

\$18.2m WB credit for the poor

UNB, Dhaka

The World Bank has approved a \$18.2 million credit for a project to help poor and vulnerable group in Bangladesh.

The credit will finance the Social Investment Programme Project to be implemented by Bangladesh Social Development Foundation, a non-profit company of the government with the representatives from both civil society and government in Gazipur and Gaibandha districts.

Igloo sales confce held

The annual sales conference of Igloo Ice cream was held at Bangladesh Institute of Management in Dhaka recently, says a press release.

The conference was attended by over 100 executives of the Igloo Ice cream and Milk Unit.

The conference was inaugurated by Harun-ar-Rashid, General Manager of the company. Momtazul Islam, national sales manager, and M A Bayes, manager (Sales & Marketing), were present.

Various training programmes were also held, which were conducted by Shantanu Dutta, brand manager, and professors from BIM and Dhaka University.

Mohiuddin Monem, director (Operation) gave away awards to the outstanding performers of the year 2002.

GMG Holidays, Thai Airways introduce family packages

GMG Holidays and Thai Airways have introduced attractive family holiday packages to Thailand, says a press release.

Vijay Alreja, manager (Marketing Support & PR) of GMG Holidays, said starting from US\$215 per person on room sharing basis, these packages for Chiang Mai and Bangkok include airfare, hotel accommodation with breakfast and airport-hotel-airport transfers in Thailand.

There are three categories of hotel accommodation ranging from Five Star to first class hotels.

Shell shuts production in Gulf oilfields

AFP, Tehran

Oil giant Royal Dutch/Shell shut down production in one of its oilfields in the northern Gulf and pulled 260 Iranian and expatriate staff out of the area because of the looming war on Iraq, a spokesman told AFP.

The Anglo-Dutch group said it had stopped production in the Soroush oilfield, which had been producing 60,000 barrels a day, and evacuated staff from both Soroush and Nowruz, which was due to start producing in the second half of 2003. "Iranian staff were brought ashore in Iran while our foreign employees were sent to Dubai," said spokesman Ali Kalali, without indicating how many of the personnel were expatriates.

He said the company's operations in the two offshore fields would resume as soon as security conditions permitted. All the company's facilities in the oilfields were made safe before the evacuation, he added.

Holcim net profit drops by 37.7pc

AFP, Zurich

The Swiss cement giant, Holcim, announced on Wednesday a 37.7 per cent drop in net profit for 2002 to 506 million Swiss francs (349 million euros).

Turnover fell by 4.6 per cent to 13 billion Swiss francs, the group said in a statement.

Holcim, one of the world's largest cement groups, blamed its results on a provision of 120 million Swiss francs for pending legal proceedings by the anti-cartel authority in Germany, write-offs of CHF 63 million in Argentina as well as on its investment in the airline 'Swiss'.

Holcim employed 51,115 people worldwide at the end of 2002, and increase of 7.9 per cent over the previous year.

Iraq war fear exacts hefty toll on exports Jute spinners seek govt help in fighting crisis

STAR BUSINESS REPORT

As jute spinning industry is facing cancellation of export orders stemming from war fear in Iraq, spinners have urged the government to form a committee to help bail out the sector.

Against the backdrop of war fear, jute yarn buyers from the Middle East have already cancelled orders and advised for delay in shipment of goods, Ahmed Hossain, chairman of the Bangladesh Jute Spinners Association (BJS), told a press conference in Dhaka yesterday.

Bangladesh exports jute yarn worth Tk 550 crore every year and

one third of the export goes to the Middle East.

The exporters had orders of 25,725 metric tons of jute yarn valued at Tk 74 crore from the Middle East countries but orders worth Tk 25 crore have already been cancelled, Hossain said. Besides, foreign buyers have advised for delay in shipment of Tk 36 crore orders, he added.

The exporters are in doubt whether the buyers will at all continue with the orders, Hossain said. "If this situation continues, mills may face closure. The exporters will not get new orders and may confront serious fund crisis to run the

mills."

The BJS leader also urged the government to take measures to waive interest on current capital for at least January to June 2003 period.

Besides, steps should be taken to release funds so that the exporters can pay wages to workers and employees, electricity bills, maintenance cost and buy spare parts in the event of war, the chairman of the association said.

Speaking on the impact of the war, Hossain said foreign shipping companies have already imposed an additional BAF (bunker adjustment factor)

charge of US\$90 for 20-foot container and \$180 for 40-foot container. Besides, there is a possibility of imposing war risk surcharge.

If war risk surcharge is imposed, freight charge will go up by \$150 for each container, ultimately pushing prices of local goods up and hurting competitiveness of products, the BJS leader feared.

Sabbir Yussuf, former chairman, Mahmudul Haque, vice-chairman, Faruq Haider, Amir Hossain, executive committee members, and other leaders of the association were also present.



Syed Anisul Huq, managing director of Bank Asia Ltd, and Mohammad Sohrabuddin, director general of BIM, pose for a photograph with the newly recruited management trainees of the bank at the inaugural ceremony of a foundation course on Tuesday. Senior officials of the bank and BIM were also present.

BB governor seeks more dynamism in RAKUB

BSS, Rajshahi

Bangladesh Bank Governor Fakhruddin Ahmed has asked the management of Rajshahi Krishi Unnayan Bank (RAKUB) to make its activities more dynamic.

Ahmed made the appeal while addressing a meeting with high officials of the bank at its head office here on Tuesday.

Chairman of the board of directors of RAKUB Ruhul Kabir Rizvi, Managing Director Mujibur Rahman Khan, Deputy Managing Director FRM Hafizul Islam, General Manager of Bangladesh Bank, Rajshahi, Waliul Haque and other senior officials or RAKUB were present on the occasion.

The Bangladesh Bank governor appreciated the programmes and activities taken by RAKUB and advised all for sustaining the success in the coming years.

Ahmed stressed the need for disbursing loan among new small entrepreneurs for alleviating poverty in the region.

He hoped that RAKUB would perform a vital role in creating job opportunities in the region by promoting agro-based industries and advised the bank officials to supervise the utilization of disbursed loans.

Ahmed was apprised that RAKUB was extending loan facilities to 101 development sectors and sub-sectors.

The sectors include seed production, processing and preservation, tea industry, crop production on a commercial basis, rubber plantation, fruit and vegetable production, agro-based industry, poultry, dairy, fish and prawn farms and animal and fish feed production.

RAKUB has also been implementing ten micro-credit programmes for income and employment generation as well as poverty alleviation, the meeting told.

The programmes have positive impact on raising the standard of living, creating awareness of health and sanitation, income and employment generation and also empowerment of women.



AR Sinha, deputy managing director of The Acme Laboratories Ltd, speaks at the annual sales conference-2002 of the company in Dhaka yesterday. Hasibur Rahman, executive director, and Sabrina Sinha, director of the company, were present.

Improve supply chain management ITDG-BD seminar urges small infrastructure service providers

STAR BUSINESS REPORT

An improvement in supply chain management of small-scale infrastructure service providers will accelerate the economic growth of Bangladesh, speakers at a seminar observed yesterday.

Intermediate Technology Development Group-Bangladesh (ITDG-BD) organised a seminar on 'Supply Chain Management of Small Scale Infrastructure Services Providers (SSIPs) in Bangladesh' in Dhaka. The seminar was sponsored by DFID.

Enamul Haque, consultant to ITDG, defined small-scale infrastructure service providers (SSIPs) as enterprises that employed less than 50 workers and had a capital of less than Tk 100 million.

He made a survey on saleable services and included 19 sub-sectors like courier service, and taxicab.

Presenting the survey, Haque said the service providers have two objectives: one is to satisfy consumers and the other to make profits.

"These service providers main-

tain regular communication with suppliers and maintain informal and friendly relationships to ensure better services," Haque said.

The relationship for these services is based on trust from previous interactions, he said. He added these organisations are afraid of disseminating information, as they believe this will create an obstacle to their operation.

M.A.Sattar Mandal, professor of Bangladesh Agricultural University, said the service providers in the rural areas should be

included in a study of small-scale infrastructure service providers.

He mentioned 900,000 shallow tubewells in the countryside used for irrigation purposes should have been included in the study. "Furniture making and the poultry sectors are also good small-scale infrastructure service providers."

Oliver Wakelin, enterprise development project manager of Intermediate Technology Consultants (ITC), and Abdur Rob and WB Babar of ITDG also spoke.

Flora Systems appointed CityCell distributor

Flora Systems Limited (FSL) has been appointed distributor of Pacific Bangladesh Telecom Limited, says a press release.

An accord in this regard was signed recently at Pacific Centre in Dhaka.

As a distributor of PBTL, Flora Systems Limited will provide CityCell Digital services through its nationwide distribution network.

AKM Shaful Azam, senior V.P., Sales and Marketing, and Nishat Ali Khan, AVP, sales of PBTL, and Mustafa Rafiqul Islam, MD, and S.M. Weash, VP, of Flora Systems, attended the distributorship accord signing ceremony.

Bristol-Myers Squibb sets up clinical study centre in S'pore

ANN/ THE STRAITS TIMES, Singapore

One of the world's largest pharmaceutical companies has set up a new clinical research centre here.

This should enhance Singapore's lead as a choice location for developing new drugs, said Philip Yeo, chairman of the Agency for Science, Technology and Research.

The operation by Bristol-Myers Squibb, the company perhaps, best known for its anti-cancer drug Taxol, will collect and process data from clinical trials conducted in nine countries in Asia including South Korea and Thailand.

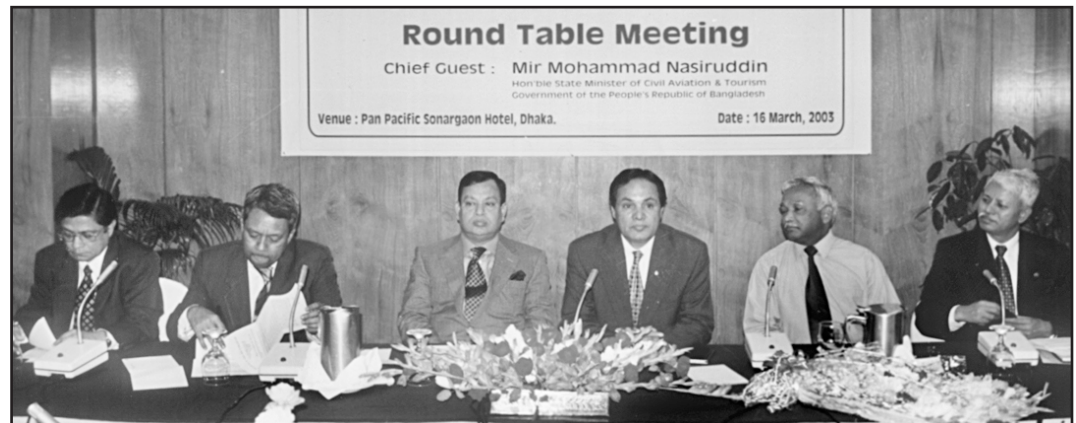
This way, said Dr Cezary Stachur, Bristol-Myers Squibb's executive director of global development operations, the drug development process can happen more rapidly.

He explained: "Instead of sending the data back to our world headquarters in New York, or other centres in Europe, our experts will be in Singapore processing and analysing the information. That way we cut the time it takes to send the documents back and forth."

He added: "There's also the time difference to consider. With our Singapore research hub, we can review data 24 hours a day, around the world. There is potential to accelerate the timing of researching and developing new medicine."

Singapore will be the company's 17th hub reviewing data from clinical trials.

These centres are in the US, Europe, Latin America and Australia. Bristol-Myers Squibb is not new to Singapore.



MA Muhaimin Saleh, president of Association of Travel Agents of Bangladesh (ATAB), presides over a meeting that discussed the standard of travel agency business in Bangladesh in Dhaka on Sunday. State Minister for Civil Aviation and Tourism Mir Md Nasiruddin, Secretary of Civil Aviation and Tourism Ministry M Shafiqul Islam, Chairman of the Board of Airlines Representatives-Bangladesh (BAR) Colonel Mahmudur Rahman (Rtd) and Secretary General of ATAB Golam Mustafa were also present.

Frequent changes in customs rules hurting plastic industry

Plastic goods manufacturers' assoc says

UNB, Dhaka

Some recent government decisions threaten closure of around 300 factories involved in manufacturing plastic accessories needed for exportable readymade garment items, industry sources said.

Seventy per cent of the total requirement of plastic accessories for the RMG industry is supplied locally and such goods worth 50 to 70 million dollars are exported in this way, Bangladesh Plastic Goods Manufacturers' Association (BPGMA) said.

But, it said, in a bid to regulate the 'deemed exporters' of plastic goods the customs authority has been changing and reviewing their rules so frequently pushing most of the plastic industries on the verge of closure.

"Customs authorities are unnecessarily harassing the indus-

try with the pretext of streamlining the bond facility misuse," BPGMA Vice President Jashimuddin told the news agency.

He said frequent changes in customs rules to monitor industries is making their production cost higher. "If Bangladesh fails to lower their cost of production the garment industries will have to import accessories from overseas."

Shahedul Islam, chairman of Exporters Committee of BPGMA, said the success of plastic industry in recent years is praiseworthy because these factories have successfully managed to supply world class plastic accessories.

He regretted government policy has not favoured the sector to protect the industry and its growth.

He added some of the plastic industries have been abusing the bond facility but this was streamlined about three years ago when

through an SRO customs department made a ruling for the plastic exporters to be a member of BPGMA.

If bond licenses are given only to the members of the BPGMA, the misuse of bond facility could be stopped but regrettably many plastic industries are getting bond licenses without being member of the BPGMA, he said.

Zahirul Quiyum Khan, a member of Export Committee of BPGMA, said the recent decision to give hundred per cent bank guarantee on full duty/tax amount during import of raw material by the export oriented plastic factories will force the factories either to a closure or to raise their selling price to a point where it will be rather cheaper for the garment industries to import their plastic accessories.



Officials of Pacific Bangladesh Telecom Ltd and Flora Systems Ltd shake hands after signing a distributorship accord in Dhaka recently.

War in Iraq: Scenario of global economy

AFP, Paris

The direction of the world economy, towards recession or recovery, will be guided by the duration of fighting in Iraq, analysts say.

A SHORT WAR, won by the United States: This is the hypothesis favored by economists who see in it an end to uncertainty for investors, entrepreneurs, and consumers.

"May boredom return," pleads Mickey Levy, head economist at Bank of America.

A short war is synonymous with weak perturbations to the offer of crude oil, with the Organisation of Petroleum Exporting Countries making up for lost Iraqi production and the part of Kuwaiti output interrupted by precaution.

It also signifies a regain of optimism on stock markets and foreign exchange markets, which began Monday after US President George W. Bush announced an ultimatum to Iraqi counterpart Saddam Hussein and the imminent launch of war.

Such a scenario would implicate "a reversal of the risk premium in stock markets (...) and a fall of oil prices to around 25 dollars a barrel by the end of the second half of 2003," resumed Mary Davis, economist at Credit Suisse First Boston (CSFB).

IN CASE OF A PROLONGED CONFLICT, with problems securing oil wells, and terrorist acts in neighboring countries or elsewhere:

Feared, this is the scenario least

envisaged by the economists, because of the immense military superiority of the US-British coalition.

A bogging down would signify keeping oil prices at a durably high level, precipitating an already weakened West "to the edge of recession, particularly in Europe", estimated Murat Toprak, economist at Societe Generale.

"A stagnation or a recession cannot be ruled out" if a more negative scenario prevailed with a prolonged rise in oil prices, said the European Commission.

"The lowering of oil prices seems the only variable capable of restoring confidence," stressed Murat Toprak.

Today, even a lowering of interest rates on both sides of the Atlantic would not suffice, while demand is weak and world trade in a slump, especially since central banks do not have much more room for manoeuvre.

For Rory Robertson, strategist at the Macquarie bank in New York, "a large drop in oil prices would be more useful for the economy than a small cut in interest rates."

Furthermore, the war effort, which already implies enormous spending, risks in this case a profound unbalance of public finances in the United States, by aggravating further the twin budget and trade deficits.

That could lead to "a weakening of the dollar", according to Patrick Artus, of CDC Ixix Capital Markets,

with as a corollary a less competitive position of European and Asian exporters compared to their US competitors.

- THE CRUCIAL QUESTION OF POST-WAR IRAQ: With the rapid setting up of a new regime in Baghdad, without tension within the country or in neighboring states, oil prices would remain calm.

In addition, a soft transition, with reconstruction of Iraq, would signify in the end an improvement in the country's capacity to produce oil and natural gas, without affecting exports, as well as opportunities for western firms.

The contrary, nightmare scenario, is very rarely mentioned by economists. Regional instability, internal troubles in Iraq, resumption of terrorist actions could plunge the global economy into recession.

IN ANY CASE ... : The planet's "severe economic malaise" is such that maybe even "a positive issue in Iraq will not make a big difference," stressed Mickey Levy.

Furthermore, "will there be other hot-spots, like North Korea, that will keep markets on red alert, even after Iraq?" the Bank of America chief economist asked.

Certain economists ask about the possible repercussions of diplomatic tension between the United States and part of Europe.

On Tuesday, the US Federal Reserve noted how the amount of geopolitical risks rendered difficult any economic predictions.