies, the unit has strengthened its market position in the quarter and is "estimated to further have improved its financial performance."

Sales in the three-month period rose to 23.16 billion kroner (euro2.93 billion; US\$4.05 billion), from 22 billion kroner a year earlier.

## US still interested in Thai FTA

AFP, Bangkok

The United States is still interested in a free trade deal with Thailand, the US embassy here said Tuesday, adding that a top trade official had been misquoted as saying the deal was off.

US Trade Representative Susan Schwab was misquoted in an interview with the Straits Times newspaper on Monday as saying that "we have given up having an FTA with Thailand," the embassy said in a statement.

"The Straits Times story inadvertently dropped the word 'not' in the above quote, completely reversing the meaning of Ambassador Schwab's words," the embassy said.

The paper has agreed to run a correction on its website, the statement said.

Schwab actually said: "In the case of Thailand, that FTA stalled out shortly before the coup, and then obviously with the coup it became impossible to proceed. We have not given up having a free-trade agreement with Thailand."

# DSE seeks offloading of more company shares for stability

SARWAR A CHOWDHURY

Dhaka Stock Exchange (DSE) wants more shares of different companies to be offloaded so as to meet the huge demand for those in the capital market, which has been witnessing a bullish trend in recent times.

Although there is an enormous liquidity in the capital market, investors, including the institutional and foreign ones, are centring on a limited shares due to absence of adequate shares with good fundamentals, according to the market operators.

They said the huge demand also pushes share prices and transactions up in terms of value and number that might result in a volatile situation in the market.

"The government can offload its stake in the state-run companies in the stock market, while the listed private companies aiming at expansion can also raise money from the stock market through issuing rights shares," said DSE Chief Executive Officer (CEO) Salahuddin Ahmed Khan talking to The Daily Star yesterday.

He said offloading of new shares or issuing of rights shares will help the market to remain stable. "Then the market regulator will not need to intervene," he observed.

The DSE CEO said investors, including the institutional ones who are the major market players, should maintain prudential norms, not to be driven by emotions or higher expectations.

Sources said the government has already initiated a move to offload shares of some state-run organisations that include Bangladesh Shilpa Rin Sangstha (BSRS), Bangladesh Shilpa Bank, Basic Bank and Bakhrabad Gas Field.

Following the recent abnormal hike in share prices, the Securities and Exchange Commission (SEC) on Sunday directed the Dhaka and Chittagong bourses to place the shares of five companies under spot trade until further order.

The shares of the companies, which are now being traded on the spot market without any money adjustment facility, are Power Grid Company of Bangladesh (PGCB), Dhaka Electric Supply Company (Desco), Brac Bank, AB Bank and Summit Power.

Considering the fluctuation share prices of the five companies very risky for retail investors, the SEC intervened to protect the investors' interests.

The market regulator also withdrew financial adjustment facility from trading of B, N and G categories' securities with effect from July

29 in order to contain the abnormal hike in share prices.

Under the financial adjustment or money netting facility, anyone is allowed to purchase shares of any category of one's choice immediately after completing a sale of any share.

On Sunday, the total turnover on the DSE also reached an all-time high at Tk 275.17 crore surpassing the previous high of Tk 239.54 crore on July 17.

Following the SEC directives, the market witnessed a sharp fall in share prices on Monday with the benchmark index, DSE General Index, dropped by 42.27 points, or 1.76 percent. The turnover also came down to Tk 178.5 crore.

Earlier, the SEC placed Brac Bank, PGCB, Desco, Summit Power and Eastern Cables under the spot market without money adjustment facility from February 12 to 14 to ease the volatility in the share prices of the companies.

Meanwhile, the DSE indices increased yesterday. The DSE General Index rose by 23.03 points, or 0.97 percent, to close at 2378.83 points, while the DSE All Share Price Index up by 18.11 points, or 0.94 percent, to end at 1931.54 points.

The turnover also increased to Tk 187.01 crore. Of the issues traded, 106 advanced and 74 declined with 24 unchanged.

# WTO farm trade proposals evoke mixed US reaction

AFP, Geneva

A senior US negotiator said on Tuesday that the United States had mixed feelings about new proposals to drive ahead stuttering World Trade Organisation talks on reducing barriers to agricultural trade.

The proposals made a week ago by the chief negotiator guiding the WTO's farm talks marked an improvement, but there were still significant shortcomings, especially on reducing import duties, said US agriculture negotiator Joseph Glauber.

"A lot of work has been done in the export competition and domestic support, in contrast with market access... a significant portion on market access is just lacking," Glauber told journalists.

He was speaking on the sidelines of the first meeting of the WTO's 150 members to discuss the proposals drafted by the head of the WTO's agriculture group, New Zealand ambassador Crawford Falconer.

Washington is trying to balance any concessions it makes in reducing the amount of support paid out to US farmers with cheaper access to agricultural export markets.

The proposed modalities on agriculture effectively suggested that Washington should rein in overall trade-distorting support for US farmers to between 12.8 billion and 16.2 billion dollars a year.

Some types of domestic subsidies do not affect international trade, according to the WTO.

Glauber said that Washington was ready to make an effort on domestic support, but he said a figure in the low teens was "out of the question".

The draft modalities on two of the

three pillars in the talks, agricultural and industrial trade, released on July 14 are aimed at reviving the stuttering six year-old effort to reduce global trade barriers.

The WTO's 150 members are due to give their first reactions to the other proposals, Non Agricultural Market Access or industrial goods, in another meeting in Geneva on Wednesday.

## Beijing puts new curb on trade processing

PTI, Beijing

China has announced a new policy that seeks to curb the development of process trade in labour-intensive industries, in a bid to reduce its soaring trade surplus and growing trade friction with major trading partners.

The new policy, to take effect on August 23, covers 1,853 products in plastics, furniture and textiles and other labour-intensive industries.

Under the new policy, enterprises engaged in the production of the affected products are required to have guarantee deposits in the Bank of China, the designated bank of China Customs, while registering their process trade contracts with the authorities, a statement from the Ministry of Commerce (MOC) and China Customs said.

If these enterprises fail to implement such contracts, they would lose their deposits and interest to the customs house, it said.

## Myanmar moves to prevent tax evasion

XINHUA, Yangon

Myanmar has introduced a new measure to prevent private companies' tax evasion by denying the biennial renewal of their business licenses on failure to fully settle their outstanding tax payment annually, the local Journal Newsweek reported Tuesday.

The measure was so taken as the government gained only 56 million US dollars from tax revenue in the fiscal year 2006-07 which ended in March against the projected 300 million dollars, the report said, blaming that 60 percent of the country's business companies evaded paying tax.

The authorities have stressed the need for collecting tax to be spent on building infrastructures such as road and bridge and other development tasks, urging the companies to fulfill the need of the state.

## China's mobile phone users exceed 500m

CEIS, Beijing

The Ministry of Information Industry (MII) announced Monday that the number of China's mobile phone users had reached 501.64 million by the end of June, which means every 100 Chinese people had 38.3 handsets.

Official figures showed that the nation's mobile users increased by 40.56 million from the end of last year, 6.76 million a month on average.

The total number of short text messages sent by cell phones amounted to 279 billion, up 37.5 percent year on year.