

Govt urged to take steps to secure free RMG access to Europe, US

STAR BUSINESS REPORT

Speakers at a meeting of garment factory owners on Saturday urged the government and the BGMEA leadership to take immediate steps to secure duty and quota-free access of Bangladeshi garments to European and American markets.

The Forum, an organisation of garment factory owners, organised the meeting at its office in the city.

The speakers were of the opinion if the duty and quota-free access is not allowed to developed nations, most of the garment factories will face closure.

They also urged the government to clearly specify the country's foreign policy so that the US and European countries provide the country's sector with the facility immediately.

Presided over by Forum President Anisul Huq, the meeting was addressed, among others, by Reazuddin Ahmed, Lutfi Ayub, Abul Khair, Iqbal Chowdhury and Harun-ur-Rashid.

The speakers also hoped the new government will attach priority to the issue and save the sector from ruin.

As many as 1.5 million workers, most of them are women, will lose their jobs if the garment sector does not survive, they observed.

Rahimafrooz launches new IPS

Rahimafrooz has recently launched the latest version of IPS named Blackcat as part of the company's continuous endeavour to bring the latest technology at the doorstep of the IPS users, says a press release.

Blackcat IPS comes with many new added features and a sleek look. Blackcat IPS incorporates state-of-the-art inverter technology. It is available in three different models 400VA, 600VA and 1250VA and can be purchased from all retail outlets of Rahimafrooz and in few selected dealer outlets.

Considering the deteriorating power situation of the country, Rahimafrooz pioneered the concept of IPS in the country which has greatly enhanced the standard of living of people.

Rahimafrooz IPS earned creditable reputation in the market through performance of the product, service backup facility and above all for utility value of the product.

Prize giving ceremony of Close-up quiz contest held

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Prize giving ceremony of Close-up quiz contest was held at the National Press Club yesterday.

Liver Brothers Bangladesh, the manufacturer of Close-up tooth past, organised the quiz contest titled Aaro cool Aaro Close-up, a promotional campaign for the product.

Shantanu Das Gupta, Marketing Manager of Lever Brothers (BD), distributed prizes among the winners as chief guest while Sara Zaker, Executive Director of Asiatic MCL, was present at the function as special guest.

A total of 42,000 contestants from all over the country took part in the contest that started on August 29 this year.

Sohrab, a young man from Dinajpur, won the first prize, a package tour to Singapur that included three days and two nights' stay in a luxurious hotel there. Other winners included Suzana Momen, Khairul Kabir from Dhaka, and Fatima Binte Ahad from Barisal, each of whom won a 21-inch colour television set.

Among others, Ali Zaker, Chief Executive of Asiatic MCL, and noted drama personality Tariq Anam Khan were present.

S'pore tourism awards in Nov

Names of winners of tourism awards will be announced in Singapore for the 16th time on November 1, 2001, says a press release.

The ceremony will be held at the Stamford Ballroom of the Westin Stamford and Westin Plaza in Singapore with President SR Nathan as guest-of-honour.

A total of 400 finalists and prominent industry representatives are expected to attend the event.

The tourism awards forms part of a bigger strategy of the Singapore Tourism Board to upgrade service standards by recognising exemplary individuals and companies in the tourism industry.

B Chy flies to Washington in Nov with free RMG access agenda

SHAHRIAR KARIM

A foreign ministry delegation is likely to fly to Washington in the second week of November to pursue the country's case of quota and duty-free access of readymade garments (RMG) to the US market, according to ministry sources.

Foreign Minister AQM Bodruddoza Chowdhury is supposed to lead the delegation to have talks with the US State Department officials on the issue and other mutually beneficial issues concerning both the countries.

After a week of the foreign ministry delegation's visit, a business delegation led by Commerce Minister Amir Khasru Mahmud Chowdhury is also likely to pay a follow-up visit to Washington and lobby at different tiers of the US administration.

"In the backdrop of falling exports, which is really worrisome, we have decided to rally all efforts and carry out a massive diplomatic push to get duty and quota-free access of our RMG to the US market," Commerce Minister Amir Khasru Mahmud Chowdhury told The Daily Star yesterday.

The commerce minister indicated that the foreign minister is likely to fly on November 7 or 8

and then a delegation led by him is likely to reach Washington on December 14 or 15.

Earlier, it was decided that a delegation led by the commerce minister would visit Washington at the end of this month. But the decision was changed following the US administration's desire to have talks with the foreign minister on the whole issue of foreign policy objectives, according to sources.

A lobbyist, appointed by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), informed the local garment exporters about the US administration's wish after having a detailed discussion with them.

Having known the US administration's desire, Foreign Minister AQM Bodruddoza Chowdhury and Commerce Minister Amir Khasru Mahmud Chowdhury had a meeting yesterday and decided to carry on massive diplomatic effort to achieve the country's demand.

It was learnt that the US administration first wants to know the new government's foreign policy objectives before considering Bangladesh's demand for quota and duty-free access of RMG. The US administration also wants to get a clear picture of Dhaka's stand on the US-led 'war against terrorism' and gas export

It was also learnt that US Ambassador Marry Ann Peters called on Foreign Minister AQM Bodruddoza Chowdhury yesterday and had a discussion on the issue and other 'mutually beneficial aspects'. However, details of the discussion could not be known.

The US Envoy is scheduled to meet the commerce minister at the latter's office today morning, according to sources.

A BGMEA delegation led by its President Kutubuddin Ahmed will meet the foreign minister today afternoon to discuss the whole issue.

Apart from the falling exports and death of orders after the September 11 terrorist attacks in the USA, the government has decided to rally all efforts in the wake of possibilities that the US may offer duty and quota-free access to Pakistan in return its cooperation in the fight against Afghanistan.

The European Union (EU) has already announced duty-free access of Pakistani textile products. There are also indications that India is planning to move on a similar demand with the EU and the USA and the issue would be taken up during Indian Prime Minister Atal Behari Vajpayee's visit to the US next month.



Newly elected CSE president Mirza Salman Ispahani (C), Habibullah Khan, Vice President, and Wali-ul-Marooof Matin, CEO of the bourse, are seen at a Board meeting held at the CSE on Saturday.

US gives Pakistan \$30m soya bean oil

AFP, Islamabad

The United States on Saturday announced it would give Pakistan 30 million dollars worth of soya bean oil in another economic reward following Islamabad's backing of the US-led assault on Afghanistan.

The US embassy in Pakistan said in a statement that the Pakistan government would start receiving the 60,000 tonnes of oil from January 2002.

Proceeds from the sale of the oil would be used to fund rural development and poverty alleviation programs.

The aid package comes after President George W. Bush last month announced the US would waive economic sanctions placed on Pakistan after it conducted nuclear weapons tests along with South Asian rival India in 1998.

The measures had barred US investment, economic assistance and arms sales to Pakistan.

Pakistan's economy has been on the verge of bankruptcy and the sanctions waiver promised a substantial boost because it also allowed Washington to back aid tendered to organisations like the World Bank and Asian Development Bank.

Bush waived the sanctions after Pakistan President Pervez Musharraf agreed to support the US war on terrorism, which is focused on Afghanistan's Taliban regime for refusing to hand over Osama bin Laden, the prime suspect in the September 11 terrorist attacks on New York and the Pentagon.

The soya bean package follows an announcement on Wednesday of 50 million dollars in US economic aid to Pakistan.

Afghan war to cost Pakistan \$2.5b

AFP, Islamabad

The crisis caused by the US-led military action in Afghanistan will cost Pakistan up to 2.5 billion dollars, Finance Minister Shaukat Aziz said Sunday.

"I think it all depends how long the various actions will last but I think our preliminary estimates are anywhere from one billion to two-and-a-half billion dollars for the year," Aziz told reporters after securing a promise of aid from a visiting US official.

"If it ends soon it will be on the lower side of this range, if it continues for longer it will be on the higher side so it is a substantial cost."

Pakistan has already appealed to donors, such as the Asian Development Bank, for more than 300 million dollars in aid to cope with an expected influx of Afghan refugees because of US military strikes.

Aziz said another blow to Pakistan's economy caused by the

conflict was a rise in international shipping insurance premiums.

However Aziz emerged Sunday from a three-hour meeting with US Undersecretary of State for Economic, Business and Agricultural Affairs Alan Larson confident Pakistan's support for the military action would eventually reap major financial rewards.

The United States has already waived various economic sanctions placed on Pakistan after it conducted nuclear tests in 1998, and Larson said Sunday there would be more economic benefits.

Larson announced Washington would support Pakistan's bid for aid from the International Monetary Fund and debt relief from its main foreign creditors.

The US would also open its market to Pakistani textile imports and encourage other international donors to give Pakistan immediate and sustained economic aid, Larson

said.

Larson made it clear the new US policy of helping Pakistan's economy was formed because of Islamabad's support for the US-led assaults on Afghanistan's Taliban regime.

US air strikes started on October 7 in a bid to force the Taliban to hand over Osama bin Laden, whom Washington accuses of masterminding the September 11 terrorist attacks on New York and Washington.

"We have a great deal of admiration for the economic management of Pakistan," Larson said at a press conference with Aziz.

"We also have a great deal of admiration for the government's response to the terrorist attacks on September 11."

Larson stressed that "the US wants to be a partner with Pakistan for the long term."

Larson's pledge of support follows a series of recent US mea-

sures aimed at boosting Pakistan's economy.

The US announced on Saturday it would give Pakistan 60,000 tonnes of soya bean oil worth 30 million dollars. Proceeds from the sale of the oil would be used to fund rural development and poverty alleviation programs.

And President George W. Bush last week ordered 50 million dollars in economic aid to be given to Pakistan because it was "important to the security interests of the United States."

One of the most important measures for Pakistan's will be the new IMF deal, which Aziz said he expected to be finalised by the end of this year.

The cash-strapped nation had asked the IMF for a 2.5-billion-dollar loan following the end of a 600-million-dollar programme last month, but has yet to receive an official answer from the organisation.



Abul Khair, Chairman of Bengal Group, presents a cheque for Tk 6.00 crore recently to Ataul Haq, Managing Director of IFIC Bank Limited, in full and final adjustment of the liabilities of his group to the bank. Senior executives of the bank are also seen in the picture.

BB T-bill auction held

UNB, Dhaka

The 163rd auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills was held here Sunday.

Tk 804.50 crore, Tk 5 crore, Tk 20.0 crore, Tk. 44.0 crore, Tk 189.0 crore, and Tk 3.0 crore were offered respectively for the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year bills.

Of these, Tk 536.5 crore and Tk 11.0 crore of 28-day and 364-day bills were accepted respectively.

The range of implicit yields were 6.0-6.05 per cent and 7.11-7.12 per cent per annum respectively.

The bids offered for 91-day, 182-day, 2-year and 5-year bills were not accepted.

S'pore eyes foreign talent to face weak economy

REUTERS, Singapore

Every fourth person in tiny Singapore is from out of town. Some pubs and restaurants are so packed with foreigners that locals sometimes feel a little lost.

From chief executives to construction workers and maids who help young expatriate couples raise families, labour-short Singapore has rolled out a welcome mat for many foreigners and wants to keep its doors open to help drive economic growth.

But the government's foreign talent policy to woo the best and brightest to its shores is increasingly being scrutinised against a rising tide of unemployment as it copes with recession and heads for a general election on November 3.

The government insists that reversing the policy would not solve the trend in job losses, and worse, could even affect the creation of employment. "If we do not continue this policy of casting our net wide, we will fail," Senior Minister Lee Kuan Yew told university students this week during a lively forum on the economy.

"If you depended on three million

and the ability and the genius that three million can produce, you have no chance. You can't compete," Lee said.

Singapore has a population of nearly four million and 800,000 are foreigners. A recent Gallup poll of 724 employed Singaporeans found 68 per cent were concerned about foreign talent competing with the children and grandchildren for the same jobs.

However, 75 per cent of Singaporeans surveyed in August and September said efforts to recruit foreigners have contributed to Singapore's prosperity.

This result is nearly identical to the 72 per cent that obtained through a similar Gallup study conducted in 1997.

Trade-dependent Singapore is enduring its worst recession in decades and is expected to bear the brunt of deeper job losses as cost-cutting multi-nationals move swiftly to reduce head count and move operations to cheaper centres such as China.

Responding to the deepening economic gloom, the government unveiled a \$11.3 billion (\$6.2 billion) stimulus package last week

to help the recession-hit economy and workers, which included providing employment assistance.

The measures also tightened criteria for hiring skilled workers and professionals while raising education standards, and lifting the minimum monthly salaries for employment passes to \$2,500 from \$2,000 from December 1.

"It's part of the move to try and look into the restructuring of the economy, to soften the impact of structural changes on Singaporeans," said Kaan Quan Hon, economist with DBS Bank.

But the changes, widely seen as symbolic, will not slow the hiring of foreigners where they are needed at the top.

"They are sending a signal, and more of a domestic signal rather than an external one, to perhaps appease the domestic population that we are being stringent," said Malak Ali, vice president of marketing at employment agency jobstreet.com.

He said the macroeconomy would decide how the foreign talent policy would apply going forward.

AFP, Washington

Federal aid has not yet been the silver lining in the clouds for the US aviation industry five weeks after four commercial jets were hijacked and crashed in the worst-ever terror attack on US soil.

The 15 billion-dollar federal aid package notwithstanding, the attacks on Washington and New York that left more than 5,000 dead aggravated an already precarious situation at the nation's airlines, with air travel falling off precipitously and showing only the barest signs of a rebound.

Air traffic has plummeted 20 per cent since September 11, compounding the costs incurred in the four-day shutdown immediately following the hijackings.

Massive job cuts and a significant modification of flights available ensued, with 85,000 employees losing their livelihoods and passengers facing a one in five chance that their chosen flight is no longer available.

The catastrophic circumstances US airlines find themselves in, probably the worst in the industry's history, have not been repaired by the 10 billion dollars in credit guar-

antees and five billion in direct aid allocated by the US Congress almost immediately after the attacks.

Boeing chief executive Phil Condit, whose company manufactured all four planes diverted by 19 hijackers on September 11, said he would not be surprised to see airlines or aviation companies go bankrupt.

World number one American Airlines is vulnerable, said Barbara Beyers, who closely follows the airline industry for Washington-based consultancy AVMARK. And US Airways and America West, both already facing the possibility of bankruptcy even before the attacks September 11, could be some of the first casualties.

United Airlines, the world's number two carrier, warned US authorities Thursday it faced possible bankruptcy if it continued to hemorrhage money.

"We are in nothing less than a fight for our life," UAL chief executive James Goodwin told staff in a two-page letter leaked Tuesday and officially presented Thursday to the Securities and Exchange Commission, timed to coincide with

contract talks with mechanics and flight attendants.

Only Southwest and Continental airlines are likely to show profits in 2001, Beyers said. The no-frills, Texas-based Southwest, ranked seventh, received 169 million dollars from the federal government after it was forced to cancel 9,000 flights totaling 25 million dollars, and saw additional losses of 95 million dollars because of depressed traffic.

The airlines survival, said Standard and Poor's analyst Phil Baggaley, is contingent on the speed with which Americans return to the skies and the firms' capacity to absorb, and surmount, their debts.

Beyers opined that 2002 would be a difficult year for the industry, "because the economic recovery remains very uncertain and we don't know yet if we have bottomed out."

But federal government recognition that the airline industry is vital to the US economic infrastructure is crucial, Beyers noted, adding that authorities are likely to do all they can to stave off bankruptcies.

"They said the airlines are a vital part of the US economy, so how can they allow them to fail?" she asked.

Mirza Salman Ispahani made CSE President

Mirza Salman Ispahani has been elected president of the Chittagong Stock Exchange (CSE), says a press release.

The Board of Directors of the CSE at a meeting held on Saturday elected Ispahani the new president of the bourse.

The post fell vacant following the resignation of Amir Khosru Mahmud Chowdhury, who has been appointed Commerce Minister. Prior to his new assignment, Ispahani was the Senior Vice President of the CSE.

Ispahani is the former Chairman of Tea Traders Association of Bangladesh, current Vice-President of Bangladeshiy Cha Sangsad, Executive Committee member of the Bangladesh Textile Mills Association, Honorary Consul for Italy in Chittagong. He is also the Vice Chairman of Ispahani Public School and College.

GrameenPhone launches INSTA-CARE

GrameenPhone has introduced an automated customer inquiry service.

GP Managing Director Ola Ree inaugurated the new service at a simple ceremony yesterday, says a press release.

The system known as INSTA-CARE has an Interactive Voice Response Mechanism (IVR) to handle telephone calls from the subscribers in a systematic way, reducing the waiting period. It is operative round-the-clock.

"This is another move towards the right director. This will help us provide better service to our valued subscribers," Ola Ree said.

Customer Relations Division Director, Naila Chowdhury Technical Director Thor E Rundhaug, Finance Director N K A Mobin, Director Personnel and Organisation, Khalid Hasan and other senior GP officials were also present on the occasion.

Information in the INSTA-CARE service is available in both Bangla and English. It responds to different queries about GrameenPhone service like monthly bills, coverage area, sales package and others.

A call to the GP Hotline 123 will provide access to the INSTA-CARE service. Once a subscriber establishes contact, the system will guide her/him to the required information.

BA in talks with KLM, other carriers on closer ties

AFP, London

British Airways is holding talks with Dutch carrier KLM and other companies with a view to strengthening their commercial links in the wake of the September 11 terrorist attacks, chief executive Rod Eddington said Sunday.

He told BBC television that European aviation had to consolidate if it was to remain competitive in a tightening market.

Eddington envisaged a future with only three big international carriers -- BA, Air France and Germany's Lufthansa -- based in Europe.

The Sunday Business newspaper reported that BA had restarted talks with KLM about a commercial alliance and a joint programme of cost cuts, which in turn could pave the way for further discussions on a possible merger.

"We are talking to KLM," Eddington said.

"We are talking to other carriers with whom we have a relationship in these exceptional times to see if there are ways we can work more closely together."

KLM and BA broke off months of talks on a merger in September last year.

Since then however, with the global downturn exacerbated by the effects of the September 11 terrorist attacks in the United States, both have announced a package of thousands of job cuts.

"We want and believe that the aviation industry has to consolidate... just as North American aviation has consolidated," Eddington said.

"We want the British government to work with the people in Brussels to make sure that that happens in a sensible and logical way."

The Sunday Business newspaper said BA and KLM were thought to be working on a range of proposals, including a code-sharing agreement which would see them sharing aircraft on routes on which they presently compete.