

Biman becomes official carrier of DTM-2002

Biman Bangladesh Airlines, the national carrier, signed a memorandum of understanding (MOU) with The Bangladesh Monitor yesterday to act as the official carrier of the Dhaka Travel Mart-2002, the first-ever international travel fair of the country, says a press release.

Biman will also act as one of the co-sponsors of the travel mart.

Mahmudur Rahman, Director-Sales and Marketing of Biman, and Kazi Wahidul Alam, Editor of The Bangladesh Monitor and Chairman of DTM-2002, signed the MOU on behalf of their respective sides.

The Bangladesh Monitor, the country's premier travel trade journal is organising the Travel Mart to be held from February 1 to 3, 2002 to project Bangladesh as a tourist destination.

Speaking on the occasion, Mahmudur Rahman said, "We are glad to have signed the agreement with The Bangladesh Monitor to become the official carrier of the Dhaka Travel Mart 2002. The international travel fair will help develop and expand tourism in Bangladesh. The country will be benefited as well as Biman."

Kazi Wahidul Alam said, "We are holding the mart for the first time in the country as we want to see tourism flourish in Bangladesh."

The Travel Mart is being co-organised by the PATA Bangladesh chapter and Tour Operators Association of Bangladesh while Bangladesh Guest House Owners Association, Amadeus, Dhaka Sheraton Hotel, The Daily Star, GMG Airlines, Accesstel and TravTalk will be acting as co-sponsors in different categories.

The DTM-2002 is expected to be participated by a large number of airlines, travel agents, national tourism organisations, tour operators, hotels, cruise operators, resorts, GDS companies, car rental companies, soft drink bottlers and various other service providers in tourism sector from home and abroad.

EC attaches priority to jute diversification

UNB, Dhaka

European Commission has attached priority to diversification of jute to make it economically more viable.

This was stated by the first counsellor delegation of the European Commission to Bangladesh during a meeting with Jute Minister Hafiz Uddin Ahmed at his office yesterday.

The EC delegation observed that their assistance would help expand jute diversification industry in Bangladesh and resolve employment problem here to a great extent.

The diversification of jute has been undertaken to revive the glory of jute, once known as Golden Fibre of Bangladesh, the delegation said.

They discussed matters relating to bilateral issues specially on promotion of jute trade in the European countries.

New head of StanChart Corporate, Institutions



S A Masrur has joined the Standard Chartered Group in Bangladesh as Head of Corporate and Institutions, says a press release.

Masrur started his career in the former ANZ Grindlays in 1983 as a management trainee. Prior to his appointment in Standard Chartered Group, he was the Head of Corporate Banking of Citibank NA in Bangladesh.

Masrur, in his 17-year banking career, worked in consumer and corporate banking of three leading multinational banks in Bangladesh. Masrur, who obtained MBA degree from the University of Tennessee, also worked in

Khasru hints at curtailing govt control on issuing bond licence

STAR BUSINESS REPORT

Commerce Minister Amir Khasru Mahmud Chowdhury yesterday hinted at handing over of some of the business-related government duties, such as issuance of bond and trade licences, to private sector.

While addressing a programme of the Bangladesh Corrugated Carton and Accessories Manufacturers Association (BCCAMA) in the city the minister said he is in favour of giving the responsibilities of issuing different licences and collection of fees to respective business bodies and trade associations for speedy and smooth functioning of the jobs.

The programme was organised to inaugurate the new office of the BCCAMA on Sonargaon Road.

"I will propose to hand over some of the government jobs to private sector. This will also include issuance of bond licences. But for this, the private sector has to have proper infrastructure and build capacity for performing the task credibly and effectively," Khasru Chowdhury told the gathering of BCCAMA members.

President of the association Iqbal Hasan also spoke on the occasion while its former president Shafiqullah Chowdhury and other office bearers and members were present on the occasion.

Under the bond licence facility, the country's exporters, especially readymade garment and its accessories, enjoy duty-free import of raw material for re-export. The BCCAMA has long been urging the government to give it the onus to issue bond licences to its members.

The association often is at loggerheads with the customs authorities over the issue. There were, however, allegations from the customs authorities for misuse of the facility by the business people. On the other hand, the business people complained unnecessary harassment by the customs authorities.

Mentioning illegal practice by a few unscrupulous business people, the commerce minister cautioned if the association cannot not fight the malpractice it will be difficult for the government to rely on private sector and reduce red-tapism. The minister, however, said he was not in favour of punishing a whole sector for the misdeeds of a few.

Leather fair begins Jan 27

15 foreign companies confirm participation so far

STAR BUSINESS REPORT

The fourth Dhaka International Leather Fair (DILF) 2002 kicks off in the city on January 27 next year aiming to prop up the industry that fetches more than a thousand crore taka annually from export.

"Around 30 local and 15 foreign companies have so far confirmed their participation in the three-day gala exposition to be held at Sonargaon Hotel in the city," said MA Sattar Bhuiyan, President of Bangladesh Finished Leather, Leather Goods, and Footwear Exporters' Association (BFLLEFA), at a press conference in the city yesterday.

In a bid to attract more foreign buyers, the association has already started campaign abroad, Bhuiyan said. Besides, steps have been taken to arrange publicity in World Leather magazine and the Internet. A fashion show will also be organised with the participation of local and foreign models.

He said the fair has been delayed this year due to September 11 terror

attacks on the World Trade Centre in the USA and the subsequent war in Afghanistan.

"We had temporarily suspended the fair earlier. But as the situation improved, we have decided to organise the event for the fourth time," he maintained.

Last year, around 59 local participants displayed footwear, leather bags and other leather goods, crust and finished leather while 29 foreign companies exhibited high-tech machinery.

Leather follows the garment and frozen food sectors in terms of fetching foreign exchange for Bangladesh. But unlike readymade garment, the industry boasts of more than 85 per cent value addition.

Leather and leather goods worth US \$302.10 million or Tk 1624.29 crore were exported during July-June period of the 2000-2001 financial year while the sector fetched Tk 1252.13 crore in the 1999-2000 fiscal. During July-September period of the current financial year, leather sector also

earned \$59.18 million, posting a 4.13 per cent growth from last fiscal's corresponding period.

The country is now capable of producing 180 million square feet of leather annually. More than 80 per cent of the country's annual production is exported as semi-finished and finished leather, leather goods and footwear, the BFLLEFA leader said.

The quality of footwear, leather goods and accessories has significantly improved over the last few years, he said, adding that there are 15 large scale modern shoe factories, producing high-quality footwear.

Over 50 manufacturers are producing various leather items such as travel goods, suitcases, briefcases and fashion products like belts, wallets, handbags and card holders for the overseas market. Besides, 2500 small manufacturing units across the country are producing footwear for the domestic market.

IFIC Bank holds four AGMs

The IFIC Bank yesterday held four annual general meetings (AGMs) declaring total 40 per cent bonus shares and 50 per cent dividends to its shareholders, says a press release.

In the 21st AGM, the bank declared 15 per cent bonus shares and 10 per cent dividend for the year 1997. It declared 15 per cent bonus shares with 10 per cent dividend for year 1998.

For the year 1999, the bank declared 10 per cent bonus shares and 10 per cent dividend, while it declared 20 per cent dividend for year 2000. The AGMs were held at a city hotel.

The meetings were presided over by Manzurul Islam, Chairman of the bank. Vice-Chairman Elthem B Kabir and other members of the Board of Directors such as Directors, A M Agha Yusuf, Syed Mohsen Ali, Shafiqul Islam, Maj Gen (Rtd) A R Khan, Abdul Hamid Chowdhury and Govt nominated Directors, Mohammed Delwar Hussain, Khairuzzaman Chowdhury, Habib Abu Ibrahim and Dr Chowdhury Saleh Ahmed were also present on the occasion. A large number of shareholders attended the meetings.

Welcoming the shareholders, the Chairman gave a brief speech highlighting the performance of the bank during the past four years. He mentioned that the bank made good progress in its overall performance particularly in the field of foreign exchange and good profit in overseas branches.

The balance sheets and profit and loss accounts of the bank as on December 31, 1997, 1998, 1999 and 2000 were unanimously approved by the shareholders after detailed discussions on these accounts including directors' reports for 1997, 1998, 1999 and 2000 respectively.

Enron Europe to sell British energy arm

AFP, London

Enron Europe, part of stricken US energy giant Enron, is selling its British commercial energy business to British rival Centrica for 96.4 million pounds (154 million euros, 137 million dollars) cash, Centrica said.

The unit, Enron Direct Limited, has 148,000 electricity and 12,000 gas customers. Another 37,000 customers receive its services through third party providers.

Enron Europe, the London-based subsidiary of bankrupt US Enron, was placed under administration - protection from creditors under British law - last Thursday. British accountants PriceWaterhouseCoopers are acting as administrator.

The move followed the spectacular downfall of Houston-based Enron, which has now also filed for bankruptcy after smaller US rival Dynegy pulled out of a takeover bid for the group and Enron debt was slashed to junk bond status.

Boeing to halve jet output by mid-2002

AFP, Frankfurt

Boeing plans to slash the number of jets it builds each month in view of the current crisis facing the sector, the head of the US airplane manufacturer's civilian aircraft division, Alan Mulally, was quoted in a number of newspapers here as saying on Wednesday.

Boeing planned to halve output from 48 jets per month at present to 24 jets per month by the middle of next year, Mulally was quoted as saying at a meeting with journalists on Tuesday.



Picture shows a signing ceremony of Tk 35 crore preferential share agreement between United Cement Industries Limited (UCIL), a subsidiary of Holcim (Bangladesh) Limited, and six local financial organisations at a city hotel yesterday.

Holcim signs Tk 35cr preferential share deal

STAR BUSINESS REPORT

United Cement Industries Limited (UCIL), a subsidiary of Holcim (Bangladesh) Limited yesterday signed a Tk 35 crore preferential share agreement with six local financial organisations at a city hotel yesterday.

Industrial Promotion and Development Company of Bangladesh (IPDC), has arranged the loan as the lead financier of the syndicated fund. The financial institutions are South East Bank, Eastern Bank, Dhaka Bank, BRAC Bank, IDLC, and United Leasing Company (ULC).

Speaking on the occasion, Board of Investment (BOI) Executive Chairman Mahmudur Rahman said he would soon turn the board into an 'information-rich organisation' that would offer competitive advantage to foreign investors.

He said unlike the previous time, the board would now go to the investors and show the possibility and competitive advantage of

investment to both local and foreign investors.

The executive chairman said BOI has decided to go into extensive research work, collecting information for the next one year.

Under the agreement, UCIL, a fully subsidiary owned by Holcim (Bangladesh) Limited, will issue cumulative redeemable preference shares to the investors who will receive guaranteed dividend income until contractual maturity of the securities.

South East Bank Managing Director Shah Md Nurul Alam, Eastern Bank Managing Director KM Sattar, Dhaka Bank Managing Director Mokhlesur Rahman BRAC Bank Managing Director Aziz Ahmed, IDLC Managing Director Aminul Islam, ULC Managing Director Ramit Budhraya, Holcim Bangladesh Managing Director Paul H Hugentobler and IPDC Managing Director CM Alam were also present at the ceremony.

IPDC okays Tk 452.40m industrial investment

In its 72nd board meeting on Tuesday, the IPDC approved Tk 452.40 million industrial investment, says a press release.

The meeting of the Industrial Promotion and Development Company of Bangladesh Limited (IPDC) was held in the city with Al-Ameen Chaudhury, Secretary of Ministry of Industries in the chair.

IPDC's directors and alternates from the government, International Finance Corporation (IFC), Commonwealth Development Corporation (CDC), and Aga Khan Fund for Economic Development (AKFED) also attended the meeting.

The board approved investments in sub-sectors like textile weaving,

dyeing, printing and finishing, pharmaceuticals, international school, merchant bank, mobile handsets business, mineral water processing, travel agent and cement manufacturing. The total Tk 452.40 m is comprised of Tk 20.0 m equity, Tk 20.0 m redeemable preference shares and Tk 412.40 m in the form of loan, lease, bill discounting and bank guarantee.

The board also gave clearance-in-principle for management to investigate three investment proposals amounting to possible IPDC investment of Tk 123.20 m in the areas of mineral water processing, private airlines and food powder processing.

Australia cuts rates to bolster economy

AFP, Sydney

Australia cut interest rates Wednesday for the sixth time this year in another bid to reduce the impact of the global slowdown on what was described as the world's strongest industrialised economy.

The Reserve Bank of Australia (RBA) announced it was cutting official rates by a quarter per cent to a fresh 31-year low of 4.25 per cent, giving Australians even cheaper home loans as an early Christmas present.

The cut came as Bureau of Statistics data showed Australia tops the league of industrialised economies with a 1.1 per cent quarter-on-quarter rise in gross domestic product (GDP) in the September quarter, and 2.5 per cent growth for a full year which included a contraction in the December quarter.

It leads France with 0.5 per cent growth for the quarter (2.1 for the year) Britain with 0.5 per cent growth for the quarter (1.9 for the year) and Hong Kong with 0.4 for the quarter (but a 0.3 per cent fall for the year), according to a Commonwealth Securities (CommSec) report.

Federal Treasurer Peter Costello cited the bureau data as evidence the Australian economy was "markedly" outpacing much of the developed world.

But Costello told reporters the Australian economy was strengthening at a time when the international economy had turned down.

parts of Asia, Europe and America mired in recession - an impact reflected in a 1.6 per cent seasonally adjusted fall in Australian exports for the September quarter.

Costello warned Australia would not remain immune from the impact.

"This is a very, very difficult world situation and it will start to detract from Australia's export performance over the course of 2002," he said.

The rates cut was welcomed by financial markets which sent the Australian dollar marginally higher against major currencies and by investors in the share market, which rose half a per cent.

The official cash rate has fallen by two per centage points since the start of the year.

Analysts were divided about whether the cut was adequate, but the Australian Chamber of Commerce and Industry (ACCI) said it was modest and would disappoint some business people.

"It reflects an ongoing caution by the bank in the face of the circumstances surrounding us, which will no doubt have negative consequences on Australia," ACCI chief executive Mark Paterson said.

Lending institutions said they would pass the full cut on immediately to home borrowers.

Westpac Bank chief economist Bill Evans said the home loan rate was already at its lowest since 1970, adding: "I think now we are going to be scratching to find a lower rate than this in history."

Switzerland keen to expand trade with Bangladesh

UNB, Dhaka

Switzerland is eager to expand its trade and investment ties with Bangladesh.

New Delhi-based Swiss Ambassador Walter B Gyger said this while talking to Commerce Minister Amir Khasru Mahmud Chowdhury at his office yesterday.

The envoy also laid emphasis on the exchange of visits of trade delegations of both the countries to identify the potential sectors.

Walter Gyger said there is a bright prospect of Bangladesh's garments and ceramic products in Switzerland. But, for that, quality goods should be produced, he added.

He invited Bangladesh to participate in different fairs in Switzerland to familiarise its products.

The Commerce Minister said though trade between the two countries was on the rise, the volume was still too small.

He sought cooperation from Switzerland for increasing Bangladesh's export and WTO-related matters.

The Commerce Minister sought more import from Bangladesh to Switzerland saying that Bangladesh is capable to produce high quality garments and ceramic goods.

Taiwan consumer prices dips to 14-year low

AFP, Taipei

Taiwan's consumer price index (CPI) fell 1.13 per cent year-on-year in November - the biggest fall in 14 years - largely due to higher supplies of fruit and vegetables and lower clothing prices, official data showed Wednesday.

The November CPI was also 0.11 per cent lower from the previous month, said the Directorate General of Budget, Accounting and Statistics (DGBAS) in a statement.

UK leaves rates on hold at 4.0pc

AFP, London

The Bank of England left interest rates unchanged at four per cent on Wednesday, deciding against an eighth reduction in borrowing costs this year against a mixed economic background.

But economists and business leaders said the bank would still probably have to lower rates again early next year to help the economy withstand the lingering shock waves from the events of September 11 and the global economic downturn.

The bank's monetary policy committee (MPC) gave no explanation for its decision Wednesday, but financial circles were scarcely surprised. Sterling oscillated just above 1.42 dollars, while the stock market took the decision in its stride, remaining up around one per cent.

Most economists had predicted that the bank would pause for breath this month after a half-point cut in November that reduced British interest rates to the lowest level for almost 40 years.

"This was in line with our expectations," said Standard Chartered economist Razia Khan. "When you also factor in that they cut by 50 basis points last time around it puts the decision into perspective."

But Khan joined other analysts in predicting that there was ample scope for the bank to cut rates again early in 2002, because the international economic picture remains highly uncertain.

Overall, the British economy is faring better than another other G7 nations, with growth a surprisingly perky 2.1 per cent in the third quarter, and house prices and consumer spending still holding up.