

BJEA calls for cutting interest rate to 7pc

UNB, Dhaka

Bangladesh Jute Exporters' Association (BJEA) has urged the government to reduce the rate of bank interest to seven per cent.

The call was put forward when a four-member delegation of BJEAs called on Jute Minister Hafiz Uddin Ahmed at his secretariat office yesterday.

They claimed that like garments and frozen fish, the lower bank interest rate would help bringing dynamism in the jute export.

The delegation said BJEAs are hopeful to earn Tk 490 crore by exporting 16 lakh bales of jute during the current fiscal year.

They also laid emphasis on creating jute market by the Bangladesh missions abroad and said this would increase the volume of the jute export and reduce the loss of the sector.

BJEA Chairman M A Wahab led the delegation. Other members were Md Golam Mustafa, Md NI Patuay and Md Giasuddin Ahmad.

WEAB, AB Bank sign loan deal

An agreement between Women Entrepreneurs Association of Bangladesh (WEAB) and the Arab Bangladesh Bank Ltd has been signed for loans under the supervisory credit scheme in the city recently.

The accord was inked by WEAB President Nasreen Awal Minto and Executive Vice-President of Arab Bangladesh Bank Iqbal Ahmed on behalf of their respective organisations, says a press release.

The Vice-President and the high officials of the bank and the members of the executive committee of WEAB, among others, were present on the occasion.

With the functioning of this credit system, it is expected that the capital shy women of small means will now have the financial assistance to run their projects/programmes effectively with economic solvency.

Rafiqul Anwar reelected Federal Ins Chairman



Alhaj Rafiqul Anwar, MP, has unanimously been re-elected Chairman while Alhaj Jashim Uddin and Md Abdus Salim Chowdhury, Vice Chairman of the Federal Insurance Company Limited.

The election was held at a meeting of the Board of Directors in the city recently, says a press release.

Alhaj Md Abdul Khaleque, a sponsor Director, has unanimously been re-elected Chairman of the Executive Committee of the Board.

Alhaj Rafiqul Anwar is the founder of Nanupur Laila Kabir Degree College and Senate Member of Chittagong University. He is the founder member and patron of most of the schools, colleges, social and sports organisations. He is the Chairman of Golden Inn Group of Companies.

Alhaj Md Abdul Khaleque is the Managing Director of Chittagong Agency Ltd, Chittagong. He is also a Sponsor Director of Al-Baraka Bank Bangladesh Ltd. He started his business after obtaining Master's Degree with Honours from Chittagong University.

Renowned businessman Alhaj Jashim Uddin is a Director of Dhaka Bank Ltd. He is associated with various social bodies and well-known as a conscious social organiser.

Renowned industrialist Md Abdus Salim Chowdhury is the Managing Director of Jaitil Textile Mills Ltd and SH Enterprises Ltd, and Proprietor of Premier Trading Company.

Indian Airlines resumes flight to Dhaka

Indian Airlines has announced the resumption of its flight IC 723/724 on Kolkata: Dhaka: Kolkata sector on Mondays, Wednesdays and Fridays, says a press release.

The flight will have with convenient same day connection to Delhi, Chennai, Nagpur, Mumbai and Bangalore.

New index calculation method raises fresh controversy

M SHAMSUR RAHMAN

The Securities and Exchange Commission (SEC) directives to the stock exchanges for changing index calculation criteria have raised fresh controversy over the objective of the move.

While the SEC claims the move is aimed at arresting manipulation by vested groups, leading stockbrokers say the change was a ploy to hide commission's own incompetence and to artificially jack up the index.

The SEC on last Sunday directed both the bourses to change the mode of index calculation taking weighted average method into consideration and excluding the 'Z Group' shares.

Both the bourses have been asked to make changes effective from next Saturday and arrange online display of the new index by December 1, 2001. Market sources say the index is likely to put the present market at well over 800-point once the new changes are made.

The Chittagong Stock Exchange (CSE) yesterday formally wrote to the regulators saying that the all share price index in a meaningful one in a very small market and the proposed index is a partial one which may confuse market players.

It also said there is no bar on introducing new indices in the market. "Introduction of a new index does not require replacing another, which is very well established," CSE wrote.

The CSE letter signed by its CEO Wali-ul-Marooof Matin termed the new formula unique, but expressed his apprehension that he was not aware of

the method to be used by other bourses in the world.

The CEO also sighted different weighted average methods adopted by leading financial analysts of developed countries to calculate indices of their countries.

When contacted, a senior SEC official said the commission's move was to stop misdeeds by vested quarters who trade very small numbers of shares of companies with large capital base to influence index.

"It is not acceptable to change the entire market capitalisation of a company by trading five to 10 scrips," the senior official said.

He said SEC had requested the bourses to exclude Z group shares from the index. "We also told them that they could also display the normal index side by side so that people could see the difference," the official said.

He said in absence of institutional investors, most retail investors resort to whimsical trading and get carried away with the gain or loss in the price index.

"So, a vested group grabbed the chance and traded a small number of shares to manipulate the stock market. We know foul play was done and we have proposed the changes to protect the small investors," the senior official said.

Majority stockbrokers, however, argue that if such was the case then the SEC should rather go into action to punish the manipulators rather than trying to control the market.

"They (SEC) are failing in their duties and are trying to hide their incompetence by changing the index calculation," a leading stockbroker said.

US aid pushes Pak forex reserves to record high

AFP, Karachi

Pakistan received 600 million dollars in US economic assistance Tuesday, taking its foreign exchange reserves to a record high of 4.22 billion dollars, officials said.

The transfer of funds from the United States was part of a series of financial rewards Pakistan has garnered from its support for the US-led military campaign in Afghanistan now in its seventh week.

"Pakistan has never attained this

level of foreign exchange reserves and it is definitely a historic mark," said Mohammad Wasim, the chief spokesman of the central State Bank of Pakistan.

A perennial struggler with its balance of payments, Pakistan has long suffered from low foreign exchange reserves.

Wendy Chamberlin, the US ambassador to Pakistan said the budgetary aid in the form of a grant had been extended "to support the government's reform agenda and to mitigate the impact of economic

downturn." The largest chunk of 300 million dollars came from the Overseas Private Investment Corporation (OPIC) to support investment activities.

The grant envisages 73 million dollars for border security and 34 million dollars for counter-narcotics programmes.

Other slices will be used for refugee assistance, child labour eradication, democracy and governance programmes, anti-terrorism training and education.

London Stock Exchange out to woo Indian firms

AFP, Bombay

The London Stock Exchange (LSE) said Tuesday it was launching a number of new products aimed at getting Indian companies and investors to choose it as a safe international listing option.

A top level team from the LSE, led by chief executive officer Clara Furse, is currently in India talking to various technology and healthcare companies about possible overseas listings on the exchange.

"We are offering new products such as retail depository receipts, an instrument that can be traded on our exchange by ordinary retail investors and also by institutions," Furse told reporters.

The LSE currently issues global depository receipts, an instrument largely aimed at international professional investors and funds at the time of a listing on the LSE by an Indian company.

The LSE hopes to attract Indian companies on techMark, its technology market, and the newly devel-

oped techMark mediscience, the market for healthcare companies.

"We are here to clear the misperception that the LSE is losing out to American exchanges such as the New York Stock Exchange or Nasdaq," said Caroline Goodman, head of international business development for LSE.

"Trading on the LSE is still the largest by volume of any world market. Volumes on LSE are five times more than Nasdaq and two times more than NYSE."

The LSE is in talks with trade settlement agencies in Britain to facilitate speedier delivery of shares on the exchange in order to increase depth and liquidity, she said.

"We are here with a long-term business perspective. World markets are currently in a corrective mode, but will recover soon. We plan to get Indian companies for long term fund raising from London investors," Furse added.

DHL ranks 14th in 'Asia's most admired cos'

DHL Worldwide Express is proud to be Asia's most admired company in the shipping/transport industry, says a press release.

The world's leading air express company was ranked 14th in "Asia's Most Admired Company" survey (AMAC), commissioned by Asian Business.

The survey places DHL's ranking higher than any other company in the shipping, transport and air express industries.

Commenting on the accolade, Marc Duale, Chief Operating Officer of DHL Asia Pacific, said "DHL is delighted to be one of the most respected companies in the region. We are, as always, honoured to be acknowledged by Asian Business in this survey and I would like to thank my colleagues throughout the region for their hard work and commitment which is central to this success."

Last year, DHL was ranked within the top 40 companies in the AMAC survey and was, again, the highest ranking company in the shipping/transport industry. This year's big leap to 14th place is a reflection of the company's focus on continuous quality improvement and service expansion.



PHOTO: WEAB

President of Women Entrepreneurs Association of Bangladesh Nasreen Awal Minto and Executive Vice-President of Arab Bangladesh Bank Ltd Iqbal U Ahmed sign a loan agreement on behalf of their respective sides in the city recently.

Emirates launches major drive to promote Dubai

Emirates, one of the world's fastest-growing international airlines, has launched a hard-hitting PR and marketing campaign to attract more visitors to Dubai and demonstrate that the United Arab Emirates is one of the world's safest and most welcoming countries, says a press release.

Some 300 travel agents, representing more than 10,000 retail outlets, are flying Emirates to Dubai on familiarisation visits arranged in partnership with the Le Meridien group of hotels.

Parties of journalists on fact-finding trips are coming too, invited by Emirates and its partners to 'fly and try Dubai' and so raise its profile.

Thailand aims to start partial free trade with Japan

AFP, Tokyo

Thai Prime Minister Thaksin Shinawatra said Tuesday he had proposed a partial free trade agreement (FTA) between Japan and Thailand by leaving politically sensitive goods for future talks.

"Thailand proposed grouping trade products into three groups -- the first is for products with no controversy and for which we will be able to start free trade," Thaksin told reporters after talks with Japanese government leaders here.

The second group of products would be those whose problems could be settled through negotiation, while the third would be politically "sensitive products" whose liberalisation could come later, Thaksin said.

The Thai leader was elaborating on a proposal made to his Japanese counterpart Junichiro Koizumi to study the possibility of an FTA in a meeting a day earlier.

He did not identify specific products, but rice could trigger hot debate given Japan's rice farmers constitute a strong support base for the ruling Liberal Democratic Party

in return for which they are protected from cheap imports.

The premier, on a four-day visit to Japan, also met with Economy, Trade and Industry Minister Takeo Hiranuma on Tuesday.

Koizumi made no direct reply to the proposal at Monday's meeting, but reports said Hiranuma sounded positive.

"It is a very interesting and good proposal," Jiji Press quoted Hiranuma as telling Thaksin. "We would like to take it seriously."

On October 20 Japan and Singapore announced they had completed talks to launch a bilateral free-trade accord, the first ever for the world's second biggest economy.

Thaksin also said Asian nations should launch informal talks for closer trade and investment relations.

"I hope five or six (Asian) nations will be able to hold informal talks as a pathfinder, and Thailand is ready to provide a venue," he said through a translator.

At an annual summit in early November, Thailand and nine other Association of Southeast Asian

Nations (ASEAN) agreed with China to set up the world's largest free trade zone based on population.

ASEAN leaders set a 10-year target date to achieve the ambitious goal but Chinese premier Zhu Rongji, who first floated the idea of the FTA, said it could be achieved within five years.

Thaksin said he hoped the agreement would have "an 'early harvest' provision, which would enable those who are ready first to go ahead, while those who are not would wait."

He also said grouping products, just as in his proposal to Japan, would be possible.

Under-developed new ASEAN members -- Cambodia, Laos, Myanmar, and Vietnam -- would be granted "unilateral free trade rights" from China so their industries would not be hurt by more competitive Chinese goods, Thaksin said.

As for Myanmar's ruling military junta, Thaksin said "not meddling in is also important," arguing Thailand has adopted the policy of helping the nation democratise through dialogue rather than sanctions.

Russia sees OPEC-non OPEC accord to stabilise oil market

AFP, Moscow

OPEC and rival crude producers will agree on measures to stabilise the global oil market in the coming days, Russian Deputy Prime Minister Viktor Khristenko said on Tuesday cited by Interfax.

"Supplementary measures will be decided" following consultations between Moscow and members of the Organisation of Petroleum Exporting Countries (OPEC) as well as other non-OPEC producers, Khristenko told the news agency.

The Russian deputy premier, who holds the energy brief, said that the slump in oil prices was a real concern for Russia, which would face particular difficulties in the first half of next year.

"The situation on the oil market is a continuing worry for the Russian government," he said.

The price of oil tumbled to fresh two-year lows on Monday with no sign of a resolution to the price war brewing between OPEC and the other major world crude producers.

Underlining concern in Moscow about global weakness and falling oil prices since the September 11 attacks on the United States,

Finance Minister Alexei Kudrin said that the government would revise down its growth forecast for next year within a few days.

Russia so far has predicted a 4.3 per cent rise in gross domestic product (GDP) in 2002.

"The world economy in 2002 will experience particular difficulties, including a drop in GDP and industrial production, which of course will affect the Russian economy," Kudrin told a parliamentary hearing Tuesday.

"In the past few weeks, it has become clear that the fallout of the September 11 events for the US economy is much greater than originally thought and this will obviously affect the world economy next year," he said.

"The bigger than expected slump in oil prices and economic recession will affect the Russian budget this year and next," Kudrin added.

Last month, Russian President Vladimir Putin expressed "concern" at the post-September 11 trends in oil prices and the world economy, with the Russian budget heavily dependent on the country's oil and gas exports.

However, Moscow so far has no

sign of bending to OPEC demands to slash crude exports in order to help stabilize oil prices, which have slumped ten dollars since September 11 to around 17 dollars.

Analysts say that Russia, the world's second largest oil exporter after Saudi Arabia, will only start to panic if prices go below 13 dollars.

At talks Monday with Mexican Energy Minister Ernest Martens, his Russian counterpart Yusufov proposed creating an informal structure with other non-OPEC oil producers, according to Russian media reports.

The proposed structure, not confirmed by the Russian energy ministry, would mostly serve as a means to exchange information between participants.

State news agency RIA Novosti cited Martens, who will meet Norway's energy minister in Oslo Tuesday, as expressing "great interest" in Moscow's idea.

OPEC oil ministers last week agreed to cut their production by 1.5 million barrels per day from January 1 on condition that major non-OPEC producers like Russia, Norway and Mexico cut theirs by half a million barrels a day.