

The Baily Star

DHAKA, SATURDAY, DECEMBER 16, 2000

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Tea output up by 8m kgs in 11 months

From Staff Correspondent CHITTAGONG, Dec 15: The country's tea output has recorded an increase by 8 million kgs in the past 11 months till November this year compared with last year's corresponding

period, tea sector sources said. A total of 50.8 million kgs of tea was produced during January to November this year as against 42.8 million kgs in the same period in 1999, the sources added.

32 Bangladeshi cos to take part in Dubai Shopping Festival

panies will take part in the Duhai Shopping Festival, the largest retail event in the Middle East, reports UNB.

This is for the first time that Bangladesh is participating in the festival since the inception of the commodity fair in 1996.

A group of young Bangladeshi professionals, working in different private organisations. have taken initiative to take Bangladesh to the festival. which will begin March 1.

Saifur Rahman, an organiser of the Bangladesh pavilion said: "This will boost Bangladeshi exports to the UAE by Th 20-25 erore.

The country's annual export to the UAE is about 40 million US dollars.

Every year, 1.5 million foreign visitors join 2.5 million local residents in a month-long shopping spree.

Saifur Rahman said there is a growing demand for Bangladeshi commodities in the Middle East markets. However, this has never been met for a lack of proper initiative.

Marketing Agricultural Company - Pran. Keva Cosmetics. Crown Leather. Sharil Melamine, People's Ceramic GMG Airlines, Suvastu Properties. Bawani Tea and Uttarai Enterprise are among other companies which have already confirmed their participation.

minister on March 3 A cultural delegation will perform on the country's 30th Independence Day on March 26 at the festival.

likely to be maugurated by

The Bangladesh pavilion is

US current account deficit hits record

WASHINGTON, Dec 15: The US current account deficit, the broadest measure of foreign trade, surged to a record 113.8 billion dollars in the third quarter from a revised 105 billion in the second quarter, the Commerce Department said vesterday, reports AFP.

The report was roughly in line with expectations on Wall Street, where analysts foresaw a third-quarter shortfall of 114.1 billion dollars. Nonetheless, the third-

quarter gap was the widest since the government began tracking the data after World War II.

The current account measures trade in goods and services as well as profits and interest payments from overseas.

In the goods category, the deficit widened to a record 115.4 billion dollars from 110.2 billion while the shortfall in income expanded to 4.5 billion dollars in the third quarter from

4.1 billion in the second. Investment income from USowned assets abroad fell to 86.2 billion dollars from 87.1 billion

in the second quarter. Net unilateral transfers rosc to 12.8 billion dollars in the

third quarter from 12.3 billion in the previous quarter. New president,

vice-presidents of NASCIB



President Ainul Haque Sohel has been Association of Small and Col-

The newly - elected vice-Md Mosharaf Hossain a. Sabera Begum.

FBCCI calls for end to margin bars on commercial imports

The Federation of Bangla- force. desh Chambers of Commerce and Industry (FBCCI) has ap- quantity of industrial raw matepreciated the government's decision of lifting the restriction cially, he said, adding that unon margins for opening letters of credit (LC) for import of industrial raw materials, reports small to medium scale indus-

The appreciation came at a lems meeting of FBCCI executive

Speaking on the occasion, of their banks," he added. the FBCCI president said that margins for opening letters of un essential consumer goods credit. 50 per cent margin for may have serious complication Some 32 Bangladeshi com- commercial import is still in in Bangladesh, as such items brunt of the restrictions.

In this category, a huge

rials is also imported commerless these items are exempted. many industries, particularly tries, would face serious prob-

They would face increased committee with its President production cost, shortage of Yussuf Abdullah Harun in the working capital and eventually may fail to fulfill commitments

He, however, said restriction despite lifting restriction on on commercial import of lux-

would enter into the country through illegal channels due to bar on their imports.

He said that the announced steps regarding restriction will have serious effects on revenue collection, future bank interest rates, level of inflation, foreign currency rates and generation of employment.

Calling on the government to discuss the important issues with the leaders of the business community to ensure unhindered economic growth of the country, he said it would be most unfortunates if the private sector alone has to bear the

Following the circular dated December 11, 2000 issued by Bangladesh Bank requiring higher margins for opening letters of credit. leaders of various trade organisations expressed their strong concerns.

FBCCI also took urgent steps to apprise the government of the various negative aspects of such a decision.

As a result, Bangladesh Bank issued a circular on December 13, 2000 lifting the restriction on margins for opening letters of credit for import of industrial raw materials FBCCI hailed the government for taking such a prompt and appropriate action.



Picture shows the signing ceremony of a loan agreement between Southeast Bank and Vanik Bangladesh held in the city on Tuesday. - Southeast Bank photo

IMF tells Pakistan to stick to tight fiscal diet

International Monetary Fund to break from the past and imvesterday urged Pakistan to prove governance and implefollow through on a strict fiscal ment far-reaching structural diet that has been prescribed as reforms resolutely." the IMF a condition for fresh interna- said. tional lending approved last

month, reports Reuters. the country's economy, the help the country cope with li-Washington-based lender said quidity problems and deal with Pakistan's performance had mounting debt arrears with improved markedly over the creditor nations. past year as growth picked up and inflation eased while cru- been in talks for more than a cial structural reforms were year over the resumption of aid.

namics, the IMF report said. noting such a strategy was key

India hopes to

stick to 5.1pc

fiscal deficit

NEW DELHI. Dec 15: India

expects to be able to stick to its

fiscal deficit target of 5.1 per

cent of GDP for the current

financial year, helped by buoy-

ant tax revenues. Finance Min-

ister Yashwant Sinha said to-

the 5.1 per cent deficit target. I

have already told parliament

also that we will try to keep the

fiscal deficit within the target.

Sinha told reporters on the

sidelines of a business seminar.

"We will be able to stick to

day, reports Reuters.

WASHINGTON, Dec 15: The comed the authorities resolve 6.4 per cent in 1999/2000, with

The IMF last month approved a new \$596 million In its annual assessment of standby loan for Pakistan to

Pakistan and the IMF had The previous IMF programme The key policy challenges there was suspended in May for the period immediately 1999 after the country failed to ahead will be to maintain mac- meet agreed economic condiroeconomic discipline and im- tions such as deregulating peprove the competitiveness of the troleum prices, devaluing the economy and public debt dy- rupee and imposing a retail sales tax.

not only for a return of investor ages a reduction in the overall confidence but also for reducing budget deficit in fiscal and fighting corruption to give a

Lunch/Dinner for two at

Lunch/Dinner for two at

Greatwall Chinese restaurant

Lunch for two at Meal in the

details, one may contact at 8125294-7

जयण लिपात कयश्चिक लिश

३२० एवर री-वाहता (वास, एस्स्वीवाग, ठाका-३२०३) प्राप्त विर्विक जांधांत्रनं जलां, 38 है जिस्सार २००० है।

ROAD, HAZARIBAGH, DHA

Prizes

120 SHER-E-

Ahmed, Chairman of the company, presided over the meeting.

Park Town

Hertz Rent-a-Car

Box fast food centre

further consolidations over the medium term.

"Fiscal consolidation - especially an improved revenue effort - is essential for restoring macroeconomic stability." the fund said in its report.

The IMF also said its executive directors had noted the significant weakening in Pakistan's rupee over recent months, noting that tightened monetary policies were likely to have a stabilizing effect on the currency. But it cautioned against any premature cuts in interest rates, particularly in view of Pakistan's low level of international reserves.

The fund also urged further reforms in key sectors of the economy, such as public utili-The IMF programme envis- ties. It added more progress was needed on privatizations 2000/2001 to 5.2 per cent of boost to the private sector and "Directors, therefore, wel- gross domestic product, from attract more foreign capital.

Winners Card No

6378

6364

Weekly ReadyCash Prize Winners

Thursday at Obsession House at Alta Plaza. Dhanmondi. Mi-

zanur Rahman. Managing Partner of Obsession House. an-

nounced the names of lucky prize winners.

The latest draw of the fortunate prize winners was held last

New ReadyCash card holders will become eligible for prizes

as soon as they make their first transaction. Winners are re-

quested to collect their prizes from the Public Relations Man-

ager of ReadyCash within 30 days of publishing the winners' list

by producing their ReadyCash card transaction vouchers. For

Star on every Sunday for new listings of prize winners.

ReadyCash encourages its card holders to read The Daily

Md. Shah Alam

Shahid Chowdhury

Amitab Sikder Bappi

Shahjahan Alam Saju 6352

Southeast Bank okays Tk 110m credit line for Vanik

Southeast Bank Limited has approved a Credit Line of Tk. 110 million to Vanik Bangladesh Limited to finance its leasing and credit card operations, says a press release.

A loan agreement to this effect was signed between Southeast Bank and Vanik Bangladesh on Tuesday at the Vanik Bangladesh head office.

Present at the signing agreement were Shah Md Nurul Alam. Managing Director, Alimed Tabsir Chowdhury, First Vice-president and Head of IT. Sabbir Almied Imtiaz, Vicepresident and Head of Gulshan Branch, and Pritish Kumar Sarker, First Assistant Vicepresident. from Southeast Bank, and E.C.S.R. Muttupulle, Chief Executive Officer, Mohammad A Moyeen, Chairman. Mahbubul Anam, Director, and I.C. Ivor Pratap, Senior Vice President of Vanik Bangladesh.

Key sectors thrive

Cuba sees 5.6 pc economic growth this year

HAVANA. Dec 15: Cuba's socialist economy is set to grow 5.6 per cent in 2000, as healthy performance in key sectors like nickel, tourism and oil help offset low sugar export prices and higher fuel import costs. Hayana said vesterday, reports Reuters.

"This has been a complex and difficult year, full of financial and material vicissitudes. Vice President Carlos Lage, one of the architects of Cuba's economic policies, told an economic conference in Havana, as he announced the figure.

However, the economic recovery continues." he added, in comments reported by state media.

The communist-run Caribbean island's economy plunged into crisis after the fall of the Soviet bloc around 1990, but began gradually recovering from mid-decade, since which time gross domestic product (GDP) has risen an average of 4.4 per cent annually, according to the authorities.

Official GDP growth in 1999 was 6.2 per cent.

Local dissident economists. however, dispute Cuba's official figures, calling them part of an "economic triumphalism" that seeks to cover the cracks in a creaking economy managed by the state largely along political

Oil dips again as stocks build, Iraq pumps LONDON, Dec 15: Oil prices barrel after crashing by \$1.44 leave world supplies comfortacaved in further yesterday after on Wednesday. Brent in just bly placed going in to the New

ports removed another prop lowest point since May. from a market that only two US January light crude fu- peak of \$35 for Brent. months ago was at a 10-year tures fell 84 cents to \$27.90 a

London February Brent futures fell 51 cents to \$25.42 a recovery in lean inventories will

the resumption this week of three weeks has shad a quarter Year. Speculators have jumped UN-monitored Iraqi crude ex- of its value, slumping \$8 to its ship from a market which just

two months ago set a 10-year "It's simple. The world is

oversupplied with oil," said Dealers have decided that a Gary Ross of leading US energy consultancy Petroleum Industry Research Associates. "European crude stocks al-

ready are substantially higher than this time last year and Asian demand is failing." Mild winter weather in

Europe has allowed heating oil inventories to build and leave room for exports to the United States, where stocks have been US crude stocks are still eight million barrels, three per

cent, down on the year. But US crude prices remain \$2.50 or 10 per cent higher than the \$25 of this time last year. Iraq kept oil exports flowing

on Thursday by loading a third tanker at its Gulf Mina al-Bakr terminal.

The Crude Traveller was set to sail for storage in the Caribbean, industry sources said. The loading eased fears that Iraq might refuse exports to all but selected customers.

Two tankers chartered by Indian Oil Corp (IOC) had taken aboard Iraqi crude on Wednesday, marking the end of a 12day suspension during which Baglidad demanded customers make payments outside the terms of the United Nations oilfor-food deal.

An Indian industry official said that India had used diplomatic channels to persuade Baghdad to release oil to staterun IOC without any payment of the surcharge.

Baghdad's request for a surcharge kept its 2.3 million barrels daily off world markets when buyers refused to pay the surcharge for fear of violating UN sanctions, imposed after Iraq marched into Kuwait in

US tables service

trade proposal

before WTO

United States vesterday sub-

mitted detailed proposals for

slashing trade barriers covering

energy, education, films and a

wide range of other service

sectors that account for a huge

chunk of employment around

the modern economy," US

Trade Representative Charlene

Barshefsky said in a statement. "These negotiations can significantly improve US exports of

services and will benefit the over 4 million Americans whose

jobs are supported by these

Services are the backbone of

the world, says Renters.

WASHINGTON, Dec 15: The

Weekly Currency Roundup December 10-14, 2000

On this undated file picture, South Korea's SK Telecom Co.

displays in Seoul three imaginary models for video wireless

phones of the new generation wireless service. The South

Korean government yesterday selected SK Telecom and

Korea Telecom Freetel Co. as the winners of licenses for

potentially lucrative next-generation wireless services.

Local Market

Local foreign exchange market was active throughout the

week. The demand for dollar was high as the market-players purchased it to cater to their trade-related demand. The trading range of dollar is on an increasing trend. In the interbank market, the greenback traded between BDT 53.88 and 53.96. According to Bangladesh Foreign Exchange Dealers Asso-

ciation (BAFEDA), the daily average foreign exchange turnover was over USD 294.6 million. The average USD selling rate against import letters of credit was BDT 54.2546 and the average USD buying rate against inward remittance was BDT

Demand for overnight borrowing at call has increased beause of the coming Eid-ul-Fitr. The call rate varied between 8.5 and 10.00 per cent during the week.

- Standard Chartered Bank

- AFP photo

Economic slowdown apparent in corporate America



elected president of National tage Industries of Bangladesh

(NASCIB), says a press release. The election for the years 2000-2002 was held recently. presidents are Md Mol lam Lofa. Md Reza Faruque, Shahidul Haqu

Mounting job cuts at major US On Thursday, Whirlpool rival capital expenditures. ompanies and a flurry of re- Maytag Corp said lower-than- Chuck Hill, director of re-

some are growing less confident job cuts. the Federal Reserve can engioft inflationary pressures.

Goldman Sachs.

warned arnings v and sa it will en

Samata Leather Complex Ltd declared an eight per cent cash dividend for the financial year

1999-2000 at its 10th annual general meeting held on the factory premises Thursday. Munsur

and sales points to a dramatic miss fourth-quarter earnings. Financial, which tracks corposlowdown. if not an end, to, estimates, and New York banks rate earnings forecasts, said the America's unprecedented dec- Chase Manhattan Corp and JP number of companies "preade of economic prosperity. Morgan & Co. Inc. said their announcing earnings warnings Wall Street experts said vester- earnings would fall substan- was up around 60 per cent ured by Gross Domestic Prodtially below Wall Street esti- compared with last year. While few economists see a mates and that their expected recession in the near future, merger would result in 5,000 is slowing. The combined

year to slow growth and ward domestic volume during the Reuters. definitely slow," said William year. UPS said it still expects to earnings growth until the sec-Dudley, chief US economist at meet 2000 and 2001 targets. As sales drop, inventories said,

Just this week, automaker are rising and forcing manu-General Motors said it will miss facturers to rethink their in- in a free-fall and pre- soll-Rand said 2000 earnings its profit forecasts and cut vestment spending plans. This announcements generate re- would come in on the low end brecht & Quist said Dell Com- have said you need two quarnearly 4 per cent of its world- year, manufacturers raised ductions in estimates," said of the range of analyst estiwide workforce, while appliance capital expenditures by only 4.9 Hill. maker Whirlpool and also per cent over one and 2001. US Commerce Department largest auto supplier, Delphi

ing only a 1.8 per cent rise in seasonally adjusted 6.4 cents employees.

- Samata Leather photo

In addition, carnings growth

earnings estimate for the quarter. Other data signal a slowing S&P500 companies had fallen

ond quarter of next year," he

the second quarter.

overall economic growth, measuct (GDP), slowed sharply to an annual rate of 2.7 per cent from whose brain power and invest-5.6 per cent in the second

neer the economic soft land- of the economy as consumers in half to 7.8 per cent on profit shortfalls is apparent immune either. ing it had in mind when it be- spend less. On Thursday, down from 15.6 per across the United States, where gan raising interest rates last. United Parcel Service said its cent growth on Oct 1. Hill told the vibrant economy was an engine and Internet company integral part of the presidential Ask Jeeves Inc said on Tuesday first two weeks of the peak. We are in a classic down- campaign that just ended, with it would cut 25 per cent of its I don't think the economy Christmas shipping season had turn for the economy but I don't George W. Bush emerging as workforce, or about 180 fullwill turn to bust, but it will been flat compared with last think we will see the bottom of president-elect over Vice Presi- time positions. The cutbacks at dent Al Gore.

Manufacturing Co warned of a This quarter, estimates are weak third quarter and Ingermates. Similarly, the world's this week also showed a Automotive Systems Corp., has with the Nationa ... with the National warned of a weak fourth quar-6.000 jobs, or 10 per cent of its chasing Management forecast- facturing companies averaged a ter and said it will lay off 1,700

550 workers and Marchfirst cut Apple Computer Inc. about 1.000 jobs.

High-tech Silicon Valley, ment capital helped fuel the nurbo-charged growth of the The pattern of corporate New Economy, has not been growth to slow to 29 per cent in

Ask Jeeves followed an earnings In the Midwest, Modine warning last week, continuing the dot-com shakeout that has landing and a hard landing, been roiling the New Economy.

> On Wednesday, Chase Hamputer Corp. the world's No 2 personal computer maker, may on its fourth-quarter results.

Walter Winnitzki said the mar- been so high.

ket may have already disper dollar of sales after taxes in Among other companies an- counted an earnings miss into launched under the World the third quarter - down from nouncing job cuts since No- Dell's stock after warnings of cent warnings of weaker profits expected sales would cause it to search for First Call/Thomson 6.6 cents per dollar of sales in vember. Unisys Corp said it will lower results from Compaq cut 2.000 jobs. Dun & Brad. Computer Corp CPQ.N. Gate-The decline in third-quarter street Corp slashed 1.000 jobs. way Inc., Intel Corp, Advanced profits this year occurred as Guilford Mills Inc eliminated Micro Devices Inc. AMD.N and

> First Call's Hill said after two quarters of 42 per cent growth in earnings in the technology sector, analysts had expected the fourth, but did not foresee The Emeryville, Calif. search the coming plunge of the growth rate into single digits.

> > Asked if this was a signal the economy was slowing, Hill said: "We are heading for something than a soft landing. Earnings will be between a soft possibly a hard landing.

Traditionally, economists ters in a row of negative GDP growth for a recession, but be the next to issue a warning some are now thinking two quarters of below 2 per cent Chase Hambrecht analyst growth, since in the 90's it's

Talks aimed at lowering service trade barriers were Trade Organisation in January 2000, along with separate negotiations on agricultural trade. In the United States, service industries account for nearly 80 per cent of US employment and domestic output.

The new US proposals identify specific trade barriers, such as overly burdensome taxes and fees or preferential treatment for domestic firms, the United States would like to see reduced or eliminated in 11 service sectors. US Deputy Trade Representative Susan Esserman told

Those include telecommuni-

cations and e-commerce, en-

ergy, distribution, express delivery, education, legal, accounting, audiovisual, financial and environmental.

reporters.

The services negotiations present enormous and wideranging opportunities for the United States," Esserman said. "American has comparative advantage in services and our service sectors are highly competitive.