

Economic census from April 20 to 26

UNB, Dhaka

Economic census will be carried out in rural areas in Bangladesh during April 20-26 and handloom census during May 5-11.

Surveyors will visit factories and industries, shops, hotels and restaurants, schools and colleges, religious institutions, offices, hospitals and clinics, service-oriented institutions and handloom factories for collecting data during the period.

All concerned have been requested to contribute to the country's economic development by providing accurate data to the surveyors, said a handout.

Tk 200cr aid from Japan

Japan on Wednesday granted Bangladesh aid amounting to 4,214,236,000 yen or equivalent to Tk 200 crore for debt relief, says a press release.

Japanese Ambassador to Bangladesh Jiro Kobayashi and Secretary of Economic Relations Division signed the exchange of notes regarding the aid on behalf of their governments.

Under the exchange of notes, Japan will provide a grant assistance to Bangladesh with the intention of producing the same effect as canceling the debt.

Bank Asia subscribes for Tk 50m zero coupon bonds

Bank Asia Limited has subscribed for Tk 50 million zero coupon bonds issued by Industrial and Infrastructure Development Finance Company Limited (IIDFC).

A memorandum of understanding to this effect was signed by Syed Anisul Huq, managing director of Bank Asia Limited, and AKM Nozmul Haque, managing director of IIDFC, on Wednesday, says a press release.

This is the first time that zero coupon bonds have been issued in Bangladesh by any financial institution.

The introduction of this new financial instrument is expected to contribute to the further development of the bond market in the country.

IIDFC intends to mobilise in the initial stage funds to the extent of Tk 1 billion through the issue of zero coupon bonds, which would have favourable impact on the cost of funds available for long term investment.

United Ins branch managers' confce held

The 11th branch managers' conference of United Insurance Company Limited was held at the head office of the company in Dhaka on Saturday, says a press release.

The day-long conference was inaugurated by M. Moeedul Islam, chairman of the company. It was attended by all branch managers and other senior officials.

Speaking at the conference, the chairman reminded the branch managers that in spite of unhealthy competition the company, in 2002, earned a higher pre-tax profit than the previous years.

India's Wipro's annual profits slip 8.5pc

AFP, Bangalore

Officials India's third largest software exporter Wipro said Thursday net profit in the year to March fell 8.5 per cent due to a higher rupee, pricing pressures and losses in two of its subsidiaries.

The company posted a net profit of 8.2 billion rupees (170 million dollars) while revenue rose 24 per cent to 43.3 billion rupees.

The New York-listed firm blamed the profit decline mainly on losses of 371 million rupees incurred by affiliate Wipro GE Medical Systems.

Suresh Senapaty, Wipro's corporate executive vice president, said the company was working with GE Medical Systems "to bring that business back to its track record of consistent profitability."

Bangladesh to see 5.2pc GDP growth despite war, SARS

ESCAP annual regional survey forecasts

STAR BUSINESS REPORT

Bangladesh economy is expected to see a GDP growth of 5.2 per cent this fiscal, thanks to surging intra-regional trade, fiscal stimulus and monetary easing, United Nations' economic and social arm forecast yesterday.

The global prediction was made despite global uncertainties over war and a viral outbreak.

The UN's Economic and Social Commission for Asia and the Pacific (ESCAP) in its annual regional survey for 2003 attributed the projection also to steady agriculture and stronger export demand.

Presenting the survey to pressmen at CIRDAP auditorium in Dhaka, independent think tank Centre for Policy Dialogue (CPD) Executive Director Debapriya Bhattacharya said the growth performance of Bangladesh in 2003 will largely hinge on three prime factors -- fallout of Iraq war, impact of Severe Acute Respiratory Syndrome (SARS) and performance of US, EU and Japan economies.

"The good news is that the war is ending with oil prices still stable, the fatal virus not yet here and the Japanese GDP growth returning to positive figure showing signs of recovery," Bhattacharya said.

These positive developments are sure to contribute to the steady growth of Bangladesh economy, he said.

The survey, titled 'Asia and Pacific Economies: Resilience in Challenging Times' released yesterday all over the world, has also revised growth forecast for developing countries in the region to 5.0 per cent from 5.4 per cent due to the impact of Severe Acute Respiratory Syndrome (SARS) and the Iraq war.

Annual inflation in Bangladesh had shown a sharp downward trend in recent years, but picked up to 2.4 per cent in 2002. The reversal of the downward trend in inflation in 2002 was partly a reflection of fiscal and monetary stringency, the survey noted.

Administered price increase for gas, electricity and petroleum and higher duties and margin requirements on commercial imports raised the prices

of several goods and services.

Inflation is targeted to continue at a faster annual rate of three per cent in 2003-2005 but higher food and import prices may raise this figure, the survey stated.

A decline in import spending of 8.7 per cent in 2002, as a result of lower imports of inputs for export processing activities, reversed the strong growth in 2001. Imports of petroleum and food products, with the exception of edible oil, were generally lower, while commercial imports of consumer durable and automobiles fell significantly and imposition of margin requirements and supplementary duties lowered demand, it read.

As a result of the sharper fall in imports, the trade deficit narrowed. This, together with a substantial increase in remittance receipts, led to the current account deficit falling to 0.6 per cent of GDP in 2002, it said.

Net capital inflows into Bangladesh declined significantly in 2002 to \$312 million from \$580 million in the previous year. Although ODA receipts,

particularly in the form of concessional loans rose slightly, inward FDI was significantly lower in 2002 and there was a net outflow of foreign portfolio investment, it said.

Foreign exchange reserves increased in 2002 to provide ten weeks import cover. Total official external debt reached 35 per cent of GDP by the end of 2002 and debt service obligations amounted to slightly less than 10 per cent of export earnings.

Survey suggested the government to speed up reform drive and curtail government expenditure and increase revenue collection.

It also acknowledges the private sector as the leader of GDP growth asking the policymakers to facilitate investment in manufacturing sector.

Jorgan Lissner, UN resident coordinator in Bangladesh, and Kazi Ali Reza, office-in-charge of UN Information Centre in Dhaka, were present at the launching of the survey report.

SARS causes uncertainty for Asia-Pacific economies

AFP, Bangkok

The spread of the deadly SARS virus has cast doubt over economic forecasts for Asia-Pacific economies this year but growth in the region is still expected to easily outpace the rest of the world, the UN's economic and social arm said Thursday.

The UN's Economic and Social Commission for Asia and the Pacific (ESCAP) regional survey for 2003 launched Thursday had projected 5.4 percent growth for developing countries in the region this year but ESCAP last week revised the figure down to 5.0 percent due to the impact of Severe Acute Respiratory Syndrome (SARS) and the Iraq war.

"SARS will not be easy to contain and control. It will affect definitely Asia-Pacific economies, especially those with large tourism sectors," UNESCAP's

executive secretary Kim Hak-Su told reporters.

The growth forecast is slightly lower than the 5.1 percent growth posted last year by developing countries in the Asia-Pacific region.

"There is caution. Accurate figures are impossible. It's all guesstimates... The psychological aspect is it's a very scary disease and is spreading fast," Kim said.

"People want to stay home. It's had a tremendous impact on people." The atypical pneumonia has killed more than 160 people and infected at least 3,500 around the world, mostly in Asia.

The revised growth forecast is still much higher than 2.3 percent growth expected for the rest of the world, Kim said.

"Overall Asian economies will record higher growth than the rest of the

world. Asian economies are characterised by dynamism and resilience... We'll see how resilient they are this year," he said.

Raj Kumar, chief of ESCAP's poverty and development division, said that the true impact of SARS would probably not be as bad as many were expecting.

"There have been scary headlines but behind them, it's not scary," he said. "Even in Hong Kong they're forecasting just a one percent fall and they are the most severely hit."

A wave of economists' downgrades to economic growth forecasts have followed the SARS outbreak. The Economist Intelligence Unit (EIU) said earlier this week that growth in Asia, excluding Japan, this year would decline to 2.7 percent from 2.9 percent as the fallout from SARS aggravates the impact of the weakening global economy.

JetAge made GSA of Air Macau

JetAge Air Services Ltd has been appointed the general sales agent (GSA) of Air Macau, says a press release.

Announcing this, Kazi Wahidul Alam, chairman of JetAge Air Services, said, "We are pleased to be appointed the GSA of Air Macau. Our appointment will make travel to Macau easier."

Air Macau flies to Singapore, Bangkok, Kuala Lumpur, Manila, Taipei, Kaohsiung as well as Beijing, Shanghai, Nanjing, Ningbo, Chengdu, Kunming, Xiamen and Haikou in China.

It has five Airbus A321s, three Airbus A320s, one Airbus A319 and one Boeing B757-200 in its fleet.

Air Macau took delivery of its latest brand new Airbus A-321 on March 2 and made its maiden flight to Kaohsiung on March 3.

Other types of aircraft in its fleet are Airbus A319 and Boeing B757-200.

US corporate profit rises fail to buoy markets

AFP, London

World stock markets experienced mixed fortunes on Wednesday despite good news from a series of US first-quarter corporate results, while the dollar faced pressure and oil prices slip.

Markets fell more than they rose across the United States and Europe despite increased first quarter profits announced Wednesday by US finance titans J.P. Morgan Chase and Merrill Lynch, as well as by Coca-Cola.

The previous day, software giant Microsoft had additionally reported increased profits, while computer chip maker Intel described its first-quarter performance as "solid" despite falling profits.

In early trading on Wall Street, the Dow Jones industrials average fell 0.1 per cent to 8,320.8 points, although the technology laden Nasdaq index gained 0.8 per cent to 1,402.7 points on the back of the hi-tech results.

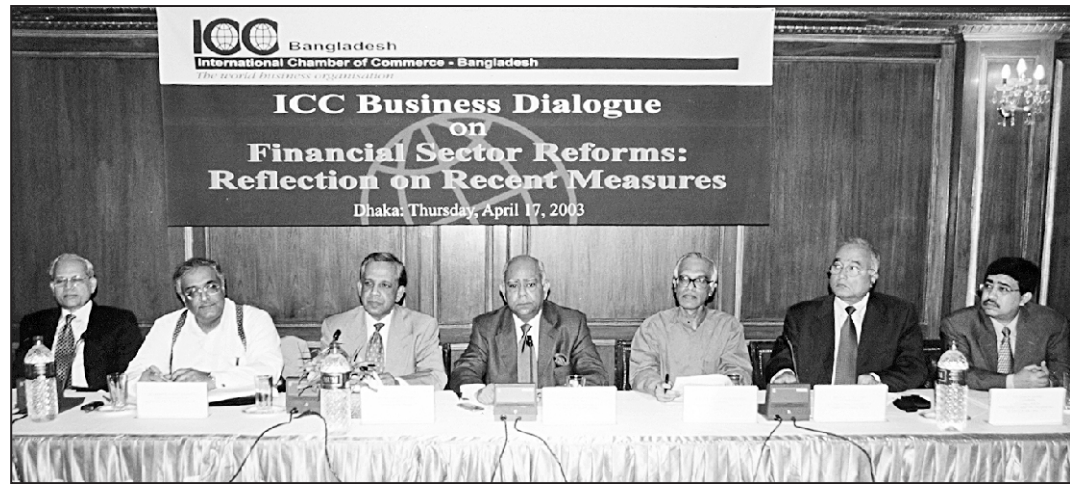
On European markets, the British FTSE 100 index closed down 1.6 per cent at 3,854.9 points, the French CAC 40 index finished 0.9 per cent lower at 2,895.2 points and the German DAX 30 index was unchanged at 2,834.2 points in late trade.

Colgate's Q1 profit rises

REUTERS, New York

Colgate-Palmolive Co. CLN said on Thursday that first-quarter profit rose, helped by new products like Simply White tooth whitener.

Colgate, which in recent years has posted some of the most consistent profit growth in the consumer products sector, reported earnings of \$324 million, or 56 cents a share, compared with \$289.7 million, or 49 cents a share, a year earlier.



Fakhruddin Ahmed (3rd L), governor of Bangladesh Bank, speaks at the ICC Business Dialogue on "Financial Sector Reforms: Reflection on Recent Measures" as chief guest at the MCCI conference hall in Dhaka yesterday. ICC-B President Mahbubur Rahman, chairman of Financial Sector Reforms Committee Professor Wahid Uddin Mahmud, ICC-B Vice President ASM Quasem, Chairman of ICC-B Standing Committee on Banking and CEO of Citibank NA Mamun Rashid, Executive Director of Centre for Policy Dialogue (CPD) Debapriya Bhattacharya and MCCI Secretary General CK Hyder were present.

Bangladesh may buy 100,000 tonnes of wheat from Pakistan

REUTERS, Karachi

Pakistan is likely to sign a deal over the next week or so to supply Bangladesh with 100,000 tonnes of wheat at \$130 per tonne, an official from a state-run grain storage agency said Wednesday.

The official, who declined to be identified, said Pakistan was offering such a low price per tonne for the wheat in an effort to get a new market in Bangladesh, which traditionally buys its wheat from India.

"The deal is in progress and hopefully it will be finalised in a week or so," the official, from the Pakistan Agriculture Storage and Service Corp (PASSCO), told Reuters.

"The Bangladeshi government contacted us earlier this month for 100,000 tonnes of wheat supplies... we offered \$130 per tonnes FOB Karachi price," said the official.

"PASSCO offered a price to Bangladesh which is even less than it has been offering to local buyers just

to tap a new market for Pakistani wheat," he added.

Last month the grain storage agency sold 300,000 tonnes of milling wheat from the 2002 crop for export at 8,625 rupees (\$149.30) a tonne to seven local buyers.

But after the shipments are made PASSCO pays back the buyers a maximum of 2,500 rupees per tonne under the government's export refund policy.

Exporters and shippers in the port city of Karachi said they had struck deals with foreign buyers to export all the purchases they had made from PASSCO last month.

Hamid Gharib, an exporter who bought 125,000 tonnes of wheat from the PASSCO, said wheat shipments to East Africa, the Philippines, Vietnam and Middle East were scheduled from April to June.

"The FOB Karachi prices quoted by the exporters are in a range of \$127 to \$130 per tonne," Gharib said.

Indian truckers strike paralyses ports

REUTERS, New Delhi

Many Indian ports were paralysed on Wednesday and food prices nationwide started soaring as a truckers strike dragged into its third day Wednesday.

The country's biggest car maker, Maruti Udyog Ltd, a unit of Japan's Suzuki Motor Corp 7269.T, said it might temporarily shut down production as the stoppage had hit component supplies.

The truckers, who carry the bulk of India's freight, went off the roads on Monday to back demands for stable diesel prices, minimum freight rates and fewer levies and taxes and the repeal of an order to scrap trucks older than 15 years.

Transport Minister B.C. Khanduri said he had invited the All India Motor Transport Congress (AIMTC) for talks on Thursday. The AIMTC's members operate around three million trucks.

"They can come and give me their demands but the discussion has to be detailed and the groundwork has to be done (before an agreement)," Khanduri told reporters. "We have no

major disagreements and I think there was no need for this strikes."

Khanduri said the impact of the strike varied from marginal to widespread around the country but added the situation was not "alarming" anywhere.

The AIMTC, which has held talks with the government in the past, has said it is open to fresh negotiations.

Cargo movement to and from Kandla Port, one of India's busiest, has come to a standstill and operations may have to be suspended soon, said one official.

"We are using our storage area to store dry goods and liquid cargoes... but if the strike goes on, then the entire operations will stop," R. T. Revankar, Kandla's traffic manager, said.

Trucking unions said they had exempted vehicles moving milk and cooking gas from the strike and vegetables and fruits were still being delivered by smaller vehicles.

But shop owners in many parts of India said prices had begun to shoot up due to erratic deliveries and fears of shortages.

Oil up after Iran asks OPEC to tighten taps

AFP, London

Oil prices rose in early trading here on Thursday after Iran called on fellow members of the industry cartel OPEC to agree to cut production when they meet next week, in an attempt to halt a price slide.

In London, reference Brent North Sea crude for June delivery rose 23 cents to 25.25 dollars a barrel in early deals.

New York's benchmark light sweet crude contract for May was up 26 cents to 29.44 dollars a barrel during out-of-hours electronic trading.

Earlier Thursday, Iranian Oil Minister Bijan Namdar Zanganeh said that the Organisation of Petroleum Exporting Countries (OPEC) needed to reduce production in the second quarter of 2003. Iran is the second-biggest producer within 11-member OPEC, behind Saudi Arabia.

"Currently there is a surplus in the oil market, and if it is not controlled in the long term, oil prices will slide," Zanganeh told reporters on the side-

lines of an international energy conference in Tehran.

"We need a decrease in production... starting the second quarter of 2003," he said.

OPEC members are due to meet next Thursday in Vienna to discuss a possible production cut, with sources in the cartel saying it could amount to as much as two million barrels per day.

"We are now a week away from the OPEC meeting, there is an expectation that they will either reduce output by cutting their quotas or by improving (quota) compliance," said Commerzbank analyst David Thomas.

Prices were also being pushed upwards by traders ensuring they were not too exposed ahead of the long Easter weekend, which in London sees the markets closed from late Thursday until Tuesday.

"The market is higher on short covering ahead of the bank (public) holidays, which may push oil prices slightly higher during the day," said GNI trader Robert Laughlin.

Cambodia edges closer to WTO entry by Sept

AFP, Geneva

Cambodia and the WTO on Wednesday agreed a tight timetable for talks on the country's entry into the global trade body that aims to see negotiations completed by September, trade sources said.

Cambodia applied to join the 146-strong World Trade Organisation (WTO) in late 1994, and is benefiting from a system agreed by members at the end of 2002 to speed up the accession of least-developed countries.

The WTO working party dealing with Cambodia's membership will now aim to complete its report setting out the terms and conditions of Cambodia's WTO entry by July, which would allow the process to be finished by September when trade ministers are due to meet in Cancun, Mexico.

Cambodia would then have to ratify the agreement, becoming a member 30 days after informing the Geneva-based body that its parliament has ratified the documents.

In its near-decade long bid to enter the WTO, the country has faced criticism for not complying with labour rights standards that could ease its entry process.

US jobless claims surge

REUTERS, Washington

More Americans than expected signed up for state unemployment benefits last week, reflecting increased layoffs in the auto industry as the world's richest economy limped forward, a government report on Thursday showed.

First-time jobless claims rose by 30,000 to a seasonally adjusted 442,000 for the week ended April 12, the Labour Department said. It was the ninth straight week that claims held above the key 400,000 level, regarded by economists as a sign of an unhealthy labour market.

Much of the rise reflects an increase in layoffs in the auto industry, a Labour Department official said.

The gain was well above expectations. Economists in a Reuters poll forecast, on average, that jobless claims would edge up to 411,000.

Pepsi earnings increase

REUTERS, New York

PepsiCo Inc. PEP.N, the maker of Lay's potato chips and Mountain Dew soft drinks, said on Thursday its first-quarter profit rose nearly 13 per cent, led by the strength of its Frito-Lay snacks.

PepsiCo said its earnings rose to \$777 million, or 45 cents per share, from \$689 million, or 38 cents per share, a year earlier. Net revenue was \$5.53 billion, up from \$5.31 billion in the year-ago quarter.

Analysts expected the Purchase, New York-based company to earn between 40 cents and 44 cents per share, with a mean target of 42 cents per share, according to research firm Thomson First Call.

PepsiCo's U.S. soft drink unit is responding to increased pressure from Coca-Cola Co. KO.N with new drinks, including a vanilla version of Pepsi due this summer to attack Vanilla Coke's success.

In February, PepsiCo said it would no longer give specific earnings forecasts. The maker of such products as Doritos tortilla chips and Gatorade sports drinks has said it can increase volume and net revenue at mid-single digit percentage rates and earnings per share at a low double-digit percentage rate in the long run.