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First private hotel & tourism institute gets govt nod

Move to cater to need of domestic, international markets

STAR BUSINESS REPORT

To cater to growing demand for skilled manpower in hotel and tourism industry in both the domestic and international markets, the government Sunday approved a private sector initiative to set up a training institute in the country.

The institute will be the first of its kind to be run privately, said MS Shekil Chowdhury, Chairman of the newly approved institute -- International Hotel and Tourism Training Institute.

"We want to improve the quality and standards in the hotel and catering industry by introducing training courses designated and approved by the United Nation Development Programme (UNDP), the International Labour Organisation (ILO), the European Union and the state-owned National Tourism Training Institute (NHTTI)," Chowdhury said while addressing a press conference in the city yesterday.

The institute is expected to start operation this month in Sylhet as all other formalities like site selection and selections of instructors have already been done, the chairman said.

He said Bangladesh has abundance in human resources but lacked relevant skills. "The Sylhet venture aims to attract talented young people so that they can compete in the domestic and global hospitality markets."

"The hospitality industry is growing fast and we need skilled manpower to cope with the demand. We are confident that the institute will play a vital role in developing skilled manpower," Shekil Chowdhury said.

He said Sylhet has the experience in the industry abroad with many people from the region doing catering business in the UK.

The institute will provide training on health and hygiene, food and beverage products, food and beverage services, pastry and bakery, customer care, house keeping and tourism management.

Ukhin Maung, a renowned personality in hospitality industry in Bangladesh, will look after the academic side of the institute, Chowdhury said.

He said that a very competent and well-reputed advisory council has been formed to ensure success of the institute.

The chairman said the idea to establish the institute was conceived in mid 2000. A senior cabinet minister is expected in inaugurate the institute, he added.

S Asian leaders set to put off free trade deal by another year

AFP, *Kathmandu*

South Asian leaders meeting in Nepal are set to put off their ambitious plans to turn the region into a free trade area amid political bickering that has stalled the negotiations.

The seven countries in the South Asian Association for Regional Cooperation (SAARC) were due to adopt a framework treaty for a European Union style economic integration last year, but it is now put off until the end of 2002.

"The council of ministers at a meeting on Tuesday decided to have the framework treaty by the end of 2002," said the outgoing head of the SAARC council of ministers, Sri Lanka's Foreign Minister Tyronne Fernando.

SAARC had originally decided to adopt the South Asian Free Trade Agreement (SAFTA) by 2005, but a summit in the Maldives optimistically advanced the date to 2001.

Officials here said SAARC has even failed to conclude the final round of talks on a Preferential Trade Agreement (SAPTA) which should have been in place by 1997.

Fernando said there was no disagreement on putting off the dates for the Free Trade Agreement, but the grouping was discussing new ways to tackle the problem of poverty.

He said SAARC was also working towards developing common positions at negotiations with the World Trade Organisation.

The seven SAARC countries together have a population of 1.3 billion people, or just over a fifth of humanity. It is considered the world's poorest region.

The main reason for the slow progress in trade and economic cooperation within the grouping is squabbling between nuclear rivals India and Pakistan -- the two big members of SAARC who have overshadowed the association since its first summit in 1985.

At the ninth summit in the Maldives in May 1997, both India and Pakistan committed themselves to dismantling trade barriers in a bid to jump start the struggling regional economies.

Pakistan's then foreign minister Gohar Ayub Khan said they could not be the "ostrich of South Asia."

Talks between India and Pakistan over Kashmir alone will boost economic activity in the region and "unleash the latent potential of South Asia," he said.

But a year later, India and Pakistan carried out tit-for-tat nuclear test explosions, dealing another blow to the SAARC process.

India's then foreign secretary K. Ragunath called for monetary union, economic integration and a single currency for South Asia following in the footsteps of the European Union.

But even as most of the European Union fully embraced the euro on January 1, SAARC was putting off plans to move towards trade cooperation.

Ashraf Textile Mills okays 5pc dividend for 2000-2001

Ashraf Textile Mills Ltd has approved a 5 per cent dividend for the shareholders for the year 2000-2001, says a press release.

The dividend was declared at the 19th Annual General Meeting of the company held at the mills premises at Tongi recently.

Abdur Rauf, Chairman of the company, presided over the meeting.

A large number of shareholders including members of the Board of Directors were present at the meeting.

The shareholders highly spoke about constructive activities and development of the mills.

PHOTO: ASHRAF TEXTILE MILLS

Abdur Rauf, Chairman of the Ashraf Textile Mills Ltd, presides over the 19th annual general meeting of the company held on the factory premises at Tongi recently.

New chairman of National Bank Ltd

Abu Taher Miah has been elected Chairman of National Bank Ltd with effect from Tuesday, says a press release.

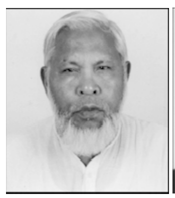
A leading entrepreneur, Miah is one of the sponsor-Directors of the Bank.

He is the Chairman and Managing Director of Orion Ltd, Universal Machinery's (Pvt) Ltd and Mohammad Basir and Co Pvt Ltd.

An eminent social worker, he formed Abu Taher Miah Foundation to conduct social welfare activities in his locality.

He traveled more than 25 countries of the world including USA, UK, France, Denmark, Singapore, Thailand, India and Nepal for business purpose and tourism.

New office bearers of BJMA



Chairman

Vice-Chairman

Md Nurul Islam Patwary of Alijan Jute Mills Limited was elected new Chairman of Bangladesh Jute Mills Association (BJMA), says a press release.

Md Talha of Alhaj Jute Mills Ltd was elected Vice-Chairman of the association.

The election was held at the annual general meeting of BJMA on Sunday.

They were elected for a two-year term for 2002 and 2003.

The six new executive committee members are Syed Mohsen Ali, Kamran T Rahman, M Nasir, Abdur Rob, Bijoy Kumar Modi and Md Zaki.

Malaysia trade surplus shrinks 35pc in Nov

AFP, *Kuala Lumpur*

Malaysia's trade surplus fell 35 percent in November from a year earlier, dragged down by the decline in exports amid the global economic slowdown, government statistics showed Thursday.

The country logged a surplus of 3.9 billion ringgit (one billion dollars) in November, marking the 49th consecutive monthly trade surplus since November 1997, the Statistics Department said in a statement.

But the figure was down 2.1 billion ringgit from six billion ringgit recorded a year earlier.

The department attributed the lower surplus to a 13.4 percent fall in exports to 28.4 billion ringgit outweighing an 8.6 percent dip in imports to 24.5 billion ringgit.

Electrical and electronics products remained the top revenue earner, accounting for 59.2 percent of total exports. Imports of intermediate and capital goods -- mostly used in manufacturing exports and accounting for 86.9 percent of total imports -- were down 10.1 percent.

For the 11 months to November, the trade surplus fell to 49.2 billion ringgit from 56.1 billion in the same period in 2000.

Exports over the 11 months fell 10.1 percent to 308.3 billion ringgit while imports shrank 9.7 percent to 259.1 billion ringgit.

Almost 21 percent of Malaysia's exports go to the United States and economists have predicted that trade will decline further due to the effects of the US recession.

Prime Minister Mahathir Mohamad, who is also finance minister, Tuesday predicted the economy would grow three percent this year, down from an earlier official forecast of a four to five percent expansion.

The premier said the economy was likely to have grown 0.5-1.0 percent in 2001, down from an earlier government projection of one to two percent.

China says it will take another decade to remove yuan controls

AFP, *Beijing*

Chinese state media said Thursday it would take another decade before the country opened up its capital accounts and entirely removed controls on its currency.

The recently emerging threat of a plunging Japanese yen has served to underline the need to be careful about liberalisation in the field, the Xinhua news agency said in its online service.

"In the coming 10 years, China should not rashly open up its capital account," Xinhua said.

China liberalized its current account for transactions in goods and services in 1996, while its capital account remains closed.

The local currency, the yuan, is effectively pegged to the US currency at about 8.28 to the dollar, although local officials refer to the foreign-exchange system as a "managed float."

"The yuan should maintain its long-term stability under the managed-float system in order to prevent excessive international capital flows and the spread of financial crises, and in order to cope with a Japanese devaluation," Xinhua said.

China previously said it would open up its capital account by the year 2000, but that deadline was later abandoned, as policy makers got cold feet from the turmoil of the 1997-1998 Asian financial crisis.

Xinhua said China's entry into the World Trade Organization, which formally took place on December 11 last year, also means opening up the capital account is not a short-term prospect.

"Over the next decade, China should concentrate its efforts on the economic restructuring necessitated by WTO entry," Xinhua said.

"We cannot fight a two-front war at the moment. We must first look inwards (in carrying out reform), and then outwards," the agency said.

Bush eases cold war restrictions on computer exports

AP, *Crawford*

President, George W. Bush eased Cold War restrictions Wednesday on high-performance computer exports to Russia, China, India and Pakistan.

From his Texas ranch, Bush notified congressional leaders that he was raising the threshold for government approval of computer exports to "Tier 3" nations, a category that also includes Israel.

Under the relaxed export control standards, individual licenses and prior government review will be required only for the export of computers that perform more than 190,000 MTOPS, or millions of theoretical operations per second.

The current threshold is 85,000 MTOPS, a performance standard that has become commonly available.

"These reforms are needed due to the rapid rate of technological change in the computer industry. Single microprocessors available today-by mail order and the Internet perform at more than 25 times the speed of supercomputers built in the early 1990s," said White House deputy press secretary Scott McClellan.

"These changes will advance the president's goal of updating the US export control system so that it protects US national security and, at the same time, allows America's high-tech companies to innovate and successfully compete in today's marketplace," the spokesman added.

The computer chip industry pushed for the increase last year in a compromise offer. Ideally, the technology companies would like to do away with the MTOPS standard completely, saying it would give the president more flexibility in restricting exports of high-powered computers.

Critics say a better tactic to protect national security would be to restrict just the export of certain software, such as programmes to model nuclear explosions or missile guidance systems.

ECB holds key rates steady

AFP, *Frankfurt*

The European Central Bank held its key interest rates steady as expected at its first policy-setting meeting of 2002 here on Thursday, the bank said.

The ECB said it was holding the minimum bid rate on its regular "refi" refinancing operations steady at 3.25 percent. It also left its two other key rates, the deposit rate and the marginal lending rate, unchanged at 2.25 percent and 4.25 percent respectively.

Promotional campaign for Pringles chips starts Saturday

A promotional campaign for Pringles chips will be launched on Saturday in and around Dhaka city, says a press release.

Pringles chips, manufactured and marketed by Procter and Gamble, is available in most countries around the world and is known all over the world for it's fun-loving and happy-go-lucky image.

The Pringles promotional campaign will be launched at PQS at Uttara, Stop n Shop at Dhanmondi, Family Needs at Uttara, Shop & Save at Uttara, and Agora at Dhanmondi.

Pubali Bank pre-tax profit rises by 38pc

Pubali Bank Ltd (PBL) earned a pre-tax profit of Tk 120.54 crore in the year 2001, which was 38.36 per cent increase over the previous year, says a press release.

In 2002, the bank earned a profit of Tk 87.12 crore.

The bank secured total deposit of Tk 3234.10 crore in 2001 which is 6.82 per cent higher than that of the previous year.

In 2000, the bank secured a total deposit of Tk 3027.39 crore.

Loans and advances of Tk 2355.09 crore has been disbursed during the year 2001 as against Tk 2160.97 crore of the previous year marking a 9 per cent rise.

The total recovery from classified loans and advances was Tk 157.23 crore during the year 2001 as against Tk 122.00 crore of the previous year making a rise of 29 per cent.

Total imports and exports business handled of Tk 2380.11 crore during the year 2001 and inward foreign remittance business handled of Tk 506 crore during the year 2001 as against Tk 256 crore of the previous year making a rise of 97.36 per cent.

Pubali Bank relocates its Ctg Port Branch

Pubali Bank's Port Branch in Chittagong has been shifted to new premises.

The Managing Director of the bank Khondkar Ibrahim Khaled inaugurated the new premises recently, says a press release.

Speaking on the occasion, the Managing Director of the bank said the bank has given more importance to technological improvements and modernisation with a promise to keep elevation of its original tradition for better customer service.

A milad mehfil was held in the occasion.

Among others Kashimuddin Ahmed, General Manager, Chittagong, regional heads of North and South Zone, local elite and businessmen were present on the occasion.

Dollar knocks euro as reality sets in

AFP, *Paris*

The euro took a knock from the dollar Thursday as marketplace reality dimmed the glow of the birth of euro cash, praised as a great success by officials but still encountering teething problems.

Across the 12-nation euro zone, the distribution of euro banknotes and coins to businesses and banks remained spotty.

Bottlenecks for retailers in taking in old coins and giving euros in exchange clouded official expectations that the single European currency would dominate transactions by the weekend.

The European Central Bank was expected to pronounce the launch of euro cash a success, and also to maintain its key interest rates in the euro zone unchanged.

The successful launch of euro cash Tuesday, making tangible for 304 million Europeans the common currency that debuted three years ago, even carried "europhoria" to China, where the euro soared high above its official exchange rate on a currency black market long dominated by the dollar.

But in the second day of trading on foreign exchange markets, the euro shed part of strong gains made on Wednesday, the first working day of the New Year.

In London, the euro was being quoted at 0.9014 dollars, after peaking at 0.9063 on Wednesday. The dollar was boosted by encouraging US data and big institutional investors were unaffected by the appearance of euro notes and coins.

The euro also was also being quoted at 118.89 yen from 119.38 earlier in Tokyo.

On Tuesday the currency had soared more than one cent against the dollar, breaking through the key 0.90-US cent threshold to ride as high as 0.9063 dollars, up from 0.8912 on Monday.

The European Central Bank, often accused of failing to support the euro, was expected to give the cash launch a glowing assessment at a news conference later Thursday.

The normal news conference at which ECB President Wim Duisenberg usually explains the reasoning behind the bank's latest monetary policy decisions has been set back by half an hour and will be preceded by a separate news conference held jointly by Duisenberg, EU Commissioner Pedro Solbes and the new head of the ECOFIN council, Rodrigo Rato.

The topic of that first conference is "the historic introduction of the euro banknotes and coins", and the three heavyweights will present the first official data on progress of the euro changeover.

But the markets will closely watch the ECB decision on interest rates. Most analysts expect the central bank would leave its benchmark rate unchanged, at 3.25 percent. But many accuse the ECB of sluggishness in cutting rates in response to the global downturn.

The euro is under additional pressure to win over public opinion as quickly as possible after Solbes predicted that the euro would dominate transactions by the weekend and be used in 90 percent of transactions after the first two weeks.

The launch of the euro cash had gone with few hitches, according to Citibank analyst Robert Sinche, who said the euro had strengthened on promising economic outlook reports for Europe.

Bear Stearns analysts Steve Barrows said the euro now had to prove itself, but could reach parity with the dollar by mid-year, perhaps climbing as high as 1.05 dollars by year's end.

Since it was launched on financial markets at a rate of 1.1668 dollars three years ago, the euro has struggled to match up to the powerful dollar. It crashed below parity within a year and fell as low as 0.8230 dollars late in 2000 before stabilizing somewhat last year.

Meanwhile, many glitches in the euro cash launch were the result of surprisingly strong demand for the cash, especially in northern countries such as Germany and France.

On the first two days of the euro cash era, Germans withdrew four billion euros (3.6 billion dollars), while the Spanish took out 2.5 billion

Small businesses at risk over euro timetable

AFP, *Brussels*

Many small and mid-sized businesses risk big problems with the euro because they do not understand the difference between the December 31 deadline for switching business operations and the two-month dual-currency transition period, experts said Wednesday.

The 12 euro-zone countries vary in the period in which their old currencies and the new euro may circulate side-by-side, with the longest being until February 28.

However many smaller companies have not read the fine print which says they had to be up and running as euro-based entities doing all business transactions in euros on January 1.

"The cash changeover seems to be going very well," said Noel Hepworth, euro project director of the Brussels-based European Federation of Accountants (FEE). "But that's not the point.

"My concern is for the capacity of businesses to handle the euro...and if they can't handle the damned things, the whole thing is buggered up."

A business unable to perform all trade functions in euros from day one is not considered a legally operating company, he said.

It thus risks severely diminished business capacity and cash flow, a lower or lost bank credit rating, inability to meet its payroll and, consequently, possible bankruptcy.

"I'm talking about mom-and-pop shops, small entrepreneurs, manufacturers, concerns that basically keep their accounts on a spread sheet," he said in a telephone interview from London, where the FEE maintains offices.

"They never prepare for anything. They have a policy of just muddling through. But this is a type of change that has not been in any company's experience before," he said. "There was an absolute deadline of December 31, and it's for everybody.

"This is a point of intense confusion," said Hepworth. "Any contract, to be legally certain, has to be entered into in euros from the first of January...The February 28 dual circulation deadline concerns only cash transactions."

Hepworth has been sounding alarms to the European Commission on this for more than a year and is regarded as a bit of an alarmist by some in the banking sector.

PHOTO: PUBALI BANK

Khondkar Ibrahim Khaled, Managing Director of Pubali Bank Limited, inaugurates the bank's new premises of Port Branch in Chittagong recently.