

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. This 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 HOSSEIN

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 fall-off 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 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's 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.

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.

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.

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Insurers raise WTC loss estimates

Reuters, New York/London

The world's three biggest reinsurers upped their World Trade Center loss estimates Thursday, raising concerns that the overall insurance bill may be much more than previously expected, and could lead to a financial squeeze for some insurers.

Munich Re MUVGN.DE, Swiss Re RUKZN.VX, and Berkshire Hathaway Inc. BRK.A.N all posted new multibillion-dollar loss estimates, pushing the industry total of expected losses to about \$18 billion so far.

Analysts, however, say the total will be at least \$30 billion.

That would easily make it the most expensive event ever for

insurers, surpassing the \$20 billion, adjusted for inflation, they paid out for Hurricane Andrew in 1992.

Concerned by the mounting losses, rating agency Standard & Poor's Corp. cut its ratings on Lloyd's of London insurance market LOL.U and Zurich Insurance Co., part of Zurich Financial Services ZURZN.VX, in view of heavy claims and weak equity markets eating away at insurers' financial strength.

S&P put a further 15 insurers on rating watch, including US firms Chubb Corp. CB.N, Hartford Financial Services Group Inc. HIG.N, St. Paul Cos. Inc. SPC.N and Britain's Royal & Sun Alliance RSA.L.

"If we get to a \$50 billion (overall)

loss or greater, then there might be some companies with solvency-threatening issues," said Mark Puccia, an analyst at S&P.

That figure is not likely to be breached, said Alain Karaoglan, insurance analyst at Deutsche Banc Alex. Brown, but some insurers might still have problems paying claims.

"Anything is possible," said Karaoglan. "It's not a question of industry solvency, it's a question of concentration. Did someone have undue exposure to these losses?"

Germany's Munich Re, the world's No. 1 reinsurer, doubled its loss estimate to about \$1.95 billion early on Thursday, while No. 2 Swiss Re upped its loss forecast 65 per cent, to about \$1.25 billion.

Later, Warren Buffett's Berkshire Hathaway Inc. BRK.A.N, the world's No. 3 reinsurer through its ownership of General Re and other units, said it expected \$2.2 billion in losses from the attack.

Berkshire said its loss figure was based on a "guess" last week that it would probably pick up 3 per cent to 5 per cent of overall insurance industry losses.

By that reckoning, Berkshire is expecting \$44 billion to \$73 billion in pretax losses for property-casualty insurers and reinsurers worldwide.

US insurer Chubb also said on Thursday it expected up to \$600 million in World Trade Center losses, more than triple its estimate last week, which only counted property insurance losses.



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.

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 allow Japanese troops to provide logistic 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.

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 logistic support for any US retaliation for the terror blitz.

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 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.

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 Schlaiz, 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.

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

ROK unionists angry over deal

AFP, Seoul

Hundreds of angry South Korean unionists hurled rocks and soil at riot police Friday, in protest at General Motors Corp.'s take-over of Daewoo Motor Co.

Scores of workers