

DHAKA FRIDAY OCTOBER12, 2001

### Sugar output target for 01-02 FY fixed at 1.82 lakh tons Sugar Industries Policy and

Sugarcane Policy for the Crushing Season 2001-2002 were approved in an inter-ministerial meeting held in the conference room of Ministry of Industries on Monday with Al-Ameen Choudhury, Secretary of Ministry of Industries in the chair, says a press release.

In the meeting, sugar production target for ensuing 2001-2002 sugar cane crushing season was fixed at I lakh 82 thousand tons which is to be produced by crushing 22 lakh 89 thousand 70 tons of sugarcane at a recovery rate of 7.95 per cent.

## **US** jobless claims slump to 463,000 AFP, Washington

The number of people filing new jobless benefit claims slumped by 67,000 last week to 463,000, falling off a nine-year record struck the previous week, the government said Thursday.

### World's 3rd largest bank slashes profit forecasts AFP, Tokyo

Sumitomo Mitsui Banking Corp. (SMBC) along with ailing mid-sized lender Asahi Bank Ltd. became the latest victims Thursday of a feeble stockmarket and a government drive to slash bad loans in the Japanese financial system.

The news came as Tokyo's financial watchdog announced it would start inspecting Japanese lenders to discover the true extent of a mountain of bad loans choking the banking system.

SMBC, the world's third largest commercial bank in terms of assets, said net profit for the six months to September was expected to be 30 billion yen (249.6 million dollars), down sharply from an earlier estimate of 75 billion yen.

"The main reasons for the downward revision were the falling value of Japanese stocks and the processing of bad loans," said an SMBC spokesman.

Citing similar reasons, Asahi Bank said it predicted a net loss of

# Airlines operating in Dhaka slap war levy

**INAM AHMED** 

said

Airlines flying to and from Bangladesh have imposed war surcharge on passengers in view of the US strike on Afghanistan, according to aviation sources.

Biman Bangladesh Airlines has imposed \$5 surcharge on each ticket. Most Middle-Eastern airliners are charging \$5 for each sector of flight. This means a passenger flying to London via Dubai will have to pay \$10 extra

Far Eastern airliners have however slapped a lower rate of \$1.44 for each sector. Uzbek Air has slapped \$15 surcharge on each ticket. British Airways is yet to slap any levy.

Meantime, the two international standard hotels in Hotel Sheraton and Sonargaon Hotel have Dhaka experienced heavy fall in room occupancy. Sources

"Our occupancy rate has dropped to 30 per cent from

as high as 70 per cent following the terrorist attacks in the US," said an official of Sheraton. Hotel Sonargaon is also witnessing similar results as businessmen coming from Europe and the USA have thinned out.

This is reflected in the airlines' drop in US-bound passengers by around 70 per cent. Europe-bound passengers also fell by around 50 per cent, travel agents reported.

"Inbound passengers have also dropped similarly," said an aviation source. "The situation is guite alarming and many of the airlines may cut on their flights."

The shock came as the Asia-Pacific carriers are shuddering from fresh turbulence after the airborne terrorist attacks in the US, further clouding the regional travel industry's prospects amid an economic slowdown. The Taliban vow to strike back on the US targets may further apply a break on passenger flow, aviation sources said

## Export debacle deepens in August

#### MONJUR MAHMUD

The current fiscal year's second month export results have further deepened the fear of a sharp export fall in the face of the ongoing global economic recession

Export value marked over six per cent negative growth in the first two months of the year visà-vis the same period of last fiscal year

During the July-August period of FY02, US\$ 1162.47 million exports were registered against \$1240.69 million of the same period last financial year. This year's earning is also 2.72 per cent ower than the target of \$1195 million.

Except for readymade garments (RMG), all major sectors suffered setbacks and could not achieve respective targets during the period. On the other hand, all major export items excepting leather and knitwear showed negative growth.

The price index and export volume went down by 1.36 per cent and 4.94 per cent respectively during the time under review.

"In fact, the overall export performance is dismal and indicates a tough time ahead," said an

official of the Export Promotion Bureau (EPB). "After taking over the charge, the new government should immediately initiate some remedial measures to face the situation and restore confidence among the exporters. RMG exports brought \$641.32 million, 4 per

cent above the target, but 4.56 per cent lower than last financial year's same time. Knitwear worth \$277.73 million was exported

till August, which shows only 1.74 per cent leap from the same period of the previous fiscal year, but 1.98 per cent less than this fiscal's goal.

During the said period, frozen foods worth \$60.54 million were exported, posting a 6.86 per cent decline from the target and also a massive 35.93 per cent fall from last fiscal's corresponding period

Leather export fetched \$43.46 million, posting a 15.22 per cent growth from last fiscal's corresponding period, but this is 9.46 per cent less than the current fiscal's target.

Jute goods worth \$35 million were exported against a target of \$45.83 million. The earning is 23.63 per cent less than the target and also 27.38 per cent less from last fiscal's corresponding period. During the July-August period, chemical products worth \$14.04 million were exported against the \$18.33 million target.

Handicrafts failed to stay abreast with the better-performing items as products worth only \$1.22 million were exported during the period against the \$1.33 million target. This, however, shows a 29.79 per cent jump from last fiscal's earning

In the first two months of the current financial year, raw jute worth \$5.74 million was exported against the target of \$11.67 million, which also is a massive 50.73 per cent short of the goal and shows a 46 per cent decline from last fiscal's same time

Tea export amounted to \$2.93 million kg and fetched \$3.93 million during the period against the \$5 million earning target. This is a 21.40 per cent fall from the goal.

The United States was the major market for Bangladeshi exports during July-August period, accounting for \$454.10 million or 39.06 per cent of the total exports

LC opening up by 5.3pc US, Israel block Iran's WTO entry bid

#### REUTERS, Geneva

The United States and Israel Wednesday again blocked a bid by Iran to get negotiations started on its admission to the World Trade Organisation (WTO)

They were the only two states to object at a regular meeting of the 142-state WTO's ruling General Council to the setting up of a working party to consider Iran's accession.

"The United States said that the Value of LCs opened for importing wheat went up to Tk 93.91 crore situation was under review and that during July-August period of FY02 at this time they could not agree," a against Tk 76.59 crore than that of senior trade official, who had been present at the meeting, told journal-The value of LCs for importing ists. rice came down significantly due to

The two countries also prevented the 22-member League of Arab States from getting observer status at a WTO ministerial meeting set for Doha, Qatar, on November 9-13, trade sources said.

It was the third time in recent months that Washington had halted a move to bring Iran into the body which is responsible for regulating international commerce.

Under the WTO's consensus system of reaching decisions, the United States can keep out Iran which Washington has long regarded as a rogue state indefinitely by withholding agreement to put it on the applicant list.

Relations between the two ountries have come under

PHOTO: SBI

Sajjatuz Jumma, Chairman of Shahjalal Bank Limited (SBL), speaks at the fourth meeting of the Board of Directors of the bank held at a city hotel on Tuesday. The Board of Directors sanctioned a few investment proposals and discussed prospects of more business. Members of the Board of Directors and Managing Director Matin Uddin Ahmed are also seen in the picture.



**CLAUDIA LAUBSCHER** 

fast developing economy." Temenos, a Swiss global leader in "We were looking for a company integrated banking software, has that provides quality global soluappointed Datasoft business partner in Bangladesh. The Swiss company which serves customers like Barclavs Bank, Merrill Lynch and Deusche Bank is confident that its investment in Datasoft will lead to strong sales Bank. The Swiss are also reputed of its products Globus and Emerge for their banking ability." in Bangladesh. The product Globus is an inte-"This agreement enables us to grated, modular international bankenter a growing market," said ing system with full functionality and George Koukis, Chairman and contains robust risk management Managing Director of Temenos, in a and security features, it allows faxed message. "The financial institutions to have complete control over their financial systems. sector in Bangladesh has reached a crucial stage where banks are Emerge is a packaged retail savgreatly in need of sound banking ings, loan and micro-finance soft-

solutions to help them manage a ware application that can be imple mented in less than two weeks.

According to Zaman, Datasoft has already around 30 prospective

in 2 months Industrial raw material import drops STAR BUSINESS REPORT during July-August period of the

The amount of letters of credit opened in the first two months of the current financial year went up by 5.3 per cent in dollar terms from that of last fiscal's same period.

surge was recorded at 15.60 per cent, according to Bangladesh Bank statistics

banks opened LCs worth US\$ 1573.70 million during July-August period of FY02 while the amount was \$1494.53 million during the same of FY01.

According to the central bank sources, there had been a mixed trend in the nature of LC opening

current fiscal year. Values of LCs opened in the first two months of FY02 for importing capital machinery, petroleum products, edible oil and wheat showed an upward trend while those for importing rice and some industrial raw materials, specially for the

textile sector, recorded declines. The value of LCs opened for importing capital machinery during the period under review rose by 13 per cent than that of last fiscal year.

LCs worth Tk 771.26 crore were on this head in the first two months of FY02 while the value was Tk 681 crore during the corresponding period of FY01.

months back from the previous rate Tk 215.58 crore LCs were of 10 per cent

# Oil prices up on US stock draw, OPEC cut seen

#### **REUTERS**, London

World oil prices edged up for a second consecutive day

have been nibbling away at it, taking profits," said one broker on London's International Petroleum

The comments revived a market

Evidence of slower global energy

needs.

crude draw this morning but people about a guarter of the world's oil

opened for importing edible oil, Tk

753.36 crore for petroleum and

petroleum products and Tk 157.04

crore for import of motor vehicles

during July-August period of FY02.

The amounts for the same items

were Tk 109 crore, Tk 662 crore and

Tk 124 crore respectively during the

increase in import duty on rice,

sources said. The import duty was

ncreased to 25 per cent a few

last fiscal's same period.

last fiscal's same period.

"Overnight the US has declared control of the skies of Afghanistan but this has little to do with the oil prices," said Lawrence Eagles of The bullish stock news intensi-

In terms of local currency, the

The country's authorised dealer

60 billion yen in the first half to September. contrasting sharply with a net profit of 15 billion yen projected

## IBBL workshop held

A workshop on investment operations and management organised by Comilla zone of Islami Bank Bangladesh Limited (IBBL) was held recently in the premises of Feni branch of the bank, says a press release

Abdur Raquib, Executive President of the bank, inaugurated the workshop.

Presided over by Md Shahjahan, senior vice president and in-charge of Comilla Zone of the bank, the workshop was attended by 24 investment officers including managers of 10 branches of the bank located at greater Comilla and Noakhali districts.

Abdur Raquib urged the staff of the bank to work hard for poverty alleviation and equal distribution of wealth.

He also called on them to follow Shariah principles in every sector of

### 3G services in Germany in 2003 AFP,Munich

Group 3G, a consortium comprising the Finnish and Spanish telecommunications groups Sonera and Telefonica, hopes to launch thirdgeneration mobile phone services in Germany in the first quarter of 2003, the group said on Wednesday.

Furthermore, Group 3G wanted to build up a market share in Germany of 10 per cent within five to 10 years, chief executive Ernst Folgmann told journalists here.

Group 3G was in "final negotiations" with network providers, and would announce its final choice of supplier "soon", Folgmann said.

On the short list were Siemens Nortel Networks, Nokia and Ericsson.

Group 3G is facing huge investments of some 6.2 billion euros (5.7 billion dollars) to build up a network for its Universal Mobile Telecommunications System (UMTS) services.

tion," said Managing Director of banking clients in Bangladesh Datasoft Mahboob Zaman, explain-Datasoft Systems Bangladesh ing the tie-up with the Swiss major. Limited. an Indo-Bangladesh-US "We chose Temonos because it is ioint venture with 110 employees. endorsed by the International will get have its staff trained by its Financial Cooperation of the World Swiss partner.

"After going through the training, Bangladeshi IT staff will be able to install and repair Temenos software independently," said a Temenso spokesman

Temenos has offices in other developing countries such as Ecuador and Nigeria as it believes that there is a growing banking software market in such locations

Wednesday after latest US stock Exchange data showed a draw in crude oil inventories last week amid growing fied a rally that began on Tuesday signs that the OPEC cartel is mov-

ing towards an output cut. momentum was building within European benchmark Brent OPEC for a supply cut of 700.000 to Blend crude oil climbed 14 cents to one million barrels per day (bpd). \$22.02 a barrel by the close while "There are some who want to cut US crude futures managed only a now and others who want to wait five-cent gain to \$22.23, with profituntil the US retaliation against taking cutting down both contracts Afghanistan is over," the source

after over half-dollar midday gains. said. The American Petroleum Institute (API) released data after which has slumped by a quarter in the market close on Tuesday showthe month since the suicide air ing crude oil stocks fell unexpectattacks on New York and edly by 1.1 per cent to 304 million Washington. barrels last week

Analysts said the surprise drop demand growth has outweighed was due to a reduced flow from Alaska to the West Coast after the Trans Alaskan Pipeline sprung a Afghanistan leak. Stocks of refined products rose over the week, the API said, in line with market expectations.

"The market was driven up by the

## WTO members squabble over farm trade

accord on a draft statement for the

ministers to sign in Doha, Qatar,

where they meet from November 9-

launching pad for the trade round

that could take several more years.

Council chairman Stuart Harbinson

of Hong Kong has offered a draft

covering the contentious issues

ranging from patent rights for

pharmaceuticals to environmental

including most of the rich states

argue it would give a shot in the arm

many fear has been knocked into

recession by the September 11

suicide plane attacks in the United

to try and launch a new round in

The last time WTO ministers met

to the ailing world economy which

Proponents of a new round,

and competition policy.

States

In a bid at mediation. General

13. This will in turn serve as a

#### RETUERS, Geneva

PHOTO: IBBL

World Trade Organisation (WTO) states squabbled Wednesday over farm trade, one of the main stumbling blocs to the launch of a new round of international trade liberalisation talks.

Representatives from 142 member states held a first negotiating session on draft proposals on agriculture put forward by the chairman of the WTO's ruling General Council, but trade sources said

Nevertheless, the fact that all countries said that the text was a basis for negotiation at least offered hope that the differences could eventually be overcome, they

Agriculture pits farm free trade

GNI Research in a market report. Indonesia, OPEC's only Asian when a Gulf source told Reuters that member, said it would have no problem with another OPEC cut the ourth this year although it had not heard of any such plan.

Venezuelan President Hugo Chavez, in Paris during a European tour, said on Wednesday that some OPEC countries and big producers outside the cartel could meet in Lisbon to discuss falling prices.

"It's an idea. We are in the process of looking for a date," he told reporters

OPEC has decided to refrain from another output cut for the time being for fear of adding fuel to market volatility.

fears over security of supply as the The 11-member cartel agreed in late September to hold output limits US began retaliatory strikes on at 23.2 million bpd, but said it would review market conditions and pro-The bombing has so far have duction policy again at a ministerial posed no threat to crude supplies meeting on November 14. from the Middle East, which exports

Seattle in 1999 the attempt col-

apsed in acrimonious fighting

The Cairns Group is pressing for

between the big states and between

a clearer commitment to the dis-

mantling of a range of state aids to

farmers than the outlined in the

draft, while the European Union and

its allies are looking for softer lan-

The EU and Japan on the other

hand reject mention of farm export

subsidies being "phased out". They

said it prejudges the outcome of any

dissatisfaction, but when everyone

is unhappy that can be a good

starting point," the source added

Trade minister from 21 develop-

ing and developed countries, includ-

ing the United States, the European

Union. South Korea, India and

Japan, will hold two days of talks

next weekend in Singapore in an

effort to find more common ground.

after Wednesday's discussion.

expressed their

rich and poor countries.

guage

negotiations

"Everyone

strain since Iran strongly condemned US military retaliation against Afghanistan for the September 11 suicide plane attacks

in New York and Washington. The United States savs Afghanistan's Taliban rulers are harbouring Osama bin Laden, the Saudi-born Islamic militant Washington says planned the

attacks in which over 5,000 people

Aussie tourist industry in crisis

#### AP, Melbourne

died.

Australia's multibillion dollar overseas tourist industry has been plunged into crisis by global terrorism fears and the grounding of a major airline, the Australian Tourist Commission (ATC) said Thursday.

A plunge in the number of US visitors since the Sept. 11 terror attacks on New York and Washington has already prompted the commission to shelve a marketing campaign in the United States until early next year, ATC managing director Ken Boundy said.

Boundy said the combination of the Sept. 11 attacks and the demise of Australia's second largest carrier, Ansett, would cause the number of tourists visiting Australia estimated at about five million to stay the same as last year or even drop slightly.

Tourism officials had expected a rise in visitors as the country continued to cash in on its high profile following the 2000 Sydney Olympics

"In terms of putting a dollar figure on the impact of this dual crisis it's very difficult to do, but we are going into probably negative growth in inbound tourism in an area where there is 17 billion Australian dollars (\$8.5 billion) coming into the economy," Boundy told reporters.

Boundy said visitors from the United States Australia's fourthlargest market had dropped by 25 per cent since the Sept. 11 attacks.

Marketing had resumed in Japan and Asia and would restart in Europe and the United Kingdom in the next three months, he said.

## Qatar still on course for WTO ministerial meet he said when asked by reporters

way," he added

dollars

liberalisation negotiations.

Abdur Raquib, Executive President of Islami Bank Bangladesh Limited, addresses a workshop on investment opera-

tions and management organised by Comilla zone of the bank held in the premises of Feni branch of the bank

AFP, Geneva

recently.

Qatar has not received any "hint or request" for next month's ministerial gathering of the World Trade Organisation (WTO) in Doha to be cancelled after the launch of military action in Afghanistan, a Qatari official said on Thursday.

Abdallah Bin Ahmad Al-Thani, spokesman for the Qatari organising committee, said it had met WTO delegates at the world trade body's headquarters on Thursday morning to discuss logistical arrangements for the November 9-13 event. "We have not received so far any

hint or request (for a cancellation),

that "several measures" have been after the meeting about whether the taken with regard to the organisaconference would still go ahead. tion of the conference following the "For us preparations are under-US terror attacks of September 11, which prompted the US-led military Some 660 journalists and nearly retaliation in Afghanistan.

400 non-governmental organisa-Security would be assured by tions have applied to be accredited national forces who are well trained at the Doha meeting, which may and used to overseeing the smooth launch a new round of global trade running of international conferences such as the meeting of the More than 2,000 state delegates Organisation of Islamic Conference which held talks there on are also so far expected to take part, Al-Thani said adding they Wednesday, Al-Thani said,

He declined to confirm foreign were working on a budget for hosting the event of around 40 million offers of security collaboration for the WTO meeting. Without going into detail, he said

progress was scant.

added. "We are only just starting and

everything could fall apart. But the fact everyone is willing to talk is encouraging," said one senior trade source

supporters such as Australia. Canada and Argentina members of the 18-state Cairns Group against subsidisers like the European Union

and Japan, the world's largest food importer. The farm question is just one of a number of disputes clouding prospects that the WTO can agree to launch a new trade round at a trade ministers' meeting next month. The immediate aim is to reach