

Dhaka Bank cuts lending rates

Dhaka Bank Limited has reduced its lending rates by 1 per cent to 3 per cent on different types of loans, says a press release.

The decision was taken at the 281st meeting of the Executive Committee of the Bank.

In order to support overall economic development of the country, Dhaka Bank Limited has been pursuing a policy to apply soft interest rates on export, agro-based industries and infrastructure development projects like power generation, construction of roads, bridges etc, it said.

The bank has further reduced the interest rates on various categories of loans in response to the recent government directive.

The interest rate on export credit has been reduced to 7 per cent from 10 per cent and on agro-based industries by 1 per cent.

The bank also decided to offer a 1 per cent rebate on interest of project loans if repaid before the maturity.

Pubali Bank cuts rates

Board of Directors of Pubali Bank Limited in its 412th meeting held on Monday reduced interest rates on different loans in line with government decision to increase flow of investment for development of commerce and industry, says a press release.

The bank decided to reduce maximum of 3 per cent interest rate on agriculture and agro-based industries and readymade garment loans.

It also reduced the rate of interest ranging from one per cent to two per cent on other loans.

DBBL opens branch in N'ganj

BB Road Branch of Dutch-Bangla Bank Limited (DBBL) was opened in Narayanganj on Monday, says a press release.

Mohammed Sahabuddin Ahmed, Chairman of the bank, formally inaugurated the branch.

On the opening day, the branch achieved customers' deposit of Tk 440.00 million.

World Bank for streamlining jute sector

UNB, Dhaka

The World Bank has suggested downsizing the administrative setup of the jute sector to reduce its losses.

WB Country Director Frederick T Temple spoke of the suggestion during a call on jute Minister Hafizuddin Ahmed at his office yesterday.

They discussed various aspects of the jute sector with particular reference to the development of jute industry.

Ctg tea sale witnesses selective demand

UNB, Chittagong

The weekly tea sale here on Tuesday witnessed more selective demand.

Black well-made clean teas were sold well at generally firm rates while browner plain types met with less demand. Prices for these types shied by Tk 2-3.

Afghanistan was more selective while Pakistan was subdued and there was some interest only from internal loose tea buyers but blenders lent fair support. There were some activities from CIS for clean well-made brokens.

Withdrawals in this sale were quite fair and mainly comprised of poor flaky teas.

CTC Leaf: 5,480 c/s, 21,781 g/s, 10 p.w.s and 386 g/s of old season on offer met with a fair demand at generally lower rates.

Brokens: A handful of clean brokens met with a strong demand and were fully firm, a few select lines advancing by Tk 1-2. Other brokens were steady but fibrous types eased by up to Tk 1-2. Larger brokens met with a selective demand, cleaner lines sold well and were slightly easier but flaky fibrous types were mostly withdrawn without bids.

Fannings: A handful of clean fannings met with a strong demand and were generally firm whilst the remainder eased by Tk 1-2. Poor fibrous types eased further.

US attacks take hefty toll on Ctg business

NURUL ALAM, Chittagong

Trade and business activities in the port city have declined as a fallout of the twin tower incidents in the USA followed by the war in Afghanistan with business people and officials here fearing a further business plunge.

"We are facing a tough time and apprehending further deterioration in the situation as our garments export to US market drastically declined after the September 11 terrorist attacks there," said Emdadul Huq Chowdhury, director of BGMEA.

Owner of four garments factories, Emdadul said, "We exported garments worth US dollars five lakh per month on an average before the twin tower incidents, but our exports came down to one lakh dollars last month and this month we may be able to export garments worth 50,000 dollars."

He went on, "If such a situation continues, we will be compelled to retrench our workers and employees. Operation of our garments factories already slowed down as about 50 per cent of orders from US market were diverted to Sub-Saharan countries enjoying duty-free access. If we cannot achieve duty free access of our garments products to US market, it may be a disaster for the country's garments sector."

Tajul Islam, a former MP and owner of some industries, echoing the same sentiment said, "We supply garments accessories including zipper to garments factories as backward linkage units. But with the debacle in garments business, our sale decreased by around 60 per cent last month while we are to bear the bank interests and other operating costs."

He said, "Usually our monthly turnover is around Tk four crore, but now it has come down to Tk one crore and it might drop further."

Amirul Huq, director of Chittagong Chamber of Commerce and Industry (CCCI) and managing director of a shipping agency at Agrabad said, "We handled four ships at Chittagong port last month as against around eight ships per month earlier. As a result, our income has sharply dropped though we have some fixed operating costs."

Amirul said, "Moreover, by the end of quota year particularly in November and December, our agency had to work round the clock to tackle the rush of export and import cargo in 1999 and 2000. But now we don't find any rush or ship congestion at Chittagong port."

Expressing concern, he said, "If the Afghan war continues, we foresee a worsening economic situation in a poor country like ours."

A trader, MS Alam, said business activities here have slumped. "I have been forced to sell my imported wheat at a huge loss due to dull market. Now I don't feel encouraged to go for further import."

Harbour master at Chittagong Port Qamrul Hossain said, "With the fall in trade activities, arrival of foreign cargo ships has dropped. On an average, 10 berths out of the 33 at the port now remain vacant, resulting in a fall in cargo handling work."

An official at a posh hotel here said 'occupancy rate' has dropped by about 70 per cent as arrival of foreign guests markedly decreased after the twin tower incident.



Mohammed Sahabuddin Ahmed, Chairman of Dutch-Bangla Bank Limited, inaugurates the bank's BB Road Branch in Narayanganj on Monday.

US bows to pressure on anti-dumping measures

AFP, Doha

The United States, bowing to global pressure to help expand world trade, said Tuesday it had abandoned its refusal to discuss limiting the use of punitive anti-dumping measures.

Washington "can live with" a draft World Trade Organization agreement to discuss anti-dumping as part of a new trade round, said a senior US official, who asked not to be named.

It was a climb down for Washington, which had rejected previous attempts to discuss anti-dumping in any new WTO trade negotiations.

The deal was likely to set off recriminations from the powerful US steel industry.

Repeated US reprisals against imports Washington deems to be excessively cheap or harmful to its industry have unleashed a furious reaction overseas, particularly among the Japanese and South Korean steelmakers.

And US negotiators said they had to give way in the waning hours of a WTO ministerial conference in

Doha to support an effort to reach consensus on an agenda for a round of global talks to lower trade barriers.

The draft text reads: "We agree to negotiations aimed at clarifying and improving disciplines under the agreements ... on subsidies and countervailing measures."

It also affirms that countries will preserve "the basic concepts, principles and effectiveness" of the agreements allowing anti-dumping measures.

Only a minor quibble -- whether to use the word "instruments" or "procedures" in another part of the text -- remained. The two words were left in brackets in the draft.

"Our view is that we can live with either of the choices that they have in brackets," the senior US trade official said.

"I am sure there will be criticism from the steel industry and the iron industry and so forth," he predicted.

But Washington would seek to ensure that the effectiveness of the anti-dumping measures was maintained in future negotiations.

The US public is deeply sceptical about the value of global trade

liberalization.

US Trade Representative Robert Zoellick had said he risked losing its support if the WTO restricted the use of anti-dumping measures against unfairly priced imports and countervailing duties for subsidised imports.

But Japan, still wounded by a US ruling against its steel industry last month, insisted on future negotiations to limit the use of anti-dumping measures.

A senior Japanese trade official said Tokyo was "happy" with the draft text on anti-dumping procedures.

A US trade panel ruled October 22 that many foreign steel imports were hurting US steelmakers, raising the prospect of countervailing duties and triggering dismay among foreign steel producers, including Japan, which blamed a weak US industry for its own woes.

But one industry source criticised the US backdown.

"It is regrettable that the United States opened the text," the source said. "It was not necessary to open the text to deal with the problems that have been raised," he added.

Federal Ins declares 12 pc dividend

Federal Insurance Company Ltd has declared 12 per cent dividend for its shareholders for the year 2000, says a press release.

The dividend declaration came at the 13th annual general meeting of the company held on Saturday in the city.

Rafiqul Anwar MP, Chairman of the company, presided over the meeting. Executive Committee Chairman Md Abdul Khaleque, Vice Chairman Jashim Uddin and Abdus Salim Chowdhury, Directors, Managing Director A K M Sarwady Chowdhury, Company Secretary Abdul Haque were present in the meeting.

Public shareholders also took part in the discussions. The shareholders expressed satisfaction over the performance of the company despite.

Three directors representing public shareholders were also elected in the AGM. The newly elected directors are Abdul Karim, Md Arshadul Shafi and Mohammed Yunus.

BAFEDA AGM held

The annual general meeting of Bangladesh Foreign Exchange Dealers' Association (BAFEDA) for the year 2001 was held at the Conference Room of BAFEDA in the city on Monday, says a press release.

S A Chowdhury, Managing Director of Sonali Bank and Chairman of the Executive Committee of BAFEDA, presided over the meeting which was attended by the chief executives of the member banks.

The meeting reviewed the position of inter-bank foreign exchange market and noted that inter-bank transactions in foreign exchange were going on smoothly and showed an increasing trend.

During the 2000-2001 financial year, inter-bank transactions in foreign exchange, in US dollar term, totalled \$6.9 billion which was more than double of the preceding financial year.

The meeting decided that the existing Executive Committee and Technical Committee would continue till the next annual general

Japan cuts key economic assessment

AFP, Tokyo

The Japanese government cut a key economic assessment Wednesday as a domestic slump gathers pace and fears mount over the long term impact on global trade of the terrorist attacks in the United States.

"The economy is deteriorating further," the cabinet office said in its monthly report for November, downgrading an overall view for the first time in three months.

"The repercussions of the September 11 attacks are emerging in a variety of economic data, for example, affecting car imports to the US for November," cabinet office economist Haruhito Arai told reporters.

"In the previous month's report, we just said we need to closely watch the possible effects because of uncertainties over the future developments."

November's overall downgrade marks the seventh this year reflecting Japan's ailing fundamentals as the nation threatens to slide into its fourth recession in a decade.

An assessment by the government on private consumption for November was cut for the first time since June to reflect "weakening" consumer sentiment amid an economic slump.

"Overall, private consumption is still declining," Arai said, noting the travel industry suffered in particular as hijack-wary travelers shunned trips abroad.

"Demand for overseas travel fell sharply and for domestic travel slightly after the September 11 terrorist attacks," said the economist.

"This month, among the weakest sectors for consumer demand are the auto, home appliance and travel industries. Autos declined due to reduced bonus payments and increased concerns over future employment."

Japan's unemployment rate hit a record post-war high of 5.3 per cent in September as more companies slashed payrolls to trim costs. As a result the cabinet office also downgraded an assessment on employment conditions.

"The unemployment rate has risen to a new record and job offers, overtime hours worked and wages continue to weaken," the report said, using stronger language than last month.

The threat of unemployment in a nation which once boasted jobs for life has spread throughout all industries, Arai said.

"The number of full-time workers who lost their jobs increased sharply from the previous year, especially in the manufacturing sector, indicating the effects of a worsening economy have clearly

emerged in mainline industries."

On the trade front, the report said: "Both exports and imports are declining substantially, with the surplus in the merchandise and service trade balance almost flat."

In October only exports were highlighted as substantially down.

"The September 11 attacks will adversely affect car exports to the US in particular, which will help depress overall exports, while imports are decreasing due to a decline from China," said Arai.

Figures released by the Ministry of Finance earlier Wednesday showed Japan's current account surplus, a measure of trade in goods and services, financial income and monetary transfers, in September rose for the first time in 10 months on record financial income.

But the surplus in goods trade continued to fall amid sluggish demand, dropping 17.3 per cent to 1.2 trillion yen (10 billion dollars), with exports down 11.3 per cent to 4.0 trillion yen and imports tumbling 8.5 per cent to 2.8 trillion yen.

Production was still seen as in decline, with stock piles remaining high, the cabinet office report said. Similarly an assessment on capital expenditure was left unchanged.



The 13th annual general meeting of Federal Insurance Company Ltd was held on Saturday in the city. Rafiqul Anwar MP, Chairman of the company, presided over the AGM.

Bush orders boosting US petroleum reserves

AFP, Washington

US President George W. Bush has ordered a 28 per cent increase in the US Strategic Petroleum Reserve stockpile to bring it to 700 million barrels, calling it part of the country's energy security.

The news Tuesday lent some support to a market that has been undermined by signs that the Organization of Petroleum Exporting Countries, meeting in Vienna this week, is losing its grip on prices.

In New York, futures for light sweet crude rose 44 cents to 21.67 dollars a barrel after the announcement.

"To maximize long-term protection against supply disruptions, I am directing today the Secretary of Energy to fill the SPR up to its 700-million-barrel capacity," Bush said in a statement.

Federal Reserve Chairman Alan Greenspan backed up the measure, stating that a secure supply of energy is essential to continued economic growth in the United States.

"That imperative has, if anything, been elevated by the heightened tensions in the Middle East -- an area that harbors two-thirds of the

world's proven oil reserves," Greenspan noted, in remarks prepared for delivery at Rice University in Houston, Texas.

While development of new energy technologies such as fuel cells and nuclear fusion could help in that endeavor, Greenspan argued that market forces would be crucial to ensuring available energy for the future.

"We cannot say with certainty how these technological possibilities will play out in the future, but we can say with some assurance that developments in energy markets will remain central in determining the longer-run health of our nation's economy," Greenspan said.

The statement said the reserve would be built up "in a deliberate and cost-effective manner" in an effort to avoid a big impact on the futures market.

Part of this will be done through transfers of oil from other federal agencies including the Department of Energy and the Department of the Interior.

US Energy Secretary Spencer Abraham said the government would also call upon private industry to return 48 million barrels already owed to the reserve.

Bush said there was no current

emergency: "Our current oil inventories, and those of our allies who hold strategic stocks, are sufficient to meet any potential near-term disruption in supplies."

"Filling the SPR up to capacity will strengthen the long-term energy security of the United States."

Abraham, a former Republican senator from Michigan, used the announcement to call on Congress to pass a comprehensive energy bill which would open the Arctic National Wildlife Refuge to oil drilling -- another aspect of the administration's energy security plan.

"The House has acted ... the Senate needs to do the same," Abraham said, adding that "energy security is critical to America's national and economic security and we need to pass legislation now."

In Vienna, OPEC energy chiefs were widely expected to slash output by up to 1.5 million barrels a day on Wednesday to boost prices which have slumped since September 11.

Crude prices have tumbled around 25 per cent since the September 11 terrorist attacks on the United States.



The Annual General Meeting-2001 of Bangladesh Foreign Exchange Dealers' Association (BAFEDA) was held at the conference room of the Association in the city on Monday. SA Chowdhury, Managing Director of Sonali Bank and Chairman of BAFEDA, presided over the meeting. Chief Executives/ representatives of the member banks of BAFEDA were present.

Dispute over agri items China threatens to take Japan to WTO

REUTERS, Doha

Wasting little time, China said on Tuesday it may take a festering row with Japan on agricultural products to the World Trade Organisation (WTO) to resolve after it becomes a full-fledged member of the body next month.

But Japan said it still hoped to resolve the matter through bilateral negotiations.

WTO ministers approved China's entry only three days ago and the bilateral dispute is seen by many as a test case for gauging Beijing's behaviour as a new WTO member.

Japan and China have been locked in the trade row since April, after Tokyo imposed temporary "safeguard" curbs on surging imports of Chinese leeks, shiitake mushrooms and rushes used in traditional tatami mats.

"We hope we can solve this problem through bilateral consultations with Japan," said Yi Xiaozhun, head of the international department of China's trade ministry.

"If bilateral consultations cannot solve this problem, WTO dispute resolution is open to all members. We will not rule out this possibility," he told reporters.

Many countries expect trade friction with China to grow after its formal entry on December 11, as the Chinese economy becomes possibly the world's second largest in coming decades.

China struck back against Japan in June with punitive tariffs on Japanese cars, mobile phones and air conditioners -- affecting \$700 million worth of trade.

Director general of the economic affairs bureau of Japan's Ministry of Foreign Affairs, Shinichi Kitajima, called the move a "flagrant violation" of bilateral agreements and multilateral practice but said talks were needed to resolve the issue.

"We want to talk as soon as possible so we can come to a satisfactory solution," he told a news conference.

In a sign of progress, the two sides agreed to hold talks on the issue in Beijing soon -- this week or next week -- following a minister-level meeting on Monday on the sidelines of a WTO gathering in Doha, Japanese officials said.

The exact date of the talks in Beijing was under discussion through diplomatic channels, they said.

The WTO praised Beijing's economic reforms when it approved China's membership on Saturday. But some members are anxious to see how China will flex its muscles once inside the grouping.

Japan's interim curbs expired on November 8 but the deadline Game and went without Tokyo imposing full sanctions. The next deadline is December 21, when Japan would have to submit proof required to impose full limits under WTO rules.

Lafarge to cut CO2 emissions

UNB, Dhaka

Global leader in cement Lafarge will reduce its carbon dioxide (CO2) emissions 20 per cent per tonne of cement produced worldwide over the period 1990-2010 responding to the ongoing green movement.

A release of the French company's Dhaka office Tuesday said it would correspond to a 15 per cent reduction by 2010 of the absolute level of its CO2 emissions below 1990 levels in industrialised countries (Kyoto Protocol Annex 1).

Lafarge's commitment has been made in the context of the Conservation Partnership between World Wildlife Fund (WWF) and Lafarge to combat the threat of climate change.

WWF applauds Lafarge's commitment to reduce its CO2 emissions and welcomes Lafarge into its "Climate Savers" programme.

In WWF's view, this commitment represents a substantial contribution towards reducing greenhouse gas emissions and combating climate change as foreseen by the Kyoto protocol. WWF will be closely involved in the implementation and monitoring of this reduction.

Lafarge's commitment will be achieved by intensifying a series of actions that Lafarge has been undertaking for more than a decade. The main levels that Lafarge will use to reduce its emissions are improving energy efficiency, using waste fuels and incorporating cementitious additions, such as steel slags and fly ash from coal-fired power stations.

WWF also welcomes Lafarge's intention to increase energy efficiency and utilise less carbon-intensive cement production to reduce its CO2 emissions.