

Star BUSINESS

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Indo-HK RMG plant in Dhaka EPZ soon

UNB, Dhaka

Hong Kong and India will establish a garments industry in Dhaka Export Processing Zone with an investment of US\$3.626 million.

This 100 percent foreign owned company named M/s. Epic Garments Manufacturing Company Limited, Unit-2, will manufacture annually 360 thousand dozens of woven shirts, pants, jackets, shorts, blouse, skirts and pajama.

The industry will create employment opportunity for 1703 Bangladeshian and 7 foreign nationals.

An agreement to this effect was signed between the Bangladesh Export Processing Zones Authority (Bepza) and the M/s. Epic Garments Manufacturing Company Limited in Dhaka recently.

Member (Investment Promotion) of Bepza Prasanta Bhushan Barua and Chief Financial Officer of Epic Garments Company Govind Bhagat signed the lease agreement on behalf of their respective organisations, said a press release.

US hails SE Asia's free markets

AFP, Manila

The United States on Wednesday lauded Southeast Asia for progress on democracy and free markets, stressing its commitment to the region despite Condoleezza Rice's absence at a key security summit.

"It's been an excellent basis, an excellent platform for working together," said Negroponte, the number two US diplomat after Rice, after talks with ministers from the Association of Southeast Asian Nations (Asean).

"It's been an opportunity to emphasise the great importance that the United States attaches to our relationships within Asean," he said.

It is the second time in three years that Rice has skipped Asia's main security meeting, the Asean Regional Forum, but officials said they understood she was in the Middle East and welcomed the US role around the world.

"These are challenging times that we live in, and US leadership is critical," Singapore Foreign Minister George Yeo said in a speech on behalf of Asean to welcome Negroponte.

"US investment and markets have helped lay the foundations for the rapid growth for the region's economies," he said. "However, the US stays engaged, this can be a new golden age for Asia and the world."

Asean is looking to create a single market by 2015, five years earlier than the original target date -- which Negroponte said was a signal for expanded cooperation with the United States in future.

"We think this will represent great, great opportunities in our relationships with the Asean countries," he said. "We have had a very good day of business."

Thursday's annual ARF security summit features dozens of side meetings. Negroponte and the top US negotiator on North Korea, Christopher Hill, met Chinese Foreign Minister Yang Jiechi and other regional officials.

Vietnam bans strikes in key economic sectors

AFP, Hanoi

Vietnam has banned strikes in key public services and in sectors that are "of extreme importance to the national economy," the communist government said on its website Wednesday.

Industrial action will be prohibited in power stations, the oil and gas sectors, airports and train stations, the postal service, newspaper delivery, and water supply, irrigation and drainage services, it said.

The list of companies and state agencies, released in a decree by Prime Minister Nguyen Tan Dung, is subject to revision "depending on the socio-economic circumstances," said the official government website.

Government ministers and local authorities would meet every six months with employers and trade unions in the sectors banned from strike action "to hear and handle legitimate requests from the workers," the website said.

Inflation of foods in urban areas reaches 10.71pc in June

MD HASAN

The point-to-point inflation rate of food items for the urban areas crossed double digit to reach 10.71 percent in June, threatening more sufferings for the fixed income group.

Overall inflation rate on a point-to-point basis in June of the last fiscal stood at a 10-year high of 9.20 percent, according to Bangladesh Bureau of Statistics (BBS).

People of the urban areas have to pay extra money to buy food items compared to the rural areas.

The government data shows that overall inflation rate on point-to-point basis in rural areas reached 9.14 percent in June, which was 8.04 percent in May.

Point-to-point inflation of food items reached 9.45 percent in June in the areas, which was 7.98 percent in May. Such inflation of non-food items reached 8.55 percent in the rural areas in June, which was 8.15 percent in May.

According to BBS data, in the urban areas, overall inflation rate on point-to-point basis reached 9.35 percent in June, which was 8.08 percent in May. Inflation of food items on point-to-point basis reached 10.71 percent in

June in urban areas, which was 9.21 percent in May.

Inflation on point-to-point of non-food items reached 7.80 percent in urban areas, which was 6.78 percent in May.

The higher domestic and international food prices as well as raising the prices of petroleum products by 21-33 percent by the government in April to bring them closer to international prices resulted in the high inflation rate in urban areas.

Besides, lack of proper supply management also contributed to the rise in the rural areas.

As a whole, as the government initiatives fail to control the price spiral, the people in the urban areas, especially fixed income group, suffer much more than any other time before.

In addition, the floods have seriously affected production of crops including paddy, jute, sugarcane and vegetables in around 275 upazilas of 46 districts, which may lead to further increase in the price of food items, especially vegetables.

Crops of 1.75 lakh hectares of land have gone under floodwater, said sources in the Department of

Agriculture Extension (DAE).

Crops, especially seasonal vegetables and Aus paddy of these areas, will be lost if floodwater stays for a long time, the DAE sources said.

They fear Aman plantation that is usually done by August will be delayed too.

It is becoming very difficult to survive in the city area like Dhaka because of increasing prices of every commodity, said Syed Iftekhhar Rahman, a private service holder, while talking to The Daily Star at Rampura bazaar.

He said, "The reality is that we have to live in Dhaka for livelihood--we are in great distress."

Meanwhile, Asian Development Bank (ADB) on Tuesday projected further inflation in case of government's failure to find out proper mechanism to contain food prices and rise in the prices of those items in the international market.

In view of higher international food prices and given the large share of food in inflation, the government measures taken so far to contain the price spiral are unlikely to dampen inflationary pressure, the ADB said.

DSE fines 7 firms for defying rules

STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) authority fined seven listed companies for their failure to submit half-yearly financial reports, sources said.

The companies have to pay Tk 500 for each day until they submit their reports.

During the timeframe that ended July 31, the listed companies were supposed to submit their reports.

The non-compliant firms include Arbee Textile, Bionic Sea Food, Janata Insurance, Purabi General Insurance, Rabeya Flour Mills, Saleh Carpet Mills and Wata Chemicals.

The DSE, however, relaxed the Oriental Bank from slapping fine, as the share trading of the bank is now suspended and the bank is being functioned under an administrator appointed by the central bank.

As per regulations, a total of 140 listed companies were required to submit their half yearly financial reports to the stock exchange within July 31.

A total of 132 companies, however, have submitted their audited report to the premier bourse, the DSE sources said.

Bogra LPG depot set to reopen soon

STAFF CORRESPONDENT, Ctg

The LPG depot of Bangladesh Petroleum Corporation (BPC) in Bogra is set to reopen in a few days to the dealers of sixteen northern districts.

The BPC set up the depot at Phuldighi in Bogra in 2002 to facilitate distribution of liquid petroleum gas (LPG) in the districts under Rajshahi division.

Earlier this year the BPC shut down the depot due to a dispute over its rented premises.

BPC officials expected that the depot would be reopened in a new place in a day or two.

Before 2002, all the 460 dealers of the division had to depend on the lone LPG depot at Baghabari for taking delivery of the petroleum gas.

KL to remove tariff barriers for trading with Dhaka

UNB, Dhaka

Malaysia is likely to remove tariff and non-tariff barriers for Bangladesh in phases and issue multiple visa for three years to genuine Bangladeshi businessmen.

Malaysian High Commissioner Abdul Malek Bin Abdul Aziz said this yesterday while addressing a preparatory meeting for sending Bangladeshi business delegations to Malaysia and holding a mini-exhibition there.

Export Promotion Bureau (EPB) and Bangladesh-Malaysia Chamber of Commerce and Industry (BMCCI) jointly organised the meeting at EPB

conference room.

Presided over by EPB Vice Chairman M Shahab Ullah, the meeting was also addressed by BMCCI President Abdul Matlub Ahmed.

The Malaysian envoy said Bangladesh can use its huge natural resources and manpower for the country's development.

He also indicated that 'Halal meat' has a huge demand in the world market and Bangladesh can grab that market to earn foreign exchange.

Referring to the close ties between Bangladesh and Malaysia, he said, "We should increase trade in terms of value and volume."

On the plea of business people to simplify visa processing, he said that his country would soon provide three-year multiple visa for Bangladeshi businessmen who are members of prominent trade bodies.

Last fiscal year Bangladesh exported products worth US\$ 18 million to Malaysia against imports from that country goods worth US\$ 376 million.

Pointing out the huge trade gap between Bangladesh and Malaysia, the BMCCI president urged the Malaysian high commissioner to provide duty-free access for Bangladeshi products into Malaysian market.

Tech glitch in CDS halts spot trading of 7 DSE firms

STAR BUSINESS REPORT

Spot trading of seven companies on the Dhaka bourse was halted for almost all the trading hours yesterday due to technical glitch in the Central Depository System (CDS) that forced the Central Depository Bangladesh Limited (CDBL) to fail to run the 'end of day' method needed for completing share transaction settlement.

Halted from the beginning of the trading hours at 10:00 am, the transactions on the spot market resumed at 1:45 pm, just 15 minutes before market closing.

The normal trading, however, continued without any disruption.

The companies that faced the halt are: Brac Bank, Dhaka Electricity Supply Company (Descos), Summit Power, Power Grid Company of Bangladesh, Progressive Life Insurance, Standard Bank and Prime Life Insurance.

The halt also led the Dhaka Stock Exchange (DSE) to witness a below Tk

100 crore turnover in two and half months.

The total turnover on the DSE yesterday came down to Tk 92.98 crore. The premier bourse last witnessed a Tk 82.96 crore turnover on May 13.

Expressing concern over the halt, the DSE authority said the CDBL, operator of the CDS, should immediately upgrade the electronic transaction system for smooth settlement.

The DSE officials said the capacity of CDS has been reduced as the number of shares and transactions in terms of value and volume have grown up gradually.

In 2004, the number of shares on the DSE was around 1 billion and this year the number stood at 2 billion, the DSE officials cited.

Talking to The Daily Star, CDBL Managing Director MH Samad said when the CDS was introduced, the market size was very little with a daily average turnover of Tk 20 to Tk 30 crore.

But, he said, now the daily average

turnover crossed Tk 100 crore and the transaction volume also marked a rise.

Besides, the number of listed companies also grew up in the last two-three years and for these reasons the CDBL often faces technical glitches during the share transaction settlement, he said.

"Normally it takes one year for upgrading the CDS. However, we are working how fast the upgrading could be completed," he said.

Meanwhile, the DSE indices closed higher yesterday led by the share price hike of pharmaceuticals, bank, engineering and leather sectors.

The DSE General Index rose by 9.93 points, or 0.41 percent, to close at 2394.11 points, while the DSE All Share Price Index grew by 21.81 points, or 1.12 percent, to end at 1958.64 points.

Of the issues traded, 136 advanced and 47 declined with 10 unchanged. A total of 6,166,876 shares were traded on the bourse.



PHOTO: BEPZA

Prasanta Bhushan Barua, member (Investment Promotion) of Bangladesh Export Processing Zones Authority (Bepza), and Govind Bhagat, chief financial officer of Epic Garments Company, sign a lease agreement in the capital recently to set up an Indo-Hong Kong joint venture garment plant in Dhaka EPZ. Brig Gen Ashraf Abdullah Yussuf, Bepza executive chairman, among others, is seen.

Process to corporatise NCBs almost finalised

UNB, Dhaka

The authorities concerned have almost finalised the process to corporatise the nationalised commercial banks (NCBs) as they agreed on the modalities at a meeting in Dhaka yesterday.

Separate agreements in this regard would be signed between the government and the authorities of Sonali, Janata and Agrani banks sometime next week, a meeting source told the news agency.

Finance Secretary Mohammed Tareq chaired the meeting with the managing directors of the NCBs, while senior officials of the finance ministry and the NCBs were present.

As per the modalities, the NCBs would be handed over to the newly transformed banks as limited companies with the assets and liabilities as of June 30 this year.

Earlier, respective bank boards gave their consent to the modalities.

The government had taken the initiative to corporatise the state-run banks as part of NCBs' reform programme considering their

dilapidated state, mainly for huge bad loans.

In the process, state-run Rupali Bank is now waiting for being handed over to a foreign investor.

New head of Personal Financial Services of HSBC Bangladesh



Shanghai Banking Corporation (HSBC) Bangladesh Ltd with effect from August 1, 2007.

Shafquat, who worked with American Express Bank, ANZ, Grindlays Bank and Standard Chartered Bank prior to joining HSBC in 2001, has over 10 years experience in retail banking, says a press release.

India to examine NTBs that affect Pak exports

PALLAB BHATTACHARYA, New Delhi

India has set up a task force to examine the issues of non-tariff barriers (NTBs) that Pakistan feels are affecting exports of goods like cement to India.

As secretary-level talks with Pakistan entered the second and final round yesterday, Indian Commerce Secretary GK Pillai said Pakistan has been asked to come out with a list of 20 items that might be facing NTBs owing to infrastructure bottlenecks.

Faced with high domestic price, India wants to import cement from Pakistan but shipment is delayed due to quality certification followed by the Bureau of Indian Standards.

The demand for cement in India has risen sharply in view of a construction boom, and prices of the product also went up in the last one year.

Pakistan is keen to export its surplus cement to India and along with Bangladesh, China and Indonesia are among the countries from where cement is expected to be imported to bring down domestic prices.

Pillai said certification process for

cement would be put on a fast track and India does not adopt any country-specific conditionality and the obstacles may be due to infrastructure problems.

He said the two countries should include more products in the bilateral trade basket. For instance, Pakistan can export cement to India, while it would be commercially beneficial if Pakistan, the world's third largest consumer of tea, could buy tea from India, which is the world's largest producer of the commodity.

"If tea is traded across the border through land route, the transaction cost would come down creating economic advantages for both the countries", Pillai pointed out.

He also called upon Pakistan to operationalise South Asian Free Trade Area with India. Pakistan continues to pursue a system of positive list under which it gives access to some goods from India.

Bilateral trade between India and Pakistan is estimated to touch \$10 billion by the year 2010.

Global Ins okays 5pc cash dividend

Global Insurance Ltd has approved a 5 percent cash dividend for its shareholders.

The dividend was okayed at the seventh annual general meeting (AGM) of the company held recently in Dhaka, says a press release.

Chairman of the company Mahabub Morshed Talukder presided over the AGM, which was also attended by directors, managing director and other senior officials.



PHOTO: GLOBAL INSURANCE

The seventh annual general meeting (AGM) of Global Insurance Ltd was held recently in Dhaka. Chairman of the company Mahabub Morshed Talukder presided over the AGM, which was attended by directors, managing director and senior officials among others.