

BSB sanctions Tk 22cr for 3 projects

Bangladesh Shilpa Bank (BSB) has sanctioned about Tk 22 crore for three projects, says a press release.

The sanction was given at the 397th meeting of the Board of Directors of the bank held at the bank's Head Office in the city recently.

Prof Abu Ahmed presided over the meeting.

Tk 6.75 crore and Tk 7.10 crore were sanctioned for textile fabrics projects and poultry feed mill projects respectively to be located at Gazipur.

Tk 7.89 crore was sanctioned for a textile project to be set up at Brahmanbaria.

Md Abdul Hamid Miah, managing director of BSB, informed that these three projects will create employment opportunities for 474 persons and contribute Tk 17.12 crore to the GDP annually.

Expatriates send Tk 8cr through FMOs in Jan

UNB, Dhaka

Bangladeshi expatriates sent 4,88,285 in pound sterling and 6,19,277 in US dollar to the country through Foreign Money Orders (FMOs) in January this year.

The FMOs, amounting to Tk 8,08,13,160 have been paid to the payees' dependants of remitters living in different parts of the country.

A total of Tk 54.18 crore was received as remittance during the current fiscal year till January this year, said a press release.

Iraq pledges to allow US, UK cos in its oil market

AFP, Moscow

Iraqi Trade Minister Mohammed Mahdi Saleh told Russian reporters in Baghdad on Monday that Baghdad would allow US and British companies onto its oil market if war is avoided, ITAR-TASS reported.

At the moment, Saleh was quoted as saying in Baghdad, Iraq "does not support any ties (in the oil industry) with either Washington or London."

"But if they end their hostile attitude toward Iraq, then there will be no obstacles for us resuming normal relations with them," the minister said.

Trade relations between Iraq and the West must be based "on mutual respect," said Saleh.

"If that happens, the situation around Iraq will change dramatically," he added.

Iraq possesses the world's second-largest oil reserves in the world after Saudi Arabia.

US Secretary of State Colin Powell has denied speculation that Washington is bent on controlling Iraq's oil reserves, saying the world would be held in a trust for the Iraqi people if the United States attacks Iraq.

New MD of National Bank



Former deputy governor of Bangladesh Bank M A Mazid Khan joined National Bank Limited as Managing Director, says a press release.

He started his career in 1968 as Officer Class-I of the State Bank of Pakistan.

He held many important positions in Bangladesh Bank, the Ministry of Planning, Norwegian Agency for Development (Norad), Bahrain Monetary Agency and BIM.

Govt plans tea gardens on 47,000 hectares in CHT

Move to meet domestic demand, ensure sufficient export

NURUL ALAM

In a bid to meet rising domestic demand, ensure sufficient export and boost economic activities in Chittagong hill tracts (CHT), the government has planned to add the region's 47,000 hectares of land to the country's tea industry.

Unlike the conventional tea estates, the new tea gardens will be smaller and each of them will comprise a minimum two hectares of lands. The government will provide free high yielding variety saplings, training to the tea growers and help set up factories which will procure and process the green leaves. The government will also extend loans at soft interest rate to encourage tea plantation in the area.

The plan taken under a pilot project will cost Tk five crore. On successful completion of the project, Bangladesh is expected to see additional 130 million kilogram of tea production.

In 2001, Bangladesh produced a total of 57 million kilogram of tea of which 42 million kilogram was consumed locally while the rest was exported. In 2002, production was estimated at 52 million kilogram against a target of 56 million kilogram.

"The additional lands of tea will help fetch Tk 1300 crore annually through export as per current price, besides generating employment opportunities for 5,75,000 people," said Commerce Minister Amir Khosru Mahmud Chowdhury while

addressing a motivational meeting for small holding tea plantation in the hill districts.

The meeting was held at the hilltop auditorium of Tribal Cultural Centre in Rangamati last week.

At the meeting, the commerce minister said the tea plantation programme was taken to bolster economic activities in the three hill districts. "We want to bring about a total change in CHT economy with the introduction of tea plantation."

"Such type of development plan will bring economic prosperity in CHT," the commerce minister said. He said the government is trying to identify more items to produce in the hill districts for local consumption as well as international market.

Deputy minister Moni Swapon

Dewan stressed the need for undertaking economic plan for utilising the potentialities of the region to spearhead the national development as well as to resolve the problems facing the hill districts.

The meeting, attended by a cross section of people from CHT, was also addressed among others by Chairman of Rangamati Hill District Council Manik Lal Dewan, Chairman of Khagrachhari Hill District Council Nakkatra Lal Dev Barman, Chairman of Bandarban Hill District Council Mema Ching, Chairman of Bangladesh Tea Board Brigadier General A.H.M. Tawhid, Chakma Circle Chief Debashis Roy and Deputy Commissioner of Rangamati Jafor Ahmed Khan.

Possible Iraq war threatens global air traffic growth

AFP, Singapore

International passenger traffic posted marginal growth in 2002 but the prospect of a Middle East war threatens the industry's fragile upturn, the International Air Transport Association (IATA) said Monday.

Provisional figures show passenger traffic rose an estimated 0.06 per cent from 2002 while freight traffic was 6.6 per cent higher from 2001, IATA said. It declined to release exact passenger numbers and freight tonnage, saying final figures will only be available in June.

"The war is the last thing that our industry needs today," said IATA director-general and chief executive Giovanni Bisignani.

"But we must be prepared for it," he told a news conference.

However if a war is averted the industry is projected to enjoy a 6.4 per cent rise in passenger traffic this year, IATA said.

Last year, the Asia-Pacific was the star performer as passenger traffic outpaced the global rate with a 5.8 per cent increment, and freight

traffic was 13.3 per cent higher on the year.

In contrast, North America saw a 0.9 per cent contraction in passenger traffic and freight traffic slumped 6.0 per cent.

Across the Atlantic, European passenger traffic fell 4.9 per cent and freight traffic declined 8.9 per cent.

"Asia Pacific carriers ended the year with encouraging traffic figures compared with other regions," said Bisignani.

"Passenger traffic grew by 5.8 per cent and freight traffic by 13.3 per cent in contrast to the results seen for North America and European carriers," the former Allitalia chief said.

But a Middle East conflict triggered by a US decision to launch a military campaign to disarm Iraqi President Saddam Hussein would likely deal a severe blow to the airline industry, he said.

"Airlines will have to very quickly cut capacity, ground planes and there will be redundancies in the industry," he said.

Making a comparison with the

Gulf War in 1991, Bisignani said airlines now face a more difficult economic environment.

"The difference is that in the nineties, the (world) economy was a booming economy so the business traffic picked up very quickly," he said.

"Every cent of increase per gallon (of fuel) adds 600 million dollars of cost so this is a major impact on cost," said Bisignani.

According to him, the industry's annual fuel bill exceeds 40 billion dollars.

Bisignani said the industry was "going through a very difficult moment" which saw airlines lose more than 10 billion dollars in 2002.

At the same time, airlines now have to pay higher insurance premiums and set aside extra funds to upgrade security measures in the aftermath of the September 11, 2001 terror attacks in the United States, he said.

Prior to the attacks, airlines were paying 1.8 billion dollars worth of insurance but the figures have since soared to 5.8 billion dollars, said Bisignani.

Eastern Ins holds managers' conference

An annual conference of branch managers of Eastern Insurance Co Ltd was held at a city hotel on Thursday.

M Haider Chowdhury, chairman of the company, presided over the conference.

Speaking at the meeting, the chairman of the company said the government will soon amend the present Insurance Act to make it compatible to face the coming challenge of WTO programmes.

The Managing Director of the company presented a plan for the year 2003.

Citigroup takes over German electronics group

AFP, Frankfurt

The US finance group Citigroup has acquired the troubled German electronics group Moeller for an undisclosed sum, Moeller said on Monday.

Moeller's family shareholders had agreed to sell their stakes in the century-old company to Citigroup's investment arm, Citigroup Venture Capital Equity Partners, the German group said in a statement.

Financial details were not disclosed, but the daily Die Welt reported Monday that the price amounted to 100 million euros (108 million dollars), excluding debt of more than 200 million euros.

Moeller specialises in automation and switchgear and generates annual sales of around 1.2 billion euros and employs a workforce of around 12,000 at sites in 80 different countries.

Russia, Syria set up joint venture oil company

AFP, Moscow

Russian oil major Zarubezhneft and Syria's national oil company have set up a joint venture to exploit the middle eastern country's oil and gas resources, the RIA Novosti news agency reported early Monday from Damascus, quoting a Russian official.

The new company, called Amrit, also won a tender to exploit Syria's Tishrin oil field, Zarubezhneft general director Nikolay Tokaryov said.

Moscow and Damascus, two traditional cold war allies, have been cooperating in the oil industry since the early 1970s, Tokaryov added.

Russia also has large oil interests in neighboring Iraq.

Syria currently produces 600,000 barrels of crude oil per day and 5.8 billion cubic meters (203 billion cubic feet) of natural gas per year.

Its estimated gas reserves amount to 240 billion cubic meters, and the country sits on 2.5 billion barrels of proven oil reserves, which experts say will run out by 2010.

Following a rise in production for the fourth successive year, Russia's crude output hit 379.6 million tonnes (7.59 million barrels a day) in 2002, confirming its standing as the world's second-ranked producer behind Saudi Arabia.



Shamsuddin Ahmed, managing director of Uttara Bank Limited, speaks at the inauguration of a course on 'Money Laundering Prevention Act' at the bank's training institute in Dhaka on Saturday.

Japan resumes aid to Pakistan

AFP, Tokyo

Japan said Monday it had agreed to provide a 26-million-dollar loan for Pakistan, the first fresh lending since Tokyo lifted its sanctions on Islamabad in 2001.

The Japan Bank for International Co-operation signed a loan agreement totalling 3.15 billion yen (26 million dollars) with the Pakistan government in Islamabad last week, a bank official said.

The loan is part of Japan's support for construction of a 1,885-meter (1.2-mile) tunnel and its approach road in the North West Frontier Province, the government-run bank said.

Under a commitment made

before the introduction of sanctions, Japan has already provided nearly 10 billion yen for the project, named the Kohat Tunnel Construction Project, to be carried out by Pakistan's National Highway Authority.

The new untied loan, with an interest rate of 1.8 per cent, is scheduled to be repaid in 30 years with a 10-year grace period.

The project will "stimulate social and economic development in the North West Frontier Province where the poverty rate is high and ultimately contribute to balanced economic development in Pakistan," the bank said in a statement.

Japan slapped economic sanc-

tions on Pakistan after it carried out nuclear tests in May 1998, but lifted them as part of its efforts to support Islamabad as it struggled to cope with a flood of refugees from the US-led war in Afghanistan.

Since the sanctions ended, Tokyo has already rescheduled 550 million dollars of Islamabad's debt in recognition of Pakistan's support for the international war on terrorism and extended 40 million dollars in emergency aid.

Japan was Pakistan's biggest foreign aid donor until it suspended aid in 1998. Up until 1996, Tokyo was also Islamabad's second-biggest trading partner, after the United States.

US firms oppose curbs on Vietnamese textiles

AFP, Hanoi

Thirty-five US retail and manufacturing giants including Nike, Gap and K-Mart have urged Washington not to impose quotas on Vietnamese apparel exports ahead of next week's opening round of US-Vietnam textile negotiations.

In a letter sent to US Trade Representative Robert Zoellick on Thursday last week, the companies said Washington's "rush to seek quotas is very troubling" and could result in supply shortages.

"We urge the administration not to restrict Vietnam's apparel trade. Vietnam constitutes an extremely important sourcing opportunity for us, especially in light of the continuing uncertain economy, shifting security conditions and the upcoming termination of the international quota system."

The 10-year international Agreement on Textiles and Clothing among World Trade Organisation member countries expires at the end of 2004.

"To the extent any quotas are established, we ask that they be limited to products for which there is substantial US production and at levels truly reflective of Vietnam's potential," they said.

The three-day formal negotia-

tions kick off in Hanoi on February 19. US officials have not set a time frame for the agreement to be concluded, but Vietnam has admitted it wants to draw out the talks.

"We want three rounds of negotiations because it gives Vietnamese enterprises more time to adjust their production plans, but I'm afraid that the Americans will only want one round," said Mai Hoang An, general director of the state-owned Vietnam Textile and Garment Corp. (Vinatex).

Vietnam's textile exports hit 2.7 billion dollars in 2002, a 31.6 per cent rise compared with the previous year, with the US market counting for 900 million dollars of the total figure, according to official Vietnamese figures.

Last month total textile exports were valued at 250 million dollars, a year-on-year increase of 69 per cent.

The 35 signatories said the expanding trade from Vietnam was the result of a strategic move away from other Asian and Middle Eastern suppliers and would not have an impact on US-based manufacturers.

"The decision of US retailers and importers to source in Vietnam is a shift in the production of apparel that has traditionally been imported,

rather than an expansion of overall apparel imports or a loss of US domestic production."

Washington initiated discussion with Hanoi over a textile agreement in February last year following the implementation of their bilateral trade agreement in December 2001.

The landmark pact and the granting of most-favored-nation status to the communist nation resulted in the immediate slashing of US tariffs on most Vietnamese imports.

However it also triggered concerns among the small garment manufacturing industry in the US that Vietnamese products could swamp the domestic market.

Low labour costs give Vietnamese textile companies a huge advantage over their US counterparts.

"The need for the agreement is not a surprise to anyone," said one foreign expert. "Both governments knew this was going to take place. The United States signs textile agreements with everyone."

Other signatories in the letter to Zoellick included JC Penney, Eddie Bauer, Sears Roebuck and Co. and Family Dollar Stores.

New Thai finance chief vows to cut budget deficit

REUTERS, Bangkok

Newly appointed Thai Finance Minister Suchart Jaovisidha said yesterday he would focus on trimming the government's budget deficit, implementing tax reforms, and adopting sound macro-economic policies.

Suchart, formerly deputy finance minister who replaced his boss Somkid Jatusritipak in a cabinet reshuffle over the weekend, said he believed the Bank of Thailand should be given a free hand in handling monetary policies without government interference.

"The first priority is to balance national budget as soon as possible. On this, I am especially pleased with government revenue, which has exceeded target," he told reporters.

Suchart's predecessor, Somkid, was promoted to deputy prime minister in charge of economic affairs.

The government of Prime

Minister Thaksin Shinawatra has set a target to achieve balanced, deficit-free budgeting by 2007.

Suchart, 63, was a career civil servant at the finance ministry where he worked for 30 years before retiring in the late 1990s to join Thaksin's Thai Rak Thai (Thais Love Thais) Party.

Widely regarded as a tax expert, Suchart's last job at the ministry was head of its revenue department.

Thailand's faster-than-expected economic growth in the past year, fuelled by robust domestic consumption, has helped the government exceed its previous tax revenue target.

The economy expanded about five percent in 2002, a sharp improvement from 1.9 per cent growth in 2001. Thaksin hopes that growth this year will reach six per cent against market expectations of 3.5-4.5 per cent.

Suchart said improving fiscal and government revenue positions would allow him to concentrate on

broader macro-economic issues, including managing the country's public debt.

"The economy is already in good shape and there should be no disruption of the momentum... I would devote more time to the macro front including the public debt issue," he said.

The new finance minister, who holds an economics degree from the London School of Economics, said he did not plan to raise taxes, but would adjust and make them fairer to various sectors of the economy.

"It's not my style to make changes and disrupt normal government functioning. There would be no changes in finance ministry policy, which I have helped formulate as part of the Thai Rak Thai platform," he said.

Suchart said he planned to plug tax loopholes in the Thai auto industry by streamlining tax rates for different types of vehicles.