

Prime Textile Spinning okays 10pc dividend

Prime Textile Spinning Mills Ltd has declared a 10 per cent dividend for the shareholders for the year 2000-2001, says a press release.

The dividend was announced at the thirteenth Annual General Meeting of the company held at its premises at Nandalalpur in Narayanganj on Thursday.

The Chairman of the Board of Directors of the company MA Awal, presided over the Meeting.

The meeting also approved the audit report for the year 2000-2001 and the appointment of director and new auditor.

A large number of shareholders attended the meeting.

Malaysia seeks agri sector co-op with Bangladesh

Tuan Guru Haji Abdul Hadi Awang, Chief Minister of Terengganu state of Malaysia, called on Matiu Rahman, the President of the Dhaka Chamber of Commerce & Industry (DCCI), at the latter's office on Thursday, says a press release.

While exchanging views with the members of the DCCI Boards of Directors, Tuan Guru mentioned that there is an ample scope for cooperation between Malaysia and Bangladesh in agriculture sector.

He said Malaysia and Bangladesh are blessed with huge natural resources which are not in proper use. Through concerted efforts including transfer of technology, the two countries might achieve huge economic growth.

Matiu Rahman gave a brief resume of the services provided by the DCCI to the business community of the country. Mentioning the incentives offered by the government for foreign investors, he urged the business community of Malaysia to take the opportunity.

About the volume of trade between Bangladesh and Malaysia, the DCCI President said trade between the two countries has been declining in spite of having good opportunities for further development. Business communities from both the sides should come forward and tap the full trade potential, he added.

Among others, DCCI Senior Vice-President Shabbir Ahmed Khan, Director Ahmed Hossain Mojumder and former Director Geasuddin Ahmed, attended the meeting.

Japan falls into deflationary spiral: Analysts

AFP, Tokyo

Weak wholesale prices and tight money supply figures released Friday show Japan has fallen into a deflationary spiral, analysts said.

Domestic wholesale prices in December remained unchanged from a month earlier but showed a 1.4-per cent drop on an annual basis -- the 15th straight month of year-on-year declines, the Bank of Japan said.

"We are in a deflationary spiral," said Seiji Adachi, an economist at Credit Suisse First Boston.

"If you look at the components, almost all manufactured goods are now in negative territory," he said. "Last time, a few sectors like plastics were positive, but they have turned negative as well."

"All prices are now falling, which means demand is very tight."

With Japan wallowing in its third recession in a decade, prices would continue to decline, agreed UBS Warburg economist Ayako Mitsui.

"We believe the trend would still remain downward with weak demand remaining dominant," she said.

Sanyo seeking tie-up with Samsung

AFP, Tokyo

Japan's Sanyo Electric said Friday it is considering a tie-up with South Korean electronics giant Samsung but no concrete plans have been set.

The two companies were in talks that could result in them joining their development of technologies for new products, including fuel cells, a company official said.

"It is true that we are consulting with Samsung with a view to a tie-up," said a spokesman for Sanyo Electric Co. Ltd., a major producer of consumer electronics and batteries. "But we have not yet made any decision in specific terms."

He added next-generation technologies for key electronic goods were on the agenda. "Fuel cells are part of that."

Remittance marks 20.5pc growth during July-Nov

Central bank's tough stand against hundi helps improve situation

STAR BUSINESS REPORT

With the central bank taking tough stand against *hundi*, remittance flow through official channel improved significantly marking 20.53 per cent growth during July-November period of this fiscal.

The increase was 6.52 per cent during the same period of last fiscal. Total remittances went up by US\$ 158.57 million to \$930.97 million in the first five months of FY02 against \$772.40 million during the corresponding period of last fiscal, according to the central bank estimate.

"Of the first five months, November witnessed highest flow of green-back amounting to \$199.98 million from the non-resident Bangladeshis," said a top official of the Bangladesh Bank (BB).

The total remittance flow last year stood at US \$1882.10 million. The amount was 3.45 per cent less than that of previous fiscal, which was \$1949.32 million.

In order to improve remittance inflow through official channel, the central bank initiated a number of steps against *hundi* last year that is ultimately yielding results now, the official said.

"BB took some bold steps and it even did not hesitate to take actions against some bank officials patronising *hundi*," he went on. "As Middle East is the major source of our remittance, ongoing global recession has not hurt remittance inflow much."

Remittance is other major source of foreign exchange of the country after the export sector.

Against the backdrop of poor export performances this fiscal, the increased remittance has helped check slide, to some extent, in foreign exchange reserves. The country's foreign exchange reserves stood at \$1.05 billion on Tuesday.

According to bankers, some official of the foreign branches of the nationalised commercial banks (NCBs) also patronise *hundi* business.

There are also organised groups running *hundi* business inside the NCB foreign exchange branches in the country, said a banker.

According to researchers, around 40 per cent of the country's total volume of remittance is channelled through illegal *hundi* business and 46 per cent through official sources. Some 4.61 per cent remittance is carried personally by friends and relatives, and about eight per cent by migrant workers themselves when they visit home.



MA Awal, Chairman of the Board of Directors of Prime Textile Spinning Mills Ltd, presides over the 13th annual general meeting of the company held at Nandalalpur in Narayanganj on Thursday.

Japan urges ASEAN to expand ties from China to Australia

AFP Bangkok

Japanese Prime Minister Junichiro Koizumi swept into Thailand Friday on whirlwind tour aimed at shoring-up relations with ASEAN while pressing the bloc to expand relations from China to Australia.

Koizumi, on the third leg of his week-long Southeast Asian trip, held talks with his Thai counterpart Thaksin Shinawatra.

"Based on the current framework of ASEAN plus three (Japan, China and South Korea), we would like to step up our cooperation," Koizumi told Thaksin, according to a Japanese official.

"It is natural for us to work together with Australia and New Zealand."

Thaksin gave his full backing to Koizumi's remarks saying "Thailand

fully supports your initiative" and "we would like to cooperate with you," the Japanese official said.

Koizumi also pledged that Japan would play a strong role in the development of ASEAN members.

"Political stability is inevitable for economic stability. From that point of view we would like to contribute to the stability in the entire region," he said on arrival from Malaysia.

"With that idea, we would like to make an effort to develop each country in the region."

Japan and ASEAN need to "expand cooperation to China, South Korea, as well as Australia and New Zealand," Koizumi said.

"Relations between Japan and ASEAN are not supposed to be closed."

During the meeting, Koizumi and Thaksin agreed to form a united

front for an anti-drug campaign and to cooperate in Myanmar's democratisation.

Thai government spokesman Yongyuth Tiypairat said after the meeting that Japan had agreed to help on issues regarding Myanmar, where the military junta is engaged in reconciliation talks with democracy leaders.

"Japan agreed in principle to be a core in creating stability and reconciliation in Myanmar," he said.

Yongyuth added that Thailand also invited Japan's Crown Prince Naruhito and the royal family to visit Thailand.

Analysts said Koizumi planned to use this trip to boost Japan's profile in the region in a bid to counter China's intensified dialogue with members of ASEAN.



Tuan Guru Haji Abdul Hadi Awang, Chief Minister of Terengganu State of Malaysia (2nd from left), exchanges views with The Dhaka Chamber of Commerce and Industry (DCCI) President Matiu Rahman (2nd from right) at the Chamber Thursday.

Sept 11 attacks to cost US 1.6m jobs

AP, Los Angeles

The Sept. 11 terrorist attacks will cost the country more than 1.6 million jobs by the end of the year, according to a study released Friday.

The Milken Institute, a Santa Monica-based economic think tank that conducted the study of 315 cities, said the losses will spread across industries, from restaurants to financial services to aerospace.

"The consequences of Sept. 11 for individuals and unique localities have been profound," the report said.

Already, 248,000 jobs have been lost because of the attacks, the institute said.

This year, New York City is expected to lose nearly 150,000 jobs, followed by Los Angeles with 69,000 jobs, and Chicago with at least 68,000, the report said.

Las Vegas will prove the single most vulnerable metropolitan area in percentage terms: The report said it is likely to see nearly 5 per cent fewer jobs this year because of the attacks.

"The good news is that many of those jobs

should come back," said Ross DeVol, director of regional studies at the Milken Institute.

Most cities are expected to begin to recover in 2003, with the exception of New York, which should start its rebound a year later, the report said. However, DeVol said the economic damage will linger into 2004.

The US Labor Department, which tallies job losses, found a total of 1.1 million jobs were lost from September through December. Those four months account for all but 300,000 of the jobs lost since the recession began in March, the department's statistics show.

The Milken report used economic models to extrapolate employment losses based on each metro area's economic trends prior to Sept. 11.

Of the estimated 1.6 million job losses this year that it ties to the terrorist attacks, 760,000 will be directly related to the attacks, with two-thirds of those in travel and tourism, the report said. The rest will be due to a ripple effect, it said.

The largest drop-off will be in air transportation, accounting for about 20 per cent of the lost jobs, the report said.

Spending on airline travel dropped 38 per cent in September, a decline of \$12.5 billion, and improved only modestly in October. In October and November, the industry cut 81,000 jobs, or 6.2 per cent of its workforce.

The entertainment and advertising sectors will lose 150,000 jobs as a result of the attacks, primarily because companies are slashing advertising budgets, the report said.

New York lost billions of dollars worth of assets and thousands of jobs directly related to the shutdown of its financial district in the week following the attacks.

In Las Vegas, one in every 20 casino jobs was cut in the six weeks after the attacks.

John Parker, a former housekeeping employee at the Rio hotel casino, has been laid off since October. He was at the Catholic Charities social services office Thursday looking for help with his \$800-a-month rent.

"I sold everything I had in my house to pay for the rent in November and December," said Parker, 39, a single father of two. That included his furniture and television.

Square Toiletries sales confce begins

OUR CORRESPONDENT, Pabna

The two-day Annual Sales Conference-2002 of Square Toiletries Ltd, a leading cosmetics manufacturer in the country, began in Pabna yesterday.

Chairman of Square group Samson H Chowdhury inaugurated the conference.

Managing Director of Square Toiletries Anjan Chowdhury urged the employees to maintain the company's goodwill.

General Manager SK Das discussed the company's future development plan.

Deputy General Manager (Finance) Mahmudul Hoque explained financial management of the company while Sales Manager Mohammad Tareque dwelled on sales and distribution policies. Assistant Sales Manager (Marketing) Gazi Mahfuzur Rahman highlighted the marketing strategies for 2002 of the company.

A total of 262 executives and sales representatives attended the convention.

Ford plans to cut 1m units

REUTERS, Windsor

Ford Motor Co plans to cut one million units of its production capacity worldwide as part of a sweeping restructuring plan, the head of the Canadian Auto Workers union said after meeting Ford officials Thursday.

"Their argument is they need to cut one million units throughout Ford Motor Company and everyone knows that's a lot of jobs," said CAW President Buzz Hargrove.

"We're frustrated, we're angry," Hargrove said, after a closed-door meeting with senior Ford executives, including the company's chief of labour relations, in this city across the river from Detroit.

Hargrove declined to give specifics of the job cuts Ford is expected to announce when it reveals details of its long-awaited turnaround plan on Friday. But he said the cuts would be made in the United States, Canada and Europe.

Speculation has centered on reports that Ford will cut about 12,000 white-collar jobs and announce plans to close three North American assembly plants, including one in Ontario, Canada, as part of its strategy to return to profitability after its first annual loss since 1992 in 2001.



The two-day Annual Sales Conference-2002 of Square Toiletries Limited began yesterday in Pabna. Picture shows (from left) General Manager of the company SK Das, Managing Director Anjan Chowdhury, Deputy General Manager Mahmudul Hoque and Sales Manager Md Tareq at the inaugural function of the conference.

Bush backs probe into Enron as financial scandal grows

AFP, Washington

US President George W. Bush backed Thursday a criminal investigation into bankrupt energy titan Enron, distancing himself from an exploding financial scandal.

US Attorney General John Ashcroft removed himself from the probe because of his relationship with the company, a generous supporter of Bush since his days as Texas governor.

The collapse of Enron on December 2 was the biggest bankruptcy in history. Many Enron staff had their pensions in company shares and lost their life savings.

Bush, who has enjoyed hefty campaign contributions from Enron chief executive Ken Lay, denied having any conversations with him about the firm's woes before its collapse.

"I have never discussed with Mr. Lay the financial problems of the company," Bush told reporters at the White House.

"He supported my candidacy," he acknowledged, but added: "This administration will fully investigate issues such as the Enron bankruptcy to make sure we can learn from the past and make sure that workers are protected."

Bush spokesman Ari Fleischer

said Lay had called Treasury Secretary Paul O'Neill and Commerce Secretary Don Evans as he faced mounting debt woes in October.

But both senior officials had decided the failure of Enron did not warrant their intervention, he said.

According to Fleischer, Bush was not informed of the contacts.

The president learned about Enron's financial situation "last fall", Fleischer said.

"And I could not tell you if he learned as a result of the media accounts when everybody wrote that Enron had gone bankrupt or through any other mechanism. He learned last fall."

UN sees 1.5pc global growth this year

AP, United Nations

The United Nations said Thursday it expects the world economy to grow 1.5 per cent in 2002, a modest improvement on the 1.3 per cent growth it believes occurred in 2001.

A UN report said the economies of East Asia and Latin America had been hit hardest by the economic slowdown that began early last year and was aggravated by the Sept 11 terrorist attacks.

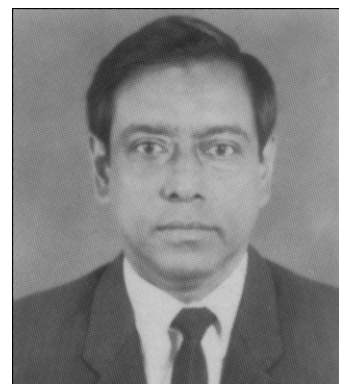
In its annual report, the World Economic Situation and Prospects 2002, the United Nations said its forecast of a slow recovery is vulnerable to a number of risks, including a

more sluggish rebound in the United States and a worsening of Japan's economic problems and Argentina's economic crisis.

"The weakness in the world economy has become widespread (in 2001), with more than a dozen economies in recession and more than three quarters growing less than they did a year previously," the report said.

The United Nations forecast is less optimistic than that of the International Monetary Fund, which expects the global economy to expand by 2.4 per cent in 2002, the same rate as in 2001.

New DMD of Janata Bank



M Ziaul Hoque has been made Deputy Managing Director of Janata Bank, says a press release.

Before joining as Deputy Managing Director, he was working as General Manager in the same bank.

M Ziaul Hoque started his banking career with Bangladesh Krishi Bank as a probationary officer in 1975. During his long banking career, Hoque worked as General Manager in Rajshahi Krishi Unnayan Bank and Agrani Bank.

US firms stand to lose billions of dollars on Argentine crisis

AFP, Washington

US firms, among the biggest investors in Argentina during the boom of the 1990s, now stand to lose billions of dollars in the wake of the economic collapse and peso devaluation.

Moreover, the crisis may prompt many multinational firms to leave the South American nation and discourage others from coming to the region.

"Argentina is in total chaos," said David DeRosa, an economist at the Yale School of Management who follows emerging markets.

"Some companies will shut down operations," he said, while for others, "the only question is whether they pull up stakes and leave now or wait things out."

US firms were among the most aggressive investors in Argentina, pumping some 28.6 billion dollars into the country between 1994 and 2000, according to figures from the Buenos Aires-based Fundacion Invertr. Spain was second with 25.6 billion dollars and France third with 8.5 billion.

Much of the investment is in petroleum and gas, telecommunications and energy, but US firms are also involved in banking, which are likely to feel the impact of devaluation.

-Standard Chartered Bank