

# Star BUSINESS

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## Ins assoc gets new chairman

AKM Rafiqul Islam has recently been unanimously elected chairman of the Bangladesh Insurance Association for a two-year term (2007-08), says a press release. Islam is the founder managing director of Pragati Insurance Limited and a sponsor director of Pragati Life Insurance Limited. He is a director of FBCCI and former vice chairman of MCCI. He is also the past president of the Institute of Chartered Accountants of Bangladesh.

## India July trade deficit widens to \$5.01b

AFP, New Delhi

India's trade deficit widened to 5.01 billion in July from four billion dollars in the same month last year as imports jumped, official data showed on Monday.

Imports in July 2007 rose 20.4 percent to 17.5 billion dollars while exports gained 18.5 percent to 12.5 billion dollars, India's trade ministry said.

Higher global oil prices and imports to meet demand in the fast-growing economy spurred the trade gap, according to the data.

Non-oil imports jumped 25.9 percent to 12.5 billion dollars in July while oil imports rose 8.75 percent to 5.04 billion dollars, according to the data.

In the first four months of India's financial year -- April to July -- non-oil imports rose 44 percent to 52.5 billion dollars and oil imports rose 5.3 percent to 19.8 billion dollars, according to the data.

## HSBC to buy half of S Korean bank KEB for \$6.3b

AFP, Seoul

Global banking giant HSBC said Monday it had agreed to buy half of South Korea's sixth-biggest bank, but the deal could face regulatory problems because of legal cases involving the current owner.

HSBC has agreed to pay about 6.3 billion US dollars (4.6 billion euros) in cash for 51.02 percent of Korea Exchange Bank (KEB) from US private equity fund Lone Star.

HSBC chairman Stephen Green said the deal for South Korea's sixth-largest bank in terms of assets would "provide HSBC with a significant presence in Asia's third-largest economy."

But in Seoul on Tuesday, South Korea's financial watchdog, the Financial Supervisory Commission (FSC), said it would not approve the sale until legal cases were settled involving the purchase of the bank by Lone Star.

## Nestle takes over US baby food leader

AFP, Vevey, Switzerland

Swiss food giant Nestle said on Monday that it had completed its 5.5 billion dollar (4.1 billion euros) takeover of Gerber, the biggest baby food maker in the United States.

The move, which took effect on September 1, followed successful conclusion of regulatory approval, Nestle said in a statement.

"This is a major step in Nestle's transformation into the world's leading nutrition, health and wellness company: it gives the group the number one position in the largest single baby food market worldwide, the USA, and clearly establishes Nestle Nutrition as the global leader in this sector," it added.

Nestle announced the deal to buy Gerber from the Swiss pharmaceutical group Novartis in April, in a bid to secure Gerber's 79-percent market share in the United States, the world's largest baby food market.

# Spot market trading directive for five firms lifted

## DSE turnover crosses Tk 200cr

STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) yesterday withdrew the directive for trading of shares in the five companies under spot market.

The stock market regulator in a letter asked Dhaka and Chittagong stock exchanges to place the five companies under public market with effect from Wednesday, according to Dhaka Stock Exchange (DSE) website.

Against the backdrop of skyrocketing of share prices, the SEC on July 22 directed the bourses to place BRAC Bank Ltd, Power Grid Company of Bangladesh (PGCB), Dhaka Electric Supply Company (Desco) Ltd, Summit Power Ltd and AB Bank Ltd under the spot market, which offers no money adjustment facility.

In the spot market, the securities are sold in exchange for cash instantly. Usually, the spot market transactions of shares of a company take place on the last three days before the company's book closure or record date.

Meanwhile, turnover on the DSE yesterday crossed Tk 200 crore

after more than one month, thanks to continuous rallying, especially in banking sector shares.

The total turnover on the premier bourse reached Tk 214.79 crore. On July 30, the turnover hit Tk 207.54 crore.

The DSE recorded the highest turnover of Tk 275.17 crore on July 22. Market insiders said despite the arrest of former prime minister Khaleda Zia, the banking sector shares continued surging. They said it seems the market gets used to recent political developments in the country.

They attributed the surge to an amendment in the Banking Companies Act 1991, approved by the government last week, which allows the banks to raise paid-up capital up to Tk 2 billion from existing Tk 1 billion.

Joint forces arrested Khaleda and her younger son Arafat Rahman Koko yesterday morning. The Anti-Corruption Commission Sunday night filed its first graft case against Khaleda, her younger son Arafat and 11 others.

Along with turnover, the price indices also closed higher with the gainers dominating the losers. The

DSE General Index rose by 11.76 points, or 0.46 percent, to end at 2528.48 points, while the DSE All Share Price Index slightly increased by 2.72 points, or 0.12 percent, to finish at 2114.6 points.

Of the issues traded, 105 gained, 71 declined and 18 remained unchanged. A total of 8,221,054 shares changed hands on the prime bourse.

At the end of the day, National Bank topped the turnover leaders with 74,320 shares worth Tk 9.65 crore. The other turnover leaders were Prime Bank, Summit Power, Dhaka Electric Supply Company, Southeast Bank, Square Pharma, Pubali Bank, City Bank, Eastern Bank and Mutual Trust Bank.

Meanwhile, price indices on the Chittagong Stock Exchange (CSE) fell slightly. The CSE Selective Categories Index declined by 2.89 points, or 0.06 percent, closing at 4239 points, while the CSE All Share Price Index fell by 28.11 points, or 0.43 percent, ending at 6501.65 points.

A total of 1,028,436 shares worth Tk 25.89 crore were traded on the port city bourse. Of the issues traded, 52 advanced and 36 declined with nine unchanged.

## Asia-Pacific leaders bid to revive WTO talks

AFP, Sydney

Asia-Pacific leaders will this week press for the urgent revival of deadlocked world trade talks and urge crucial concessions from the major players, according to a draft statement seen Monday.

Hailing upcoming negotiations in Geneva as an "unparalleled" opportunity to make progress, the Asia-Pacific Economic Cooperation forum (APEC) will make a last-ditch appeal to sparring trade nations.

The appeal comes with key negotiators due to gather for intensive discussions this week in Geneva aimed at sealing an agreement that would save the Doha round of World Trade Organisation (WTO) talks on breaking down global trade barriers.

"We all realise that the stakes are high. Time is running out," said David Spencer, Australia's ambassador to APEC.

The 21-state Pacific rim group, which includes China, Japan and the United States, accounts for nearly 50 percent of world trade and 56 percent of global gross domestic product.

In the draft statement, obtained by AFP, the leaders "pledge to push hard for the progress necessary to ensure the Doha Round negotiations enter their final phase this year."

"There has never been a more urgent need to make progress," they will say.

"The negotiations offer unparalleled potential to lower barriers to trade and to create a freer, fairer and more secure global market in which we can all compete.

## Toyota sees Asian markets as key to 10m sales goal

ANN/ THE YOMIURI SHIMBUN

Toyota Motor Corp's sales plan that envisions the company becoming the world's first automaker to sell more than 10 million cars annually across the globe shows the carmaker's determination to establish itself as the world's largest.

Under the plan announced last week, Toyota plans to increase sales everywhere it operates. The company aims to increase sales in Asia by an ambitious 60 per cent in the coming three years.

However, Japan's domestic car market has been sluggish and there are fears the United States, the world's largest automobile market, will experience an economic slowdown. As such, reaching the target will not be a given.

To achieve its goal of selling 10.4 million cars in 2009, the key will be whether Toyota will be able to gain a good market share in China, which is expected to grow into a pillar of the wider Asian market.

At a press conference Friday in Tokyo, Toyota President Katsuaki Watanabe spoke of his determination to see Toyota becoming the biggest player in the industry, but said the company must keep its feet on the ground. "We'll make efforts to achieve this lofty goal, while cautioning ourselves not to become conceited or arrogant," he said.

## India mulls cellphone directory

ANN/ THE STATESMAN

The department of telecom is considering introduction of a mobile phone directory through public-private partnership mode, a move strongly opposed by private operators.

Mobile customers, particularly the pre-paid ones, who form 80 per cent of the total subscriber base, can change the number frequently, making it difficult to create a mobile directory in printed form, official sources said.

Hence, a call centre or website-routed mobile number access system has been looked at, they said. Under such a system, a person can call up a call centre or go to a website to find the number of a particular subscriber. DoT can outsource this process to an external agency in a public-private partnership. The department has placed a proposal to this effect to communications minister Mr A Raja, who has to take a call on it.

## INFRASTRUCTURE DEVELOPMENT

# ADB to prioritise Ctg port

## Hua Du says

STAFF CORRESPONDENT, Ctg

Asian Development Bank (ADB) is eager to continue its support in developing the infrastructure of Bangladesh and priority will be given in this regard to the Chittagong Port.

ADB's Country Director Hua Du said this here yesterday afternoon while exchanging views with the presidium of Chittagong Chamber of Commerce and Industry (CCCI).

Earlier in the morning, Hua Du visited Chittagong Port and Chittagong Customs House and held separate meetings with the port chairman and customs com-

missioners and other top officials of the two organisations.

"I believe that Bangladesh can be transformed quickly into a developed country from a developing one, if she can ensure right planning and its proper implementation," the ADB top official in Bangladesh told the chamber leaders.

She emphasised increasing surplus on agriculture sector and developing more agro-based industries in Bangladesh for poverty eradication, reduction of inflation and creation of more employment.

Terming Chittagong city the 'nucleus' of Bangladesh, CCCI President Saifuzzaman Chowdhury

sought ADB's cooperation in the development of power, telecommunication, water supply, roads and shipping sector in the port city.

CCCI Senior Vice President MA Latif and ADB's Head of Transport Stefan Ekelund were present among others at the meeting.

Earlier, during her meeting with Chittagong Port Authority (CPA) Chairman Commodore Mohammad Faruk and other top officials, Hua Du enquired about progress in the ADB-financed Chittagong Port Trade Facilitation Project, sources said.

# Skills key to more overseas jobs for Bangladeshis

## Says Malaysian envoy

STAR BUSINESS REPORT

The Malaysian High Commissioner in Dhaka yesterday called for developing a manpower training institution to train up overseas-bound Bangladeshis.

"Bangladesh can earn more remittances by exporting skilled and trained manpower to the international labour market," said Abdul Malek Bin Abdul Aziz at a seminar.

Dhaka Chamber of Commerce and Industry (DCCI) organised the seminar styled 'Economic Growth and Business Transformation in South East Asia-Bangladesh's Potentials to Match' at its auditorium in the capital city.

Aziz also pointed out that Bangladesh government is yet to do anything with regard to workers' capacity building despite Malaysian outline on how to enhance skills of the workers.

In the recent past, the two countries inked a deal on manpower exports from Bangladesh.

The keynote paper at the seminar, chaired by DCCI President Hossain Khaled, was presented by Lim Chor Ghee, a Malaysian human resource training expert and business consultant.

Charge de Affaires of the Vietnamese embassy in Dhaka Vo Tuan Ngoc also spoke on the occasion.

The Malaysian envoy in his chief guest's speech also stressed a public-private partnership for bringing Bangladesh's economic growth to the level of other South-east Asian countries.

He suggested that Bangladesh should follow economic strategies of other countries to achieve a remarkable economic growth.

"To speed up economic growth, Bangladesh should put its efforts to

reap benefits from the trade facilities with not only the Asean (Association of South East Asian Nations) members, but also from two economic giants in the region-China and India," Abdul Malek Bin Abdul Aziz said.

Responding to a query, Vo Tuan Ngoc said professional IT skills of Vietnamese were the secrets of huge investments in Vietnam by Intel, world's leading computer firm, and other renowned organisations.

DCCI President Hossain Khaled said Bangladesh's trade is unfavourable with the South-east Asian countries, which amounts to \$ 1,540 million.

"We need to build our capacity and address these issues," he added, underlining the need for taking lessons from the trade experiences of the Asean nations.



PHOTO: EXIM BANK

AKM Nurul Fazal Bulbul, chairman of the Board Audit Committee of Export Import Bank Ltd, inaugurates the bank's 33rd branch in Moulvibazar on Sunday. Managing Director Kazi Masihur Rahman and members of the Board of Directors are seen among others.

# Nepal's RMG export to US suffers heavily

XINHUA, Kathmandu

Export of Nepali readymade garments to the United States (US), which is the single largest market, suffered heavily for yet another month, as the month of August 2007 saw a decline of 27 percent in terms of value.

According to Monday's The Himalayan Times daily, it is the eighth consecutive month this year that export of Nepali textile and apparel products have lost ground.

Garment exports to the US has been suffering from the very beginning of the year, as it witnessed a whopping decline of 54 percent in January, 64 percent in February, 47 percent in March, 3 percent in April, 63 percent in May, 42 percent in June and 45 percent in July.

Export had suffered a loss of 30 percent in 2004 and rose by 41 percent in 2005. However, it slowed

down with a marginal drop of 6 percent in 2006. As the US alone absorbs more than 80 percent of the total Nepali garment exports, a single country concentration is blamed to be one of the major reasons for such a plummet.

Garment and apparel products valued at over 1.83 million US dollars were exported to the US in August 2007, whereas garment products worth over 2.49 million dollars were exported in corresponding month last year, reveals the figures provided by the Garment Association of Nepal.

The continuous fall in exports indicates that the Nepali readymade garment industry is on the verge of a "complete collapse," as global markets have already been opened to all competitors without quota restrictions.

An industry insider stressed on the need for enhancing competitive

strength in terms of price and quality of Nepali products to compete with the big suppliers from India and China and other fervent players like Bangladesh, Sri Lanka and Cambodia.

Besides building up competitive strength, diversification of both markets and products has remained a major challenge for Nepali garment manufacturers and exporters.

A gradual increment in export to the European Union and Canada has lit rays of hopes for garment manufacturers and exporters. These two big and potential markets have already provided duty free access to exports from least developed countries, including Nepal. However, Nepal's share of garment exports to these markets is still as low as 20 percent of total exports.



Abdul Fattah, chairman of Global Brand Pvt Ltd (GBPL), and Zabed Amin, acting head of Retail Banking of BRAC Bank Ltd, exchange documents after signing an MoU recently. Under the deal, customers will get loan facilities of the bank while buying IT products of GBPL.



PHOTO: EBL

Ali Reza Iftekhar, managing director of Eastern Bank Limited (EBL), inaugurates the bank's new ATM booth on DIT Road at Malibagh in the capital yesterday. EBL senior officials are also seen.

# Japan's capital investment falls

AFP, Tokyo

Capital investment by Japanese companies fell in the three months to June for the first time in 17 quarters, raising fears for the economy as a whole as the service industry faltered, data showed Monday.

The surprisingly weak figures led some analysts to speculate that Japan's Gross Domestic Product as a whole may contract and further reduced expectations that the Bank of Japan would soon raise super-low interest rates.

But some experts cautioned that one-off factors were behind the sharp slip. The Tokyo Stock Exchange's benchmark Nikkei-225 index closed down a modest 0.27 percent amid unease over the data, dealers said.

The finance ministry said that companies, excluding the financial sector, reduced capital spending by 4.9 percent in the three months to June compared with the year earlier.

The results of the survey are used to calculate revisions in the GDP for the second quarter. Japan releases its revised growth figures next Monday.

In the preliminary estimate released last month, the government said the world's second largest

economy grew by a mere 0.1 percent in the quarter to June, or 0.5 percent on an annual basis.

If the revision turns out a negative figure, it would be the first contraction in 20 quarters for Japan, which is experiencing its longest expansion since World War II as it recovers from recession in the 1990s.

"Given the unexpectedly weak quarterly result, the possibility now seems high that the real GDP figure will be revised down to reflect a contraction," said Junichi Makino, Daiwa Institute of Research senior economist.

But he added that more data needed to be seen, with some analysts saying a change in sample size likely altered the result of the survey.

The finance ministry surveyed 24,706 companies with capital funding of more than 10 million yen (86,300 dollars) and received replies from 77.5 percent of them.

"The decline in the non-manufacturing sector is just due to an exceptionally strong growth in the same period of last year," a finance ministry official said on customary condition of anonymity.

## Japan, Chile enter FTA deal

AFP, Tokyo

Japan and Chile on Monday entered a free trade agreement, Tokyo's first with a South American nation, meant to provide the Asian economic power with a steady supply of minerals.

Japanese Prime Minister Shinzo Abe ceremonially launched the deal with visiting Chilean President Michelle Bachelet. The two leaders also pledged cooperation in the fight against global warming.

Japan has been steadily seeking free-trade deals amid the collapse of global trade talks. Japan has reached framework deals with eight nations. Its agreement with Chile is the fourth to go into effect.

Japan quickly sealed the deal with Chile, which had already signed a free trade agreement with China in 2005.

According to the Chilean Central Bank's 2006 trade figures, exports to Japan -- chiefly copper -- reached six billion dollars, while imports stood at 1.06 billion.

Under the deal, Santiago will immediately lift its six percent tariff on Japanese cars and also remove duties on machinery, electronic equipment and products such as Japanese green tea and sake rice liquor.