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New MD of ScanCement International

Jan Ola Stefan Schippert has been appointed as the Managing Director of ScanCement International Ltd as per decision of the Board of Directors of the company, says as press release.

He is an MBA from the prestigious University of Lunds, Sweden.

He joined Scancem Group, Norway, in 1998. This group, one of the leading groups of the world, is involved in production and trading of cement and building materials.

He held various important positions in the group and worked in different countries such as the USA, Portugal and Angola.

Move to cut costs

HSBC to move hundreds of jobs from HK to S China

AFP, *Hong Kong*

Banking giant HSBC is to move hundreds of jobs from Hong Kong to southern China in a cost-cutting move that has raised fears of massive layoffs throughout the former British colony's service sector.

An HSBC spokeswoman said the London-based bank was planning to move its credit and cash card processing operations and its network service centre to Guangzhou over the next two to three years. The bank already employs 700 people in its Guangzhou centre.

The two departments affected by the move employ some 1,200 people, around eight per cent of the 14,000 staff the bank employs in Hong Kong.

The spokeswoman however insisted that most of the people whose jobs would be relocated would be offered alternative posts and that overall staff numbers in Hong Kong would not fall.

Despite these reassurances, trade unions voiced fears about the implications of HSBC's move to take advantage of China's lower labour costs and the recent upgrading of its telecommunications infrastructure to international standards.

The Clothing Industry, Clerical and Retail Trade Employees General Union urged HSBC to reconsider their plan.

$1b bailout

Hyundai Electroncis in talks with US chipmaker

AFP, *Seoul*

South Korea's debt-ridden Hyundai Electronics Industries Co. said Wednesday it was seeking to issue new shares to a leading US chipmaker to raise a one-billion-dollar bailout.

"Talks are underway with one of the top ten US chip producers," a Hyundai Electronics officials told AFP, refusing to give details.

Hyundai Electronics, the world's second largest memory chip producer, has been suffering severe liquidity problems.

Announcing the bailout plan Tuesday, Hyundai Electronics Chairman Park Chong-Sup said his firm was considering either "issuing global depositary receipts or seeking a strategic partner to buy a stake."

NZ cuts rates

AFP, *Wellington*

New Zealand's central bank Wednesday cut the interest or Official Cash Rate from 6.5 per cent to 6.25 per cent.

Announcing the move in a statement, Reserve Bank governor Don Brash said inflation pressures in the medium term seemed more likely to ease than to build.

"While most inflation measures have been accelerating, recent events suggest that by the time today's monetary policy settings have an effect, inflation pressures will actually be easing," Brash said.

Economists blame SAP for widening rich-poor gap

One-third loans cancelled due to govt 'failure'

STAR BUSINESS REPORT

Academicians and economists yesterday blamed the structural adjustment programme (SAP) of the World Bank for widening the gap between the rich and the poor.

The poverty alleviation process slowed down after implementation of SAP and the promised benefits for the disadvantaged groups were not obvious and perceptible, they said at the Second National Forum of Structural Adjustment Participatory Review Initiative (SAPRI) Bangladesh.

With Professor Wahiduddin Mahmud, Convenor of SAPRI Bangladesh Technical Committee, in the chair, Dr Debapriya Bhattacharya, study director of SAPRI Bangladesh, and Dr Atiur Rahman, SAPRI researcher, made presentations at the first plenary of the forum.

Professor Rehman Sobhan, Convenor of SAPRI Bangladesh Steering Committee, Member Secretary Mahbubul Karim, World Bank economists Dr Zaidi Sattar and Nizamuddin Ahmed and representatives from the civil society took part in the discussion.

In his presentation, Dr Debapriya pointed out that of the total commitment under Structural Adjustment Loans (SALs) and Sectoral Adjustment Loans (SECALs) to Bangladesh, loans for one third of the programmes amounting to $226.9 million were cancelled due to the government's 'failure' to adhere to the policy conditionalities.

The country's experience in structural adjustment is neither an unmitigated success nor a case of dismal failure, he said, adding that the poor are growing in numbers as the population growth rate surpasses poverty reduction rate.

Regarding corruption, Dr Debapriya said as the public perception goes, corruption has increased in the country and there is no sign that it would reduce due to reforms.

Prof Rehman Sobhan said the privatisation process, a requisite under the SAP came to a standstill not because of a lack of initiative of the Privatisation Commission, but because of lukewarm response from the private sector.

He also pointed out that some privatised factories also failed to run efficiently.

In his speech, Professor Wahiduddin Mahmud said even Bhutan did not accept some of the World Bank's prescriptions, but Bangladesh was compelled to swallow them.

In his presentation, Dr Atiur Rahman said structural adjustment did not bring any real benefit to the hardcore poor, rather it widened the gap between the rich and the poor.

Managing Director of Giant Management and Services Ltd Faruque Hassan (3rd-left) and Consultant of Indian fashion house NIFD Anil Khosla (2nd left) exchange the document of a signed deal at Gulshan Club in the city yesterday. Under the accord, the Indian house will set up a design institute in Bangladesh.

Mandatory insurance provision for RMG workers put off

UNB, *Dhaka*

The mandatory group insurance provision for the workers of readymade garment industry has been put off.

Commerce Minister Abdul Jalil gave the decision at a meeting held at his office with the new committee of BGMEA and directed the acting vice-chairman of Export Promotion Bureau (EPB) to execute the decision.

Welcoming the new committee of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), he said there is no need for group insurance if BGMEA ensures compensation for the fire victims of the industry.

He assured the BGMEA delegation, led by its president Kutubuddin Ahmed, of all possible cooperation in meeting any needs consistent with the national interests.

Kutubuddin apprised the minister of the vulnerable situation of the sector caused by the US TDA Bill-2000 and the NAFTA agreement.

"The burden of group insurance has only increased the vulnerability of the sector," he said adding that imposing group insurance now has no logic as BGMEA ensures compensation of Tk 100,000 for each victim family.

He requested the minister to ask Bangladesh missions abroad to inform BGMEA of the issues relating to the sector.

PHOTO: BANEX

M Tanveer Madar, Managing Director of BANEX, licensee of FedEx in Bangladesh, inaugurates its 17th World Service Centre at Banani is the city recently.

2nd Bangladesh trade fair in Canada begins April 19

BSS, *Dhaka*

Canada-Bangladesh Trade Promotion Centre will hold an exclusive three-day trade fair of Bangladeshi products from April 19, a Centre press release said here yesterday.

The fair, second of its kind being organised by the centre in Canada, will be held in Montreal Convention Centre.

There will be 60 stalls.

The then FBCCI President Abdul Awal Mintoo led the Bangladesh delegation to the first fair in Canada in December 1999.

Organisations interested in expanding business with Canada have been requested to contact the FBCCI by March 20.

S'pore imposes ban on French, Argentine meat

AFP, *Singapore*

The Singapore government said Wednesday it has suspended the import of meat and several dairy products from France and Argentina with immediate effect following the outbreak of foot and mouth disease (FMD).

The ban is to "protect Singapore's FMD-free status and our agri-business trade," the Ministry of Environment and the Agri-Food and Veterinary Authority said in a joint-statement.

There has been a ban on meat from Britain since the disease broke out in northern England in February 19.

The extended ban, covering pork and pork-related imports from France, and beef and mutton from Argentina, was imposed after the disease was discovered in Europe and South America on Tuesday.

Dairy products which have not undergone high-heat treatment, including pasteurized milk, cheese, yoghurt, ice cream and butter, have also been suspended.

Singapore last year imported 28,000 tonnes of frozen pork, 24,000 tonnes of chilled pork and 318,000 pigs, of which France supplied less than five per cent. Beef from France has already been suspended because of mad cow disease.

Of the 14,000 tonnes of been consumed last year, only 1.6 per cent came from Argentina. There has been no mutton imported from Argentina for more than a year.

Acute shrimp fry dearth may eat into export earnings

New BFFEA president tells The Daily Star

RAFIQ HASAN

President of Bangladesh Frozen Food Exporters Association (BFFEA) Salahuddin Ahmed warned that acute shrimp fry shortage may hurt the country's export earning from the sector this year.

"The crisis of shrimp fry would have an impact on its cultivation," said the newly-elected president of the Association while talking to The Daily Star yesterday.

He also said the crisis has been created artificially by a syndicate of the Cox's Bazar-based hatchery owners.

"There are 43 hatcheries in Cox's Bazar which are able to meet the total requirement of the country," he elaborated. "But the hatchery owners are controlling the production and distribution of fry among the traders for higher prices."

He said the hatcheries are selling every one thousand fry for Tk 700 while the price should not be exceeding Tk 300. While the requirement of shrimp fry in the country is more than 500 crore pieces, the hatcheries decided to supply only 200 crore pieces.

Shrimp is cultivated on more than 1.40 lakh hecters of land in the country, 65 per cent of which are located in greater Khulna district.

Earlier, President of National Shrimp Farmers Association Dr. Aftabuzzaman said production may go down by 50 per cent this year due to the fry crisis.

The BFFEA president urged the government to take immediate steps to resolve the crisis.

He said as the government banned import of shrimp fry and declared natural collection illegal, the farmers are totally dependent on the hatcheries.

He further said although the government has allowed a bank interest waiver for the frozen food processing units for the year 1997-98, only Agrani Bank has implemented the decision. The other banks also should accelerate the process, he demanded.

The BFFEA president also called for allocating government khas lands for shrimp cultivation. The demand for frozen food in the international market is huge and the country can capitalise on it, he said.

Frozen food is the second largest export earner of the country following garments. The country earned Tk 1811 crore during 1999-2000 by exporting frozen foods, more than 90 per cent of which was frozen shrimp.

Indian design house to open fashion, interior decoration institute

STAR BUSINESS REPORT

Bangladesh will have the first state-of-the-art fashion and interior design institute for quality education with computer-aided designing (CAD).

Students having passed higher secondary certificate exams would be eligible to apply for a two-year advanced diploma and one-year diploma in fashion, textile and interior designing. The institute would also offer shorter courses.

An agreement signing ceremony was held in this regard yesterday at between India's largest design house, National Institute of Fashion Design (NIFD), and Giant Management and Services Ltd. The institute would start admitting students in about two months.

A memorandum of understanding was signed earlier between the two organisations to develop skilled manpower of international standard in fashion, interior and textile designing.

NIFD consultant Anil Khosla and Giant Management's Managing Director Faruque Hassan signed the documents. Feroz Khan, Chairman of Giant Management and Services, was also present on the occasion.

The institute, located at the city's Banani area, offers modern labs, studios and other facilities, opening the door for those who aspire to make a career in the fashion world, said Feroz Khan.

The centre would also introduce a new curriculum for the internet savvy generation.

Initially, experts from the NIFD in India would train local students. But the goal of the centre is to develop its own expertise to open opportunities for local instructors.

NIDF, the largest design institute in India, has over one hundred education centres in India with branches in Canada, the UAE and Nepal.

Taiwan to lift investment ban on China

AFP, *Taipei*

Taiwan is to lift its ban on China-bound investment projects worth more than 50 million US dollars amid escalating calls for a review of the island's "go slow" investment policy towards the mainland, a report said Wednesday.

After reviewing Taiwan's investment restrictions towards China, the economic ministry would propose to the cabinet that any project exceeding 50 million dollars would be approved on a case-by-case basis, the China Times Express said.

"The ministry also plans to ease its controls on semiconductor, notebook computer, and naphtha cracking projects towards the mainland," New Party legislator Lai Shyh-bao was quoted as saying.

Local media said the proposal would be mooted by related government agencies and a final decision be made in May and unveiled when the country celebrated the presidential anniversary on May 20.

PHOTO: MTBL

Mutual Trust Bank Limited (MTBL) and International Leasing and Financial Services Limited (ILFSL) concluded a Tk 3 crore loan agreement at the MTBL Board Room Tuesday. Under the agreement, MTBL will extent Tk 3 crore to ILFSL towards lease financing. The agreement was signed by Mosharraf Hossain, Managing Director, and M A Shahjahan, Senior Vice President of MTBL, and Mahbub Jamil, Chairman, and Mafizuddin Sarker, Managing Director for ILFSL, on behalf of their respective sides.

Wall Street stages comeback, Europe remains unmoved

AFP, *New York*

US stock markets staged a modest recovery Tuesday after the dizzying declines of the previous day but the rebound did little to boost sentiment in Europe amid deepening uncertainties about the US economy.

Bargain-hunters were out in force on the tech-heavy Nasdaq electronic exchange, which moved back up over the 2000-point barrier to finish the session at 2,014.66, up 4.75 per cent. On Monday the Nasdaq plummeted 6.3 per cent to 1923.38.

The turnaround was more modest and hesitant on the Dow Jones Industrial Average of 30 blue-chip "old economy" issues. The index gained 0.81 per cent -- or 82.55 points -- to end the session at 10,290.80.

Despite the better showing in New York, European investors remained wary, still apparently anxious about the prospects for sputtering economies in the United States and Japan.

London's FTSE 100 index fell to a 27-month low, sliding 1.8 per cent to 5,720.70. The Paris CAC index shed 1.1 per cent to end the session at 5,186.87 while in Frankfurt the DAX 30 index crashed through the 6000-point barrier for the first time since December 1999, trading down 1.6 per cent at 5,919.02.

Asian markets closed weaker earlier in the day Tuesday, notably Tokyo, down 2.9 per cent, and Hong Kong, 2.1 per cent.

Analysts said Tuesday's bounce in the technology sector here was an understandable reaction to Monday's events, when the Nasdaq fell to its lowest level in more than two years.

"We had an emotional reaction yesterday and being 62 per cent from the highs arguably means you are going to see a bounce," said Art Hogan, chief market strategist at Jeffries Company.

"People were absolutely looking at bargains today and will continue to do so. The selloff really did get overdone and yesterday's move through 2000 was the capitulation bottom everyone was looking for," continued Hogan.

"It's too early to say if we've hit a bottom," said Joseph Cangemi, a floor trader with the financial firm Francis P. Maglio.

World central banks won't save stock markets

REUTERS, *New York*

Global central bank have a simple message for plunging world stock markets. Don't expect a coordinated interest rate slashing cavalry charge to save your skins this time around.

Plummeting stock markets from Tokyo to Toronto have sparked calls from investors – their volume increasing with every share downswing – for central bankers to cut rates aggressively and in unison across the globe to stop the rot.

Though central bankers in Washington, London, Frankfurt and Tokyo will be keeping a wary eye on the unfolding stock carnage, don't expect them to take out the rate shears to bail out stock investors any time soon. Unless, that is, the rot spreads from creaking stock markets to more crucial economic foundations such as the banking sector, economists said.

So long as it does not threaten to spread deeper, the 2001 sell-off bears few resemblances to the 1987 stock market crash or even to the 1998 credit crunch.

"I don't think there is a global central bank statement to make at the moment in the absence of any signs of systemic risk," said Dana Johnson, head of research at Banc One Capital Markets and a former Federal Reserve economist.

"This has been the most orderly market rout I've ever seen."

The latest round of global stock bloodletting, which stemmed from a string of profit warnings from technology companies, has sent the US Nasdaq index below the 2,000 mark for the first time since 1998. European equities are hanging near 16-month lows while Japanese stocks are at 16-year lows.

In late 1998, encouraging investors to take risks was a factor behind both the Federal Reserve's rate cuts and a coordinated rate cut decision by European central banks. But these moves came in the wake of a Russian debt default and near collapse of the huge Long Term Capital Management hedge fund which together almost seized up global lending markets.

So far in 2001, although there has already been a wave of interest rate cuts in Canada, Australia, Britain and the United States, in each case these have been responses to signs of slowing growth not stock market slides.

And with major economies at very different stages of their cycles and the global stock sell-off seen as predominantly deflating a bubble rather than a harbinger of global recession, there is little reason for central banks to rush to help investors now, economists said.