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Star BUSINESS

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Aftab becomes AmCham President

STAR BUSINESS REPORT

Atabul Ul Islam has become the new president of American Chamber of Commerce in Bangladesh (AmCham) for 2001-2002, says a press release.

Islam succeeded Forrest E Cookson who led the chamber since its inception some eight years back.

The new president along with other officer bearers were elected in the fifth annual general meeting of the chamber on Tuesday, the release said.

Scott Barber, President and Managing Director of Unocal Bangladesh Ltd, has been elected as vice-president while AZMR (Osman), Country Manager, Wyeth Ayerst International Inc, has been made the treasurer.

NEPC Consortium Power Ltd Managing Director Mahmood Mir, The Asia Foundation Representative Dr Karim, Casper The Westin Dhaka General Manager Ian HW Kent and Pangaea Partners (BD) Ltd Managing Director Irshadul Islam have been elected executive members of the chamber.

Islam is a former President of Bangladesh Computer Society (BCS) and immediate past president of Dhaka Chamber of Commerce and Industry (DCCI).

AB Bank organises meet of RMG exporters

A meeting of exporters of readymade garments organised by Arab Bangladesh Bank Limited was held in its head office last week, says a press release.

The meeting focused on the present export-trend of RMG sector following the recent terrorist attacks in New York. It was viewed that the aftermath of such incident may cast a bad impact on the export of RMG to USA, which is the leading buyer. The meeting condoned the huge loss of lives and observed two minutes' silence.

A total of 68 owners of RMG units financed by AB Bank attended the meeting. Welcoming the guest, C.M Koyes Sami, Managing Director of AB Bank, said the bank is not only a mere financier but in true sense is a partner ready to come forward in the need of the hour.

The owners of RMG units appreciated such initiative and said more and more interactions will strengthen the relationship between the bank and the customers.

A Hanif Khan, JMD of the bank, said the bank will remain by the side of its customers during crises. The meeting was also attended by the senior executives of the bank.

Myanmar seeks Malaysian help in developing IT projects

AP, Kuala Lumpur

Myanmar's military leader said Wednesday his junta wants Malaysia to help it develop information and communications technology projects, officials said.

Gen. Than Shwe and several ministers of the Myanmar regime toured part of Malaysia's Multimedia Super Corridor, a government-sponsored project to develop high technology industries, on Wednesday on the second day of a three-day visit to Malaysia.

After briefing Than Shwe on the project, Multimedia Development Corp. executive chairman Othman Yop Abdullah told reporters the Myanmar leader expressed hope that Malaysia could help his country develop similar projects.

Than Shwe, the chairman of the ruling State Peace and Development Council, met Prime Minister Mahathir Mohamad Tuesday for talks, and officials signed two agreements on boosting cooperation in information and tourism.

FDI in country drops by 5pc despite global growth in 2000

SHAHRIAR KARIM

Foreign direct invest (FDI) in the country decreased by more than 5 per cent in 2000 over the previous year despite a record global growth of 18 per cent reaching US\$1.3 trillion.

In Bangladesh, FDI inflow dropped to US\$170 million in 2000 from US\$179 million in 1999, according to World Investment Report (WIR) 2001 released by UNCTAD recently. So far, the peak year for FDI inflow in the country was 1998 when US\$190 million came.

With a declining prospect in FDI flows in 2001, as mentioned by WIR, it could be hard for Bangladesh to have better share of global FDI flow, experts fear.

Bangladesh is in the list of the bottom 20 FDI recipient countries, many of which 'under perform' in attracting FDI, with a nominal share of the total global FDI between 1998 and 2000, according to WIR.

The FDI outflow from Bangladesh also

declined in 2000 to US\$20 million from US\$24 million in 1999. On the other hand, both the FDI inward and outward stocks increased for Bangladesh in 2000.

The FDI inward stock increased to US\$873 million in 2000 from US\$703 million in 1999 and the FDI outward stock increased to US\$100 million in 2000 from US\$81 million in 1999.

Similarly the South Asian region witnessed a drop in FDI inflow by 1 per cent over the previous year, although the developing Asia hit a record boom with US\$143 billion a 44 per cent increase over 1999. In the subcontinent, India was the largest recipient of FDI in 2000 with US\$2 billion.

The major share of the unprecedented FDI boom in Asia went to Hong Kong that topped the list with US\$64 billion. China remained fairly stable with US\$41 billion FDI inflow.

The FDI outflow from Asia also touched a record level of US\$85 billion in 2000. "Hong Kong with US\$ 63 billion outflow continued to be the single largest investor of the region. But FDI from

China and India is also rising," WIR revealed. More than half of Hong Kong's outward FDI went to China.

The FDI upsurge in developing Asia has been attributed to several reasons, according to WIR, that include, among others, "reflection of recovery from the economic turmoil and a major cross-border M&A (merger & acquisitions) in telecommunications, which alone accounted for nearly one-third of the territories total FDI inflow."

The WIR also mentioned the greatest FDI increase in Hong Kong was due to "in anticipation of China's expected entry into the WTO" and "an element of increased 'round-tripping' of capital flow into and out of Hong Kong."

The UNCTAD investment report also said that despite reaching a record level in 2000 the FDI is unevenly distributed. "The world's top 30 host countries account for 95 per cent of total global FDI inflow and 90 per cent of stocks. The top 30 home countries account for around 99 per cent of outward FDI flows and stocks, mainly industrialised economies."



C.M. Koyes Sami, Managing Director of AB Bank, speaks at a meeting of exporters of readymade garments held last week in the city. The bank organised the meeting to discuss the impact of the terrorist attacks in New York on the country's RMG export to the US.

China's growth may not reach forecast

REUTERS, Beijing

China's economic growth will be slower this year than originally expected and the global downturn could cause even more pain next year, analysts said Tuesday.

That bodes poorly for China's attempts to stand by its pledges after entry to the World Trade Organisation and keep a rein on simmering social unrest caused by government reforms, they said.

US needs \$100b to boost growth

REUTERS, Washington

Federal Reserve Chairman Alan Greenspan told senators Tuesday as much as \$100 billion may be needed to boost growth if Congress decides the economy needs an additional shot in the arm to recover from the devastating attacks on Sept 11, lawmakers said.

But the central bank chief told members of the Senate Finance Committee in a closed-door session that more time was needed to gather data and anecdotal information that would show how badly the US economy was shaken by the hijacked attacks on New York and Washington that left nearly 7,000 people missing or dead.

A Fed spokesman, responding to inquiries from reporters, said late in the day the \$100 billion price tag included money already approved by Congress for counter-terrorism and recovery efforts in the wake of the attacks, about \$40 billion to date.

The spokesman said Greenspan told lawmakers any possible package should be "of significant size in order to have the intended economic effect."

"In giving a rough approximation of what could be considered significant, the chairman noted that 1 per cent of GDP, or roughly \$100 billion, might be an appropriate benchmark, depending on the nature of the programme. This number includes the additional spending approved by Congress in the last two weeks," the Fed spokesman said.

The finance panel, which would play a major role in putting together any further package of tax cuts and other measures to give the economy a boost, met with Greenspan and former Treasury Secretary Robert Rubin to discuss the state of the economy and the merits of a stimulus package.

Finance Committee Chairman Max Baucus, a Montana Democrat, said the conclusion from the meeting was to wait a few more weeks to gather more information and that if something needs to be done it should be short-term and enough to make a difference.

He also said lawmakers were told to weigh those considerations against the impact of additional

government spending and tax cuts on long-term interest rates such as mortgage rates, which can be influenced by government borrowing and balance sheets.

"That's the balancing act we are all faced with," Baucus told reporters following the meeting.

Sen. Olympia Snowe, a Maine Republican who sits on the Finance Committee, said Greenspan told them that something in the order of \$100 billion would be needed to have an impact on the \$10 trillion US economy.

He told them it would take at least another week to get a better sense of the health of the economy following the attacks, she said.

Senate Republican Leader Trent Lott of Mississippi said many lawmakers felt the economy would need help.

"I think everybody is willing to wait a week or two to get an assessment of how things are coming back. But there is also a feeling by a lot of us that we are going to probably have to put a little more juice in the economy with some sort of economic stimulus," Lott said.

Sen. Charles Grassley of Iowa, the top Republican on the Finance Committee, said there was general agreement that any package should be short-term, but enough to give the economy a jolt.

"I think it has to be temporary, but significant enough to make a difference," he told reporters following the meeting. He said the amount of a stimulus being discussed was much higher than he anticipated.

Lawmakers said Greenspan and Rubin stressed the importance of restoring consumer and business confidence in the economy and in airline safety.

Snowe said Greenspan emphasized that the number one priority for the economy was to get the aviation industry back on track. Airlines were ordered to ground planes immediately after three hijacked planes slammed into the World Trade Center and Pentagon and a fourth crashed in Pennsylvania. The industry has announced massive layoffs in the face of slumping demand.

Congress has already approved \$15 billion to help airlines recover.

Global economy shaky as US consumer confidence plunges

REUTERS, New York

A plunge in US consumer confidence Tuesday that could unhinge the world's largest economy underlined the shakiness of the global outlook in the wake of deadly attacks in the United States two weeks ago.

Eager to assure the world that their economies will get back on their feet soon, finance officials from the top industrial nations tried to reassure battered consumers.

Finance ministers from the Group of Seven major economies prepared for a meeting in Washington on Oct 6 after agreeing in a telephone conference that the fundamentals for continued growth remained in place despite the Sept 11 attacks on US landmarks that left thousands dead or missing.

"For the US economy, we reported that the events of September 11 will delay the recovery that was underway," said a joint G7 statement issued at the US Treasury Department.

"However, our economic policies and fundamentals remain strong and we expect a near-term return to sustained economic growth and stable financial markets," the ministers said.

Underlining the precarious state of the economy, a closely watched survey of US consumers said confidence suffered its sharpest one-month drop in September in almost 11 years.

But the survey captured just a small part of the economic shock because most of it was compiled before the attacks. That left econo-

mists fretting about even more bleak consumer data in the weeks ahead that would give the Federal Reserve plenty of reason to cut US short term interest rates further.

"I think it will keep the Fed worried that consumer spending could falter. It will keep them on track to cut aggressively again," said Jade Zelnik, chief economist at Greenwich Capital Markets.

Will Street initially brushed off the gloomy numbers and focused on news that existing home sales had risen to a record rate in August. The Dow Jones industrial average rose in early trading, building on Monday's rally that followed the market's worst week since the Great Depression of the 1930s.

But the benchmark index fell back into negative territory in mid-day trading as uncertainty over the economic outlook and the risk of a prolonged military conflict once again gained the upper hand, before closing moderately higher.

Fed Chairman Alan Greenspan, who orchestrated a global round of interest rate cuts last week, addressed lawmakers in Washington behind closed doors earlier on Tuesday.

Members of the Senate Finance Committee said after the meeting a short-term stimulus package of as much as \$100 billion had been discussed but no decision had been made.

But the central bank chief also cautioned lawmakers that more time was needed to gather data and anecdotal information that would show how bad the US economy was affected.

US airlines could see the first instalments of a \$15 billion bailout package as early as Tuesday. In Europe, carriers pushed for more aid amid bleak forecasts for the global aviation industry, which has been hit hard by rising security costs and falling demand for air travel.

US Commerce Secretary Don Evans said the blow inflicted on the world's top economy by the attacks on New York and the Pentagon may cause a deeper downturn than previously expected -- but one that would be followed by a sharp rebound.

"I think one can make a valid case there," Evans told CNBC television when asked about the odds of a V-shaped downturn, in which growth falls sharply and then recovers quickly.

"We had a set-back two weeks ago. How severe and how deep and exactly what the results are going to be, it is hard to say at this moment," he said.

Evans said a drop in oil prices should aid the recovery by keeping a lid on inflation and giving consumers and businesses extra spending power.

Oil prices had dropped to their lowest level in almost 15 years Monday amid fears a world recession could cut energy demand, before recovering some ground on Tuesday.

The US economy barely edged ahead at an annual rate of 0.2 per cent in the second quarter and, since the attacks, most private economists say it likely already has slipped into recession, in which output shrinks over six months or

more. Tuesday's consumer numbers appeared to confirm such fears. The Conference Board, a private research group, said its monthly index of consumer confidence fell 16.4 points to 97.6 in September, from a downwardly revised 114.0 in August.

However, 88 per cent of the survey responses were conducted before the devastating attacks of Sept 11, which led many economists to conclude that confidence will take an even harder hit once those effects are measured in the October survey.

Two separate reports added to the gloom, showing that US retail sales at discount, chain and department stores took a nosedive last week as consumers held off spending in the wake of the terror attacks.

Most economists expect the Fed to cut borrowing costs for a ninth time this year when policymakers next meet on Oct 2 to consider how best to give the economy -- and battered financial markets -- another shot in the arm.

Despite the Fed's efforts, investment bank Morgan Stanley said it was lowering its forecast of global growth for 2001 to 1.8 per cent from 2.1 per cent and for 2002 to 2.1 per cent from 3.4 per cent.

The global chief economist, Stephen Roach, said he saw a risk that world growth next year could slow to just 1.25 per cent. Because 2.5 per cent growth is usually viewed as the global recession threshold, Roach said his forecast depicted a world in deep recession.

Qatar getting ready to host WTO summit amid tension

REUTERS, Doha

Qatar said Tuesday it was going ahead with preparations to host the World Trade Organisation (WTO) conference despite tensions in the region following the deadly attacks on the United States.

Sheikh Abdullah bin Ahmed al-Thani, the spokesman of the Qatari committee organising the conference, told Reuters the Gulf Arab state had no indication from WTO member states that the November 9-13 meeting would be postponed or cancelled.

The world body has said the ministerial meeting in Doha would go ahead as planned despite the September 11 attacks on US territory, but some diplomats said they believed the meeting might be moved or postponed especially if the United States launched retaliatory military strikes in the region.

"Signals coming from the US, European Union and the (WTO) director-general suggest that they are anxious to hold the conference as scheduled," Sheikh Abdullah said.

"So far we have not heard from any country suggesting that the meeting should be postponed. Rather, we have various embassies and governments coordinating with us for accommodation, transport and other facilities," he added.

EU and US trade chiefs have already said the Doha meeting should go ahead as planned. The EU and the United States hope to launch a new trade round at the meeting.

The next chief of the WTO, former Thai deputy premier Supachai Panitchpakdi, said on Monday the unpredictable environment ahead of the planned talks was eroding political will for an imminent launch of a fresh round of global liberalisation talks.

Sheikh Abdullah said "launching a fresh round of negotiations was a different issue from that of holding the conference."

Attacks in US hit shrimp export from Bangladesh

UNB, Dhaka

Bangladesh Frozen Foods Exporters Association (BFFEA) has expressed grave concern at the continuous fall of the country's exports of frozen fish due to September 11 terrorist attacks in the United States.

In view of the situation, the exporters have called upon the government to grant special cash assistance and reduce interest rate by three per cent on the bank loan for the export of frozen food.

BFFEA president Salahuddin Ahmed and secretary general Quazi Monirul Haq in a statement yesterday said shrimp importers of the USA, Europe and other countries

have cancelled many LCs and contracts, causing a downturn in exports in last two weeks.

The shrimp exports to USA have already fallen to 80 per cent by this time, they said, adding that the country earns Tk 160-170 crore a month by exporting frozen shrimp and fishes.

The exporters have incurred huge losses in last one year due to sharp fall of shrimp price in international market.

The BFFEA leaders further said that the exporters have become frustrated with the drop of demand in present time, price fall and less production in the shrimp culture areas.

OPEC to keep its production steady

AP, Vienna

As crude prices extended their slide on world oil markets by another day, OPEC representatives faced a seemingly impossible dilemma of firming up prices without also aggravating the global economic slowdown.

Delegates of the Organisation of Petroleum Exporting Countries expressed a common concern about the world economy ahead of their official meeting Wednesday to reassess the cartel's current output.

"We will satisfy the market," OPEC president Chakib Khelil told reporters in the Austrian capital, Khelil, who also is Algeria's oil minister, said OPEC wouldn't change its production or pricing policies at this week's meeting.

"OPEC is an organisation of the world, and we are extremely preoccupied and concerned about the world economy," said Saudi Arabia's Oil Minister Ali Naimi.

OPEC has insisted it will work to keep oil prices and supplies stable even as the United States and its allies prepare for military action against Afghanistan and forces loyal to Osama bin Laden, the main suspect in the September 11 terror attacks on New York and Washington.

However, reports of weaker corporate earnings, diminished air travel and other signs of recession have proliferated since the attacks. Some OPEC oil ministers fear that cascading oil prices might trigger a rout comparable to that of December 1998, when crude plummeted to as low as \$10 a barrel.

While OPEC delegates spoke bravely Tuesday of defending their established target price of \$25 a barrel, prices dropped below \$22 OPEC's minimum acceptable price for a barrel of oil in trading in London and New York.

"When it starts, it's very difficult to stop it, but you have to try," said Abdullah bin Hamad Al Atiyah, oil minister for Qatar.



DHL Country Manager Desmond Quiah along with the members of the Human Resources Department is seen with the new members of DHL Bangladesh family at a recently concluded week long induction programme. The fresh members joined DHL Bangladesh team in its Sales, Customer Service, Credit Control, Admin and Ground Operation departments.

US wants to reschedule Africa trade meet

REUTERS, Washington

US Trade Representative Robert Zoellick said Tuesday he hoped to reschedule a trade meeting with Sub-Saharan African nations that was canceled after the Sept. 11 hijacked plane attacks on the World Trade Center in New York and the Pentagon.

Up to thirty-five African countries were expected at the two-day meeting early next month in Washington.

Congress mandated the Sub-Saharan African Trade and Economic Cooperation Forum as part of the African Growth and Opportunity Act, which former President Bill Clinton signed into law in May 2000.

The bill provides 35 nations in Sub-Saharan Africa with duty free access to the US market for most of their goods.

Many African countries favored canceling the meeting because of security concerns in the aftermath of the Sept. 11 attacks in which nearly 7,000 people were reported dead or missing.

Zoellick told a trade policy group he still hoped to meet with the countries either here or in Africa before a World Trade Organization meeting in Doha, Qatar Nov. 9-13.

CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank

Selling	BC	Currency	Buying	OD Sight Doc	OD Transfer
TT/00	BC	USD	56.5000	56.3314	56.2629
57.6050	57.6350	EUR	51.9455	51.7621	51.6855
53.4667	53.5220	GBP	63.0128	62.7463	62.6917
85.1724	85.2194	AUD	27.7215	27.6291	27.5490
28.6846	28.7091	JPY	0.4790	0.4788	0.4778
0.4940	0.4942	CHF	35.5272	35.4327	35.3482
36.4174	36.4419	SEK	5.2675	5.2498	5.2339
5.4184	5.4236	CAD	35.9070	35.8134	35.7302
36.7557	36.7802	HKD	7.2431	7.2254	7.2080
7.3889	7.3902	SGD	31.8665	31.8227	31.7080
32.618	32.6396	AED	15.2494	15.2275	15.2090
15.6840	15.7016	SAR	14.9509	14.9142	14.8960
15.4791	15.4975				

Usance export bills

TT Doc	30 days	60 days	90 days	120 days	180 days
56.3835	56.0356	55.5712	55.0372	54.4567	53.1584

Exchange rates of some Asian currencies against US dollar

Indian Rupee	Pak Rupee	Thai Baht	Lankan Rupee	Indo Rupiah	NZ dollar
47.8147/91	63.9564/25	44.4344/48	90.9090/20	9560/9580	0.4067/0.4074

Local interbank foreign exchange market was moderately active on Wednesday. Demand for dollar was steady. Demand for overnight borrowing at call was slightly higher and the call rate ranged from 7.25 to 7.75 per cent.

Dollar fell against European currencies due to a report indicating US consumer confidence suffered its worst fall in 11 years. The steep decline in this index may contribute to a cut in consumer spending. However, speculation about continued intervention by Bank of Japan and uncertainty over US recession have limited dollar's loss to some extent. Dollar fell around 0.7 per cent against euro and 0.6 per cent against Swiss franc. Analysts believe, in the short term, dollar's fate will depend on whether the US stock market can sustain the recent gains in index. However, the long-term question of an US-led global recession will hinge on how Washington retaliates on the September 11 assaults. Meanwhile, dollar held steady against yen near 117.50 despite the negative consumer data. Yen has stayed stubbornly strong due to repatriation of funds by Japanese investors.

On Tuesday at 1330 hours, Euro traded at 0.9213/15, pound sterling at 1.4743/48 against dollar and yen at 117.81/85 against US dollar.