

Prime Bank MD resigns

STAR BUSINESS REPORT

The authorities of the Prime Bank on Wednesday accepted the resignation of its Managing Director Kazi Abdul Majid, which will take effect on March 31, 2002.

M Syed Naser Bukhtiar Ahmed, Additional Managing Director, has been given the charge of the bank's managing director.

Bangladeshi Holcim staff posted to Thailand

Holcim, the number 1 cement producer in the country, has posted Syed Tareq Ali, DGM (Marketing), to its group company Siam City Cement in Thailand, says a press release.

Zeesan Kingshuk Huq has succeeded Syed Tareq Ali as the new DGM (Marketing).

"Employment with Holcim," commented Ramit Budhraj, CEO, "opens up opportunity to the global network. This is only a beginning of sharing talents from Bangladesh across our group companies worldwide."

Niaz Mahmood, GM (HRD/Administration) added, "Holcim follows a very high standard of human resource development principles across its group companies."

In a recent Economic Times survey, Holcim -- the global cement giant -- has been recognised as the world's 4th largest transnational company, being the only cement company among the top 20.

More Taiwanese against easing of China-bound investment: Poll

AFP, Taipei

Taiwan's easing of restrictions on China-bound investment may have won widespread applause from the business community, but a government poll showed Friday that more than 40 per cent of Taiwanese oppose the move, fearing an exodus of local enterprises.

Nearly 43 per cent of the 1,091 people polled said they are against the cabinet's decision to scrap a 50-million-US-dollar ceiling on a single investment project to China, according to the cabinet-level Research, Development and Evaluation Commission.

Meanwhile, only 29 per cent supported the removal of the cap imposed in 1996 to avoid Taiwan becoming too economically dependent on China, said the poll conducted November 13-15.

Consumer prices down in Vietnam amid farming slump

AFP, Hanoi

Vietnam's consumer price index fell 0.3 per cent in November compared to the same period of last year amid a continuing agricultural slump, official figures showed Friday.

Foodstuff prices, which dominate the basket of goods on which the index is based, were down 0.3 per cent year on year, despite a 0.8 per cent rise in rice prices, the preliminary figures from the General Department of Statistics showed.

Transport and pharmaceutical prices were also down by 4.5 per cent and 1.4 per cent respectively.

But the cost of most other goods and services was up, further compounding the loss of purchasing power among the majority of Vietnamese whose incomes still depend on farming.

Construction materials rose 3.2 per cent, services 2.5 per cent, household goods 1.3 per cent, and tobacco and beverages 1.3 per cent.

The figures dashed expectations that the index would head up again as the impact of the strong dollar fed through into domestic inflation.

The Vietnamese dong traded four per cent lower against the dollar in November than a year ago, the figures showed.

International lenders have expressed mounting concern about the impact of the agricultural slump on consumer demand.

"In the first months of 2001 the expansion in retail sales tapered off -- to a large extent because depressed cash crop prices have eroded farmers' terms of trade and thereby slowed down demand for consumer goods," a World Bank report said in June.

Indo-EU trade may double in 5 years

AFP, New Delhi

Trade between India and the European Union could double to 50 billion dollars within five years, Belgian Prime Minister Guy Verhofstadt said Friday.

However, Verhofstadt, who was leading an EU delegation at an India-EU summit in New Delhi, said that several "bilateral trade irritants" had to be removed for the full potential to be realised.

"We have the potential to increase bilateral trade from the current levels of close to 25 billion dollars to 50 billion dollars in the next five years," said Verhofstadt, whose country holds the rotating EU presidency.

"We can and will work together to remove bilateral trade irritants to realize our full potential as trading partners."

He said the most pressing matter was to remove high customs duties imposed by both sides.

"Negotiations have begun on beating down customs duties on both sides. We could sign an agreement to this effect at the EU-India summit next year in Europe. This would really boost trade," he said.

Both India and the EU have accused each other of erecting high tariff barriers to block market access for products such as textiles, engineering goods, agricultural products and alcohol.

The EU is India's biggest trading partner, accounting for 30 per cent of its imports and exports. It is also traditionally India's largest source of foreign direct investment.

The first India-EU summit was held in June 2000 in the Portuguese capital Lisbon.



The management of Agrani Bank-Small Enterprises Development Project (SEDP), a credit line project led by Ministry of Finance, and a delegation from donor country Norway held a meeting in Mymensingh recently. The meeting was attended by Dag Larsson, regional adviser of Norwegian Embassy in India, Lena Hasle, 2nd Secretary, Development Affairs of Norwegian Embassy in Bangladesh, AKM Mujibur Rahman, Project Director of SEDP, and Lutfur Rahman, Asstt. General Manager of Agrani Bank.

Malaysian economy slumps 1.3pc in third quarter

AFP, Kuala Lumpur

The Malaysian economy contracted 1.3 per cent year-on-year in the three months to September as the manufacturing sector reeled from the global downturn, the central bank said Friday.

Gross domestic product (GDP) however, was up 0.8 per cent from the previous quarter and remained positive at 0.7 per cent for the first nine months of the year, said Bank Negara Malaysia governor Zeti Akhtar Aziz.

Zeti attributed the 1.3 per cent slump, the first year-on-year contraction since the first quarter of 1999, to sharp production falls in export-oriented sectors amid the deteriorating global economy.

She said a "significantly higher base" in the same period last year also magnified the fall.

But she said a series of pro-growth policies and structural adjustments have strengthened Malaysia's economic fundamentals, which "remain strong" even after the September 11 terror attacks on the United States.

"Right now, the indication is that

for the fourth quarter, we expect to have a better growth than in the third quarter," she told a press conference.

She said Bank Negara's assessment was that GDP for the full year would "remain positive" but declined to commit whether it could meet the government's growth forecast of between one and two per cent.

"In our survey, some of the manufacturers even in the electronics sector have indicated that they have begun to get new orders for the fourth quarter," she said.

"These are positive trends but there is a great deal of uncertainty in the global environment and therefore, it's difficult to say how the global environment will unfold."

"What we can say is that domestic consumption ... will increase and this will provide support in promoting domestic activities."

While a contraction was widely expected in the third quarter, analysts said it surpassed market expectations of between 0.5 and 1.0 per cent.

"I think we can expect another

negative growth in the fourth quarter. Growth is domestic driven and it takes at least nine months before the effect kicks in," said a senior analyst with a local brokerage.

In the September quarter, the manufacturing sector fell 8.4 per cent year-on-year while agriculture declined 2.0 per cent.

The services sector rose 4.4 per cent, construction was up 2.6 per cent and mining 2.1 per cent but this had only partially offset the downturn in export-oriented industries, Zeti said.

Manufactured exports plunged 20.4 per cent, with electronics exports falling 26.5 per cent and electrical products down 16.9 per cent.

But a central bank survey showed inventory levels were generally low and any adjustment would not constrain growth, she added.

Zeti said consumption spending surged 4.7 per cent in the September quarter, reflecting an improvement in consumer confidence.



PHOTO: AFP

Indian Minister for Science and Technology Muri Manohar Joshi (L) exchanges trade agreement documents with Belgian Minister for Trade and Agricultural Policy Anemie Neyts on behalf of the EU during a signing ceremony attended by Indian Prime Minister Atal Behari Vajpayee and European Commission (EC) President Romano Prodi at Hyderabad House in New Delhi on Friday. Senior European Union officials held a summit meeting with Vajpayee with Afghanistan and bilateral trade at the top of the agenda.

Vajpayee urges EU to relax visa restrictions for IT experts

AFP, New Delhi

Indian Prime Minister Atal Behari Vajpayee Friday urged European countries to relax visa restrictions for computer industry experts.

Addressing the final session of the second India-EU business summit in New Delhi Vajpayee identified Information Technology as one of the "priority areas for India and the EU to deepen their economic partnership."

"The expertise of our software professionals is in great demand in the international market, including with many European companies," Vajpayee said.

"Unfortunately, visa restrictions often come in the way of Indian software professionals being able to provide their expertise."

This prevented Indian professionals being "harnessed in full measure, to the loss of both India

and the EU," he added.

Vajpayee's appeal came a day after European Commission President Romano Prodi assured a business conference in India's western commercial hub of Bombay that there would be "no discrimination against Asians" while issuing visas.

Prodi wanted to ease concerns that a recent decision by the European Parliament to standardise asylum and immigration procedures in the wake of the September 11 terror attacks could stand in the way of work visas for Indian nationals.

During a visit to India last month, German Interior Minister Otto Schilly signalled tougher screening for Indian work visa applicants because of increased security concerns after September 11.

Schilly told businessmen in the

Indian technology capital of Bangalore that Germany was worried terrorists posing as hi-tech experts could take advantage of recent visa relaxations extended to IT professionals from Asian countries.

However on Wednesday Prodi said that any new policy on immigration would "largely evolve around skills whether it is IT or any other service sector."

Indian businesses have often complained of inordinate delays in getting visas for employees to travel to European countries and have called for fast-track processing of travel documents.

The US is the biggest destination for Indian software followed by European countries like Britain and Germany, then Japan and Canada.

The EU was Friday expected to offer a 200 million euro (176 million dollar) grant for education programmes in India.

Pioneer Ins Chairman re-elected



M Anis Ud Dowla has been unanimously re-elected chairman of Pioneer Insurance Company Limited for the term 2001-2002, says a press release.

The election was held at the board of directors of the company held in the city on Thursday.

Filipino businesses see improvement in early 2002

AFP, Manila

Philippine businesses expect some improvement in the economic outlook for the first three months of calendar 2002, though they expect it to remain weak, the central bank said Friday.

Two years after entry, however, they will be able to offer all kinds of non-life insurance services to both Chinese and foreign customers.

China will also abolish restrictions on the number of licenses issued to foreign insurers right after WTO entry, although firms must still meet a strict set of business criteria, including 30 years' of experience in a WTO member country, and total assets of no less than 5.0 billion dollars.

Official statistics show China's insurance sector registered 10-15 percent revenue growth for several consecutive years.

However of the almost 20 billion dollars of premiums paid last year, foreign insurers took only 1.0 per cent.

The CIRC will also change its role from that of controlling to supervising the companies, China Daily said, citing unnamed industry experts.

In future, the body will not have the right to prohibit insurance companies from establishing branches as long as they can demonstrate they have enough capital to ensure their solvency margins and have not violated regulations.

Weekly Currency Roundup

November 18-22, 2001

Last week the local foreign exchange market was active. Demand for dollar was steady in the interbank market.

In the weekly treasury bill auction was held on Sunday, Bangladesh Bank accepted treasury bills worth of BDT 11,285 billion against a maturity of BDT 6,755 billion. Bangladesh Bank accepted treasury bills worth of BDT 10,105 million for 28 days at 4.38 per cent, BDT 100 million for 91 days at 5.00 per cent, BDT 50 million for 182 days at 5.25 per cent, BDT 280 million for 364 days at 5.77 per cent and BDT 750 million for 2 years at 6.97 per cent. Demand for overnight borrowing at call was steady during the week. The call money rate ranged between 5 and 6 per cent; closing the weekly average at 5.5 per cent.

In the beginning of the week, dollar rallied both against yen and euro, supported by the news of successful US strikes on Afghanistan. The market awaited data on Gross Domestic Product (GDP) of France and Germany due out later in the week. The German IFO survey of business confidence was another centre of attention for traders to assess euro movements.

In the middle of the week, dollar held steady against yen due to positive views on the greenback. The dollar, mainly drew support from rising US share prices and successful operations in Afghanistan. However, San Francisco Fed President Robert Parry's comment that US economy is unlikely to experience a significant rebound until mid next year somewhat hurt the bullish trend on dollar.

By end of the week, dollar rallied against yen on Wednesday in spite of growing apprehension that Japanese government's sovereign credit rating would be downgraded.

According to market sources, US credit rating firm Standard & Poor (S&P) was set to bring a downward adjustment (AA+ from AAA) in Japan's country credit rating. Moreover, Japan's all-industries activities index faced a slump of 1.7 per cent in the third quarter from the previous one. Japan is also forecast to post a GDP contraction for the entire fiscal year till March.

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Indonesia to set up fund to support recovery

AFP, Jakarta

Indonesia is to set up a privately-financed multi-million dollar fund to spur domestic investment and create jobs, a minister said Friday.

The formation of the Indonesian Recovery Fund was approved during Friday's cabinet meeting on the economy, said Industry and Trade Minister Rini Suwandi.

The fund, expected to have initial capital of 200 million dollars, would be sponsored by the private sector instead of the government.

"The aim of the fund is to increase domestic investment which hopefully will absorb the labor force in Indonesia," she told

reporters after the meeting, chaired by President Megawati Sukarnoputri.

Suwandi did not elaborate on how the fund would work but said it would be similar to one in Thailand.

Citing Thailand's success in persuading foreign institutions to invest in the fund, Suwandi said the Indonesian Recovery Fund would be managed "professionally".

The government was "still seeking for the source" to finance the fund, Suwandi said, adding the government could only inject a maximum of 10 million dollars as start-up cash.

She said international investment houses were expected to

take part and the government would need two-three weeks to prepare the fund before its initial operation early next year.

Operating the fund will give the government additional insights into investor attitudes towards Indonesia, Suwandi said.

The minister said the cabinet also urged the Indonesian Bank Restructuring Agency to speed up restructuring of around 2 trillion rupiah (3.04 billion dollars) in debtowed by labour-intensive industries.

Millions are unemployed or underemployed in Indonesia, the world's fourth most populous nation.

French unions denounce textile concessions for Pakistan

AFP, Paris

A federation of five French textile industry trade unions denounced Thursday what it described as "exorbitant concessions" made to Pakistan at a World Trade Organization ministerial conference last week.

In a letter to European Union Trade Commissioner Pascal Lamy the unions said "exorbitant concessions, on the order of 1.5 billion euros (1.32 billion dollars) have been announced for Pakistan at a time when EU exports to Pakistan come to just 22 million euros."

They stressed that such an arrangement "can only aggravate an already fragile employment situation".

The European textile, clothing and leather sector lost 70,000 jobs last year, when some 4,000 businesses were forced to shut down, the unions said, asking for a meeting with Lamy.

"International trade liberalization that is unbalanced ... will contribute to new and significant deterioration in employment."

WTO ministers -- notably from the West -- meeting in the Qatari capital Doha were under heavy pressure from developing countries to make their markets more accessible to textile exports from poorer nations.

ROK exports down 20.1pc

AFP, Seoul

South Korea's October exports fell 20.1 per cent from a year earlier to 12.18 billion dollars, the Ministry of Commerce, Industry and Energy said Friday.

The final October export figures on a customs-cleared-basis was worse than an estimate of 12.31 billion dollars released on November 1.

Imports dropped of 18.3 per cent year-on-year to 11.52 billion dollars, down from the 11.57 billion dollars previously announced, the ministry said.

The final October trade surplus stood at 657 million dollars.

Cumulative exports in the 10 months to October fell 11.2 per cent year-on-year to 126.3 billion dollars, while total imports dropped 11.2 per cent to 118.2 billion dollars for a 8.1 billion dollar surplus.

Semiconductor exports dropped 59 per cent year-on-year to 570 million dollars in October, while computer exports fell 26.3 per cent to 1.03 billion dollars.

BA to reduce Qantas board representation

AFP, Sydney

British Airways will surrender one of its three seats on the board of Qantas Airways after the dilution of its stake in the Australian carrier, Qantas said Friday.

BA chief executive Rod Eddington, a non-executive director, will step down from his position, a Qantas statement said.

"British Airways had the right to appoint and remove three directors to the Qantas board while it owned more than 22.5 per cent of the issued shares in Qantas," the statement said.

"Following the recent 450 million dollar placement of shares by Qantas, British Airways' shareholding has been reduced to less than 22.5 per cent."

"Subsequently, British Airways is now entitled to appoint two directors to the Qantas board."

While Eddington surrenders his seat, Roger Maynard, the British carrier's director of alliances, investment and joint ventures, and Nick Tait, retain theirs.

British Airways conceded last month that a drastic downturn in the global aviation industry prevented it channelling more capital into expansion plans announced by its Australian ally.

BA declined to invest in the Qantas equity offer, which raised 450 million dollars (234 million US) in fresh capital.

"Whilst our Qantas shareholding forms an important part of our asset base, British Airways is managing its business with a view to cashflow and, accordingly, does not intend to participate in the Qantas placement," BA told institutional investors at the time.