

Rehman Sobhan to receive BB award today

Professor Rehman Sobhan will be awarded the Bangladesh Bank Purashkar-2000 at a ceremony at the Bangladesh Institute of Administration and Management (BIAM) in the city at 4 pm today, says a press release.

M. Saifur Rahman, Minister for Finance and Planning, will hand over the award as chief guest.

In the middle of this year, Professor Rehman Sobhan, an eminent economist of the country, was nominated for Bangladesh Bank Purashkar-2000 for his notable contribution in economics.

The value of the award is Tk 2 lakh, a gold medal and a crest with Bangladesh Bank monogram.

The main objective of this award is a recognition of the internationally reputed Bangladesh economists for their life time contribution within a limited facility in research.

A high powered committee of eminent economist nominated Prof Rehman Sobhan for this award.

The members of the committee were: Dr Wahid Uddin Mahmood, former member of the advisory council of the caretaker government, Dr AKM Mashur Rahman, ex-Secretary of ERD, Abu Abdullah, DG of BIDS, and Dr Mainul Islam, president of Bangladesh Economic Association and former DG, BIBM.

Bangladesh Bank Governor, Dr Mohammed Farahuddin, was the president of the committee.

After the nomination of the committee, Bangladesh Bank Board of Directors approved the award in favour of Professor Rehman Sobhan for his outstanding contribution in the field of economics.

China halts non-govt talks with Japan on trade row

AFP, Beijing

China has decided to halt non-governmental talks with Japan in the latest development in a lingering trade dispute, state media said Tuesday.

The move came after Japan decided to subject the import of Chinese spring onions, shitake mushrooms and tatami rushes to a weekly review, said the International Business Daily, which is published by China's foreign trade ministry.

"The Japanese decision seriously contradicts the 'spirit of consultation' proposed by the leaders of our two countries," Guo Li, head of the ministry's trade department, told the paper.

"Therefore, non-governmental consultations between the two sides cannot continue," she said.

Beijing's decision appears mainly to affect exchanges similar to talks held last week in Tokyo that included private agricultural companies from both countries.

Talks between government officials from the two sides, however, appear likely to continue.

In April, Tokyo invoked emergency restrictions on the three Chinese farm products because of fears the cheap imports were hurting Japanese producers.

Outraged by the move, Beijing retaliated in June by imposing 100 per cent punitive tariffs on imports of Japanese motor vehicles, air conditioners and mobile phones.

The Japanese government lifted the emergency tariffs earlier this month, after they had been in effect for a previously determined 200-day period.

While lifting the tariffs, Japan said it might impose longer-term safeguard measures in December to protect domestic farmers from cheap imports.

Isuzu Motors GM visits Bangladesh

Kenji Iida, General Manager of Isuzu Motors Ltd of Japan visited Dhaka on Friday, says a press release.

During his visit, he discussed with Uttara Motors Ltd. about TF-Series Pick-up assembly plant of Uttara Automobiles Ltd. in Chittagong and new model LT-133 Rear Engine Bus marketing in Bangladesh in the shortage possible time.

Present at the meeting were: Matiur Rahman, Chairman & Managing Director, Mujibur Rahman Director, Dorand Mehdadur Rahman Director, Kazi Imdad Hossain Executive Director, Mir Mohammad Hossain Director (Marketing) and Kabir Ahmed Chowdhury General Manager (Sales).

Iida left Dhaka for Tokyo on Saturday after a day-long visit.

Mosharraf for quickening decision on gas export

'IOCs haven't invested to incur loss'

STAR BUSINESS REPORT

State Minister for Energy and Mineral Resources AKM Mosharraf Hossain yesterday said the country has to take fast decision on gas export as the international oil companies (IOCs) have not invested here to incur loss.

"They (IOCs) have spent so much money here. So, we have to take quick decision on export gas," he said.

The State Minister was speaking on 'New Government's Energy Policy & Economic Development' as guest of honour at the monthly luncheon meeting of American Chamber of Commerce in Bangladesh (AmCham) at Dhaka Sheraton Hotel in the city yesterday. US Ambassador Mary Ann Peters was present at the function while newly elected President of AmCham Aftabul Islam introduced the office bearers of the chamber.

The State Minister felt that it is not an easy task for a country to attract foreign investment. "Do you think that any investors would come here if the IOCs wrap up business? One should realise that much delay has been done and further time lapse would add more costs to business."

Mosharraf also criticised Petrobangla for not consulting with local experts on gas issues.

"We have decided to form two committees with local experts who would come up with concrete suggestions regarding gas reserve, demand and supply situation and also on the most profitable use of gas," he mentioned.

By exporting gas, the country may lose two or three years' of reserve, but

the gains in foreign exchange earning would outweigh the loss, the state minister felt.

He said gas export has already been accepted in principle in the country's five-year plan, energy policy and also in the production sharing contracts (PSCs). In PSCs, there is a provision for gas export in certain manner. The five-year plan also envisages export, and the energy policy and the PSCs also do not debar such options, he went on.

Expressing his frustration over the present status of domestic gas consumption, Mosharraf said using gas in fertiliser plants is a totally unprofitable venture and only 16 to 18 per cent of gas is now being used in industrial sector.

On the other hand, investment in electricity generation is high. The country's private sector uses only 30 per cent of the total gas of Titas, which itself suffers from 30 per cent system loss.

Titas gas has Tk 600 crore unrealised bills lying with subscribers. It is essential to privatise the billing and distribution system of Titas gas, he maintained.

The state minister stressed the need for developing other areas of energy, and said, "We have Baropukuria coal mine which has very high quality coal and this potential mine would be very useful for electricity generation."

Two-day French Forum kicks off tomorrow

STAR BUSINESS REPORT

A two-day 'French Forum 2001' kicks off tomorrow in the city with the aim to further strengthen business bridge between Bangladesh and France.

The France-Bangladesh Chamber of Commerce and Industry (CCIFB) is organising the show that will include a discussion on trade and investment opportunities in Bangladesh, display of French products, fashion show and jazz.

"With increasing enthusiasm to help boost trade and investment between the two countries, the forum will help further to strengthen the ties," Michel Folliet, President of

the chamber, told a press conference in the city yesterday.

Industries Minister MK Anwar is expected to inaugurate the event at the Dhaka Sheraton Hotel. French Ambassador Michel Lummaux will also be present on the occasion.

CCIFB President Michel Folliet hoped that the discussion would give an opportunity to ascertain the policies of the new government.

Representatives of donor agencies, professionals, bureaucrats and business people will take part in the discussion that will focus on different areas including macroeconomic issues.

There will also be a trade show from 10.30 am to 8 pm on the inaugural day where French catalogues,

products, technology and services will be put on display. In total, 19 companies are taking part in the show.

The event also includes a fashion show that will feature spring and summer collection by Bibi Russel and a young Bangladeshi designer Sara Ahmed.

Credit Agricole Indosuez and Lafarge Surma Cement Ltd are the main sponsors of the event with support from GEC Bangladesh and Swadesh Investment Management Ltd.

Vice President of CCIFB Gerard Marchand, Director of Alliance Francaise Andre Raynaud and Director of CCIFB Rifat Rashid also spoke on the occasion.

Murshid Kuli Khan new MD of Janata Bank



Murshid Kuli Khan has joined Janata Bank as Managing Director on Monday, says a press release.

Before joining of Janata Bank he worked as Managing Director of Bangladesh Krishi Bank.

He obtained his Master degree in Economics from Dhaka University in 1974.

During the 25 years of his banking career, he participated in various training programme abroad. He obtained Master degree in Finance and Banking also from the University of Wales in United Kingdom.

Japan may sink into current account deficit soon

AFP, Tokyo

Japan is losing its reputation as a trade giant as faltering exports amid a global economic slump push down the nation's trade surplus and threaten to create a current account deficit, analysts said.

"Chances are high that Japan would suffer a current account deficit in two to three years if this declining surplus trend continues," said Osamu Katano, an analyst at Mizuho Securities Co. Ltd.

"Japan had achieved a miracle recovery from the devastation of World War II by driving up exports to the world, but that period is over," Katano told AFP.

"Japanese companies can no longer compete with developing nations over production costs, and they are speeding up shifting production bases to other countries," he said.

"Japan's image -- the establishment of a state on the basis of trade -- is now eroding rapidly."

The world's number two economy has not experienced a current account deficit, when more money floods out of the nation than comes in, since January 1991 when it dipped to 14.3 billion yen (119 million dollars).

A country's current account measures the flow of goods, services and investment income plus other financial transfers.

Japan's Ministry of Finance is due to release September's current account figures on Wednesday, and many analysts predict a further sharp decline in the surplus.

In August, the current account surplus fell for the ninth straight month, down 27.1 per cent from a year earlier to 708.6 billion yen. In the six months to September, the trade surplus plummeted 43.1 per cent.

A global and domestic slowdown, especially in the hi-tech sector, together with the impact on trade of the recent terrorist attacks in the United States has slowed exports, economists said.



The Otobi stall at the recently concluded building materials exhibition was awarded the best prize. Picture shows Zubair Ahmed, General Manager (Marketing) of Otobi, receiving the prize from architect Rabiul Hussain, President of the Institute of Architect, which organised the show at a city hotel.

Forest dept stops supply of wood to Khulna Hardboard Mills

QUAZI AMANULLAH, Khulna

The forest department has stopped supplying Sundari wood to Khulna Hardboard Mills for its failure to pay outstanding bills.

However, forest officials said environment pollution and ecological imbalance are among the reasons behind suspending the supply of Sundari wood, the main raw material of hardboard.

The mill has no capital to continue production although it has slightly exceeded the target and posted a one crore fortytwo square feet hardboard production last

financial year. There are 42 lakh square feet of unsold hardboard in the mill's warehouse, said the manager, production department. The market price of the unsold hardboard is over Tk 2.25 lakh.

Already economically hard hit, the mill established in 1965 has no fund to buy fuel. At the same time, demand for Khulna Hardboard has sharply fallen both at home and abroad. Dealers have suggested ban on sale of foreign hardboard, government subsidy and uprooting corruption in the factory to save the mill from closure.



New premises of Ericsson Radio Systems AB branch office-Bangladesh was inaugurated at SMC Tower in the city recently. Picture shows Olaf Haag, Vice President of Ericsson, and Mats Bosrup, Managing Director of Ericsson, Bangladesh, at the inaugural function.

Japan economy may shrink for next 2 yrs

AFP, Tokyo

Japan's economy may shrink for the next two years pressured by weak productivity at home amid a global slump, a top minister said Tuesday, pledging to watch economic developments after a deadly US air crash.

"Given that basic Japanese economic strength is low, there is a possibility that growth will be negative in the next fiscal year (to March 2003)," State Minister for Economic and Fiscal Policy Heizo Takenaka told a parliamentary committee.

"We have to manage the economy to avoid negative growth, but for the next two or three years we are faced with the view that the economy is in a severe condition," he said.

Takenaka pledged to watch closely as events unfold after an American Airlines Airbus A300 slammed into a New York City residential area Monday, killing all 260 people on board and destroying homes on the ground.

"The crash, obviously, doesn't provide a positive impact for demand in areas such as transport.

It is necessary to watch developments cautiously," Takenaka told a regular news conference.

Japan is on the brink of its fourth recession in a decade and the dire impact on trade of the September 11 terrorist attacks has already postponed recovery chances until well into next year.

The government forecast last week the world's number two economy would shrink 0.9 per cent in the full year to March 2002 and Finance Minister Masajuro Shiokawa said Tuesday Tokyo would issue an official growth domestic product forecast for the year to March 2003 early in December.

Parliament is preparing this week to pass a slim 2,995.5 billion-yen (25 billion-dollar) extra budget for the year to March 2002 in a bid to support the economy as it slips into recession.

The package, aimed at creating employment safety nets, is much smaller than previous pump-priming measures reflecting reform efforts by Tokyo to cap fiscal spending and plug funds to public works projects.

Khasru urges expats to help stop hundi business

BSS, Dhaka

Commerce Minister Amir Khasru Mahmud Chowdhury has called upon the Bangladeshis working in Qatar to help stop hundi business by sending home their remittance through banking channels.

Addressing a reception hosted in his honour by the Bangladeshi community in Qatar Monday, the minister said sending of remittance through the formal channels was needed to overcome the present worst foreign currency reserve problem, a message received here yesterday said.

The minister, who is now in Qatar to attend the WTO (World Trade Organisation) ministerial meeting, reminded his hosts of Prime Minister Begum Khaleda Zia's appeal to the expatriate Bangladeshis to invest more in the country as well as encourage foreign investment.

Responding to various problems raised by the community members including harassment at airports and problems in pursuing higher education by their dependants in Bangladesh's medical and engineering institutions, he said the government was determined to solve any problem faced by the Bangladeshis working abroad.

The minister, in his hour-long speech, also summarised the steps taken by the government to improve law and order and economic condition, and eliminate corruption from the government and semi-government organisations, the message said.

World economy set for 1.5pc growth next year: WB

AFP, Paris

The world economy is set to grow by about 1.5 per cent next year, the president of the World Bank, James Wolfensohn, told French radio here on Tuesday.

Such growth would be far lower than growth in recent years, he said.

Economic experts thought that the problem in Europe, the United States and Japan, was the same, he said.

This was the first time for many years that all three centres of the world economy had experienced problems at the same time.

Egypt's Suez Canal income declines

REUTERS, Cairo

Receipts from Egypt's Suez Canal fell to \$161.5 million (preliminary figure) in September from \$166.7 million in August and down from \$163.6 million in September 2000, the Cabinet Information and Decision Support Centre's bulletin said.

The number of vessels passing through the waterway decreased to 1,177 in September from 1,205 in August, and also decreased from 1,197 in September 2000, according to the bulletin published on the centre's website.



New chairman of Mercantile Insurance

Abdul Haque, a prominent businessman and industrial personality has been unanimously elected Chairman of the Board of Directors of Mercantile Insurance Company Limited.

The election was held at the 5th Annual General Meeting of the board on Monday, says a press release.

Abdul Haque is a Sponsor-Director of Mercantile Insurance Co Ltd. He was Vice-Chairman of the company's Board of Directors.

He is also Vice-Chairman and Managing Director of Evergreen Group of Companies which is one of the country's prestigious private sector organisations involved in dyes and chemicals.



Kazi Akramuddin Ahmed, Chairman of Bangladesh Association of Banks, presides over the 8th Annual General Meeting of the Association in the city on Sunday. Audited accounts of BAB for the year ending December 31, 2000 were passed in the meeting. Chairman, Directors and CEOs of different member banks were present on the occasion.

OPEC prepares deep output cut to boost oil prices

AFP, Vienna

Energy chiefs from the OPEC oil exporting cartel converged on Vienna on Tuesday to sign up to another deep cut in output -- and urged rivals outside the club to follow suit to shore up sagging crude prices.

The Organisation of Petroleum Exporting Countries (OPEC) is expected to agree on Wednesday to slash production for the fourth time this year to rescue prices, which have slumped around 25 per cent since the events of September 11.

OPEC nations agree that output must be cut by at least one million

barrels a day. Some are calling for a cutback as deep as 1.5 million bpd -- 6.5 per cent of current production.

"The consensus is at least one million barrels a day, said OPEC President Chakib Khelil, Algerian oil minister, on his arrival here early Tuesday.

"In any case we are going to bring the prices up to 25 dollars a barrel," Khelil added.

But crude prices continued to fall in London, the Brent December contract losing another 17 cents to 20.27 dollars a barrel.

OPEC hopes that the cut, which will mean it has reduced output by almost 20 per cent since January,

will help revive prices by trimming supply to take account of a fall-off in demand.

Oil consumption is slowing up as the global economic slowdown bites. The International Energy Agency said Monday it expects oil demand to level off this year and struggle to grow in 2002.

Because of the weak demand picture, OPEC wants non-OPEC producers to follow its lead, arguing that this would make the output cuts more effective. In practice, the 11-nation cartel is concerned that if it turns down the oil taps, others will merely turn up theirs and steal its business.



Kenji Iida, General Manager of Isuzu Motors Ltd of Japan, visited the office of Uttara Motors Ltd in the city on Friday. Picture shows him with Matiur Rahman, Chairman and Managing Director of Uttara Motors Ltd and members of the company.