

Bank holiday Feb 11, 12 13

UNB, Dhaka

Bangladesh Bank and all scheduled banks will remain closed on February 11, 12 and 13 (Tuesday, Wednesday and Thursday) on the occasion of Eid-ul-Azha, said a central bank press release yesterday.

HSBC, Prime Bank sign deal on credit card

The Hongkong and Shanghai Banking Corporation Ltd (HSBC) and Prime Bank Limited signed an agreement in Dhaka on Monday to issue co-branded credit card, says a press release.

David J H Griffiths, CEO of HSBC Bangladesh, and Shah Md Nurul Alam, managing director of Prime Bank Ltd, signed the agreement on behalf of their organisations.

Under this agreement the customers of HSBC will be able to avail themselves of Local Taka Credit Cards issued by Prime Bank Ltd after two months of the agreement signing.

Among others, Mamoon Mahmood Shah, manager-personal financial services, Muneer Hussain, manager-marketing and public relations, Sazia Hussain, product manager of HSBC Bangladesh, Additional Managing Director of Prime Bank Ltd M Shahjahan Bhuiyan, and Senior Vice-President Abdul Wali were present at the signing ceremony.

AB Bank course on computer concludes

A week-long foundation training course on computer fundamentals and networking for different branch officials of Arab Bangladesh Bank Limited concluded at BCIC Bhaban in the city recently.

The course covered many important features of computer operation and basic IT skills including networking establishing, says a press release.

A total of 16 participants including chief officers, sr officers, officers and junior officers from different branches attended the course.

Abu Hanif Khan, managing director, Ali Reza Iftakhar, sr executive vice president, Iqbal U Ahmed, sr executive vice president, and Md Sirajul Islam, sr vice president of Arab Bangladesh Bank Limited attended the closing ceremony.

In his speech Abu Hanif Khan spoke of the importance of computer knowledge and urged all senior management to equip with this modern technology.

Hedge fund industry reap benefit of sinking stocks

AFP, London

With global share markets struggling to recover from the worst downturn in years amid fears that a war in Iraq may be only weeks away, the clamour for so-called safe-haven assets has been growing louder by the day.

But while the surge in demand for bonds, and more recently gold and an array of other commodities, has received widespread coverage in the pages of the world's financial press, a less well-documented development has gone largely unnoticed.

At least outside the ranks of the cognoscenti, that is.

At a time when poor returns have been driving growing numbers of mutual fund investors to redeem their stock market policies, demand for alternative investments -- better known as hedge funds -- appears to know few bounds.

Hedge funds are investment vehicles which aim to achieve above-average returns by betting heavily on movements in currencies, stocks, commodities and other financial markets, frequently using borrowed money.

"Hedge funds are becoming part of the mainstream. They're becoming much more available for pension funds and the like," one London-based hedge fund manager told AFP, asking not to be named.

Many traditional fund managers now allot a per centage of their assets into hedge funds.

And some, such as Swiss bank UBS, have gone further by buying their own hedge fund business.

Truly independent figures on an industry which remains cloaked in secrecy are hard to come by.

Reconsider hefty duty cut on refined edible oil imports

Local refinery industry urges government

STAR BUSINESS REPORT

Edible oil refiners have urged the government to reconsider its recent decision of major duty cut on refined edible oil imports.

The Tk 2,000-crore refinery industry will be hurt seriously where some two lakh workers are now engaged directly and indirectly, they added.

"In the name of refined oil expired product would be imported in the country. But 95 per cent of the consumers will not be benefited as they use loose oil which can not be imported in bulk," said A Rouf

Chowdhury, chairman of the Bangladesh Vegetable Oil Refiners' and Vanaspati Manufacturers' Association, at a press conference in the city yesterday.

The National Board of Revenue (NBR) recently slashed import duty on refined edible oil to 7.5 per cent from 32.5 per cent. At the same time, import duty on crude soybean oil is also 7.5 per cent.

Rouf said price of locally refined oil will be higher because refiners have to bear the cost of at least five per cent oil wastage when it is processed.

"So, this is absolutely inconsis-

tent with the country's industry policy," he added.

The chairman said soybean oil would be imported mainly in bottled form. "Only five per cent people of the country would be able to buy imported refined oil and again there is a risk of importing expired oil," he said.

"Taking advantage of the government decision dishonest traders may import expired products. Some traders imported radiated powdered milk after Chernobyl blast."

Soybean oil is selling at Tk 51-52 per litre on the local market following an upswing from below Tk 40 a year back.

Price of crude soybean oil increased in the last seven months, from US\$ 354 per ton in August to \$545 in last weekend.

Last year, a total of 4.11 lakh tons of crude soybean and 4.2 lakh tons of crude palm oils were imported, 65 per cent higher than the country's annual consumption.

As of January 16 this year, stocks of crude soybean oil and palm oil were 45,000 tons and 53,000 tons.

The association vice-chairmen Fazlur Rahman and Shahabuddin Alam and General Secretary Mostafa Kamal were also present at the press briefing.



Matiur Rahman (C), president of the Dhaka Chamber of Commerce & Industry (DCCI), speaks at a business meeting with British-Bangladesh Chamber of Commerce (BBCC) at DCCI auditorium in the city on Saturday. Muquim Ahmed, chairman of BBCC, Kerry Pollard MP, chairman of all-party British Parliamentary Group on Bangladesh, Dr Wali Tasar Uddin of BBCC, and Zafor Osman, DCCI senior vice-president, are also seen in the picture.

G7 drafting emergency economic programme

Moves to weather possible Iraq war impact

REUTERS, Berlin

The Group of Seven leading industrialised countries (G7) have been drafting an emergency programme should a war in Iraq cause economic turbulence around the world, a G7 source said on Saturday.

The G7 source told Reuters that finance ministers from France, Germany, Italy, Britain, the United States, Canada and Japan would discuss this programme at a meeting in Paris set for the end of February.

They will certainly be discussing what measures to take in this case," the source said, adding that he believed measures taken by individual nations would not be sufficient to blunt the impact of a possible Gulf War on the global economy.

"That's why we need a joint solution," the source said.

The comments followed a report in Germany's news magazine Der Spiegel, which said the G7 nations had been drafting steps that could be taken if war brought turmoil to the world's economy.

Der Spiegel said if necessary, governments would launch coordinated spending initiatives, financed by new borrowing, to kick-start economic growth. It said German Chancellor Gerhard Schroeder had spoken in favour of implementing such measures.

The German economy, Europe's largest, grew just 0.2 per cent in 2002 and is seen by the government expanding by about one per cent this year -- a forecast that does not include the impact of a Gulf War.

New chairman of Green Delta Insurance

The Board of Directors of Green Delta Insurance Company Limited at a meeting held on Saturday unanimously elected Engineer A Q M Nurul Absar the company's new chairman, says a press release.

He succeeded Azam J Chowdhury.

The Board also elected Chowdhury Tanjil sponsor director of the company in place of Azam J Chowdhury.

Citigroup tops Euromoney polls

Citigroup, the holding company of Citibank NA, emerged in the overall rating, as the pre-eminent global banking group winning most of the categories in major surveys Euromoney conducted in 2002, says a press release.

The major categories are foreign exchange, cash management and capital raising.

Citigroup was also voted third in terms of overall risk management capabilities.

It also topped all five constituent sub-categories -- underwriting, trading, advisory, transactions processing and internet -- of this year's review.

In the overall rating, UBS ranked second while Deutsche slipped to third place in Euromoney's annual forex survey. JPMorgan was pushed into fifth place.

Pakistan to prepare oil contingency plan

AFP, Islamabad

Pakistan is to prepare a contingency plan to make sure fuel supplies are not disrupted in case of a war in Iraq, officials said.

Prime Minister Zafarullah Jamali has directed key government departments "to devise a strategy to deal with fuel and other requirements in case of an attack on Iraq," the official Associated Press of Pakistan quoted Information Minister Sheikh Rashid Ahmed as saying on Saturday.

The prime minister has asked the defence and interior, finance, petroleum and information ministries "to sit together for drawing a plan if, God forbid, the war breaks out," Ahmed said.

Minister for Petroleum Nazeer Shakoor said he did not expect an oil shortage but added fuel prices may go up.



LGRD and Co-operatives Minister Abdul Mannan Bhuiyan on Saturday hands over the third prize in mini pavilion category to Siemens Bangladesh Ltd Managing Director and CEO Peter Albrich for the company's performance in the just concluded Dhaka International Trade Fair 2003.

Japan to promote exports from developing nations

BSS, Dhaka

Japan External Trade Organisation (JETRO) has further intensified its efforts to achieve balanced and harmonious trade and economic relationships by promoting exports from all developing countries across the world, including Bangladesh.

JETRO has identified sectors like trade and investment, garments, ceramic, information technology, energy saving, feasibility study on natural gas, power plant and human resources development as the priority areas of cooperation between Japan and the developing countries, the resident representative of JETRO, Sotaro Nishikawa, told BSS at his Banani office in the city Sunday.

As part of the import promotion programme, he said, the government and the business community had made concerted endeavours in recent years to encourage more imports by further opening the Japanese market to the Bangladeshi entrepreneurs.

Since its inception in 1974, Nishikawa said, JETRO Dhaka has been providing support for the promotion of bilateral trade and investment between Tokyo and Dhaka.

In recent years, JETRO headquarters dispatched 36 highly potential and resourceful experts on various trades to Bangladesh to help expand export to Japan by imparting knowledge about quality, locating products suited to the Japanese market and also advising how the products could be adopted.

Nishikawa said to accelerate the government's import policies, JETRO, a non-profit organisation under the Ministry of Economic and Industry (METI), has set up local internationalisation centres in Japan's 50 prefectures and districts

to serve as the bases to promote imports by providing information tailored to the needs of each region.

Besides, he said, JETRO also opened 80 offices across the world to offer wide-ranging support for importing in Japan thereby helping to strengthen harmonious economic relationships between Japan and other countries.

The Business Support Centre (BSC) of JETRO at Akasaka twin tower in Tokyo, opened in March 1993, is another significant addition to variety of its activities that support this effort, he said.

The JETRO representative said the BSC's main objective is to offer comprehensive assistance to foreign businessmen willing to exports to Japan by providing a fully-equipped offices. The BSC 'help desk' provides services such as arrangement for business appointments, recommendation of interpreters and consultation on problems faced by the foreign entrepreneurs in doing business in Japan free of cost, he added.

He said JETRO Dhaka organises a number of single country fairs, trade fairs and investment fairs every year in Japan besides dispatching experts to Bangladesh.

He said, it also selects mid and senior level officials from both government and private organisations and sends them to Japan for training in human resources development, market research training programme and export to Japan study programme.

Sotaro Nishikawa said every year JETRO selects six potential companies from government and private sectors of Bangladesh to participate in the general trade fair with a view to popularising Bangladesh products to the Japanese market. JETRO organises space in its zone at the exhibi-

tion free of cost, he said.

Abdul Mannan, one of the proprietors of Sonali Bayan Shilpa, who made a three-month extensive business tour to Japan at the invitation of JETRO, told BSS that during the visit he signed agreement with a Japanese firm for marketing his company's handicraft products there. He also got order for supply of huge quantities of worst cotton to Japan.

He said that he took with him, as samples, toys, nakshikatha, goods designed with embroidery, bed and cousin covers, ceramic products, leather goods, sewing and jewellery boxes, garments, cane furniture and jute goods for the Japanese buying houses.

Expressing his optimism Mannan said quality, cost, delivery and service are the main criteria to enter into Japanese market. One should not expect quick success in dealing business contact with Japanese firms as big companies take an inordinate length of time to reach a decision, he added.

Continuing Nishikawa said, JETRO, which acts as the permanent secretariat of Sho Koo-Kai, Japanese Commerce and Industry Association in Dhaka, celebrated the 30th anniversary of Japan-Bangladesh diplomatic relationships through various year-long programmes.

Commemorating the celebration of diplomatic ties, he said, JETRO has been providing authentic and reliable information regarding Japanese businessmen, exporters and importers, markets and others to the Bangladesh businessmen and entrepreneurs through its library at Banani.



National Board of Revenue (NBR) Chairman Shueb Ahmed speaks at a meeting with officials of the NBR, the Federation of Bangladesh Chambers of Commerce and Industry and the Bangladesh Shop Owners' Association on Saturday. The meeting discussed ways to expedite realisation of value added tax (VAT) at wholesale and retail levels.

US reward spurs Pak farmers to increase cotton production

AFP, Karachi

Rice growers in Pakistan are being encouraged to turn their paddies into orchards of cotton trees in a drive to boost production of the country's top export earner to meet growing demand from the booming textile industry.

Easier entry for Pakistani textile exports into the European and US markets, a reward for Islamabad's pivotal support of 16-month US-led campaign against terror, has seen the textile sector expand its production capacity and spurred its thirst for cotton.

Extra quotas from Washington alone have guaranteed Pakistani textile exports an additional 142 million dollars a year for three years from 2002.

Already the world's fourth largest cotton producer with an average output of 10.5 million bales a year, Pakistan has long banked on the bread-basket provinces of Punjab and Sindh east of the Indus river for its lucrative crop.

As demand grows the government has tried to sow the drought-stricken west banks of the Indus with the nubby plants, which require less water than thirsty rice paddies.

"We have introduced cotton to the right bank of the Indus, where conventionally rice, a water-intensive crop, is sown," said Ibad Badar Siddiqui, vice president of Pakistan's Central Cotton Committee.

Rice accounts for only five per cent of total exports, bringing in 447.8 million dollars in fiscal 2001-2002.

The national cotton committee has introduced 43,000 hectares of model cotton-sowing farms in North West Frontier Province and the southwest province of Baluchistan.

"The results have been remark-

able, especially in Baluchistan," Siddiqui said.

The model farms are expected to yield about 100,000 bales of cotton to add to a projected national output of more than 10.1 million bales from a total of 2.73 million hectares under cultivation.

Exports of cotton and its products (yarn, sheets, garments, towels, textiles) account for about 60 per cent of Pakistani exports, bringing in 9.13 billion dollars in fiscal 2001-2002.

Asian cos to spend more on IT despite risks

AFP, Singapore

Asian companies are willing to spend more on information technology (IT) this year despite economic challenges, global political risks and reduced confidence in the industry, according to a research firm.

International Data Corp. (IDC) cited results of a recent survey showing that 50 per cent of the firms polled said they intend to increase their IT budgets in 2003.

Fifteen per cent said they planned to spend less and 35 per cent said expenditures will be on the same level as last year, IDC said in a statement received here Sunday.

are expected "in spite of formidable economic challenges, looming geopolitical risks and reduced confidence in the information technology industry."

"Though budgets are inclusive of capital expenditure and operational costs encompassing overhead and manpower, the fact that a majority of respondents indicated an increase in budget is encouraging," said regional vice president for consulting and IT research Dane Anderson.

Companies in China and India are the mostly likely to raise spending. More than 67 per cent of respondents in India and 55 per cent in China intend to increase their IT budgets.

"In contrast, enterprises were the most pessimistic in Japan, (South) Korea, and Taiwan, where over 60 per cent of respondents indicated a likelihood to either hold budgets steady or decrease them," IDC said.

Companies said 70 per cent of their IT spending will be on routine infrastructure, with the rest earmarked for new technology and ongoing IT initiatives.

"Asian enterprises recognise the value of information technology, but non-discretionary spending is likely to dominate their agendas in 2003," Anderson said.



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