

Alstom to supply gas turbines to PHP Cold Rolling Mills

Alstom has won a contract to supply the first tempeset gas turbines to Bangladesh, says a press release. Under a £7.7 million contract awarded by PHP Power Generation Plant Ltd, Alstom will supply two tempeset power generating sets for installation at PHP Cold Rolling Mills Ltd in Chittagong.

The gas fuelled tempesets are each rated at 7.70 MW (ISO) and will be driving Alstom generators to provide a stable and reliable source of electricity to the mill, allowing increased production and improved revenue.

Alstom will also supply two gas fuelled compressors, circuit breakers, motor control centre, air compressor and all associated cabling and pipe work.

The contract also includes a 7-year maintenance contract on the gas turbine.

The tempeset is one of the range of industrial gas turbines manufactured at Alstom's facility in Lincoln, UK. Altogether, 38 tempesets have been sold to 17 countries.

Delivery of generating sets is scheduled for mid-April 2002.

US facing simple pause in growth: IMF economist

AFP, Frankfurt

The US economy is currently facing a mere "pause" in growth and is not threatened by years of long depression as suffered by Japan, the chief economist of the International Monetary Fund, Kenneth Rogoff, said in a newspaper interview published on Monday.

"We remain convinced that the current weakness is just a pause and not an end to the long period of growth," Rogoff told the daily Frankfurter Allgemeine Zeitung.

"The US is not facing the same fate as Japan," he said. Rogoff conceded that the world's powerhouse economy could slip briefly into recession.

But he pointed out that growth had exceeded four per cent last year.

"Therefore, current developments also represent a certain degree of normalisation," Rogoff suggested.

The IMF economist said that the US Federal Reserve "has learned from the experiences of the Japanese and cut its key rates quickly and sharply."

"Monetary policy is an art, not a science. In this respect, Alan Greenspan is certainly one of the great 'artists' of our time," Rogoff said.

EU still in phase of growth

AFP, Paris

The European Union is still in a phase of economic growth and the European Central Bank (ECB) still has room to manoeuvre to lower interest rates, Belgian Finance Minister Didier Reynders, who is also president of the euro-zone Eurogroup finance ministers, said on Monday.

Reynders told the French newspaper Liberation: "We are coming from a period of stronger growth, which can give the impression of a recession. But we must not forget that growth is still there, even if we can't foresee what the international situation will be next year."

Reynders also said: "Even the darkest outlooks do not foresee a period of recession for the euro zone, but slowed growth."

He also noted that the euro zone did not have a budget surplus, unlike the United States, but did have room to manoeuvre in terms of interest rates.

"In the euro zone, there is still room for the ECB, room that should be kept for it by not letting deficits slip. Moreover, if (the ECB) has announced that inflation is going to continue to fall. So, in the coming weeks or months, there could be a new cut in (interest) rates," he said.

Reynders was referring to concern that some euro-zone countries will have difficulty in containing public deficits to agreed targets this year.

The ECB has warned consistently that euro-zone governments should have made greater efforts to move towards public surpluses in times of growth.

New industrial finance initiative needed, draft SFYP report says

STAR BUSINESS REPORT

There is an urgent need for new institutional initiative to resolve the problem of industrial finance in Bangladesh. The new institution will have to generate funds from a wide range of sources.

"The main distinguishing feature of the institution will be that it will be run in line with best practice methods of investment financing, which will require highly competent professional staff devoted to identifying investment opportunities and following them through marketing of outputs of supported enterprises," said a draft report of 'Preparation of the sixth five year plan: Position paper on industry'.

The virtual demise of the development financial institutions (DFIs) and stricter control on term lending by the Nationalised Commercial Banks (NCBs) has nearly starved the industrial sector of institutional credit in recent years, the report prepared by Dr Zaid Bakht of BIDS said.

The commercial banks are inappropriate replacement of the DFIs for meeting the country's potential demand for term loan financing.

A number of investment companies that came into existence to cater to this need totally failed to

realise their statutory objective because of their limited capacity to mobilise funds and their conscious choice to operate as quasi-commercial banks.

The contribution of non-banking financial institutions including the leasing companies has so far been limited in attending this concern. The growth of stock market and inflow of FDI have also been grossly inadequate to make up for the shortfall in institutional finance. This deficiency in industrial finance was largely responsible for the slowing down of the industrial sector in the second half of the 1990s.

"Rapid trade liberalisation carried out by Bangladesh does not seem to have contributed to broad based growth of export industries," the report said. "The impact on domestic market oriented industries seems to have been mixed."

An important shortcoming of Bangladesh's approach to trade liberalisation has been the failure to announce in advance the timetable of planned changes in the trade policy, it said. The other major limitation of the past trade liberalisation measure in Bangladesh is that it has not been accompanied by complementary reforms in other areas to facilitate adequate supply response to the liberalisation measures.

Future trade liberalisation measures, therefore, should correct these two limitations. Planned changes in trade policy should be announced well in advance, and adequate steps should be taken to relax various supply-side bottlenecks, the plan draft says.

Bangladesh has lagged behind its neighbours in attracting FDI in spite of its more liberal investment regime. Factors that contributed to the low level of FDI inflow included poor infrastructure, underdeveloped legal systems, absence of skilled workers, limited size of the domestic market, bureaucratic red tapism and unsatisfactory law and order situation.

The unrealised potential of the leather industry is reflected in the fact that nearly 65 per cent of the export earnings of the sector is still due to export of crust leather where the extent of value addition is much less compared to finished leather and leather products. Resolution of the skill and technology constraint appears as a sine-qua-non development of this industry.

Improvements of telecommunication infrastructure and curbing of Bangladesh Telephone and Telegraph Board's (BTB) monopoly and regulatory role is a necessary pre condition for possible development of the IT sector in Bangladesh.

Bonn rejects bringing forward tax cuts to boost growth

AFP, Frankfurt

German Finance Minister, Hans Eichel, again ruled out the idea of bringing forward planned tax cuts to boost consumer demand and kick start the ailing economy in a newspaper interview published on Monday.

"That wouldn't help at all," Eichel told the business daily Handelsblatt.

"That would only increase the burden of public debt, something which all 15 heads of state and government in the EU want to

avoid."

All major European countries had "already done a great deal" in the way of tax cuts which would help cushion their economies from the fallout from the deadly terrorist attacks in the US on September 11, Eichel said.

"All big countries cut their taxes on January 1. But the US didn't because of the presidential elections. They're now catching up."

US President George W. Bush proposed deep tax cuts last week to help steer the US economy away

from recession.

But Eichel said Europe was in a different position.

"Europe is not facing recession, which is why European answers are a little different from the American ones."

Eichel attended the meeting of Group of Seven (G7) finance ministers and central bank governors in Washington at the weekend, where no joint economic stimulus measures were agreed.

BB T-bill auction held

UNB, Dhaka

The 161st auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held here on Sunday.

Tk 3129.50 crore, Tk 51 crore, Tk 70 crore, Tk 17.00 crore, Tk 33 crore and Tk 7 crore were offered respectively for the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year bills.

Of these, Tk 3119.50 crore, Tk 20 crore, Tk 20 crore and Tk 26 crore of 28-day, 91-day, 182-day, 364-day and 2-year bills were accepted respectively.

The range of implicit yields were 5.80-6.07 per cent, 6.55-6.59 per cent, 6.90-92 per cent, 7.12-7.17 per cent and 7.95-7.97 per cent per annum respectively.

The bid offered for the 5-year bill was not accepted.

Taiwan's Sept exports suffer biggest fall in history

AFP, Taipei

Taiwan exports suffered the biggest year-on-year fall of more than 40 per cent September largely due to stalled shipments to the United States after the terrorist attacks, officials said Monday.

Exports plummeted 42.5 per cent in September compared with a year earlier to 7.45 billion US dollars, helping send Taiwan's trade surplus down 63.8 per cent to 417.4 billion dollars for the same period.

Imports dropped 40.4 per cent to 7.03 billion dollars, said Hsu Kuochung, director of the finance ministry's statistics department.

Emirates voices confidence in airline industry future

AFP, Dubai

Emirates is maintaining delivery over the next 12 months of 11 aircraft on order, the Dubai-owned airline announced, in a vote of confidence in the future of the battered airline industry.

"We have 11 aircraft which will be delivered in the next 12 months," said Emirates group director for corporate communications Mike Simon in comments published Monday.

"We have not deferred delivery of those - not from Boeing and not from Airbus, not for the present," he told Gulf News, which said the commitment came as US missiles began to hit nearby Afghanistan.

"These are tough times for the airline industry and business in general, but we aim to take delivery of the aircraft we have ordered," Simon said.

"In time the travelling public will come back. It took 15-18 months after the Kuwait crisis (1990-1991) and this time around I suspect that it will be at least that," he said.

Emirates has 23 firm orders for A330s with Airbus Industries as part of an expansion plan over coming years, making it the European airliner consortium's largest A330 customer.

Emirates also has orders for six A340-500s, deliveries of which begin next year, and has ordered five of the new Airbus A380 superjumbo airliners and taken an option on five more.

NBR waives VAT, surcharge on some items

STAR BUSINESS REPORT

The government yesterday has completely withdrawn VAT and infrastructure surcharge and also reduced import duty on Polimer and infrastructure surcharge on Polimer Regime, Aluminium Oxide, Pherus Sulphate and Chlorine, which are effective reagent to contain arsenic

pollution.

The board has also withdrawn VAT and infrastructure surcharge on match-splint, used to make matches, in view of the vanishing forest resources and also to protect local match industry, according to NBR sources.

Moreover, the tax authorities also reduced import duty on Polimer Regime and match-splint from the existing 15 per cent to 5 per cent.

Before the latest NBR SRO, there was 15 per cent VAT on all these items and two and a half per cent infrastructure surcharge.



PHOTO: AFP

Japan's electronics giant Matsushita Electric employee Asami Ishizaki displays the prototype of the video game console "SL-GC10" which is the compatible model of Nintendo's GameCube and enables to play DVD during the annual Audio Expo in Tokyo Monday. Matsushita is expecting to put it on the market from the end of the year with an estimated price of 40,000 yen (333 USD).

Preparations for Doha meet continue: WTO

AFP, Geneva

World Trade Organisation (WTO) chief Mike Moore said on Monday that preparations for next month's WTO ministerial meeting in Qatar were still underway, underlining the schedule for the conference had not changed after US-led military strikes on Afghanistan.

Moore, the director-general of the Geneva-based global trade body, was speaking to reporters the day after the United States began its military campaign in Afghanistan in

response to the September 11 terrorist attacks on New York and Washington.

"Ever since the 11th September, we are planning to go to Doha (Qatar)," Moore commented.

"We must keep the pressure on ourselves and we are determined to do this," he said.

Moore spoke to journalists following talks at WTO headquarters with Venezuelan President Hugo Chavez on the November 9-13 WTO conference.

Compaq appoints LEADS its dealer

Compaq Computer Corporation (Compaq), the leading global provider of computer technology and solutions from the USA, has appointed LEADS Corporation Limited (LEADS), the leading System Integrator of Bangladesh, its new authorised dealer, says a press release.

Andy Chan, Managing Director of South Asia/Indochina operations of Compaq, and Shaikh Abdul Aziz, Managing Director of LEADS, signed the agreement in Singapore recently.

"Compaq's cutting-edge solutions, such as enterprise storage, fault-tolerant business critical computing, desktop and portable personal computer and LEADS' strength and expertise in Networking, Application Development and System Integration, create the appropriate synergy for our two organisations to offer the required solutions for the growing Bangladesh Market," said Andy Chan.

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US admn pushes ahead with tax cut plan

AFP, Washington

The Bush administration pushed ahead Sunday with plans for a tax-based economic stimulus package in spite of its failure to convince Europe and Japan to follow suit.

President George W. Bush wants to accelerate tax cuts scheduled to take effect in 2004 and 2006, combined with a rebate program for low-income US workers.

The 60 billion to 75 billion dollars in tax cuts would be on top of 55 billion dollars already appropriated - 40 billion dollars to help rebuild New York and a 15-billion-dollar airline rescue.

The president has also asked the US Congress to extend another three billion dollars to help the more than 100,000 workers who lost their jobs as a result of deadly terror strikes on September 11.

The attacks by three hijacked airliners on New York's World Trade Center and the Pentagon near Washington left more than 5,000 dead or missing, and disrupted air travel and financial markets worldwide. A fourth jet crashed in western Pennsylvania after passengers apparently thwarted the hijackers' plans.

"What we want to do is to provide a strong basis in the private sector for people to once again be willing to take risks, spend money, to invest," White House economic adviser Lawrence Lindsey said on "Fox News Sunday."

Lindsey and other administration officials brushed aside suggestions that Bush's proposal would shatter the bipartisan cooperation in Congress since the attacks.

UK, Norwegian agencies support Samata scheme

Paul Ackroyd, Head of the British DFID in Bangladesh, and Erik Berg, Counsellor at the Royal Norwegian Embassy in Dhaka, yesterday signed a joint letter of commitment to support the expansion of Samata's land rights programme for the poor in western Bangladesh over the next seven years (2001-08).

The funding agencies also handed over official grant approval documents to Abdul Kader, Executive Director of Samata, a non-governmental organisation, says a press release.

Samata has developed a detailed plan for the expansion of its membership. Over 50 smaller partner organisations in the region are working to recover khas land for the landless.

Samata planned to expand its direct membership from approximately 55,000 to 140,000 by 2008. They are also seeking to help network partners expand from approximately 160,000 to 265,000 members, half of whom will be women. These organisations have also taken programmes to recover over 50,000 acres of khas land and 5,000 acres of khas water bodies for the landless men and women and provide various forms of livelihood support to their members.

The British Department for International Development (DFID) and the Norwegian Agency for Development (NORAD) have together committed up to UK Sterling 8.2 million (64 crore taka) over the next seven years.

DFID and NORAD grants have been approved on the basis of a detailed plan, developed by Samata members themselves, and agreed jointly with DFID and NORAD over the last year.

The grant finance includes substantial technical assistance to be provided by international and local consultants over the life of the project.



PHOTO: AFP

An Indonesian street vendor counts his rupiah notes in Jakarta Monday. The Indonesia rupiah fell sharply below 10,500 to the US dollar in early trading from the close 05 October of 9,840 in the wake of the US-led attacks on Afghanistan.