

Bush proposes huge rise in foreign aid

AFP, Washington

President George W. Bush on Monday proposed a major increase in US foreign aid, asking Congress for a 25-per cent boost over last year in his fiscal 2004 budget request. However, much of the new money comes with strings attached as recipient countries will be required to promise certain key democratic and open-market reforms under the terms of the so-called "Millennium Challenge Account."

That account makes up 1.3 billion of a 2.5-billion-dollar increase in bilateral US foreign aid which is being hiked from 10 billion to 12.5 billion dollars in the new budget.

That jump is part of an overall 11.2 per cent increase -- from 25.6 billion to 28.5 billion dollars in Bush's proposed fiscal 2004 spending plan for the international affairs. One major change in this year's total budget is the allocation of 71.4 million dollars for the United States to rejoin the UN Educational, Scientific and Cultural Organization (UNESCO), a move announced by Bush last year.

That amount includes a 13-million-dollar payment to cover Washington's membership dues for the last quarter of 2003 and 52.9 million for the US share of UNESCO's 2004 budget, plus a 5.5-million-dollar one-time contribution

to the agency. The largest increase in direct US assistance is a 200-million-dollar balance-of-payments contribution for Turkey, which received nothing in this area over the past two years. Turkish support in a possible war with Iraq will be key and a boost in US assistance had been expected to calm Ankara's fears of a major economic crisis in the event of conflict on its southeastern border. The money for Turkey, which excludes military assistance, makes up 90 per cent of the US aid package for all of Europe and Eurasia. The other 20 million dollars will go for peace and reconciliation projects in Northern Ireland and Cyprus.

Rahimafrooz gets Certificate of Honour

Dunlop Japan Ltd has awarded Certificate of Honour to Rahimafrooz in recognition to its effort to increase market share of Dunlop Tyres in Bangladesh, says a press release.

Y. Tanaka, deputy general manager of Dunlop Japan Ltd, presented the certificate to Mudassir Moin, COO of Rahimafrooz Distribution Ltd, at Dunlop Overseas Sales Head Quarters in Tokyo recently. Rahimafrooz is the exclusive distributor of Dunlop Tyres in Bangladesh for more than 20 years. Rahimafrooz Distribution Ltd has the largest marketing network with 4 own outlets and 100 dealers across the country for Dunlop Tyres.

Malaysian banks eye new avenues

THE STAR/ANN

While banks may not be tempted to initiate another round of huge bank merger exercises just yet, there seems to be a trend in Malaysian bank industry to look at other avenues or means to position themselves as tomorrow's winners.

In fact, some local banking groups are beginning to seek new avenues, either through smaller and more specific mergers and acquisitions (M&As), or exploring overseas and niche markets.

This, according to some banking analysts, was necessary in order to stay competitive in the wake of slower domestic loans growth, falling margins and, in general, the need to look for additional income.

The latest move by Hong Leong Bank Bhd to acquire a majority stake in Hong Kong-listed International Bank of Asia Ltd (IBA), as well as several other moves by local banking groups, seems to confirm this trend.

Last week, Hong Leong Bank, the country's sixth largest commercial bank, said it was in preliminary talks to buy a stake in IBA and had applied for approval from Bank Negara for the proposed acquisition.

Affin-UOB Securities, in its research report, said an acquisition would be positive for Hong Leong Bank, as IBA had strong fundamentals and as the Hong Kong bank could represent an important foothold into greater China.

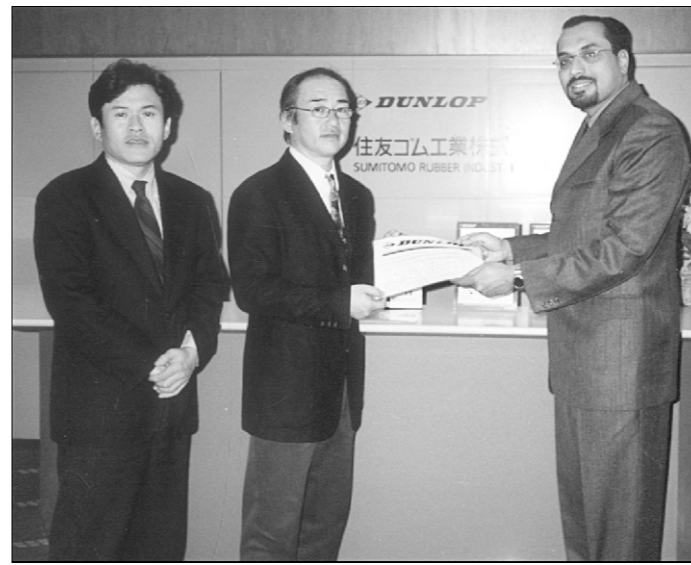


PHOTO: UNITREND

Y Tanaka, deputy general manager of Dunlop Japan Ltd, hands over the Certificate of Honour to Mudassir Moin, COO of Rahimafrooz Distribution Ltd, at the Dunlop Overseas Sales Headquaters in Tokyo recently. The certificate has been given in recognition to Rahimafrooz's effort to increase market share of Dunlop Tyres in Bangladesh.

CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank

Selling		Currency	Buying		
TT/OD	BC		TT Clean	OD Sight/Doc	OD Transfer
59.1000	59.1500	USD	58.2000	58.0291	57.9596
64.2122	64.2665	EUR	62.2656	62.1027	62.0284
97.7810	97.8637	GBP	94.8660	94.5874	94.4741
35.1881	35.2179	AUD	33.4592	33.3609	33.3210
0.4961	0.4965	JPY	0.4807	0.4793	0.4787
43.7357	43.7727	CHF	42.4663	42.3415	42.2908
6.9127	6.9185	SEK	6.7899	6.7700	6.7619
39.2066	39.2398	CAD	38.1289	38.0169	37.9714
7.5849	7.5913	HKD	7.4544	7.4325	7.4236
34.0085	34.0373	SGD	33.2040	33.1065	33.0669
16.2224	16.2362	AED	15.7183	15.6721	15.6533
15.8858	15.8993	SAR	15.3972	15.3520	15.3336

Exchange rates of some currencies against US dollar						
Indian Rupee	Pak Rupee	Lankan Rupee	Thai Baht	Norwegian Krone	NZ Dollar	Malaysian Ringgit
47.775	58.195	96.7	42.760	6.9360	0.5444	3.80

Local Interbank FX Trading: The local interbank foreign exchange market was active yesterday. US dollar was slightly weaker against the taka on Tuesday. At the close, taka ended almost unchanged against USD at 58.65/58.70 against the US dollar compared with 58.65/75 previously.

Local Money Market: Demand for call money was moderate on Tuesday. Call money rate rose slightly. At the close call money rate ranged between 5.25-5.50 per cent compared with 5.00-5.50 per cent previously.

International Market: The dollar fell toward recent three-year lows against the euro on Tuesday as war worries 1.0809/14, GBP at 1.6462/69 and yen at 120.09/04 against the dollar.

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SHIPPING

Chittagong port
Berth position and performance of vessels as on 04/02/2003

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disc
J/1	Rak Won	Rice/Sugar(p)	Vish	Uniship	26/1	13/2	X
J/2	Banglar Maya	Gi	Yang	Royal	14/1	4/2	202
J/5	Banglar Gourab	Wheat	--	Bsc	R/A	4/2	924
J/6	An Lu Jiang	Tsp(P)	Qinz	Unique	31/1	9/2	2647
J/7	Lyong Gun Bong	Sugar(P)	Tuti	Mutual	20/1	7/2	845
J/8	An Shun Jiang	Gi	S Hat	Bdship	31/1	7/2	1897
J/9	Heng Xin	Sugar	Kand	Psal	9/1	10/2	848
J/10	An Dong Jiang	Tsp	Qinz	Unique	29/1	7/2	2298
J/11	Orient Freedom	Cont	P.Kel	Pssl	30/1	5/2	201
J/12	Jaami	Cont	Col	Everbest	31/1	4/2	294/322
J/13	Banga Lanka	Cont	Mong	Baridhi	1/2	4/2	4x4
CCT/1	Xpress Manaslu	Cont	P.Kel	Rsl	31/1	4/2	314/358
CCT/2	Haneburg	Cont	Sing	Pil(BD)	1/2	6/2	333/124
CCT/3	Thor Simba	Gi	Sing	Everett	2/2	4/2	284/X
CCJ	Maritime Songkhla	Clink	Tanj	Bsl	29/1	4/2	
GSJ	Eisa Oldendorff	Wheat	Rwan	Ancient	28/1	4/2	
RM/3	Andhika Ariyandhi	Cpo	Myan	Usl	2/2	5/2	
RM/4	Paros	Cdso	Chen	Usl	1/2	4/2	
Doj	Banglar Shourabh	Repair	K.Dia	BSC	R/A	4/2	
DDJ	Banglar Kakoli	Repair	Sing	Asil	21/1	10/2	
SM/10	Dredger Gemini	Repair	Chand	Kama	--	7/2	
Kafco(u)	Ocean Rose	Urea	Sing	Mbl	2/2	6/2	
Kafco(a)	Gas Master	Ammonia	Hald	Mbl	31/4	5/2	

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Overseas Marilyn	4/2	Durb	Lams	Wheat	
Qc Honour	5/2	P.Kel	Qcsl	Cont	Sing
Windgrand	4/2	Sing	Everett	Gi	
Tug Britoil-3	6/2	Bata	Otbl	Unique	
Unique	6/2	Bata	Otbl	For Demolition	
Mchita	6/2	Indo	Otbl	for Demolition	
Amagi	10/2	Indo	Otbl	for Demolition	
Zimachi	10/2	Indo	Otbl	for Demolition	
Dredger HD-5	10/2	Sing	Otbl	for Demolition	
Tug Britoil-8	4/2	Sing	Otbl	Towing	
Sea Panther	5/2	Sing	Sakhi	For Sangu Pip	
Banga Bilol	5/2	Sing	Bdship	Cont	Sing
Banga Borat	5/2	P.Kel	Bdship	Cont	L/Ptg
Kola Berjaya	5/2	Sing	Pil(BD)	Cont	Sing
Banglar Shikha	6/2	Sing	Bsc	Cont	Sing
Ana	4/2	P.Kel	Pssl	Cont	Sing
Multi Trader	5/2	--	Psl	R.Phos	
Jon Jin	5/2	Tuti	Litmond	Sugar	

Vessels at outer anchorage Vessels ready:

Vessel	Agent	Total	30/1
Pinya	Gi	Yang	Seabome
Asimont	Cont	P.Kel	B aridhi
Banga Bonik	Cont	Kochin	Mstpl
Hellas Constellation	Hsd	Mina	Litmond
Alexis	Gi	Dunk	

Vessels awaiting employment/instruction:

Eltanin	-	-	Royal	R/A
Banglar Jyoti	-	-	Bsc	R/A
Banglar Doot	--	--	Bsc	R/A
Bosowa Delapan	--	--	Total	R/A

Movement of vessels for 05/02/2003

Outgoing	Incoming	Shifting			
J/11	O. Freedom	J/12	Ana	RM/8	B. Gourab
RM/3	A. Ariyandhi	CCT/1	Qc Honour		
RM/9	B. Maya	J/12	B. Borat		
K(A)	Gaz Master	J/1	Suisen		
J/1	Rak Won	RM/3	Mmm Houston		

The above are shipping position and performance of vessels at Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

US seeks major tax reforms to comply with WTO ruling

REUTERS, Washington

Faced with the threat of \$4 billion in European Union sanctions, the White House on Monday called for a major overhaul of the way the United States taxes US corporations on income they earn in foreign

markets. In its annual budget recommendations to Congress, the Bush administration steered clear of any suggestion it could negotiate a settlement with the EU in along-running trade dispute over US tax breaks for exporters. Instead, it said complying with a

series of negative World Trade Organisation rulings "requires substantive changes to our current international tax rules," including repealing the tax breaks at the heart of the case.

The United States has already revamped its international tax provisions once in response to the WTO. In 2000, it replaced the so-called Foreign Sales Corporation program with a new set of tax breaks known as the extraterritorial Income Exclusion Act.

In January 2002, the WTO ruled those new provisions were also an illegal export subsidy. Seven months later, the WTO also gave the EU permission to impose 100 per cent duties on slightly more than \$4 billion worth of US goods if the United States did not change its tax laws to comply with the ruling.

So far, Brussels has not followed through on its threat to impose sanctions and says it would prefer to see the United States take steps to comply. But key lawmakers have been unable to agree on a course of action, with some urging the administration to seek a negotiated solution with the EU.

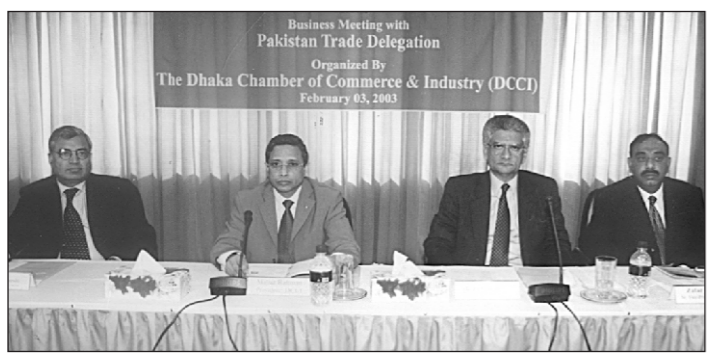


PHOTO: DCCI

Matiur Rahman (2nd-L), president of Dhaka Chamber of Commerce & Industry (DCCI), speaks at a meeting between DCCI and visiting members of high-powered delegation of Pakistan held in the city on Monday. Leader of the delegation and Vice Chairman of Export Promotion Bureau of Pakistan Ejaz Ahmed Qureshi (extreme-L), High Commissioner of Pakistan to Bangladesh Iqbal Ahmed Khan (2nd-R) and DCCI Senior Vice President Zafar Osman (extreme-R) are also seen.

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