



Chairman Vice-chairman

## Office bearers of jute spinners' association

Ahmed Hossain, deputy managing director of Nawab Abdul Malek Jute Mills (BD) Limited, has been re-elected chairman of the Bangladesh Jute Spinners' Association for the term 2003-05, says a press release.

Mahmudul Haq, director of Janata Jute Mills Limited, has been elected vice-chairman of the association.

They were elected at the 24th annual general meeting of the association yesterday.

## Repo auction UNB, Dhaka

The repurchase agreement (Repo) auction of Bangladesh Bank for commercial banks and financial institutions was held here yesterday.

Five bids of one-day tenor amounting to total of Tk 76.00 crore were received. Of these, two bids amounting to Tk 47.50 crore were accepted.

The rate of interest against the accepted bids was 9.00 per cent per annum, said a Bangladesh Bank press release.

## ECB eases rate with long-range refinancing

The European Central Bank provided 15 billion euros (16.2 billion dollars) over 90 days to the euro-zone banking system on Wednesday and substantially eased the interest rate for this type of refunding operation.

The easing of this rate is in line with growing expectations the ECB might reduce its key interest rate to stimulate the euro-zone economy, since inflation is subdued.

As a result of the operation on Wednesday, the so-called marginal rate was 2.48 per cent and the average rate 2.51 per cent, far below the ECB's so-called floor, or key, rate of 2.75 per cent which does not apply to such long-term refinancing.

Under the last such 90-day arrangement, a month ago, the marginal rate fell by 30 basis points, or by 0.30 per cent, and the average rate by 29 basis points.

These downward movements are in line with rising expectations the ECB might reduce its key rate in the euro zone of 2.75 per cent, as ECB president Wim Duisenberg hinted at the G7 meeting of finance ministers in Paris Saturday.

## Honda unveils its first diesel engine

Major Japanese car maker Honda on Wednesday unveiled its first diesel engine to target the environment-sensitive European market.

Honda Motor Co. Ltd. plans to mass-produce the 140-horsepower 2.2 litre i-CTDI engine in Japan and install it in its new Honda Accord, which will be marketed in Europe from late 2003.

The all-aluminium diesel engine, which features a turbo-charger and four valves per cylinder, will clear European emission standards, the firm said.

## Thai Airways to buy United aircraft

Thai Airways International Plc said yesterday its board had approved in principle a plan to buy seven Boeing 747-400 aircraft from embattled US carrier United Airlines.

Chairman Thanong Bidaya told reporters the deal would be about 30 billion baht (\$702.2 million) cheaper than buying new planes. He said the airline would buy the 4-5 years old UA aircraft, at US\$50 million each.

It will take three months, however, for the carrier to submit the purchase plan to the Cabinet for approval since it has to amended its five-years corporate plan which was earlier geared up for buying new aircraft.

The purchase from United Airlines will be part of a Thai Airways plan to buy 12 planes over the next five years.

# Possible war threatens jute yarn exports

STAR BUSINESS REPORT

Expressing concern over the possible US attack on Iraq, jute spinners yesterday said the war will cast an adverse impact on Bangladesh's jute yarn exports.

"One third of our yarn goes to the Middle East market," said Ahmed Hossain, president of the Bangladesh Jute Spinners' Association (BJS), while addressing the annual meeting of the association.

The BJS president also urged the government to reduce the interest rate on running capital for

mills to seven per cent from existing 14 per cent.

At the end of the year, the compound interest on the running capital stands at 18 per cent, he added. "No industry can be run with this type of high interest."

He said the government has recently decided to cut the incentive on their sales to 5 per cent from 10 per cent, much to their frustration.

The BJS president urged the government to grant 15 per cent incentive for mills to sustain in the competition with artificial fibre.

He also called upon the BJS members to take extra efforts to

maintain quality and reduce production costs.

He said jute yarn export rose by 22,709 tonnes to 1,83,625 tonnes in the fiscal 2001-02, registering a 14.11 per cent rise over the previous year.

The export income rose by Tk 87.82 crore to Tk 557.71 crore in 2001-02, showing an 18.68 per cent increase.

Hossain said annual global jute yarn demand is 2.50 lakh tonnes and that fifty Bangladeshi yarn producers alone have the production capacity of about three lakh tonnes.

# Third int'l poultry show begins tomorrow

STAR BUSINESS REPORT

The Third International Poultry Show 2003 begins in Dhaka tomorrow to familiarise local farmers with the latest technologies in the industry.

Some 84 firms from 22 countries including the USA, the UK, France and Holland will participate in the three-day show to showcase their latest poultry products.

The World's Poultry Science Association (WPSA), Bangladesh Chapter is organising the fair.

"Poultry sector has played a very important role in the economy over the years. The contribution of poultry to the GDP is about six per cent," said Md Abdur Razaque, president of the WPSA, Bangladesh Chapter, at a press conference in Dhaka yesterday.

For further expansion and mod-

ernisation of the poultry industry, medicine, feed additives and equipment importers should get their goods released timely at ports, he added.

Poultry sector can become an export-oriented industry if the government extends proper policy support, he said.

WPSA Bangladesh Chapter organised the first international show in 1999. Experts from home and abroad will present 42 papers on different aspects of poultry sector in the biennial event, Razaque mentioned.

At present, about three lakh small and large farms in Bangladesh are producing around 500 crore eggs and two and a half lakh metric tons poultry meat annually, the WPSA leader added.

Finance and Planning Minister M Saifur Rahman, Fisheries and

# Citibank holds workshop on structured finance

Citibank NA Bangladesh organised a workshop on "Structured Finance for Large Projects in Bangladesh" on Tuesday, says a press release.

State Minister for Energy and Mineral Resources A K M Mosharrif Hossain and M Fouzul Kabir Khan, executive director and CEO of Infrastructure Development Company Limited, were present at the concluding session of the workshop.

John B Gilliland, managing director, deputy head of Americas Project and Structured Trade Finance of Citibank NA New York, stressed on how large projects especially in Bangladesh can take the benefit of structured finance opportunities.

A total of 62 professionals from banks, multinationals, local corporates, Bangladesh Bank, BOI and Citibank NA attended the workshop.

Mini Roy, vice president of Citigroup Global Project and Structured Trade Finance, New York, and Prosenjit Saha, assistant vice-president, Corporate Finance and Capital Markets of Citibank NA, Mumbai, conducted the workshop.

Abrar A Anwar, head of corporate banking, Rashed Masood, head of financial institutions, Yusuf Saeed, head of structured finance, and other senior officials of Citibank NA were present.



PHOTO: CITIBANK NA

State Minister for Energy and Mineral Resources A K M Mosharrif Hossain speaks at the concluding session of a Citibank NA workshop on Tuesday. M Fouzul Kabir Khan, executive director and CEO of Infrastructure Development Company Limited, John B Gilliland, managing director, deputy head of Americas Project and Structured Trade Finance of Citibank NA New York, and from Citibank NA Bangladesh Abrar A Anwar, head of Corporate Banking, Rashed Masood, head of Financial Institutions and Yusuf Saeed, head of Structured Finance, were also present.

# India may cut duties on crude palm oil in budget

India, the world's largest edible oil buyer, is likely to cut customs duties on crude palm oil in its budget on Friday, boosting its imports at the cost of soyoil.

Traders estimated palm oil imports could rise by 50,000 tonnes to about 3.4 million tonnes a year on the back of an expected 10 per cent point cut in the import duty on CPO to 55 per cent.

"My strong feeling is that the government will lower import duty on CPO to help consumers as local prices have soared in the last one year by 35 to 40 per cent," said G G Patel, a former president of the

Solvent Extractors Association of India.

"The move could also be warranted as the inflation rate is rising and general elections are due in many states."

Palm oils -- mainly crude palm oil (CPO) and crude palm olein from Malaysia and Indonesia -- now account for nearly two-thirds of India's annual edible oil imports of 4.5 million tonnes.

Soyoil from Argentina and Brazil contributes the rest.

"Crude palm oil will become more attractive than soyoil if the duty is reduced," said an official at a global commodity trading firm. Soyoil attracts an import duty of 45 per cent.

But some traders believe the government may wait till April-May to lower the duty when local oil supplies would dry up faster than in the previous year pushing up prices.

According to trade estimates, India's summer oilseeds crop which is due for harvest in March-April, could fall seven per cent from a year earlier to 7.38 million tonnes due to poor rains.

Indian importers have been tying up fresh contracts to purchase CPO and crude palm olein, anticipating that global prices might rise with a cut in the duty, traders said.

# More pain than gain for Australia in free trade with US: Study

which obtained a leaked copy of the study, quoted it as saying: "Whether anything can be gained from a bilateral deal with the US is questionable."

"The US would have most of the bargaining power, as it needs the (agreement) less than Australia..."

"Worse still, the strains and disappointments of a negotiation with the United States, in which it gradually becomes clear that much agriculture would be excluded, could harm overall Australia-US relations rather than improve them."

The study warned a trade pact with the United States may discour-

age the development of an Asian free trade pact that excludes Australia, noting that 10 per cent of its exports go to America compared with 55 per cent to East Asia.

It also said it would invite retaliation by two of Australia's biggest trading partners, Japan and China.

The study, due for release last year but delayed, is said to remain in draft form because its authors are resisting requested changes.

But a spokesman for the RIRDC said it was held up because the steering committee overseeing the study had requested clarification of some of its conclusions,

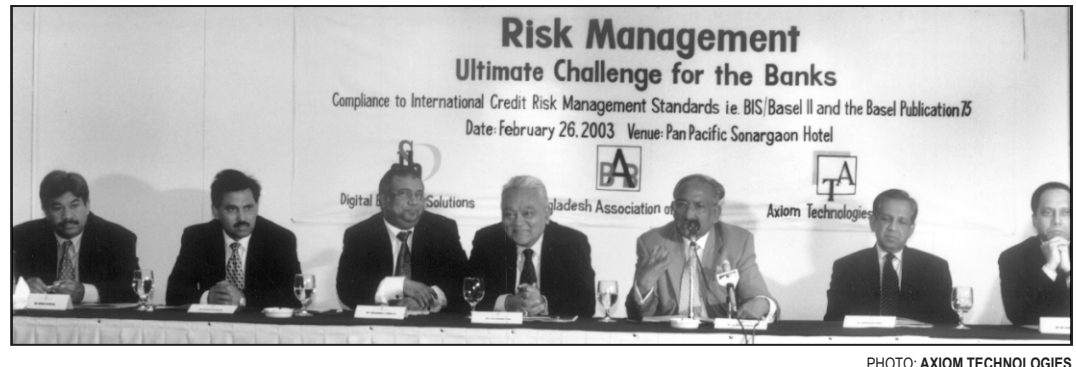


PHOTO: AXIOM TECHNOLOGIES

Finance and Planning Minister M Saifur Rahman speaks at a seminar on risk management jointly organised by the Bangladesh Association of Banks (BAB) and Axiom Technologies Ltd at a city hotel yesterday. Bangladesh Bank Governor Fakhruddin Ahmed, Bangladesh Bank deputy governors Nazrul Huda and Muhammad A (Rumeel) Ali and BAB Chairman Syed Manzur Elahi were also present.

# Another public sector gas distribution co in July

BSS, CHITTAGONG

The government has decided to set up a new gas company titled 'Karnaphuli Gas Company Ltd' for distribution and marketing of gas in greater Chittagong and Noakhali region soon.

"A comprehensive proposal to this effect has already been finalised and it is expected to get cabinet approval soon", State Minister for Energy and Mineral Resources A K M Mosharrif Hossain said this while addressing the business leaders at Chittagong Chamber of Commerce and Industry (CCCI) here yesterday.

He said the decision was taken as per an instruction made by Prime Minister Begum Khaleda Zia in response to a proposal placed by the CCCI before her during a meeting in October last as well as the government's decision to turn the port city into the country's commercial capital. "The new company is expected to begin its function from July 1 next," he said.

At present, the Comilla-based Bakhrabad Gas Systems Limited is marketing the gas in greater Chittagong, Noakhali and Comilla region with about 93 per cent of its gas supply being consumed in Chittagong.

The meeting was organised by the CCCI held at its conference room with its President Amir Humayun Mahmud Chowdhury in the chair. Those also addressed the meeting were CCCI Vice-President Manzur-Ul-Amin Chowdhury,

Former CCCI President Mirza Abu Mansoor, CCCI Directors Dr Moinul Islam Mahmud, Mohammad Mahub Ali and Rafiqur Rahman, among others.

On gas export issue, Mosharrif Hossain told the business leaders that the government is considering limited-scale gas export in the light of expert committee report to reap optimum benefit from this valuable resources in the country's greater economic interest.

"The government will take a decision on this issue with the opinion of all stakeholders as it is pledge-bound to uphold the country's interest above all. Therefore, the government will not take any unilateral decision in this regard," he said.

The state minister said the expert committee report on gas export had already been sent to all chambers and political parties side by side with putting it up on website to receive opinions from all. Unfortunately, none except a political party responded to it, he said.

"The subject (gas export) should be viewed from the economic point of view, not politically or emotionally," he said.

Speaking about the privatization of country's gas and oil sector, Mosharrif Hossain said the government had, in principle, decided to gear up the process of privatisation of this sector for healthy competition and minimising the loss from it.

"Each option will be considered cautiously before privatizing this

# Grameen Software, US firm sign partnership deal

Grameen Software has signed a business partnership agreement with UTC Associates, Inc. (UTC) of the USA, at Grameen IT Park in Dhaka, says a press release.

Under the deal, the two firms will create a potentially important market entity to provide cost-effective end-to-end solutions in the IT, telecommunications and convergent connectivity solutions markets of South Asia, South East Asia, Middle East and Central Asia, where telecom and connectivity market is growing at a very fast pace.

The two companies will particularly focus on providing services in the areas of VoIP (Voice over IP), call centers, fiber-optic network infrastructure, next-generation connectivity, etc. in Bangladesh.

Nuimuddin Chowdhury, managing director of Grameen Software, and Aziz Ahmad, co-founder, Executive Vice President and Chief Technology Officer of UTC Associates signed the memorandum of understanding on behalf of their companies on Tuesday.

M Faizur Razzak, managing director, and Emdadul Haque, general manager of Grameen Fund, were also present at the signing ceremony.

UTC is a leading provider of IT

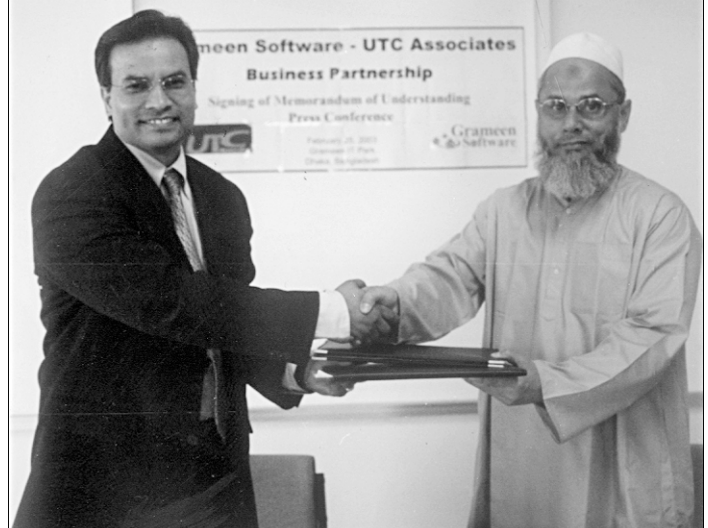


PHOTO: GRAMEEN SOFTWARE

Officials of Grameen Software and UTC Associates, Inc (UTC) of the USA exchange documents of a business partnership agreement between their companies in Dhaka on Tuesday.

and telecommunications solutions consultancy services in the USA and Grameen Software is a leading software development and IT services provider of Bangladesh.

As part of the partnership, UTC will outsource software development, IT services and related work

to Grameen Software and introduce Grameen Software as a preferred provider of offshore outsourcing to existing and new UTC clients. Grameen Software will also be UTC's Authorized Representative in Bangladesh.

# Russia against transCaspian oil pipeline, says FM

AFP, Baku

Russia is opposed to a proposed pipeline under the Caspian Sea which would deliver oil from Kazakhstan to world markets bypassing Russia, Russian Deputy Foreign Minister Viktor Kaluzhny said Wednesday.

Kazakhstan currently exports most of its oil through Russia's state-owned pipeline network but it is in talks about shipping some of its output through the US-backed Baku-Tbilisi-Ceyhan (BTC) pipeline.

Initially, the crude would be shipped from Kazakhstan to the BTC terminal in Azerbaijan by

tanker, but some have suggested a pipeline could be built between the two countries under the landlocked Caspian Sea.

"We take a very negative view of the building of a pipeline across the Caspian Sea," Kaluzhny told reporters on the sidelines of a summit of Caspian states in Azerbaijan's capital, Baku.

"The sea is unique and there is a fluid geo-political situation in the region so we should take as few risks with these things as possible... If someone wants to build a pipeline, they should build around the sea."

The row is the latest battleground in the struggle between Russia and Western governments over control of the Caspian Sea's massive oil and gas reserves, which are thought by some to rival the Persian Gulf.

Russia was bitterly opposed to the BTC pipeline because it bypassed Russia and meant that Moscow's monopoly on oil exports from the Caspian would be broken, but that project is now going ahead.

BTC will initially export only crude from Azerbaijan's offshore fields, but the focus has now shifted to the question of how much Kazakh oil could also be exported through the pipeline.