



PHOTO: CITY BANK

Deen Mohammad, Director of The City Bank, opens the refurbished Gulshan branch of the bank in the city recently. Vice Chairman of the bank Mohammad Shoeb, Directors Anwar Hossain, Z H Choudhury, Azizul Haque Chowdhury, Monowar Ali, Managing Director Abbas Uddin Ahmed, Deputy Managing Director A H M Nazmul Quadir, executives, officers of the bank and valued clients of the branch were present.

IMF urges leading nations to cut interest rates further

REUTERS, Ottawa

The International Monetary Fund (IMF) Saturday pressed the world's leading nations to cut interest rates further if needed to bolster a bleak world economy as boisterous anti-globalisation protesters braved the Canadian chill.

With the IMF taking centre stage on the second day of international financial meetings here, police arrested at least seven people as around 2,000 protesters, some of them burning US flags, gathered for a demonstration against the guardians of globalisation and the bombing in Afghanistan.

Inside barricades erected to protect the meetings from the protesters, finance ministers and central bankers from around the world met to chart the actions the IMF would take in the months ahead to try and counter an increasingly dour and uncertain global economic outlook.

In a draft communique obtained by Reuters, the IMF said rich nations must take the lead in boosting growth and most should cut interest rates further if needed.

And on the hotly-debated topic of whether the IMF should take a leading role in the fight against funding terrorism, the lender's policy-setting committee opted against expanding its mandate to become a global financial policeman.

The communique reiterated that the IMF expects the world economy will start to recover by the second half of next year.

"The recent easing of monetary policy in the US, the euro area, and other advanced economies is welcome, and the committee considers that there is room for the further action in most countries if required," said the draft from the IMF's International Monetary and Financial Committee.

The IMFC is the fund's policy-setting committee, with representatives from across the spectrum of the IMF's 183 members. It meets twice a year to set the lender's agenda.

A heavy police presence, a modest turnout and cold weather combined to keep protests fairly subdued although one skirmish saw police use tear gas to control the crowd. In another incident, police hosed the crowd with water, which could prove uncomfortable for protesters in the cold air.



Managing Director of Nestlé Bangladesh Ltd Gerry Bes and Managing Director of Owntex Capt (Retd) Z A Zakir sign an agreement on Nescafé vending operation in the city recently.

IMF gets ready to boost aid to emerging markets, poor nations

AFP, Ottawa

The IMF said Saturday that in the wake of the abrupt slowdown in the global economy, it was prepared to provide additional aid to emerging markets carrying out sound economic policies as well as to the world's poorest nations.

In a communique issued after a meeting of its policymakers, the International Monetary Fund noted that emerging markets and developing countries "are facing a weakening of global demand, reduced capital flows, higher risk aversion in financial markets, reduced income from tourism, and lower and more volatile commodity prices."

It said that in these countries, "the IMF stands ready to provide additional financial assistance, where needed, to those countries pursuing sound policies."

The IMF made no specific commitment to additional aid but said it has "a range of instruments available and its current financial position is strong."

The committee expressed particular concern "at the adverse impact of the global slowdown on low-income countries and heavily indebted poor countries," and said that the IMF and World Bank should "respond flexibly and proactively to the needs of these countries, includ-

ing through additional concessional financing and debt relief where appropriate."

To date, 24 countries have qualified under Heavily Indebted Poor Countries Initiative enhanced framework of the World Bank and IMF, which aims to ease the debt burden of the poorest countries.

Weak oil prices to hurt Malaysian economy

AFP, Kuala Lumpur

A top economic official expressed fears that the current weak oil prices will harm the economies of many oil exporting countries, including Malaysia.

Mustapha Muhamad, executive director of the think-tank unit National Economic Action Council, set up to revitalise the economy said that the reasonable price band for oil was 20 dollars a barrel.

"Prices from our point of view, 20 dollars per barrel will be right," he told AFP late Saturday.

Mustapha said a price below 20 dollars "will do a lot of harm to many countries, including Malaysia."

Britain calls for \$50b more for poor nations a year

AFP, Ottawa

British Chancellor of the Exchequer Gordon Brown is challenging the world's wealthiest nations to come up with an extra 50 billion dollars annually by 2015 to help the world's poorest countries, citing a responsibility "to abolish all forms of human poverty."

Brown, who made his case in Ottawa to global finance chiefs meeting this weekend, unveiled his proposal in a speech Friday at the New York Federal Reserve Bank.

World Bank President James

Wolfensohn issued a similar plea here to policymakers, saying aid to developing nations needs to be doubled from its current levels of 50 billion dollars a year.

Brown said the aid needs have been highlighted by the terror attacks on the United States, which caused economic effects worldwide.

"The alliance we have forged against terrorism since September 11 ... confirms a profound and pervasive truth: that in the new global economy we are, all of us, the richest countries and the poorest countries, inextricably bound to one another by common interests, shared needs and

linked destinies," he said.

"Not only do we have inescapable obligations beyond our front doors and garden gates, responsibilities beyond the city wall and duties beyond our national boundaries, but that this generation has it in our power -- if it so chooses -- to abolish all forms of human poverty."

To achieve the development goals of the major international organizations by 2015, Brown said, "there will be required each year until 2015 an extra 50 billion dollars a year," and acknowledged that this "would require unprecedented action by the developed world."



PHOTO: PRIME FINANCE

Matin Uddin Ahmed, Managing Director of Shahjalal Bank Limited (3rd from left), and Tapan K Podder, Managing Director of Prime Finance and Investment Limited, exchange documents after signing an agreement on extending credit lines to PFI in the city recently.

Owntex to vend Nescafé coffee in city

Nestlé Bangladesh Limited has signed an agreement with M/s Owntex for vending Nescafé coffee in the city.

The accord was signed between Gerry Bes, Managing Director of Nestlé Bangladesh, and Capt (Retd) Z A Zakir, Managing Director of Owntex on behalf of their respective companies in the city recently, says a press release.

As a result of this agreement, consumers of Dhaka will get the opportunity to open up whenever and wherever they want.

Nescafé will be served with its rich aroma and original taste from the Nescafé vending machines which will satisfy the consumers' coffee thirst.

The Nescafé vending operation will be expanded to other parts of the country soon.

Faisal Mamun, Food Services Manager of Nestlé, conducted the signing programme where members of the management committee of the company were also present.

IMF sees mild recession in US, recovery in 2002

AFP, Ottawa

IMF Managing Director Horst Koehler said Saturday the United States is currently suffering from a "mild recession," but will recover throughout next year.

"Among the industrial economies, the United States is now expected to experience a mild recession in the second half of 2001, followed by a recovery which strengthens through 2002," Koehler said in remarks to the IMF's governing body, the International Monetary and Finance Committee.

Koehler's comments came as the IMF released its latest forecasts for the world's major economies.

On Thursday, Koehler released a preview of those forecasts, including the IMF's prediction that the US will record 0.7 per cent gross-domestic product growth next year after an earlier forecast of 1.5 per cent growth in 2002.

That drew a heated response from US Treasury Secretary Paul O'Neill, who called the IMF figure "off by a lot."

Koehler, responding to O'Neill, said the IMF forecast is a "reasonable working assumption" but would be pleased if the figure were higher.

Koehler said the recovery, which is dependent upon confidence, may not take place as soon as many expect.

"Confidence and activity in the United States may pick up more slowly than presently expected," Koehler said, "if the effects of the terrorist attacks themselves prove more prolonged, or if recovery is hampered by the imbalances accumulated in the past."

Cuba to trade with US for first time in 4 decades

AFP, Havana

For the first time since the United States imposed a trade embargo four decades ago, the two countries are to trade openly in a deal aimed at helping the communist nation recover from the ravages of a powerful hurricane.

President Fidel Castro himself told Cubans of the unprecedented 30-million-dollar deal, which the US State Department had previously announced in Washington.

"We are ready, just for this once, to acquire certain quantities of food and medicine from the United States, paying them in cash," the communist leader said late Friday.

A 1993 exemption to the US embargo allows the United States to export medicine to Cuba, and another clause in effect since last year clears sales of food to the Communist-run island, as long as Cuba pays in cash.

Because Cuban ships are barred from entering US ports, the US administration has suggested sending American vessels.

"We suggested that ships from third countries should fetch the goods, without excluding US ships," Castro said.

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