



New AVP of Scancement International

Ramakanta Bhattacharjee has recently joined Scancement International Ltd as an Assistant Vice-President in the Marketing and Sales Division, says a press release.

Prior to joining Scancement International Ltd, he was serving Apteck Worldwide Bangladesh Ltd as the Head of Business and was responsible for Bangladesh and Pakistan operations.

He has 12 years of professional experience ranging from technical, financial, management to sales and marketing.

Apart from holding a BSc Degree in Electrical and Electronic Engineering from BIT Chittagong, Bhattacharjee also has an MBA degree from the prestigious South Eastern University in England.

He is a Member of the Institute of Management (MIMgt), England and Institute of Engineers, Bangladesh as well.

In Bangladesh, the state-of-the-art ScanCement Grinding mill has started its operation in July 2001 and has an annual capacity of 750,000 metric tons per year.

Ground-breaking ceremony of Asian Paints factory held

Asian Paints, one of the leading multinational paint companies, set their mark in Bangladesh through a ground-breaking ceremony for their proposed Integrated Paint Factory at Gazipur on Tuesday, says a press release.

Ataharul Islam, Deputy Commissioner of Gazipur, graced the occasion as guest while the high officials of Asian Paints Bangladesh Limited including Shamsul Alam (Bir Uttam, PSC) were present on the occasion.

As a multinational company, Asian Paints has an annual turnover of USD 340 million. Besides exporting to 25 countries worldwide, Asian Paints has factories in 9 countries across South Pacific, Middle East and South Asia.

Asian Paints has entered into a joint venture with Confident Cement Ltd to start its operations in Bangladesh, its 10th overseas manufacturing location.

Asian Paints has already employed local contractor Magnum Developers Ltd to construct the plant and Zamil Steel to supply the structure steel for its Integrated Paint Factory at Gazipur.

Director of Asian Paints, Shamsul Alam (Bir Uttam, PSC), promised never-before products and standards for the Bangladeshi paints market.

Asian Paints plans to produce locally in their Integrated Paint Factory at Gazipur and market their international quality painting solutions in Bangladesh.

It will also export a wide range of architectural specialty products from this factory to various other countries.

EXIM Bank gives credit facility to United Leasing

Export Import Bank of Bangladesh Limited has sanctioned a credit facility to United Leasing Company Limited, says a press release.

Mohammed Lakiotullah, Managing Director of EXIM Bank Ltd, and M.M. Alam, Managing Director of United Leasing Company Limited, signed the agreement on behalf of their respective organisations at the Head Office of EXIM Bank in the city on Monday.

The credit line will be utilised to finance in leasing operation and merchant banking of the company.

Alamgir Kabir, FCA, Advisor of EXIM Bank, was present on the occasion.

SEVP Iftekhar Ali Khan, ED M.R. Chowdhury, SVP Karimuzzaman, SAVP Humayun Kabir, Mohammed Ismail, Shah Md. Abdul Bari, Bashirul Islam, of EXIM Bank Ltd, and M. Ataul Hoque, General Manager and Anowarul Islam, Officer of United Leasing Company Limited were also present on the occasion.

Saifur seeks ways to lower banks' lending rates

BB Governor directed to sit with bank chiefs

SHAHRIAR KARIM

In a bid to find out a way for lowering the lending rate of the banks, Finance and Planning Minister M Saifur Rahman yesterday gave directive to the central bank governor to sit with the chiefs of the country's banks and devise a plan of action.

Terminating the current lending rates too high the Finance and Planning Minister told a meeting of bankers that misdeeds of dishonest bankers and fraud borrowers were responsible for the situation, the meeting sources said.

The minister had the meeting with the chairmen, managing directors and directors of the country's state-owned banks, specialised banks and financial institutions to take stock of the country's present banking situation. Bangladesh Bank Governor Dr Mohammad Farashuddin and Finance Secretary Zakir Ahmed Khan also spoke at the meeting held at the finance ministry conference room.

As the bankers pointed out that huge default loans were the major reason for the high lending rates, the finance minister blamed the bank managers for 80 per cent of the total default loans.

He also alleged that in most of the cases bankers take 10 to 20 per cent of the total sanctioned loans as bribe. "The borrowers also think that they don't have to repay loans as they give Tk 20 crore to Tk 30 crore to the bankers as bribe for a loan proposal of Tk 200 crore," the meeting sources quoted the finance minister as saying.

"Why the new investors should suffer for the misdeeds of dishonest bankers and fraud borrowers," Saifur Rahman, the Finance and Planning Minister of the four party alliance government, threw the question to the bankers.

Despite his conviction that the bank managers were responsible for most of the misdeeds in the lending process, Saifur Rahman said that it would not be possible to replace them overnight.

The finance minister also raised the question why the new banks, which do not have default loans, are charging lending rates as high as like the old ones.

Bangladesh Bank (BB) Governor Dr Md Farashuddin informed the meeting of the present situation in the banking system.

Despite about Tk 5000 crore excess liquidity in the banking system, the BB governor said that it was difficult for the banks to lower the lending rates due to high default loans, higher administrative cost and high interest rates of different government savings schemes.

He said that the capital and provision shortfall were acute in the country's banking system and mentioned that default loan rate was still as high as about 35 per cent.

Dr Farashuddin also informed the meeting that the foreign exchange reserve stood at US\$ 1158 million as of yesterday.



Shamsul Alam, Bir Uttam, PSC, Director of Asian Paints Bangladesh Ltd, speaks at the ground-breaking ceremony of the company's Integrated Paint factory at Gazipur on Tuesday.

Indian aviation sector heads for troubled times: Analysts

AFP, Bombay

State-carrier Air India's recent announcement that it is to close 20 overseas offices indicates troubled times ahead for Indian aviation in the aftermath of the terrorist attacks in the United States, analysts say.

The sharp fall in international passenger traffic following the September 11 attacks is unlikely to reverse in the near term, they say.

Air India said on Friday that it planned to close with immediate effect 20 of its overseas offices and downsize a further 43, shedding 142 employees.

The world aviation industry saw more than 200,000 employees retrenched in September.

"This is the first hit that the airline industry has taken in India. And it won't be surprising if it is the beginning of a long drawn-out survival struggle," a senior official of an international airline told AFP.

Passenger traffic to and from India has fallen over 25 per cent since the September 11 attacks, he said.

"Most of the multinational companies have put on hold all travel plans of their executives due to fear of these attacks. It is the single most powerful blow to the airline industry," he said.

Air India spokesman Jitendra Bhargava said the carrier's passenger load had fallen between 20 and 30 per cent since the attacks.

"It's difficult to say when it will recover and how much it will recover," he said.

An Air India booking official said their flights were operating at only 60 per cent capacity.

Industry officials said most of the prime European routes were virtually empty, with only the Middle East offering some cushion to the industry.

"The crisis will aggravate further as inward traffic also gets affected from November. Traditionally, November to February are months where inward traffic is maximum, led largely by tourists. This also is expected to fall drastically," said an official of a leading airline operating out of India.



Mohammed Lakiotullah, Managing Director of EXIM Bank Ltd, and M M Alam, Managing Director of United Leasing Company Limited, sign an agreement on credit facility on behalf of their respective organisations at the bank's head office in the city on Monday. Alamgir Kabir, FCA, Advisor of EXIM Bank, was present on the occasion.

China weathering global slowdown

REUTERS, Beijing

China said on Tuesday its economy grew a rattling year-on-year 7.6 per cent in the first nine months and is still likely to meet its seven per cent in the first nine months and is still likely to meet its seven per cent 2001 growth target despite the toll inflicted by the global slowdown.

But it said the future was fraught with uncertainties over the economic impact of the US-led war on terrorism and China, gradually opening its economy to the outside world, would not be immune to economic developments elsewhere.

"This year's target of seven per cent is still obtainable because the growth for the first three quarters has paved the way for the whole year growth," senior official Li Xiaochao of the State Statistical

Bureau told a news conference.

But he said the global economy was heavily reliant on the progress of US-led air strikes against Afghanistan launched following the hijacked airliner assaults on New York and Washington on September 11.

And China, where growth has been fuelled largely by domestic consumption, is increasingly affected by global developments and will be more so when it joins the World Trade Organisation, probably later this year, and lowers tariff barriers.

"It depends on how long this lasts and how it influences the US economy and then China," Li said of future growth rates.

China's robust growth has contrasted strongly with the economic struggles of others, including the United States.

Nevertheless, Li said China had to do more to offset the impact of slowing export growth which dampened industrial production and spurred third quarter GDP growth of just seven per cent, the lowest since the fourth quarter of 1999.

China's economy grew a robust 7.9 per cent in the first half of this year and eight per cent in 2000, powered by massive state spending and solid consumption.

The government's 2001 target of seven per cent should be reached because of continued reliance on domestic demand as the main engine of growth and on heavy government spending on infrastructure, Li said.

The economic impact on China of the September 11 attacks would be limited in the near term to the airline and insurance sectors, he said.

Sunfill mango drink launched in Bangladesh

STAR BUSINESS REPORT

Coca Cola Far East Limited (CCFEL) recently launched Sunfill mango drink in Bangladesh market.

"Fruit juice category is increasingly becoming popular among Bangladeshi consumers. We hope that mothers would prefer Sunfill mango drink for their children because it is fortified with five essential vitamins," said an official of CCFEL.

By combining the natural taste of sun-ripened mangoes with essential vitamins, CCFEL has come up with a new product, he mentioned. "We hope that children will prefer Sunfill mango drink because of its taste."

To make Sunfill popular, the company yesterday started a three-day campaign titled "Surprise Media Visits" during which the Sunfill kids will bring the new Sunfill mango drink to the press.

As part of the programme, an eight-member team led by Sunfill mother Ananya Ruma and kids Adiba, Anand, Abir and Sadaat yesterday visited The Daily Star office.

There will also be a campaign at various schools in Dhaka city. This will include games, quizzes, songs, competitions and free bottles of Sunfill mango drink. The campaign will involve children, and their mothers and teachers. The price of Sunfill is Tk 12 per bottle.

Microsoft, NEC tie up on server businesses in Japan

AFP, Tokyo

US computer software giant Microsoft Corp. and Japanese hi-tech leader NEC Corp. Tuesday announced a tie-up to jointly expand operations in Japan's high-end server and Internet services market.

"The demand for very reliable high-end servers is going to be expanding into one of the best markets in the computer industry," Microsoft chief executive Bill Gates told a joint news conference.

Gates said NEC was a "unique" partner because of its experience with UNIX, a type of computer language, and mainframe computers and the way they have adopted Intel's IA64-bit server technology.

But Li acknowledged that the full impact of the US-led response on the world economy was not yet known.

"The global economic performance is heavily reliant on progress on the US attack on Afghanistan," he said.

"We should stay calm and try to offset the negative influence so as to reach relatively fast growth for the Chinese economy."

The September 11 attacks were not likely to shave more than 0.2 to 0.3 per cent from China's 2001 GDP, the Chinese Academy of Social Sciences, a top government think-tank, said in a recent report.

In the weeks after the attacks, several foreign investment banks trimmed growth forecasts for China, although most remained above the government's prediction.

Trade concessions for Pakistan outlined EU to lift all tariffs on Pak clothing, up quota by 15pc

AFP, Brussels

Pakistan is to have greater access to EU markets under European Commission proposals Tuesday intended to prop up its economy as the US-led assault on Afghanistan continues.

The proposals, subject to approval by the 15 EU member states and European Parliament, include the lifting of all tariffs on Pakistani-made clothing, and a 15 per cent increase on EU quotas for

Pakistani textiles and clothing.

"We are aware of the exceptional circumstances faced by Pakistan at the moment," said EU Trade Commissioner Pascal Lamy, who met Pakistani Trade Minister Abdul Razzaq Dawood in Singapore two days ago.

For that reason, after the September 11 attacks in the United States, the European Union moved to give priority to trade liberalization talks that it started with Pakistan seven months ago,

Lamy said. "The European Union is Pakistan's main trading partner, accounting for 30 per cent of its exports. Seventy-five per cent of those exports consisted in cotton, textiles, garments and leather goods."

Lamy said the EU concessions would be undertaken by including Pakistan in a generalized system of preferences (GSP) regime that favours countries deemed to be combating the international drugs trade.



Coca Cola Far East Limited (CCFEL) yesterday started a three-day campaign titled "Surprise Media Visits" in a bid to make its recently launched Sunfill mango drink popular. As part of the programme, an eight-member team led by Sunfill mother Ananya Ruma and kids Adiba, Anand, Abir and Sadaat yesterday visited The Daily Star office. Picture shows the mother and kids with Sunfill mango drink.

Nov WTO meet 'almost certain' to move from Qatar

REUTERS, Geneva

A meeting of ministers from World Trade Organization nations, set for the Gulf state of Qatar next month, is almost certain to be switched to another location, diplomats said Monday.

A well-informed trade source said the Qatari authorities had been "given the message" that if the gathering went ahead, it was unlikely that all 142 WTO member countries and some 30 other expected delegations would turn up. "It would say it's a 90 per cent certainty that we will have to go elsewhere, given the growing tensions affecting the Middle East region over the past few days," said one envoy in Geneva.

Concerns over security for Qatar were voiced when ministers from 21 WTO countries met in Singapore over the weekend to try to resolve differences over whether to launch a new round of trade liberalization

talks. Singapore's trade minister, George Yeo, told the meeting that the island state, which staged the WTO's first big gathering in 1996, would be ready to host a downsized ministerial meeting if it were switched from Qatar.

The meeting is due to take place Nov 9-13, and trade sources said the dates would remain whatever happened. Doubts about Qatar surfaced in Geneva immediately after alleged Islamic militant hijackers crashed airliners into New York's World Trade Center and the Pentagon in Washington on Sept 11, killing nearly 5,400 people.

But concern has surged over the past few days as US warplanes and missiles pounded targets in Afghanistan -- home to Osama bin Laden, the alleged mastermind of the attacks on the United States -- killing Afghan civilians and sparking protests across the Muslim world.

Sunday, a senior officials in the planning committee for the meeting in Qatar said preparations were continuing "We are not aware of any suggestion from any quarter to change the venue," he said "Qatar is one of the safest places to hold such a meeting."

A WTO spokesman, who declined comment on whether there might be a change of venue, said preparations were continuing in Geneva and the Qatari capital, Doha.

But he acknowledged that concerns had been expressed by WTO delegations in private "over uncertainties related to the security situation" in the Middle East.

In Washington, US trade officials referred reporters to a transcript of comments US Trade Representative Robert Zoellick made earlier on Monday in Kuala Lumpur, where he traveled for talks with Malaysian officials after the Singapore meeting.

Euro zone finance ministers call for more rate cuts

REUTERS, Luxembourg

Euro zone finance ministers called Monday for more interest rate cuts to help prevent a recession, but European Central Bank chiefs made plain their reluctance to ease too quickly or to see spending rise too much.

Their statements came as a French government source said Paris was poised to unveil an economic stimulus package on Tuesday and more European companies announced plans to slash thousands of jobs.

Belgian Finance Minister Didier Reynders, who also chairs the Euro group of finance ministers, said Europe has more scope to stimulate growth via interest rates than via fiscal policy.

"There is more room for manoeuvre on the monetary side than on the budgetary side," he told journalists after the meeting. "It's a question of timing."

The suicide attacks last month on the United States may provoke a recession on both sides of the Atlantic and politicians in Europe, some of whom face an election next year, want to do more to protect employment and growth.

European Commissioner for Monetary Affairs Pedro Solbes said after the meeting that growth in Europe would be around 1.5 per cent this year and about the same in 2002, compared with more than

twice that much in 2000.

French Finance Minister Laurent Fabius and Luxembourg's Jean-Claude Juncker both said after the ECB left rates on hold last week that they believed there was room to manoeuvre in easing monetary policy.

But ECB council member Ernst Welteke told reporters on Monday that while the euro zone will grow much more slowly than expected after last month's attacks on the United States, the bank's monetary policy was not preventing growth.

"We have already cut interest rates by 100 basis points this year. Real interest rates are at an absolute low level. Monetary policy does not stand in the way of economic growth," he said in Kassel, Germany.

ECB Chief Economist Otmar Issing also said on Monday that the bank was still assessing the economic repercussions of the September 11 attacks on New York and Washington, but was ready to act quickly if needed.

"So far we are still waiting, but a quick reaction, if needed, we can deliver that," he told journalists in Frankfurt.

ECB Vice President Christian Noyer attended the meeting but did not speak to reporters. Austrian Finance Minister Karl-Heinz Grasser, who had also called for a rate cut, said the ministers had "not really" discussed interest rates

directly, implying that Noyer had only discussed monetary conditions in general terms.

Ministers return on Tuesday for the monthly meeting of the full council of European finance minister (Ecofin), which includes non-euro members Britain, Sweden and Denmark.

They are expected to back tough anti-money laundering rules as part of the global fight against the funding of terrorist groups such as those blamed for the September 11 attacks.

The minister will also be briefed on the state of investigations into whether there was insider trading in financial markets before the attacks.

But the state of the economy will remain high on the agenda after news on Monday of the loss of thousands more jobs in Germany, whose growth is among the weakest in Europe.

Commerzbank said it will cut 3,400 jobs by end-2003 and the German electrical giant Siemens announced a further 2,000 job cuts at its mobile telephone business. The group has already cut 10,000 jobs so far this year.

Corporate restructuring to shelter profits is threatening the region's recent success in cutting unemployment and European governments are weighing up job-saving options.