

## DBH hands over Folders to its Deposit Associates

Delta Brac Housing Finance Corporation Ltd (DBH) organized a Folder Distribution ceremony in the city on Saturday.

The ceremony was held to welcome its newly appointed Deposit Associates and to hand over the handbooks and other official documents to them, says a press release.

Q M Shariful Ala, Managing Director of DBH was the chief guest at the ceremony.

In addition to this, the Deposit Associates were briefed regarding their jobs in the field. At the end of the ceremony the Deposit Associates took part in a 'question and answer' session.

They will be spread out to introduce and reach the benefits of DBH Deposit Schemes at the doorstep of people of every walk of life and to collect deposits from them. Currently only DBH Deposit Schemes offer the highest return for even the lowest amount of deposit.

Ishtiaq H Chowdhury, Head of Operations, A Farjad Ahmed; Head of Resources and Credit, S H Aslam Habib, Manager-Operation & Company Secretary, Syed Zubayer Ahmed, Manager-Finance & Accounts of DBH, among others, also spoke on the occasion.

## BOJ may further boost liquidity levels

AFP, Tokyo

Bank of Japan governor Masaru Hayami said Tuesday the bank may further boost liquidity levels to support the economy as it reels from the impact of the September 11 terrorist attacks in the United States.

"Nobody knows what will happen from now. We will continue to monitor as closely as possible what impact (the terrorist attacks) will have," he told a news conference.

He said interest rates were moving very nervously and reserves in the current account, an important instrument for determining liquidity in the financial system, exceeded nine trillion yen (75 billion dollars).

"There is even a possibility that this will increase a bit further," he said.

Japan's central bank raised its target level of current account reserves to above six trillion yen in the wake of the terrorist onslaught. No fixed goal has been cited but the bank said it would keep liquidity levels high.

## Al-Arafah Bank's chairman, vice-chairman



Chairman



Vice-chairman

A Z M Shamsul Alam has been re-elected chairman and Al-Hajj Ahmed Ali elected vice-chairman of Al-Arafah Islami Bank Ltd for the next session.

They were elected at the 72nd meeting of the Board of Directors of the bank held in the city recently, says a press release.

A retired secretary, Alam got his MA in Economics from the university of Dhaka and MA in Development Economics from Williams College, Massachusetts, USA. He was lecturer in Economics in Dhaka College and Rajshahi University before joining civil service of Pakistan in 1963. He has more than 80 published books to his credit.

Al-Hajj Ahmed Ali is a sponsor-Director of Al-Arafah Islami Bank Ltd.

# Jt venture ceramic plant to go into operation by March

## STAR BUSINESS REPORT

A Chinese enterprise group now engaged in setting up a joint venture ceramic industry near Dhaka to produce high quality wall and floor tiles of international standard is already planning to explore further into the Bangladesh market.

"Setting up the China-Bangla Ceramic (CBC) Industries Limited for high quality wall and floor tiles of international standard is just the beginning. We will take steps so that many other homebuilding products can be produced here in future," said He Jigang, President of Saanxi Import and Export Corporation of China (SIECO), while speaking at the inauguration ceremony of CBC at Sonargaon Hotel in the city Monday.

Zhao Jinqi, Economic and Commercial Counselor of the Chinese Embassy, attended the inaugural ceremony as chief guest while Qu Bo,

Chairman, and Md Shirajul Islam Mollah, Managing Director of CBC, and CM Alam, Managing Director of IPDC, among others, spoke at the function.

In his speech, Zhao said that more under construction Chinese companies will be coming into production in near future.

Md Shirajul Islam Mollah said China-Bangla Ceramic Industries Limited has been established with a view to produce modern high quality wall and floor tiles of international standard.

The MD said CBC is expected to expand its production line gradually to cater to a wide range of market demand, and will also go for export as well. The company will help save foreign currency now spent for importing wall and floor tiles. Initially CBC will be producing two million square metres of ceramic tiles per year, he mentioned.

The CBC plant is now under construction at

Tarabo, Narayanganj. It is expected to go into operation by March next year, he added.

"With the application of technology in ceramic plants, it is now possible to produce wall and floor tiles of diversified designs.

He said demand for high quality wall and floor tiles are increasingly going up in Bangladesh. At present, there is an enormous gap between demand and supply of wall and floor tiles in this country while high prices keep the items out of commoners' reach, Mollah said.

CBC will generate 259 jobs. Sixteen highly qualified experts from China will assist and supervise the production process. Bangladeshi entrepreneurs hold 45 per cent share including 20 per cent public shares financed by IPDC while Saanxi Import and Export Corporation of China owns 55 per cent shares of the company.



PHOTO: DBH

Q M Shariful Ala, Managing Director of DBH, addresses a folder distribution ceremony organised by DBH for its newly appointed Deposit Associates in the city on Saturday. In the picture (L to R) Syed Zubayer Ahmed, Manager of Finance & Accounts, Ishtiaq H Chowdhury, Head of Operations, A Farjad Ahmed, Head of Resources & Credit, and S H Aslam Habib, Manager of Operations & Company Secretary of DBH are also seen.

## SIA to suspend flights to Pakistan

AFP, Singapore

Singapore Airlines Ltd. (SIA) Tuesday announced the imminent suspension of all flights to Pakistan and said it was trimming down other services as a result of the global aviation crisis.

SIA flies four times a week to Karachi and Lahore but the services will be suspended from Friday "as a precautionary measure," the airline said in a statement. It apologised to customers affected by the move.

Pakistan is expected to be seriously affected if a US-led military operation is launched against terrorist bases in neighbouring Afghanistan in retaliation for the deadly attacks by suspected Arab suicide squads in New York and Washington on September 11.

# Think big, Rokia tells women entrepreneurs

## STAR BUSINESS REPORT

Advisor to the caretaker government Rokia Afzal Rahman yesterday felt that a change in the national mindset was needed to encourage greater participation of women in trade and industry.

"Women must not confine themselves to small and cottage industries. Time has come to think big. Policy planners have to give women a chance to come in a bigger way," Rokia A Rahman said at a workshop on 'Policy Induced Constraints on Women Entrepreneurship Development' at the Dhaka Chamber of Commerce and Industry (DCCI) auditorium in the city.

The DCCI and the Centre for International Private Enterprise (CIPE) jointly organised the workshop in cooperation with the Women Entrepreneurs Association (WEA).

Chaired by DCCI President Benajir Ahmed the programme was addressed by, among others, Acting President of WEA Sabrina Islam, vice president Rokeya Quader and women entrepreneurs Hafiza Momtaz

Hashi, Aziza Khatun Huq, Shirin Q Dutta, Dilara Kibria Rawshan Ara, Bilkis Ara Begum. DCCI Director Manzur Ahmed presented the keynote paper. A large number of women entrepreneurs participated the workshop.

Speakers at the programme mentioned different hurdles to a smooth growth of women entrepreneurship. They identified limited access to institutional credit, lack of marketing facilities and the traditional mindset of the nation as the major problems.

Adviser Rokia Rahman however differed about some suggestions for financial and tax incentives for women entrepreneurs as she said this might be misused by their husbands.

However, she felt that banks should earmark a special fund for the women entrepreneurs. "Women have good track records in dealing with the banks and they never defaulted loans. So, the banks should make arrangement for special fund for the women."

In response to participants' deliberations, Rokia Rahman said the policy planners should put special emphasis on women in the next five-year plan.

# Malaysia announces \$1.1b economic stimulus package

AFP, Kuala Lumpur

Malaysia's government Tuesday announced a 4.3 billion ringgit (1.1 billion US dollar) stimulus package for the economy in the wake of the terror attacks on the US, the official Bernama news agency reported.

Prime Minister Mahathir Mohamad, who is also finance minister, said the world economy appeared to have taken a negative turn following the attacks and a global economic slowdown appeared imminent, the agency said.

Mahathir predicted economic growth this year would be around one to two per cent. In March the government cut its growth estimate from seven per cent to between five and six per cent. The economy grew 8.5 per cent in 2000.

The prime minister said the stimulus package, which includes small rural and selected urban projects worth 1.0 billion ringgit, is aimed at ensuring optimal benefits for the economy.

He said the government would double payments for welfare projects to assist poor families, which would cost 80 million ringgit.

An additional 300 million ringgit would be allocated for upgrading and maintenance work in government buildings, facilities for schools and rural infrastructure.

Mahathir said 150 million ringgit would be allocated for training retrenched workers and another 110 million ringgit to promote tourism.

Bernama said that strategies for the remainder of the 4.3 billion ringgit package would be

announced by Mahathir when the 2002 budget is presented on October 19.

On Monday, Dutch-based bank ABN Amro said Malaysia would slip into recession this year as a result of fallout from the terrorist attacks in the United States.

The September 11 attacks on the World Trade Center in New York and the US military headquarters at the Pentagon in Washington as well as an imminent US recession had prompted a "massive downgrade" for gross domestic product (GDP) growth in Asia, the bank said.

The bank tipped Malaysia's GDP to contract 0.4 per cent this year from its original projection of 0.7 per cent growth. For next year, growth was pared back to 1.4 per cent from 1.7 per cent.

# IMF sees no global recession till '02

REUTERS, Washington

International Monetary Fund First Deputy Managing Director Anne Krueger said Monday she does not see a global recession in either 2001 or 2002 despite increased economic uncertainty following the Sept 11 attacks on the United States.

"The IMF ... defines global recession as being less than 2.5 per cent growth of world GDP," Krueger told reporters in her first interview since taking the No 2 job at the lender earlier this month.

"On that basis, we are saying we do not believe there will have been recession in 2001 because we believe the growth rate will be above that, and we are calling for a growth rate above that in 2002."

The IMF is set to release its World Economic Outlook, which takes the pulse of economies around the globe, on Wednesday. Last week IMF Managing Director Horst Koehler said global growth or 2001 would be above 2.5 per cent.

Krueger said the attacks, which flattened the twin towers of New York's World Trade Center and damaged the Pentagon near Washington, meant that economic forecasts were a "moving target" at the moment.

"Quite clearly there is more uncertainty than there was. Certainly right now the short-term impact is not positive," she said. But while many on Wall Street believe the attacks will deal a hammer blow to US consumer confidence and cause a global recession, Krueger remained optimistic despite what she acknowledged were "increased downside risks."

"We are still on track, and our basic outlook (remains) that economic growth will accelerate in the United States some time later this year (or) early next year and that we may be very close to, if not at, the bottom," she said.

"I don't think we are being overly optimistic," Krueger said when asked to respond to criticisms that the IMF was being a cheerleader for the global economy, noting, "the great amount of uncertainty" was focused on the "very, very short run."

"Based on now, which is to say no more negative surprises and so on, it's very hard to see much medium-term macroeconomic impact after the initial ... (impact) of Sept 11," she said.

Indeed, the former academic said that because the attacks have darkened short term prospects,

"That may also mean a sharper upturn later on."

Krueger said she saw no immediate need for further monetary or fiscal actions to bolster the US economy, saying policymakers should wait for a clearer picture of what impact the attacks have on the economic outlook.

"I would not regard further measures as being called for. This does not mean that as of tomorrow things might not have changed, that is what greater uncertainty is defined as," she said.

"It seems to be that right now, both monetary and other policies have been adapted to what I would judge to be an appropriate degree, in light of uncertainties and in light of the fact that one can always move further if one needs to at a further date," she added.

Since the attacks, the United States has slashed interest rates and provided a fiscal boost with a \$40 billion spending increase, and policymakers are mulling further actions.

But Krueger's advice for US policymakers was, "Waiting and seeing would be a good next step."

On Europe, she said deeper structural reforms were needed for more rapid economic growth prospects and that the IMF was

"pleased" by last week's interest rate cut there.

But she refused to be down on whether Europe should increase spending to bolster growth, saying that was an internal decision.

Krueger reiterated that Japan should move further to get banks on a sounder footing but said little else on that nation, which is teetering on the brink of recession again.

She said Latin America had already been hurt by slowing growth in the United States and Europe, meaning that, "the increased uncertainty .... may be somewhat greater there."

But she cautioned that, "There really is no reason in principle over the intermediate term why there should be that much of an impact on Latin America as a whole."

She added that in Mexico and elsewhere in the region growth should pick up when US growth resumes.

On Brazil, where the real currency had rapidly depreciated since the attacks, she said that authorities there might consider increasing interest rates.

"They have already tightened liquidity somewhat and they may want to do a bit more on that score," she said, adding that the IMF was "monitoring the situation."

# Asian airlines seek insurance backing

## Most carriers still flying despite loss of coverage

AP, Hong Kong

Sri Lanka's national carrier briefly grounded its aircraft, but other Asian airlines remained airborne after governments pledged to back airlines whose war-coverage insurance policies expired Tuesday.

By midday, the Sri Lankan government had promised a guarantee of US \$1.5 billion for Sri Lankan Airlines, said Neeraj Kumar, the company's chief financial officer.

The carrier, already hit by soaring insurance premiums following a July 24 attack on Sri Lanka's only international airport and key air base by separatist Tamil Tiger rebels, announced it would resume flights immediately.

Airlines worldwide were switched as of 0000 GMT Tuesday to new policies limiting coverage for war or terrorist attacks to US \$50 million -- well below the usual limit of US \$1 billion or more. The move followed terror attacks last week on the World Trade Center and Pentagon, using hijacked aircraft.

Many governments had announced earlier that they would cover any shortfall in coverage

while airlines sought additional insurance. But in Asia, several were still mulling the issue as airlines appealed for help, saying that post-attack insurance and security costs were an excessive burden given declining passenger traffic.

Hong Kong's three airlines, passenger carrier Cathay Pacific Airlines and Hong Kong Dragon Airlines and cargo carrier Hong Kong Air, worked out last minute deals with private insurers, avoiding the need for government guarantees promised Monday.

The Chinese government pledged to cover claims beyond the US \$50 million cap, "to ensure the normal operations of airlines," state-run China Central Television announced in its midday news report.

The backing will expire in one month, it said. Separately, China Southern Airlines said that as of Friday it was indefinitely suspending its thrice weekly flights to Sharja in the United Arab Emirates due to "increasing tensions" in the region.

The South Korean government said Tuesday it will provide up to US \$1.5 billion in insurance liability

payment guarantees, effective immediately, to domestic airlines. The guarantees are effective until the end of October, but might be withdrawn if the airlines work out new arrangements with their insurers, the Ministry of Construction and Transportation said.

Hit by higher insurance premiums and lower demand, Korean Air Lines has reduced flights beginning Thursday. Asiana Airlines also said it may cut its flights.

Top executives of Japan's airlines visited the Transport Ministry in Tokyo to seek help but did not receive a clear commitment, said Yonosuke Motokawa, spokesman for the Scheduled Airlines Association of Japan, the industry group representing Japan's carriers.

Air traffic was unaffected.

Government and industry officials in Taiwan, Malaysia and the Philippines said the issue was still under discussion.

The Taiwan government agreed to local airlines' requests to charge each passenger an extra US \$2.50 in insurance premiums for overseas flights and 60 Taiwan dollars (US \$1.71) for domestic flights,

effective Oct 1.

"We are most worried about the coverage limitation because none of our airlines would be able to bear the cost and once it (an incident) happens, it is likely to force an airline to go bankrupt," said Benny Tsao, a spokeswoman at the Taipei Aviation Association.

Philippine Airlines said Tuesday it was optimistic the government would bridge any gap in coverage.

"I think the government will help us in that regard," said Avelino Zapanta, president of the troubled airline, which is already in the midst of financial restructuring.

Indonesia's state-owned carrier, Garuda Indonesia Airlines said Tuesday it would pay an extra US \$1.3 million in insurance premiums next month, but would not seek government assistance.

Garuda flies to 21 cities in Asia, Europe, the Middle East and Oceania but it stopped direct flights to the United States during the 1997 Asian financial crisis and has not been seriously affected by the fallout from the terrorist attacks, said Pudjibroto, its spokesman. Like many Indonesians, Pudjibroto uses only one name.

# World airline shares rebound

REUTERS, Chicago/London

World airline shares bounced back Monday after European leaders gave carriers stop-gap war risk insurance and US officials came through with a cash infusion to keep American carriers from collapse.

Meanwhile, the head of the world's biggest carrier, battered American Airlines, gave up his paycheck for the rest of the year and the nation's biggest pilot's union asked permission to carry guns into the cockpit for protection.

Airline officials said half of the \$5 billion in government cash earmarked for the industry could their way as early as Monday, saving some carriers from bankruptcy but leaving several in dire financial conditions.

The \$15 billion bailout signed by President George W Bush on Saturday will be parceled out according to the size of each airline, not financial need, leaving some smaller carriers in a precarious position, analysts said.

"The battle of the hubs is on," said Salomon Smith Barney airline analyst Brian Harris. "There are going to be some keepers that are going to make it through this."

Despite the cash and the share rally, the global airline outlook remained clouded by the hijack attacks on Sept 11 and the imminent threat of US military retaliation,

which have slashed air traffic and hammered airline revenues.

In an important signal, Northwest Airlines NWA.C.O and UAL Corp's UAL.N United Airlines unit said load factors, or seat occupancy, were back around the 50 per cent level. That means planes are still only half full but better than last week, when major airlines were flying with most of their seats empty.

Employee cuts, totaling more than 100,000 in the United States, also continued. No 3 carrier Delta Air Lines DAL.N, the only major US carrier which has not yet announced layoffs, said reductions would be made public soon.

American Air Chairman Don Carty told employees in a recorded message he would give up his pay for the rest of the year to help the carrier through the crisis. Carty earns \$772,500 a year.

The Air Line Pilots Association, representing pilots at nearly every major carrier, said its president would ask Congress to let airlines arm pilots as the last line of defence against hijackers.

The survival of some US airlines has been in doubt since the day of the attacks, but on Monday analysts wondered whether the damage would also push some already troubled European carriers over the edge, perhaps even "national" airlines whose existence has always been politically sacrosanct.

Swissair Group SWSZn.VX, said on Monday it was in a fight for survival and urgently needed two billion to three billion Swiss francs (\$1.3 billion to \$1.8 billion) in new equity as well as radical cuts in its operations.

Unions and management were expected to resume restructuring talks at another ailing national carrier, Belgium's horribly unprofitable Sabena, of which Swissair owns 49.5 per cent.

But share prices for the three largest European airlines were all higher on Monday. British Airways Plc BAY.L rose 12 per cent, Deutsche Lufthansa AG LHAG.DE gained nearly 10 per cent and Air France SAAIRF.PA added nearly 20 per cent.

Prices also advanced for major Asian carriers, including Singapore Airlines Ltd SIAL.SI, Qantas Airways Ltd QAN.AX in Australia and Hong Kong's Cathay Pacific Airways Ltd 0293.HK.

On the New York Stock Exchange, shares of US Airways Group UN rose 15 per cent to \$5.24, shares of Continental Airlines CAL.N rose 6 per cent to \$15.51 and those of America West AWA.N were up 13.6 per cent to \$2.84. American Air parent AMR Corp AMRN gained 2.2 per cent, UAL rose 5.4 per cent and Delta rose 1.5 per cent.



Mostafa Golam Quddus has been unanimously re-elected chairman of Rupali Insurance Company Limited.

His re-election was held at a meeting of the board of directors of the company held in the city on Thursday, says a press release.

Quddus is a former president of Bangladesh Garments Manufacturers and Exporters Association (BGMEA) and a leading personality in the garments sector of the country as the head of the dragon group of companies.