

InTech launches Internet prepaid card

InTech Online Limited has launched its prepaid card services.

The Chairman of the company, Md Mostaqur Rahman, launched the service by handing over prepaid card to resellers at a simple ceremony held in the city recently, says a press release.

InTech has introduced only one type of Prepaid Card of Tk 500. Subscribers can use Internet with 70 paisa per minute at a flat rate all the time.

InTech has also given a special offer of Free Tk 500 Prepaid Card with every new sign up. The offer will be valid till September 24, 2001.

Web based refill, web based usage record check and full control of the account are available with the prepaid card services. For easy availability of prepaid cards, InTech has appointed resellers to sell Internet accounts and prepaid cards in and around Dhaka City.

Sonar Bangla Ins chairman, vice-chairman re-elected



KABIR HOSSAIN



MOSHARRAF HOSSAIN

Sheikh Kabir Hossain and Syed Mosharraf Hossain have been re-elected chairman and vice-chairman of Sonar Bangla Insurance Limited respectively.

The re-election was held at company's office in the city recently, says a press release.

Sheikh Kabir Hossain is the current Chairman of Bangladesh Red Crescent Society and Life Member of the Bangladesh Lions Foundation, Bangladesh National Society for Blindness and Bangladesh Family Planning Association. He is also the Vice-Chairman of Islamia Eye Hospital in Dhaka.

Syed Mosharraf Hossain is the Managing Director of Concrete Builders Ltd and Director of Dhaka Chamber of Commerce & Industry.

Technohaven recommended for ISO certification

Underwriter Laboratories Inc. (UL) USA, the largest American registrar of ISO certifications has recommended Technohaven Company Limited, the largest Software Company of Bangladesh, for certification under ISO 9001, says a press release.

The scope of the certification is design, development and maintenance of business application software under category 7371 which is "computer programming services".

It is worth mentioning that Technohaven is the first Software Company to have been recommended for ISO certification by Underwriter Laboratories Inc. USA.

A two-member ISO audit team from UL headed by Lead Auditor, BB Gupta, carried out a comprehensive six man-day audit of Technohaven Company Limited which ended recently.

Oil ends down again

REUTERS, London

Oil prices ended down again Thursday in volatile trade as economic gloom deepened and fears of a drastic falloff in commercial air travel weighed on the markets.

Traders said fears that military retaliation would disrupt oil supplies for now were outweighed by concern that economic recession would depress demand.

Benchmark Brent crude for November delivery last traded 40 cents weaker at \$25.92 a barrel. Oil has fallen for four days in succession, taking losses to \$3.40, or 12 per cent, since the start of the week.

US light sweet crude for October delivery closed 13 cents weaker at \$26.59 a barrel.

Amid fears that last week's assault on the United States would push the global economy into recession, US Federal Reserve Chairman Alan Greenspan conceded that the world's biggest economy has been hurt in the short term, but said longer-term prospects are brighter.

Greenspan cautioned Congress to move slowly with economic rescue packages, saying it would take time to measure how the attacks had affected the nation's economic outlook.

Prospects for US recovery remain solid: Greenspan

REUTERS, Washington

US economic activity stopped in its tracks after last week's devastating attacks and may suffer the consequences for a time, Federal Reserve Chairman Alan Greenspan told Congress Thursday, but he maintained that prospects for recovery remain solid.

"The shock of September 11, by markedly raising the degree of uncertainty about the future, has the potential to result, for a time, in pronounced disengagement from future commitments," the Fed chief told the Senate Banking Committee in his first public appearance since the attacks.

"Indeed, much economic activity ground to a halt last week," he said in remarks that did little to halt heavy selling on Wall Street. "But the foundations of our free society remain sound, and I am confident that we will recover and prosper as we have in the past."

Greenspan and Treasury Secretary Paul O'Neill together urged lawmakers, who are worried about how to help large and small businesses suffering because of last week's dislocations, not to rush into new stimulus measures before the full impact of last week's events becomes clear.

"I would strongly suggest that while there is an obvious strongly desired sense to move rapidly, that it's far more important to be right than quick," Greenspan said. But he added: "That does not mean that future actions are not going to be required."

O'Neill said options under consideration included cutting taxes on capital gains from stock sales but, like Greenspan, he suggested moving in a measured way "to make sure that in the name

of trying to do right that we don't actually do damage."

The session to discuss the state of US financial markets, at which Greenspan and O'Neill were joined by Securities and Exchange Commission Chairman Harvey Pitt, opened with a moment of silence in remembrance of the thousands who died when hijackers slammed commercial jetliners into the World Trade Center in New York and the Pentagon.

Even with a growing number of economists forecasting that the United States has entered recession and stock markets down sharply since the attacks, both the US central bank chief and O'Neill took pains to emphasise that prospects for the future were sound and that financial markets were working.

"Our economy your prosperity will not be destroyed," O'Neill said in prepared remarks to the committee, while conceding that, "we cannot say at this very preliminary stage exactly how these events will affect the economy."

Testimony from the nation's top economic policymakers failed to stem losses on US stock markets. Worried investors drove the Dow Jones industrial average down for a fourth straight day, by 382.92 points to 8,376.21.

Since stock trading resumed on Monday--after a four-day halt following the attacks--the blue chip index has plunged about 13 per cent. The Nasdaq composite index was off 56.87 points on Thursday to close at 1,470.93.

Greenspan said the attacks "strike at the roots of our free society," which relies partly upon a belief that commitments made today will be honoured indefinitely into the future.

"The greater the degree of confidence in the state of future markets, the greater the level of

long-term investment," he said. That is why consumer and business fears about coming months and years will cause immediate economic weakness.

He noted the economy had just begun showing signs of stabilising before the attack after barely edging ahead in the second quarter. The Fed has moved aggressively since then to keep expansion alive, including slashing short-term interest rates on Monday for the eighth time this year.

It also has injected tens of billions of dollars into the banking system since the attacks to ensure there is ample liquidity to keep markets functioning.

Greenspan offered lawmakers no hints about whether the Fed was considering further rate cuts, but analysts predict more are coming. The policy-making Federal Open Market Committee next meets Oct. 2.

He said it will take some time to know the full economic impact of the attacks which levelled the World Trade Center and damaged the Pentagon, leaving more than 6,500 dead or missing.

"In the weeks ahead, as the shock wears off, we should be able to better gauge how the ongoing dynamics of these events are shaping the immediate economic outlook," Greenspan said.

The US economy was decidedly shaky even before the attacks. The Fed chief said production, employment and business spending were sluggish prior to Sept. 11. But he added that consumer spending was up in August and held its gains in early September. Factory orders had shown some improvement as well and corporate profits were not sliding as quickly, he added.



PHOTO: AFP

Bangkok's relatively new skytrain races above traffic through a modern-looking downtown on its way to another stop in Bangkok Friday. The skytrain, once in jeopardy of falling victim to Thailand's financial crisis, has helped alleviate Bangkok's notoriously bad traffic jams while also giving the city a sense of pride despite its continuing economic problems.

Possible US action in Afghanistan

India fears sharp increase in oil prices

PALLAB BHATTACHARYA, New Delhi

The recent terrorist attacks in the United States and the prospects of a conflict arising out of Washington-led battle against terrorism looming large over India's vicinity have brought worries for the Indian economy already hit by global economic recession.

The biggest area of concern for India would be a possible sharp increase in the prices of oil in the event of US launching a military action against Afghanistan in the hunt for Saudi dissident Osama bin Laden whom Washington considers the prime suspect in Sept 11 terror attacks in that country.

Seventy per cent of India's oil requirement is met by imports and a jump of three to four US dollars per barrel would put a burden of Rs 4,000 crore on the economy in the current financial year (2001-2002). Earlier projections estimated the oil import bill to be at around 17.5 billion dollars in 2001-2 as against 16.5 billion dollars in the previous fiscal year.

Indian Petroleum Minister Ram Naik has written to the OPEC to restrict the prices within manageable limit. India has crude reserves which can see the country through for another two months. The destruction of the World Trade

Centre in New York has already cast a gloom over the export of garments and gem and jewellery, two key components of Indian exports to the United States.

The US is India's largest trading partner and accounts for 40 per cent of Indian garments exports. Gem and jewellery exports top the overall list of Indian exports to the US.

Garment manufacturers and exporters fear a sharp decline in consumer spending in the US in the next two months in the run-up to the Christmas as a result of the sullen mood across the country set off by the terrorist attacks in Washington and New York.

The development came at a time when Indian garments exports to US is already in the grip of economic slowdown in that country. Garment exports to the US was to the tune of 5.4 billion dollars in fiscal 2000-1 and registered a 9-20 per cent fall in the first five months of the current fiscal.

The Chairman of Gem and Jewellery Export Promotion Council, Sanjay A Kothari, says the real impact of the terrorist attacks in the US would be known after a month when the demand picks up "but we are not very optimistic." Although there has so far not been no order cancellation, there has been no fresh bookings either," he said.

Gem and jewellery exports to US has declined by 1.6 per cent from 1999-2000 to 2000-1. Diamond cutters in Surat city in Gujarat, the biggest gem-cutting center in India, are concerned as Jaipur, the biggest exporting point of gem which accounts for nearly half of India's total gem export or Rs 900 crore.

The Confederation of Indian Industry is apprehensive of a temporary slowdown in the inflow of foreign portfolio investment due to terror strikes on World Trade Center which had housed offices of several leading financial institutions.

But India need not worry on the Foreign Direct Investment front as the country has not been a big destination of FDI. India attracted FDI worth 2.13 billion dollars in the year 2000. Compare this with China and Hong Kong which attracted FDI worth 100 billion dollars last year.

India has set a target of attracting FDI to the tune of ten billion dollars this year and this is unlikely to be achieved.

Having said all these, industry sources here, however, see hope in the fact that US has a resilient economy and would try to prove to the world that the terror strikes have not been able to shake its economy. This resolve, the sources say, will help US overcome the temporary setback. And that should be good news to countries like India.

Japan to give Pakistan \$40m in emergency aid

AFP, Tokyo

Japan will give Pakistan about 40 million dollars in emergency aid as part of its support for the US response to the terrorist attacks in New York and Washington, a government spokesman said Friday.

"We have worked out assistance measures for Pakistan, including a grant totalling about 40 million dollars or 4.7 billion yen," Chief Cabinet Secretary Yasuo Fukuda said.

Of the total, three billion yen will go towards helping Pakistan rebuild its finances and 1.7 billion yen will be used to help cope with a possible flood of refugees from neighbouring Afghanistan, a government statement said.

The government was also due to work out an aid programme for India shortly.

The emergency grant for Pakistan is part of a programme announced Wednesday by Prime Minister Junichiro Koizumi to back US moves in reaction to the

September 11 suicide attacks by hijacked planes on the World Trade Center and the Pentagon.

Koizumi pledged Tokyo's readiness to provide emergency economic assistance to Pakistan and India as part of efforts to solicit their cooperation in America's "war against terrorism".

Mindful of international criticism over Japan's slow response to the 1991 Gulf War, the prime minister also vowed to take immediate steps -- including a possible revision of legislation -- to allow Japanese troops to provide logistical support for any US retaliation for the terror blitz.

The aid will be partly used to help set up and supply refugee camps in Pakistan for an estimated five million refugees expected to flee Afghanistan in the event of US military action against bin Laden, press reports said.

The planned US retaliation is targeting Afghanistan where Saudi millionaire Osama bin Laden -- identified by Washington as the

prime suspect behind the attacks -- is living as a "guest" of the Islamic Taliban militia.

Japan's support is also expected to include deployment of AWACS airborne command-and-control and anti-submarine aircraft, along with Aegis guided missile cruisers and transport vessels to the Indian Ocean, the Yomiuri Shimbun, Japan's biggest circulation daily said Friday.

Japan may also provide medical services in combat zones, but its post-war pacifist constitution has committed the country to renounce war and the use of use of force in settling international disputes.

Foreign Minister Makiko Tanaka earlier said the emergency grant would not affect Japan's freeze on new official development assistance (ODA) projects to India and Pakistan.

The freeze was announced in May 1998 after the two countries conducted nuclear tests but it has not applied to emergency and humanitarian aid and assistance for grassroots projects.

GM gets Daewoo Motor for \$400m

AFP, Seoul

General Motors Corp. will buy bankrupt South Korean carmaker Daewoo Motor Co for just 400 million dollars under a deal signed Friday that ended a long-running take-over saga.

South Korean creditors said the deal was worth 2.0 billion-dollar but General Motors (GM) and its partners will only make a 400-million-dollar payment to get a 67 per cent stake in a new firm to run Daewoo Motor.

Creditors will get the other 33 per cent and receive 1.2 billion dollars worth of preferred shares in the new firm, according to a General Motors statement.

The GM statement said the new firm will run only two of the three factories in South Korea and only

operations in Vietnam and Egypt of the 12 overseas production facilities.

The memorandum was signed by GM and creditors, led by Korea Development Bank, at a special ceremony in Seoul on Friday morning. Rudi Schlais, GM's head of Asia-Pacific operations, said "this is a win-win. This is a very significant

event."

A Seoul-based car industry analyst said: "It's a good deal for GM, a cherry picked by GM without any cash payment to the owners."

The deal ends nearly a year of uncertainty about Daewoo Motor's future after Ford withdrew a 6.9 billion dollar bid in September last year.

India opens doors to wider foreign investment

AFP, New Delhi

The Reserve Bank of India (RBI) Thursday raised foreign ownership limits to up to 100 per cent in domestic corporations, opening the way to overseas control of publicly listed companies.

The RBI raised the limit to between 74 and 100 per cent in most sectors, but stipulated that foreign investment in "sensitive sectors" such as banking, insurance, telecommunications and broadcasting could go up to a maximum of 49 per cent, "or even below."

Foreign institutional investors were previously banned from owning more than 49 per cent of companies across the Indian economy.

The bank said overseas investors could own up to 40 per cent of aviation industry companies and no more than 26 per cent of companies involved in military production.

Previous Indian banking rules allowed automatic infusion of overseas capital of just 24 per cent in all other sectors but Thursday's policy announcement is expected to pave the way for raising the limit to 49 per cent, experts said.

RBI's announcement comes on the back of India's promise to come out with a "slew of investor-friendly measures" to boost foreign investor confidence and revive the domestic capital markets.

The decision was praised by India's main securities watchdog.

ADB approves \$240m loan to India

AFP, Manila

India is to get a 240 million-dollar loan from the Asian Development Bank (ADB) to upgrade its national highway system, the multilateral lender said Friday.

The loan will fund 64 per cent of the total cost of upgrading the 259-kilometre (161-mile) Tumkur-Haveri section of India's western transport corridor, the Manila-based bank said in a statement. Government funds will cover the balance.

Road safety is a major concern in India, where 80,000 people lost their lives in road accidents in 1999, the bank said.

The western corridor is the busiest leg of a 6,000-kilometre (3,720-mile) national highway system over the subcontinent that links New Delhi and the cities of Calcutta, Madras and Bombay.

Malaysia pumps another \$132m to help economy

REUTERS, Kuala Lumpur

Malaysia will spend another 500 million ringgit (\$132 million) to pump-prime its economy after last week's attacks against the United States, newspapers reported Friday.

Syed Imran Alsagoff, press secretary to Minister in the Prime Minister's Department Rais Yatim, was quoted as saying the cabinet had approved the additional allocation this week for fast-track development projects.

Syed Imran was not immediately



PHOTO: UTTARA BANK

M Aminuzzaman, Managing Director of the Uttara Bank Limited, formally inaugurates the new premises of the bank's Narail Branch in Narail recently. Regional head and other officials of the bank are also seen in the picture.