



## New EVP of Bank Asia

Irteza Reza Chowdhury has recently been promoted to the post of Executive Vice President (EVP) of Bank Asia Limited, says a press release.

Chowdhury began his banking career in 1976 as a probationary officer with the Bank of Credit and Commerce International (BCCI) after completing his Masters degree from the University of Dhaka.

Chowdhury also worked with BCCI in Beijing, China and Union Bank Ltd in Kitwe and Lusaka, Zambia.

He joined Bank Asia as Senior Vice President (SVP) in September 1999.

## Indian industrial output growth shrinks

REUTERS, Bombay

Indian industrial production growth shrank in August, data showed Friday, confirming the sharp economic downturn and boding ill for government revenues.

The index of industrial production rose 2.2 per cent in April-August compared to a 5.6 per cent growth in the year-earlier period.

The output in August was up 1.8 per cent against 2.6 per cent in July and 5.0 per cent a year ago.

Economists said the data was disappointing, and the ongoing conflict in Afghanistan as the United States retaliates for last month's suicide attacks, will undermine prospects of any reversal.

"The August numbers are worse than in July and are very disappointing as the intensity of the slowdown has not changed," said Sanjeet Singh, analyst at ICICI Securities and Finance Co.

"Going forward, the manufacturing sector which comprises 70 per cent of overall exports is expected to show a further slowdown after the September 11 attacks," he said.

Industrial output forms a quarter of GDP, and the sluggish manufacturing sector was the biggest reason for the relatively dismal 4.4 per cent GDP expansion in the first quarter of the financial year which began on April 1.

## DCCI workshop on software project ends

The three-day workshop on software project management has ended.

DCCI Business Institute organised the workshop with the technical support of CBI, says a press release.

The workshop incorporated topics like Project failure and success, Programme management, Stakeholders, Project plan, Software development life cycles, Project planning tools, Estimation, Software metrics, Quality standards and software quality, Risk management and Earned value management.

On the concluding day of the workshop on Friday, R Maksud Khan, past president of DCCI and Deputy Managing Director of Bengal Fine Ceramic, gave away certificates among the participants.

The certificate-awarding ceremony was also attended by BASIS Secretary General Atique-e-Rabbani, CBI Consultant L Klucs, Acting Executive Director of DBI Md Emdadul Haque and DCCI Deputy Secretary (Training) Mr Hasanur Rahman Chowdhury.

## DCCI-Taiwan team meet postponed

The one-to-one business meeting with the high profile trade mission from Taiwan, scheduled to be held at the Pan Pacific Sonargaon Hotel tomorrow, has been postponed due to the unavoidable circumstances, says a press release.

The meeting was being organised jointly by The Dhaka Chamber of Commerce & Industry (DCCI) and Taipei World Trade Center (TWTC) Liaison Office in India.

# Revenue earnings fall short of target by 5pc in 1st quarter

## STAR BUSINESS REPORT

Drop in imports and deferment of tax return submission deadline reduced revenue earnings by more than five per cent of the FY02 first quarter target, according to the National Board of Revenue (NBR) sources.

However, revenue earnings till September FY02 marked a 3.58 per cent rise over the corresponding period of the last fiscal year.

According to available statistics from the NBR, the tax revenue collection in the first quarter of FY02 till September stood at Tk4021 crore, falling Tk227 crore short of the Tk4248 crore target.

Moreover, the NBR officials said non-payment of VAT by the state-run Petrobangla also contributed to low revenue earnings.

Revenue collection from all the major heads, which include import, domestic activities and

income tax fell short of targets.

Although the revenue earning fell short of the target during the period under review, it is still Tk139 crore higher than the corresponding period in the last fiscal.

The major setback was recorded in import-revenue that the NBR sources attributed to the increase in duty on some luxury items a few months back against the backdrop of a dwindling foreign exchange reserve.

The revenue earnings at import level, which is still the major source of income, fell by about 6.7 per cent short of Tk2404 crore target and stood at Tk2244 crore. The amount marked a slight increase from the Tk2239 crore import revenue earned during the corresponding period in the last fiscal.

Of the collected import revenue, Tk1144 crore was realised as customs duty, Tk830 crore as

VAT and Tk269 crore as supplementary duty.

The total revenue earnings from domestic activities, which include excise duty, VAT and supplementary duty also fell short of targets. Collection from domestic activities stood at Tk1095 crore as against a target of Tk1119 crore. The earning from this source in the last fiscal during the corresponding period was Tk1001 crore.

Income tax collection also fell 6.6 per cent short of Tk682 crore target and the realised figure stood at Tk637 crore, still Tk41.5 crore higher than that of the corresponding period in the last fiscal.

Collection from other sources marked a 4.3 per cent growth and stood at Tk44 crore against the target of Tk42.1 crore. However, the earnings in the last fiscal during the same period was Tk46 crore.

# Two-day Singapore talks end today

## Farm, environment emerge as biggest hurdles to final WTO declaration

AFP, Singapore

Agriculture and the environment Saturday emerged as the biggest hurdles to a final WTO declaration being hammered out in talks here, with a mooted trade-off being the likely solution.

Under a scheme put forward by WTO secretariat officials, European countries would accept a proposed paragraph on agriculture in return for the inclusion of a beefed-up statement on the environment.

"It's time for horse-trading and it's only these two subjects that it's about," said a senior WTO official, asking to remain anonymous.

But the European delegation at

the two-day talks in Singapore have strongly rejected such a trade-off believing it to be against the accords set out by the General Agreement on Tariffs and Trade -- which was replaced by the WTO -- under which a balance should be achieved within each area under negotiation.

The two sides are agreed on one point, however, an 11th-hour compromise will be reached but most likely not among the 22 ministers gathered for the informal weekend talks in Singapore who are also trying to resolve other thorny issues.

The ministers are going over a seven-page compromise document for a final declaration to be issued at next month's ministerial conference

in Doha drawn up by Hong Kong's ambassador Stuart Harbinson, chairman of the WTO's ruling general council.

But the paragraphs on agriculture have been dismissed as unacceptable by the EU delegation.

Firstly they oppose the mention of "reductions of, with the view to phasing out, all forms of export subsidies."

For the Europeans such a "phasing out" would prejudice the results of the coming round and challenge the gradual reform of the Common Agricultural Policy (CAP) launched in Berlin in 1999.

This phrase must be withdrawn from the text, a European official

said, refusing to be drawn on an alternative wording.

Secondly, the text is deemed to be unbalanced between the aims of real negotiations based on the three pillars of market access, export subsidies and domestic support, and a simple formula that "non-trade concerns will be taken into account" at the request of some members.

This wording covers agriculture's multifunctionality -- defence of the countryside, protection of the environment -- which is so dear to the European Union as well as Japan and other countries.



Qatar Airways recently honoured its top travel agents in Bangladesh at a city hotel. The top agents are seen with Manager- Passenger Sales Systemwide of Qatar Airways MS Fakhri and Area Manager-Bangladesh Shamsad Ahsan at the function.

# Fears of terrorist reprisals shadow world economy

AFP, Washington

Fears of terrorist reprisals and lost jobs are stalking the US and global economies even as markets begin to recover from the September 11 terror attacks, analysts said.

The twin fears, stoked by high-profile reports of anthrax and by mass sackings in the wake of the disaster, are casting a cloud over the future of the economy, they said.

"Uncertainties over the global economic outlook remain very high in the aftermath of September 11," said a report by Salomon Smith Barney economists Michael Saunders and Kermit Schoenholtz.

"Geopolitical and military issues

are only beginning to be clarified. Nonetheless, there are signs that financial market risk aversion is diminishing."

Wall Street's blue chip Dow Jones industrials index rose 224.39 points, or 2.46 per cent, to 9,344.16 over the past week.

It was still down 2.72 per cent since September 11, when 19 terrorists hijacked four planes, flattened the World Trade Center, punched a hole in the Pentagon and killed more than 5,000 people.

Nevertheless, the stock market has recovered sharply from the first week's trade after the disaster, when the Dow Jones index had slumped more than 14 per cent.

Similar recoveries have been staged in Europe. The FTSE 100 index ended the last week at 5,145.5 points, up by 2.2 per cent, thanks largely to a handsome advance on Wednesday.

But in the United States, data showed retail sales plunging 2.4 per cent in September, the steepest fall since the Commerce Department's nine-year-old records.

While few economists expected such a decline to be repeated in October, consumers clearly remained tense.



The 1st annual general meeting of Global Insurance Limited for the year 2000 was held recently at the head office of the company in the city. The meeting was presided over by Chairman of the company Architect Mubashar Hussain.

# Japan-S'pore free trade accord a building block for ASEAN

AFP, Singapore

A free-trade agreement (FTA) basically agreed to between Japan and Singapore can be a building block for a wider accord covering Tokyo and the Association of Southeast Asian Nations (ASEAN), an official said Saturday.

Singapore Trade Minister George Yeo met with his Japanese counterpart Takeo Hiranuma on the sidelines of an informal World Trade Organisation (WTO) meeting here to "celebrate" the agreement "in principle and in substance" reached by negotiators in Tokyo.

"We are here to celebrate the final agreement that we have reached in principle and in substance on the economic partnership agreement between Japan and Singapore," Yeo told reporters after

the meeting. "Negotiations were difficult but amicably settled," he said.

A few remaining issues are expected to be resolved before a meeting between Singapore Prime Minister Goh Chok Tong and Prime Minister Junichiro Koizumi of Japan on the sidelines of the annual Asia-Pacific leaders' summit in Shanghai, China next week.

The pact, formally called the Japan-Singapore Economic Agreement for a New Age Partnership, is expected to be signed by the end of the year.

Yeo said he hoped the agreement "will eventually lead to greater economic integration between Japan and Southeast Asia."

He allayed concerns by some of Singapore's Southeast Asian neighbours that other countries would use

FTAs to gain backdoor entry into the ASEAN market.

"The rules of origin will not allow that... In fact, what we have achieved today provides a building block for something bigger and more interesting for all of Southeast Asia in its relationship with Japan." Hiranuma said the agreement is the first FTA by Japan, the world's second largest economy which had previously favoured multilateral pacts in bodies such as the WTO.

"During the process of our negotiations, both sides have worked positively, and very actively towards the conclusion of this very important negotiation," he said after the meeting.

Yeo said the agreement "covers not just the removal of tariffs but also areas of cooperation" but did not elaborate.

## Qatar Airways honours top travel agents

Qatar Airways has honoured its top travel agents in Bangladesh, says a press release.

The travel agents were honoured at the annual gala dinner hosted by the airline held at a city hotel recently.

The agents honoured on the occasion include Oryx Aviation Ltd, Baridhara Overseas, Air Trip International Ltd, Nasser Air Travel and Tours, Sami Overseas, Career Travel International Ltd, Win International, Zoom Travels Ltd, Grand Media Tours and Travels Al-Noor Overseas and Bacon Travel International Ltd.

Special awards were also given to Travel House Ltd, Saimon Overseas Ltd, Wins Classics Tours and Travels Ltd, and Travel Scene Limited for promoting Qatar Airways in the UK and other European destinations.

"Qatar Airways is fully committed to serving the needs of Bangladeshi travellers. Hence, we are obliged to offer the highest standards of quality service not only to the travellers but also to the travel agency community," said MS Fakhri, Manager, Passenger Sales Systemwide of Qatar Airways, while speaking at the gala dinner.

Earlier, welcoming the guests, Shamsad Ahsan, Country Manager for Bangladesh of Qatar Airways, said Qatar Airways is always happy to honour its top travel agents.

Qatar Airways started its operations in Dhaka in December 1995 with one B747 flight a week. Now the airline operates four widebody A300 aircraft.

Qatar Airways growth rate is 45 per cent per annum, the highest in the region, according to the release.

## Gold revaluation raises India's forex reserves

REUTERS, Bombay

India's foreign exchange reserves rose by \$210 million to \$44.979 billion in the week to October 5 boosted by a small rise in currency assets and a revaluation of gold holdings.

The central bank's holding of gold were valued at \$2.93 billion on October 5 against \$2.82 billion a week before. Which analysts said was on account of the monthly revaluation of gold.

Gold prices had risen sharply in the aftermath of the September 11 attacks on the United States, trading around \$290 an ounce at the end of September.

Half the rise in the foreign exchange reserves in the first week of October came from a rise in foreign currency assets, which traders said might be due to state-run banks having mopped up some of the larger dollar inflows.

# US-Afghan conflict won't hurt global growth prospects: IMF

REUTERS, Moscow

International Monetary Fund head Horst Koehler said Friday that the conflict between the US and Afghanistan's ruling Taliban would do little to undermine world economic growth prospects.

"We don't think this military action will have a major impact on economic developments in the global economy and also in Russia," he told a news conference after his visit, during which he met President Vladimir Putin and other officials.

"So there are certainly risks for the global economy, but on the whole we are confident that we will see a full and strong recovery during the course of next year," he said, adding that the European economy

was still fundamentally strong.

Koehler, ending a three-day visit to Russia, said the country was on the right track and that despite a fall in oil prices, it would be able to service its foreign debts of more than \$30 billion in 2002 and 2003.

The global economy is slowing more than expected after the September 11 attacks on the United States and subsequent volatility in oil prices but Koehler reiterated a forecast for a US recovery in the first half of next year.

Koehler said he had congratulated the Russian officials he had met on the fact that the country had shown a good macro-economic performance over the last three years.

One dark spot on the horizon has

been worries over the prices for oil, which is one of the key drivers of the Russian economy.

However, Koehler said the oil price decline after the September 11 attacks and fears of a global slowdown would not hurt Russia's economic health.

"Our projection of the most likely outcome confirms the conclusion of the government that the decline in oil prices does not pose a serious threat to macro-economic stability here," Koehler told a news conference.

"We also agree that (this) should not change the conclusion that Russia should be able to service its external debt in 2002 and 2003 without support from the Fund or the Paris Club."

# US House panel okays \$100b economic stimulus plan

REUTERS, Washington

The House Ways and Means Committee Friday approved a Republican-backed economic stimulus plan designed to inject \$100 billion into the US economy over the next year with tax breaks for businesses and payroll tax rebates.

The tax-writing panel voted 23-14 along party lines to send the package to the House of Representatives for a vote as early as next week.

A key feature of the plan is a rebate for wage-earners who did not

earn enough money to benefit from the income tax rebates issued in the last few months as part of the \$1.35 trillion 10-year tax cut signed by US President George W Bush earlier this year.

The checks up to \$300 for individuals, \$500 for single heads of households and \$600 for married couples are to go to taxpayers before the end of the year.

Committee Chairman Rep. Bill Thomas, a California Republican, said the package would provide immediate help to the US economy that economists fear slipped into

recession following the Sept. 11 attacks. He said it would give the economy a \$100 billion boost in the next year, but cost the US Treasury only \$160 billion over 10 years.

The bill would reduce federal revenues by nearly \$100 billion 2002, much more than the \$60 billion to \$75 billion plan suggested by Bush.

Democrats criticized the plan, saying it was too skewed toward tax breaks for businesses and broke Bush's promise to work with Democrats to craft a bipartisan stimulus package.



Picture shows former president of the Dhaka Chamber of Commerce & Industry (DCCI) R Maksud Khan (sitting-middle) with the participants at the certificate-awarding ceremony of a workshop on software project management organised by the DCCI Business Institute in the city on Friday.



## Japan carmakers see \$3.5b cost from Chinese retaliatory tariffs

AFP, Tokyo

Japanese carmakers are forecast to suffer 3.5 billion dollars in combined costs in 2002 if China retains its retaliatory import tariffs on Japanese motor vehicles, Kyodo News agency reported Friday.

Some 21,000 Japanese cars will be hit by the Chinese tariffs this year with additional costs reaching 51.2 billion yen (423 million dollars), Kyodo quoted the Japan Automobile Manufacturers Association Inc. (JAMA) as saying.