

BOJ cuts symbolic rate amid fierce political pressure

AFP, Tokyo

Bank of Japan board members voted Friday to cut the largely symbolic discount rate for the first time since September 1995, amid fierce political pressure on the central bank to galvanise economic growth.

A day after revisions to gross domestic product (GDP) data raised the spectre of recession in Japan, board members voted to reduce the discount rate to 0.35 per cent from 0.5 per cent as of next Tuesday.

But in a marathon policy meeting lasting over eight hours, the board led by governor Masaru Hayami opted to keep the main overnight call rate unchanged at about 0.25 per cent.

The central bank pledged in a statement to provide ample liquidity to the lending markets ahead of the fiscal year-end on March 31, and to boost outright purchases of short-term government bonds.

Both measures sought to calm market fears as the end of the fiscal year looms, with a slump on the stock market destroying the unrealised gains of banks on their vast equity holdings.

The announcement came after the stock market closed, but the headline Nikkei-225 index recovered from a 28-month low plumed on Thursday on speculation of the discount rate cut.

Analysts, however, said the cut would have a limited impact on the depressed economy.

"It would not make any substantial difference to the financial markets whatsoever," said Fuji Bank currency trader Hideyuki Tsukamoto.

The discount rate governs borrowing by commercial banks from a little-used facility at the central bank and is not regarded as important as the overnight call rate, at which commercial banks lend to each other.

Robert Feldman, chief economist at Morgan Stanley Dean Witter, said the discount rate cut was a symbolic message to the government.

"If you're an optimist, which I am, the message to the government is we will start taking steps when you start taking steps," he said.

In August, the Bank of Japan controversially abandoned its policy of guiding the overnight rate close to zero. Hayami has insisted the onus is on the government to revitalise the economy through structural reforms.

But State Minister for Economic and Fiscal Policy Taro Aso earlier said it was up to the bank to curb deflation, with prices continuing to fall in the absence of stronger consumer demand after a decade-long slump.

"It is one of the roles of the BoJ to control deflation and inflation," Aso told reporters.

Tension at the heart of economic policymaking brimmed over this week when Finance Minister Kiichi Miyazawa mocked the central bank's argument that Japan was experiencing "good deflation" sparked by intense competition among firms.

The Bank of Japan has been under pressure from the ruling Liberal Democratic Party to launch a major policy relaxation after abandoning zero interest rates.



Bank of Japan Governor Masaru Hayami(R) announces a cut to the BOJ's largely symbolic discount rate by 0.15 percentage point to 0.35 percentage at a press conference in Tokyo yesterday. The cut, the first since September 1995, came amid fierce political pressure on the central bank to galvanise economic growth.

BSJ demands punishment of Badsha Miah's killers

UNB, Dhaka

Bangabandhu Sangkritik Jote (BSJ) brought out a procession in the capital yesterday demanding capital punishment of the killers of police constable Badsha Miah and protesting destructive activities of the fundamentalists.

The procession, organised by Dhaka district unit of BSJ, began from Ramna Park gate in the morning and concluded at the National Press Club after parading some city roads.

Prior to beginning of the procession, a rally was held at Ramna Park gate.

Chaired by Dhaka district unit convenor Maksudur Rahman Maksud, the rally was addressed, among others, by Cultural Secretary of Awami League and BSJ president Alamgir Kumkon, film actor Faruk Rashida Mohiuddin, poet Tridib Dostidar and Banani Basak, a press release said.

Speaker hospitalised

UNB, Dhaka

Speaker Humayun Rasheed Chowdhury was admitted to Westchester Medical Centre in New York Thursday with kidney problems.

He was scheduled to be operated upon by renowned Bangladeshi urologist Dr Saaduzzaman Chowdhury last night, according to a Parliament Secretariat press release.

The Speaker has urged the countrymen to pray for his successful operation and early recovery.

People will not let Khaleda form a 'Taliban govt'

Zillur Rahman tells rally

UNB, Kishoreganj

Ruling party general secretary Zillur Rahman has said that the peace-loving people of the country will resist Khaleda Zia's design to form a Taliban government's along with fanatics in the name of four-party alliance.

"There is no room for the Taliban on the sacred soil of Bangladesh," said Zillur, also Local Government Minister.

He made the swinging remark on the opposition leader yesterday while addressing a big public meeting as chief guest at Nikliguri playground in the wake of Islamic extremists' violent demonstrations and the opposition alliance's solidarity with them.

Awami League district unit organised the meeting in protest against what they said was 'inholy activities' of fundamentalist communal forces and violence

under the fold of four-party alliance in the name of hartal.

The minister said that having failed in their anti-government movement in the last four and a half years, the opposition was now out to seize power by destabilising the political situation of the country.

To that end, he told the rally, they are perpetrating killing, violence and sabotage letting loose the fundamentalist communal forces.

He termed the police the recent incidents of killing inside the mosque, train accident through uprooting rail tracks in Feni, arson in the warehouse of Benapole land port as part of a blueprint of the four-party alliance to oust the elected government.

State Minister for Civil Aviation and Tourism Syed Ashrafur Islam and Chhatra League general secretary Ajoykar Khokan, among others, also spoke at the meeting.

Bangladesh-Nepal trade fair begins today

UNB, Panchagarh

A month-long Bangladesh-Nepal joint trade fair begins at this transit point today following the two country's latest thrust on enhancing bilateral economic cooperation.

Commerce Minister Abdul Jalil is scheduled to inaugurate the exhibition at Sirajul Islam Stadium in the northern frontier town.

Panchagarh Chamber and Mithi Chamber of Nepal have jointly organised the fair in collaboration with the Bangladesh Commerce Ministry.

State minister for Post and Telecommunications Abdur Rouf Chowdhury, State Minister for Forest and Environment HN Ashiqur Rahman, State Minister for Agriculture and Cooperative of Nepal Narendra Bikram Nem-bang and Nepalese Ambassador to Dhaka Radha Raman Acharya, among others, will attend the inaugural function.

Panchagarh chamber president toured Nepal last year as an FBCCI delegation member as his frontier district is the transit point on the cross-border route crossing over Indian territories.

S'pore to sign \$7b deal with Indonesia

AFP, Singapore

Singapore Minister for Trade and Industry George Yeo will make a four-day visit to Indonesia starting Sunday to drum up new investment opportunities, the government said Friday.

"The aim of the visit is to enhance Singapore's bilateral ties with Indonesia and to explore new business opportunities," the ministry of trade and industry said in a statement.

Yeo will hold talks with Indonesian leaders and meet up with Indonesian and Singaporean businessmen.

Yeo's visit will also include the signing of a natural gas sales agreement between Singapore Power and Pertamina in Jakarta, the ministry said.

The contract, the second between the two countries, is expected to be worth seven billion dollars over a 20-year period and is set to be the highlight of Yeo's visit.

It involves the delivery of natural gas from the South Sumatra gas fields in Indonesia to Singapore.

Last month, the two countries launched a joint multibillion-dollar project to supply natural gas from Indonesia's West Natuna fields to the city-state via a 656-kilometre (406-mile) undersea gas pipeline.

Ties between the two countries have gradually improved over the last few months following visits by top Indonesian officials and President Abdurrahman Wahid after the Indonesian leader launched a seathing attack on the rich city-state last year.

Vodafone to bid for Australian telecom CWO

AFP, London

Vodafone, the largest mobile telephone operator in Britain, said on Thursday it would bid for the Australian operator Cable and Wireless Optus (CWO).

Vodafone hopes to regroup the mobile activities of Vodafone Pacific, which already operates in Australia, with CWO and float shares in the new company, it said in a statement.

CWO, a subsidiary of the British group Cable and Wireless has three branches: mobile telephony, business data and services, and multimedia.

Vodafone said it would sell off all but the mobile operation if a deal went through.

It stressed it would finance the acquisition through an increase in Vodafone Pacific shares, as the parent company's shares have suffered recently because investors feel too much stock has been issued to finance other purchases.

Discussions between the two groups were said to be in their early stages, and Vodafone said it was not at all sure an accord would be reached.

Blair's timetable makes euro an election issue

AFP, London

Prime Minister Tony Blair was Thursday to outline the key planks of his election campaign after surprisingly thrusting the European single currency to the top of Britain's political agenda.

In remarks that apparently caught both party colleagues and the opposition unaware, Blair told parliament Wednesday that a Labour government would assess within two years whether Britain should join the euro.

It was the first time he had laid out such a firm timeframe for a decision that is bound to be one of the most difficult he will face.

With Blair widely expected to call general elections in early May, it now places the euro firmly at the heart of the campaign.

According to Thursday's press, quoting ministers and officials, a referendum on whether Britain

should join the euro could be as early as spring next year, or more likely in early 2003.

The British government has always insisted that it will not sign up to the 12-nation euro until the single currency has met five basic economic tests.

In the past, Blair and his cabinet have blandly said they would assess the criteria sometime "early in the next parliament."

But in parliament Wednesday, he went further: "Early in the next parliament means exactly what it says."

"Early in the next parliament would, of course, be within two years."

It assumes his Labour government wins the vote, but all opinion polls give it such a large lead that anything else would be a stunning outcome.

The criteria, which Britain wants the single currency to meet,

are basically that its economy and those of euro nations are broadly in tune with each other so membership will not damage British jobs, business and investment.

The opinion polls also, however, show a majority of Britons opposed to the euro, posing Blair the dilemma of how to secure their support for the election and for an eventual referendum.

In his speech Thursday, Blair was due to outline national plans to improve education and cut crime to match those already laid out for transport and the state health service.

Those are the four key planks on which Labour wants to fight the election, and the euro now becomes a fifth.

Blair insisted that his policy would assess what was good for Britain, then "allow the British people a final say in a referendum."



Alook Refrigeration Co Ltd, the authorised Dunham-Bush distributor in Bangladesh, has won the air-conditioning contract for central air-conditioning of Kazi Bhaban, Elephant Road, Dhaka. Picture shows (from left to right) Kazi Zahidul Islam, Managing Director, Kazi Zakirul Islam, Executive Director and Engr. Mynul Hossain of Kazi Estates Limited and A Khaleque, Managing Director, M Hamidul Islam, Executive Director and Md Ashrafuddin, Deputy Chief Engineer (Sales) of Alook Refrigeration, at the contract signing ceremony between the two organisations recently.

Cows to cookies likely on US sales list to Cuba

Law breaking embargo likely by end-February

REUTERS, Washington

From cows to cookies, a wide variety of US food and medicine will be eligible for sale to Cuba when a law easing the US embargo on the communist island is translated into federal regulation at the end of February, farm groups said yesterday.

Proponents expect an expansive set of rules that would encourage long forbidden sales and argue it will be to Havana's advantage to make purchases as a way of winning further relaxation of economic sanctions dating back to 1962.

"Essentially, the new law breaks the back of the commercial embargo with Cuba," said trade

expert Pamela Falk, by "liberalizing a long list of agricultural, pharmaceutical and food service products that may be sold."

The government of President Fidel Castro says it will not buy a single pill or kernel of grain because of financing and tourism restrictions. But analysts predicted there will be some sales, although initial purchases may be routed through third countries to avoid adverse publicity.

US economic sanctions were imposed four decades ago in the hope of isolating Cuba after its communist revolution.

With the end of the Cold War and the saga of child shipwreck survivor Ljian Gonzalez, who was returned to his Cuban father last summer, public sentiment shifted

toward relaxing the embargo.

Food and medicine were exempted under a law signed Oct. 28 by former President (Bill) Clinton and civil servants were given 120 days, until about Feb. 28, to write rules putting the new law into action.

Washington state Republican Rep. George Nethercutt, who spearheaded the change in the embargo, "was optimistic about the direction they were heading in" with an expansive set of rules, according to an aide.

The Bush administration did not seem included to pick a fight with Congress by clamping down on the regulations, the aide said, adding: "That would just invite more debate."

Teachers' rally at Edn Bhaban on Feb 27

UNB, Dhaka

BCS General Education Association will hold a rally at the Education Bhaban premises on February 27 demanding resumption of the stalled promotion process of the teachers of the government colleges.

The decision was taken at a meeting of the association held at the Dhaka College auditorium yesterday with its president Prof Jahannara Begum in the chair.

The teachers, leaders demanded implementation of the 'Assimilation Rule' of November 27, 2000 and promotion of the eligible teachers by February 26.

Otherwise, they would announce fresh programmes from the rally on February 27, said a press release.



Temperature may rise

UNB, Dhaka

Weather will remain dry with partly cloudy sky over the country during next 12 hours till 6 pm today.

Light fog may occur at places over the country, the Met Office said adding that the night temperature is expected to rise slightly.

Yesterday's highest temperature of 29.4 degree Celsius was recorded at Rangamati and the lowest 8.7 degree Celsius at Srimongal.

The sun sets in the capital today at 5:51 pm and rises tomorrow at 6:34 am.

Maximum and minimum temperature and humidity recorded in some major cities and towns yesterday were:

City/Town	Temperature in Celsius		Humidity in Percentage	
	Max	Min	Morning	Evening
Dhaka	26.3	12.7	52	36
Chittagong	27.0	11.8	73	66
Rajshahi	27.1	09.8	63	53
Khulna	28.0	11.2	56	44
Barisal	27.6	10.5	84	62
Sylhet	26.7	13.0	76	51
Cox's Bazar	29.0	12.8	67	53



Bangabandhu Sangkritik Jote paraded the city streets yesterday demanding punishment of the killers of police constable Badsha Miah.

DHAKA TODAY

Rally

Aptech Computer Education, Dhanmondi Centre will bring out a rally to create awareness about IT literacy. Venue: Aptech Centre, Dhanmondi. Time: 9:00 am.

CAAP seminar

Confidential approach to AIDS Prevention will hold a seminar on "HIV/AIDS and Bangladesh: Low Prevalence, High Complacency." Venue: Hotel Sonargaon. Time: 10:00 am.

Roadshow

InPace communications will begin a weeklong roadshow titled "HP Spring Festival 2001." Venue: BCS Computer City, 10B Bhaban, Agargaon. Time: 10:00 am.

Nat'l seminar

Bangladesh Economic Association will hold a national seminar titled "How Much Foreign Aid does Bangladesh Really Need?" Chief guest: Finance Minister Shah AMS Kibria. Venue: Planning and Development Academy Auditorium, Nikhet. Time: 3:00 pm.

Seminar

Language Info Tech will hold a seminar on "Prospect of Medical Transcription from Bangladesh." Venue: Continuing Education Centre Auditorium, 7th floor Chandrashila, Suvasu Tower, 69/1 Chandrpath. Time: 3:00 pm.

Meeting

Kazi Aref Parshad will hold an emergency meeting to decide on the programmes to mark the second death anniversary of Kazi Aref. Venue: Office premises of Sammita Samajk Andolan at 87, Motijheel. Time: 4:00 pm.

ASB report

Asiatic Society of Bangladesh will present the third annual report of the National Encyclopedia of Bangladesh (Banglapedia) Project. Venue: Auditorium of the ASB office, 5, Old Secretariat Road, Nimtal. Time: 4:00 pm.

Seminar

Bangladesh MBA Association will hold a seminar on "Prospects of Foreign Investment in Bangladesh." Venue: Hotel Purbani International. Time: 4:00 pm.

Concert

The British band "State of Bengal" performs. Venue: Osmani Memorial Auditorium. Time: 7:00 pm.

Conference

The second national conference of Bangladesh Democratic Lawyers Association will be held. Venue: Supreme Court Lawyers Association auditorium. Time: 10:00 am.

DHAKA TOMORROW

Seminar

Bangladesh Bureau of Educational Information and Statistics (BANBEIS), Ministry of Education and CPE Implementation and Monitoring Unit of Primary and Mass Education Division will inaugurate the seminar on Final Report of the National Edn Survey (post primary) 1999 and child Edn and Literacy Survey 1999.

Chief guest: Education Minister ASHK Sadique. Venue: Hotel Sonargaon. Time: 9:30 am.

Art exhibition

Shilpasamannya inaugurates a solo art exhibition of paintings and drawings by Nazlee Laila Mansur. Venue: Zainul Gallery, Institute of Fine Arts, DU campus. Time: 5:00 pm.

Drama

Mohakal Natya Sanpraday will stage its new production Shiban Shundori. Venue: Mahila Samity auditorium, Bailey Road. Time: 7:00 pm.

Concert

The British band "State of Bengal" performs. Venue: Osmani Memorial Auditorium. Time: 7:00 pm.



Obituary

Syed Abdul Moqit, ex-member director of BADC died of a cardiac arrest on Wednesday. He was 64, says a press release.

He is survived by his wife, one daughter and one son. Moqit's kulkhwani will be held at his residence at 35/C West Tejurbazar today after Magrib prayers.