

Emirates offers holiday prizes to travellers

Emirates is throwing its weight behind next year's Dubai Shopping Festival with a major on-board promotion - in which air travellers can win top holiday prizes, says a press release.

Each week in January and February, one lucky traveller on an Emirates service to Dubai chosen at random will win a prize holiday for a family of four - and the campaign reaches its climax with a draw for the Grand Prize at the end of the campaign.

The nine prize holidays, one a week, feature return economy flights, five nights' bed and breakfast in a sea-view room at Le Royal Meridien Beach Resort and Spa, transfers by chauffeur-drive car, an Arabian Adventures city tour, safari, and meet & assist on arrival. Everyone who enters, even the nine winners, is eligible for the Grand Prize, also for two adults and two children.

It includes return Business class flights to Dubai from any Emirates destination, seven nights in a sea-view room with breakfast at Le Royal Meridien, and a Holiday Credit of US \$5000 towards the cost of any Emirates Holidays vacation in its 2001/2 brochure, as well as a city tour and safari, chauffeur transfers, and meet & assist service.

Sponsors of the highly attractive promotion are the Emirates Group, Le Royal Meridien and Arabian Adventures, who are now working together to get Dubai Shopping Festival 2002 off to a flying start - and tempt more people to take to the skies.

Entry forms will be placed in every seat pocket from 1st January for travellers to fill in and hand to crew, or mail to the airline. Prizes may be taken between 15th May and 15th September 2002, subject to availability. The Holidays Credit is valid to 31st March 2003.

Indonesian GDP grows 3.5 pc in 2001

REUTERS, Jakarta

Indonesia's economy grew by around 3.5 per cent in 2001 according to preliminary figures, against 4.8 per cent in 2000, a statement from chief economics minister Dorodjatun Kuntjoro-Jakti said.

"Although the overall global economy was plagued by recession, the Indonesian economy throughout 2001 showed a good performance, which is shown, based on preliminary figures, by the 3.5 per cent growth in GDP," Dorodjatun said in the statement.

According to the Media Indonesia daily, he separately told reporters: "Indonesia's economy in 2002 is expected to grow above four per cent while the inflation (rate) can be pushed down to around nine per cent."

Dorodjatun said in his statement that: "The relatively good performance (for 2001 GDP) can be attributed, among other things, to the strong growth of the domestic market, pushed by demand for consumer goods and by local investment."

"High growth rates were recorded in the power sector, the gas sector, the clean water sector, the transportation and communications sector and the trade and manufacturing sector."

Sweden's largest union against referendum on euro this year

AFP, Stockholm

Sweden's largest union, the Trade Union Confederation (LO), has rejected Prime Minister Goeran Persson's recent suggestion that a referendum on adopting the euro could be held this year, insisting that it be held no earlier than the autumn of 2003.

"There is a lot to be said for waiting at least one year after the election, that is to say autumn 2003, before holding a referendum," LO chairman Wanja Lundby-Wedin told the financial daily *Finansstidningen* on Thursday.

Sweden is set to hold legislative elections on September 15 this year.

"If a referendum is held before autumn 2003, I have a hard time seeing that the prerequisites exist for us to be able to recommend to our members a 'yes' vote," she said.

If Persson presses ahead with a euro referendum before the autumn of 2003, he would risk losing the LO's support in the euro plebiscite, as well as the support of the Social Democrats' traditional voter base within the LO in the September legislative election.

Actual software export 10 times higher than official figure

Jamilur Reza Choudhury tells seminar on e-commerce

STAR BUSINESS REPORT

Actual export earning from software service is 10 times higher than the official figure of US\$ 15 million, Professor Jamilur Reza Choudhury, Chairman of the national taskforce on IT, told a seminar.

"The actual income is not being recorded because software service exporters are not bringing their earnings in the country," he said while speaking as chief guest at a seminar titled 'Prospect of E-commerce in Bangladesh' at Institution of Engineers, Bangladesh (IEB) in the city Thursday.

Ahmed Salman, an e-commerce expert and Managing Director of Knowledge Plant Ltd, made a presentation on the topic at the seminar organised by Engineering Staff College, Bangladesh.

Expressing his frustration about slow development in exploring the IT-related services in the country, Jamilur Reza said local entrepreneurs are more interested in making quick buck.

Instead of developing software locally they are still preferring to be local agents of foreign companies to get 5 to 10 per cent commission," he observed.

The government has to come forward to patronise the development of human resources at the top managerial level in IT sector. Citing examples of making passport forms, SSC and HSC examinations results available in the web sites, he felt, these initiatives will help generate huge employment in the sector and people would also be benefited.

In his presentation, Ahmed Salman said Bangladesh has high potentials

in off-line tele-servicing including medical and legal transcriptions, data input, web development and so on. "Least developed countries (LDCs) have prospect in the new service-oriented e-commerce business."

Rather than business to consumer, the country has prospects in business to business e-commerce, particularly between small and medium enterprises, he mentioned.

At least to retain the present exports, the country has to embark on e-commerce shortly but take lessons from dot com failure in other countries, Salman recommended.

He listed lack of telephone connections, strong independent regulatory body for the telecom sector and necessary encryption laws as the major obstacles to the development of e-commerce in Bangladesh.

Steps should be taken to create e-commerce ministry like that of the UK, take e-commerce for important element of international competitiveness like export promotion and proper measures for smooth port and customs clearance, the expert suggested.

Any serious IT or e-commerce implementation in an organisation will not succeed without the recourses of business process reengineering (BPR) and change in management, he said.

"In fact, BPR, management change and electronic customer relationship management (eCRM) are badly needed for efficient business management in the coming days," Salman observed.

Indo-Pak row closes down \$1b illicit border trade

AFP, Karachi

The military buildup along the Pakistan-India border has virtually closed down illicit trade between the countries worth some 1.0 billion dollars a year, traders said Friday.

The frontier between Pakistan's Sindh province and India's Rajasthan state is normally a haven for smugglers from both countries who shuttle all manner of goods back and forth under the noses of border guards.

But the overwhelming military presence mobilised in the aftermath of the December 13 attack on India's parliament has defeated the smugglers.

A steel cordon has replaced the rangers who had only jeeps, horses and camels to patrol the border, and no modern communication equipment.

"Generally we are not able to check all the siphoning points along the long border with India with our meagre paraphernalia," said a senior official in the Pakistan rang-

ers who requested anonymity.

With all the focus on the border, corrupt officials who once connived with the smugglers have also been forced to toe the line, said one trader who also declined to be named.

Perennially poor relations between India and Pakistan have hampered legal trade, which was worth just 293 million dollars in the 2000-01 financial year, and confined to a dozen approved items.

Illicit trade, however, is believed to be worth three times as much.

"The parallel trade between India and Pakistan is worth not less than one billion dollars and these illegally traded goods cater for some essential consumer demands," said bulk commodity trader Raees Ashraf Tar Mohammad.

Pakistani traders send opium, hashish, heroin, gold, silver, bronze and almonds to their Indian counterparts.

Indian merchants barter for those goods with wine, chemicals (particularly acetic anhydride used to make heroin), spices, betel leaf

and cattle.

Thousands of Indian-raised cows are now being herded to the border ahead of the Eid-al-Adha festival, when Muslims offer animal sacrifices in honour of the Prophet Abraham.

"This will hit the cattle market, which is expecting a boom in only a month's time with the fall of Eid-al-Adha," a cattle trader said.

Reflecting the halt on smuggling, the price of betel leaf has soared since the two countries began exchanging menacing war rhetoric and tit-for-tat sanctions.

"The price of betel leaf has shot up by 50 per cent, due to the suspension of air, rail and bus services last week - from 400 rupees (6.65 dollars) per kilogram to 600 rupees," said betel leaf retailer Mohammad Ramazan.

Betel leaf, chewed enthusiastically across the subcontinent with tobacco and betel nuts as additives, is typically smuggled to Pakistan by people commuting by rail, bus and air.

Filipino inflation slows to 18 months low

REUTERS, Manila

Philippine inflation slowed to an 18-month low in December, providing room for more rate cuts and cheaper credit, but fresh data from the vaulted export sector remained depressing, officials and analysts said Friday.

While inflation should continue to ease in coming months, exports are likely to have fallen up to 16 per cent in 2001 and may not begin to recover until the second quarter of 2002, the analysts said.

The National Statistics Office said exports, the star performer of the economy for several years, fell 14.7 per cent year-on-year in the January-November period. In November alone, exports fell 20.7 per cent, which analysts ascribed to the effect of the September 11 attacks on the United States.

But the inflation data was heartening and opened up room for more interest rate cuts. The December annual inflation figure of 3.9 per cent was the lowest since June 2000, when it was at the same level.

Inflation for all of 2001 came in at 6.0 per cent, the lower end of the government's targeted 6-7 per cent range.

A rate cut now seems more or less certain, analysts said.

"Given the continued slowdown in domestic demand and disinflationary pressures from lower oil prices, inflation should continue to moderate in the coming months," said Charlie Lay at 4cast Ltd.

Central bank Governor Rafael Buenaventura left overnight rates unchanged at a policy meeting on Thursday but said there was room to ease by up to half a percentage point. He has pointed to inflation as a major influence.

Swiss consumer prices rise by 1pc in 2001

AFP, Neuchatel, Switzerland

Inflation in Switzerland rose on average by one per cent in 2001, compared to 1.6 per cent a year earlier, according to official figures published on Friday.

In December alone, the index of consumer prices remained practically unchanged from the previous month, the Federal Office of Statistics said.

Compared to December 2000, the rate of inflation was 0.3 per cent, and the same increase was recorded in November 2001 compared to the same month a year earlier, the Office said.

The rate of 0.3 per cent is the lowest since February 1999.



Bank employees shout slogans against the government and multinational banks during a protest outside Standard Chartered Bank in New Delhi yesterday. India's banking system was thrown into disarray as more than 600,000 employees of various state, foreign and private banks went on strike over the alleged 'anti-labour' policies of Britain's Standard and Chartered Bank.

Weekly Currency Roundup

December 30, 2001 - January 3, 2002

Trading in the local foreign exchange market was moderate. The weekly Treasury bill auction held on Sunday, Bangladesh Bank accepted treasury bills worth of BDT 18,775 billion only against a maturity of BDT 2.35 billion during the week. The call money rate ranged between 8 to 10 per cent during the week.

Trading was thin in the international foreign exchange markets early in the week due to year-end holidays. Year 2002 started with the launching of euro notes and coins in the Euro land, marking the beginning of a new era. Europeans queued at the cash counters at midnight on the eve of New Year to get a grip on the first crisp euro notes.

Later in the week, euro gained ground against dollar and yen reaping the benefits of a smooth introduction. European Central Bank's (ECB) first policy meeting in the New Year was supposed to be held on Thursday, though the market did not foresee any cut in the refinancing rate. Yen did against dollar and the single currency during the week. Although yen recovered some of its losses against the dollar early in the week, traders and analysts rightly believed the rebound to be mild and temporary. Sterling also registered loss against euro later in the week on the backdrop of expectations of Britain joining the European economic and monetary union.

At 1700 hrs on Thursday, euro traded at 0.9021/26 against dollar, pound sterling at 1.4442/48 and yen traded at 131.87/92 against US dollar.

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Tata Consultancy signs \$43.5m IT deal with UK firm

AFP, Bombay

India's largest software exporter, Tata Consultancy Services (TCS), announced Thursday a 43.5 million-dollar deal with Britain's United Utilities Plc for delivering information technology services.

Tata Consultancy said the agreement was for a three-year period, with the option of renewal for another five years.

As part of the deal, TCS will provide general IT requirements and intelligence gathering to United Utilities, support and maintain various IT platforms of the British company and develop software applications.

"The main objective for us at United Utilities was to enhance efficiencies across our business, including the provision of IT services. We found TCS offering the best match for our requirements," said Les Dawson, managing director of United Utilities Services, a division of United Utilities.

Russia to reduce debt to 48pc of GDP this year

AFP, Moscow

The Russian public debt will have been reduced to 48 per cent of gross domestic product (GDP) by the end of 2002 compared with 55 per cent last year, Interfax news agency quoted Finance Minister Alexei Kudrin as saying on Friday.

Kudrin also said the government did not plan to request loans from the International Monetary Fund this year, as he outlined the ministry's main objectives for 2002.

Moscow last borrowed money from the IMF in mid 1999. This year, Russia plans to reimburse 14.5 billion dollars (16.2 billion euros) in foreign debt, including 6.85 billion dollars in principal.

On December 12, the IMF said that a team of officials visiting Moscow since late November had reported strong progress in Russia's ability to handle future crises.

"It is the mission's assessment that the large external current account and fiscal surpluses, together with the relatively comfortable level of foreign reserves, have placed Russia in a strong position to deal with the less favourable (global economic) environment," the fund said in a statement.



A Pakistani wholesaler sort out betel leaves in southern Karachi yesterday. The prices of betel leaf and other commodities, which are widely smuggled from India into Pakistan, shot up as borders are blocked due to Pakistani and Indian troops accumulating along the borders amidst growing tension. Industry estimates say the size of the smuggled market between the two countries stands at one billion US dollars.

Koizumi vows 'every measure' to stave off financial crisis

AFP, Tokyo

Japanese Prime Minister Junichiro Koizumi vowed Friday to take "every possible measure" to prevent a financial crisis as part of his drive for structural reform of the country's flagging economy.

But he denied his government would put off the planned introduction of a cap on its guarantee on bank deposits, a measure which is feared could lead to depositors withdrawing money from weaker banks, destabilizing the financial system.

"We will take every possible measure to prevent a financial crisis," the premier told reporters at his first set-piece news conference of the New Year. "The disposal of bad loans is steadily under way at present."

"In the process, we are preparing to take not only bold, but also flexible measures to avoid unnecessary confusion," he added.

The premier was speaking after the publication of a newspaper interview with a key economic minister who said Japan would consider injecting further public funds into banks and extending the blanket guarantee on bank deposits if there was a financial crisis.

The government is planning to cap its guarantee on individuals' bank time deposits to 10 million yen (76,000 dollars) from April 1, although demand deposit guarantees will continue for another year.

But there is persistent pressure from within the ruling party against the so-called "payoff" cap which economists argue could help straighten

out the troubled banking system.

The payoff would be introduced as scheduled, the premier insisted.

"I don't consider postponing it," Koizumi said. But Heizo Takenaka, the state minister for economic and fiscal policy, told the Nihon Keizai Shimbun economic daily the government would have to consider the fund injections on the deposit guarantee cutoff "if there was a situation where financial institutions were failing one after another."

Takenaka added, however, that current economic conditions did not warrant such emergency measures.

"If you ask me if conditions are ripe for such a scenario, I think that is too big a leap," he was quoted by the paper as saying.

Japan executives see tough year, plan wage cuts in '02

AFP, Tokyo

Most top Japanese business executives expect the recession-hit economy will not see an upturn until October and are planning to cut wages or lay off staff this year, according to a survey.

A hundred top executives at major Japanese companies said they were trimming labor costs in order to weather the information technology slump and weak overall economic conditions, the survey by Kyodo News Agency found.

Already 41 companies had slashed wages and another 30 were planning or considering cuts, the

news agency said a report late Wednesday.

"Forty-seven companies have reduced or plan to cut staff and another eight are considering it," it added.

Nearly 80 per cent of the surveyed firms said they believed the economy would not begin to recover until after October 2002, Kyodo said.

The majority of business leaders advocated deregulation of the economy, writing off of non-performing loans held by banks and the establishment of an employment safety net as ways to improve the economy.

"The best road (to economic recovery) is to steadily resolve such

structural problems as the disposal of bad loans and the budget deficit," said Mikio Sasaki, president of major trading house Mitsubishi Corp.

Of the surveyed companies, 70 per cent said they expected the nation's economy to either be flat or contract up to one per cent in the fiscal year to March 2003.

Over half said sluggish personal consumption was dragging down economic prospects, while others cited the US economic slowdown, rising unemployment and deteriorating company earnings as standing in the way of recovery, the report said.