

## DITF to run thru' Feb 15

The duration of Dhaka International Trade Fair-2002 has been extended upto February 15, says a press release.

The extension of time has been made in view of requests by different quarters. It was scheduled to end on February 11.

The closing ceremony of the DITF-2002 will now be held at 10.30 in the morning on February 16.

## Foundation training course for ABBL officers inaugurated

The inaugural ceremony of a foundation training course for the newly recruited officers of Arab Bangladesh Bank Limited (ABBL) was held in the city on Monday, says a press release.

Professor Syed Manzoorul Islam of the Department of English of Dhaka University was present at the function as the chief guest.

Presided over by President and Managing Director of the bank CM Koyes Sami, the ceremony was also attended by Joint Managing Director Abu Hanif Khan, Executive Vice President MA Rais Khan and Senior Vice President Nur Karim.

25 newly recruited officers from different branches of ABBL are participating in the 12-day course. The main objective of this course is to acquaint the participants with the banking system in Bangladesh as well as with the various laws, acts and regulations related to banking.

The chief guest emphasised much upon the importance of English language in today's world. Dr Islam also indicated possibilities of arranging English language training programmes in collaboration with ABBL and the Department of English of Dhaka University.

## Polar joins hands with Fantasy Kingdom

Polar Ice Cream of Dhaka Ice Cream Industries Ltd has joined hands with Fantasy Kingdom of Concord Entertainment Company Ltd, says a press release.

Shahriar Kamal, Director of Fantasy Kingdom, and Humayun Kabir, Director of Polar Ice Cream, signed an agreement to this effect on Wednesday.

Fantasy Kingdom will be opened on February 22.

Fantasy Kingdom will be the largest theme park in this part of Asia with hair-raising rides (Roller Coaster, Santa Maria Viking Ship, Log-flume, Bumper Boats, Arabian Flying Carpet, Poly72 and many more) and amazing landscaping with dinosaurs, lakes and lagoons.

This is the first time that any ice cream company in Bangladesh has signed a sponsorship agreement of this kind and magnitude.

## China, Japan open trade talks in Shanghai

REUTERS, Shanghai

Government and industry officials from China and Japan started two days of talks in Shanghai Thursday aimed at setting guidelines for bilateral trade in farm products, a Japanese official said.

The guidelines are aimed at preventing a repetition of a bitter trade row over Chinese farm products finally settled in December, the official told Reuters.

Japan imposed temporary "safeguard" curbs in April on Chinese leeks, shiitake mushrooms and rushes for tatami mats. China retaliated in June with 100 per cent tariffs on Japanese cars, mobile and air conditioners.

## Novartis posts \$ 4.1 b profit in 2001

AFP, Basel, Switzerland

The Swiss pharmaceutical group Novartis on Thursday posted a 2001 net profit of seven billion Swiss francs (4.8 billion euros, 4.1 billion dollars), up by eight per cent from the previous year.

Sales rose by 10 per cent to 32 billion Swiss francs, the company said in a statement.

Drug sales led the overall results higher, increasing by 11 per cent worldwide and by 24 per cent in the United States, where Novartis earned 43 per cent of all revenue.

Chairman Daniel Vasella said: "In 2001 we reaped the fruits of our health-centered strategy, particularly in the pharmaceutical sector and in the American market."

The Novartis board has recommended a six-per cent dividend increase to 0.90 Swiss francs per share.

# ADB seeks more fiscal reforms in Indian budget

REUTERS, Ahmedabad

The Asian Development Bank (ADB) said Wednesday that India should unveil steps to shore up foreign direct investment and cut burgeoning fiscal deficit in the federal budget due later this month.

"There are two areas which need special focus -- environment for foreign private investment and fiscal deficit. India has to do lots of work in these areas (in the budget)," ADB president Tadao Chino told a news conference in the Western Indian city of Ahmedabad.

India's finance minister Yashwant Sinha is scheduled to present the federal budget for 2002/03 (April-March) on February 28.

Complex regulatory frameworks and tough labour laws have been the major irritants in India's efforts to attract large inflows of foreign private investment.

"Improving the environment for private sector investment is crucial," he said.

ADB chief said the bank also expected tough steps to rein in India's yawning fiscal deficit by improving revenues and cutting down wasteful expenditure like subsidies and tax exemptions.

"A holistic approach has to be taken towards handling the fiscal scenario. There is room for improving efficiency of public expenditure, particularly in

the areas of subsidies and tax exemptions," he said.

The consolidated fiscal deficit of the federal government and the states have been close to nine per cent of GDP for two years and looks set to exceed 10 per cent in the year ending March.

Revenues have been affected by the slowdown and economists say the high deficit limits the government's ability to pump-prime the economy.

Chino said Indian economy could log a growth rate of "about 5 per cent" in the calendar year 2002.

"ADB expects India to grow about 5 per cent this year," he said.

India said on Tuesday that it expected economy to grow at 5.4 per cent in 2001/02, better than last year's dismal 4.0 per cent. GDP expanded 6.1 per cent the year before.

Chino said the multilateral agency could increase its annual lending to India to at least \$2 billion from the current level of \$1.5 billion.

"We are very positive about India. The assistance can be raised to \$2 billion," he said.

Indian officials and ADB representatives would begin talks on the funding budget for 2002 next week, he said.

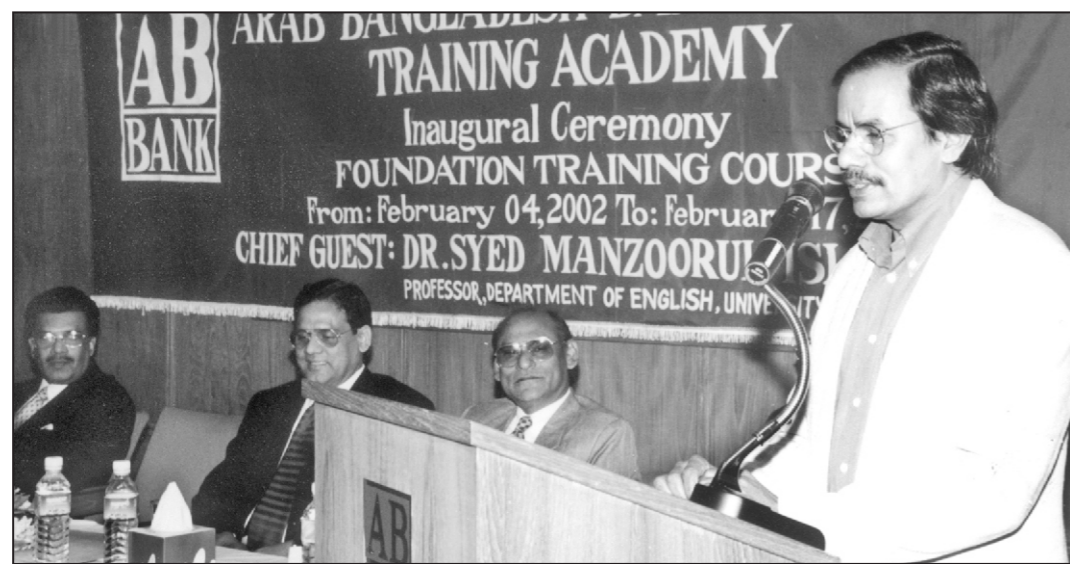


PHOTO: ABBL

Professor Syed Manzoorul Islam addresses the opening ceremony of the foundation training course for the newly recruited officers of Arab Bangladesh Bank Limited on Monday. (From left) Abu Hanif Khan, Joint MD, CM Koyes Sami, President and Managing Director, and MA Rais Khan, EVP of ABBL, are also seen in the picture.

## China to start first anti-dumping probe since WTO entry

AFP, Beijing

Chinese officials will launch the country's first anti-dumping investigation since it became a member of the World Trade Organization (WTO), state media reported Thursday.

It follows complaints by local manufacturers of art paper -- the highest-grade paper used in the printing industry -- that their foreign competitors were offering steep, unfair discounts, the China Daily said.

"Foreign art paper pouring into China at low prices has seriously

damaged the country's art paper industry," said Deng Deyong, vice managing director of APP China, one of the complainants.

Foreign manufacturers last year exported 1.03 million tonnes of art paper to China, more than half the total demand of 1.7 million tonnes, even though Chinese companies have the capacity to make 1.4 million tonnes annually.

Because of the foreign competition, from producers in South Korea, Japan, the United States and Finland, local firms have been forced to cut staff and reduce production, the newspaper said.

The problem began last year, when foreign companies initiated a price war in order to boost their market share after local consumers were increasingly turning to Chinese-made products, according to the paper.

But the problem could become even worse after China's accession to the WTO, which took effect in December.

The tariff on art paper will be cut to nine per cent from 15 per cent this year, and in two more years it will be further slashed to five per cent, the report said.

## Singapore to tighten rules on auditors after Enron scandal

AFP, Singapore

Singapore is taking steps to tighten the rules governing operations of audit firms in light of the Enron scandal in the United States, the Business Times here reported Thursday.

The newspaper said the official watchdog Public Accountants Board (PAB) was looking at steps to tighten rules governing the independence of auditors, and restrict the non-auditing services they can provide to clients.

"A reasonable, practical line has to be drawn for the nature and degree of non-audit services that may be provided by the company's auditors," an unnamed finance

ministry official told the Singapore daily.

The PAB, which has been looking into the issue of auditor independence since last year, is likely to take a firm position, the report said.

Finance ministry spokesmen could not be immediately reached for comment.

The Enron scandal has underscored the potential conflict of interest when an auditor provides consultancy services to a company which it also audits.

Auditors worldwide have been suffering from the backlash of the collapse of the US energy trading giant Enron Corp., whose auditor Arthur Andersen is under fire for failing to unearth financial irregulari-

ties in the company.

In a related report, the Business Times said Andersen's Singapore operation was still winning new contracts and enjoying support from clients despite the damage to the group's reputation from the Enron fiasco.

A spokesman said Andersen Singapore had won three major contracts in the past two weeks.

"We are part of the global organization, but each partnership is regulated by rules of different countries. Each firm is made up of partners of its own," the spokesman told the newspaper.

## Janata Bank ReadyCash card service opens in Ctg

Murshid Kuli Khan, Managing Director of the Janata Bank, inaugurated the services of the Janata Bank ReadyCash card at the Sadharan Bima Bhaban corporate branch in Chittagong on Monday, says a press release.

Md. Oliar Rahman Molla, General Manager, Chittagong Zone, Md. Shaful Islam, Deputy General Manager, Local Office, Chittagong, and M.M. Islam, Vice President of American International (BD) Ltd were present on the occasion.

Janata Bank ReadyCash cardholders in Dhaka and surrounding areas are currently able to use their ReadyCash card to make cashless purchases and pay utility bills such as water, telephone and gas.

ReadyCash cardholders will be able to get the service in Chittagong very soon.

## Foundation stone of C&F Tower to be laid in Ctg today

OUR CORRESPONDENT, Ctg

The foundation stone of C&F Tower of Chittagong Customs Clearing & Forwarding Agents' Association will be laid here today.

The Chairman of the National Board of Revenue (NBR), Dr Shoyeb Ahmed, will lay the foundation stone of the tower as chief guest of T&T office adjoining land of the association at Agrabad.

NBR member (Customs) A H Monjoor Mannan, Chittagong Port Authority (CPA) Chairman Commodore Golam Robbani and Commissioner of Customs Dr Rashid Ul Ahsan Chowdhury will attend the ceremony as special guests.

When constructed, this tower will be the first-ever 15-storey modern commercial building with several elevators in the port city, said a C&F association press release.

## India may start sugar futures trading in Nov

REUTERS, New Delhi

India expects futures trading in sugar to start from November, Food Minister Shanta Kumar said Wednesday.

The announcement came a day after the government decided to fully deregulate the sugar industry after forward trading begins in the commodity.

"We expect futures trading to start by November," the minister told reporters.

As part of its drive to liberalise the sugar sector and boost exports, the government has allowed futures trading in sugar, ended quantitative restrictions on exports and scrapped rules requiring exporters to register with the designated state-run authority. India has approved three exchanges for futures trading in different parts of the country since sugar factories are widely spread.

The minister said the government was committed to full decontrol of the sugar sector in 2002/03 (Oct-Sept).

He said before deregulation the government would rationalise cane prices and amend rules to provide a transport subsidy to exporters from the mills to the ports.



PHOTO: READYCASH

Murshid Kuli Khan, Managing Director of Janata Bank, inaugurates the services of Janata Bank ReadyCash card at the Sadharan Bima Bhaban Corporate Branch in Chittagong on Monday.

## Sri Lanka to terminate deal with Japan teicom co

AFP, Colombo

Sri Lanka's state-run telecom Thursday announced a decision to terminate a management agreement with a major Japanese phone company.

Sri Lanka Telecom (SLT) said the government-dominated board of directors Wednesday gave Nippon Telegraph and Telephone Corp. (NTT) the mandatory six months' notice of termination of the agreement.

NTT bought a 35-per cent stake in SLT in August 1997.

Both sides had the option of extending the five-year management agreement entered into in

August 1997 as part of the privatisation of SLT by the previous government.

SLT said in a brief statement it wanted to renegotiate the management deal but failed to say if it would be with NTT or whether more bids would be invited later.

"It has been recommended by the government of Sri Lanka that SLT should renegotiate terms and conditions with a view to concluding a new management agreement and exiting from the current agreement by giving six months notice to NTT," the statement said.

NTT Communications Corp., the international call unit of NTT, said discussions were ongoing and

declined to comment.

"NTT Communications is internally discussing the issue over the management agreement. Our understanding is that SLT is yet to finalise its decision," company spokesman Kei Hashida said in Tokyo.

"We cannot comment further -- other than to say the issue is under discussion," he said.

NTT, Japan's largest telecom, paid 225 million dollars for the 35-per cent stake in SLT, which gave it full management control and a monopoly on international calls for five years.

The firm was also guaranteed tariff increases ranging from 15 to 25 per cent during the five-year period.

## US treasury chief disappointed in economic stimulus outcome

REUTERS, Washington

US Treasury Secretary Paul O'Neill Wednesday expressed disappointment that efforts to get an economic stimulus bill through the Senate had foundered.

"It is disappointing that they have not been able to bring a bill to the floor that is consistent with what the president had said to help people affected by the recession," O'Neill told reporters after testifying to the House Budget Committee.

His comments came shortly after the Senate shelved separate Republican and Democratic-backed stimulus bills. Neither bill could muster the 60 out of 100 votes needed to survive.

Later in the afternoon, the Treasury Department released a statement from O'Neill in which he pinned the blame for the stimulus package's failure squarely on Democratic Senate leaders.

"By failing to produce a bill to stimulate the economy, the Senate Democratic leadership has failed to help Americans get back to work as quickly as possible," he said.

There is now virtually no chance Congress will enact a broad stimulus package as called for by President George W Bush, setting the stage for an election-year battle over the economy and who is to blame if an expected recovery fails to take hold.

O'Neill, however, remained hopeful an agreement on the much debated package could still be reached.

"I hope they (Congress) will find a way to do this, hopefully in the not-too-distant future," the Treasury chief told reporters on Capitol Hill.

The White House said the Senate's rejection of the stimulus plan would slow the economy and cost 300,000 jobs.

"One way to read the consequence is, about 300,000 jobs," Glenn Hubbard, chairman of the president's Council of Economic Advisers, said.

Last month, Federal Reserve Chairman Alan Greenspan said the economy, which entered a recession in March, appeared poised for recovery even without a stimulus

package.

Greenspan's comments were seen as weakening the White House case for stimulus, but O'Neill said on Wednesday he did not think the powerful Fed chief was against such a bill.

"What Greenspan said was that he was conflicted on the issue of stimulus legislation, which I don't take as him being against it," O'Neill said.

Before the Senate votes rang a likely death knell for a broad stimulus bill, O'Neill told the House budget panel that such a package was needed to ensure sustained growth.

He told committee members the accelerated depreciation provisions of the stimulus package put forward by the Bush administration would provide businesses with better cash flow, and could therefore help both to protect current jobs and create new ones.

Tax rate reductions, he added, would give consumers more leeway to invest, which would in turn help revive the economy.

## Japan to compromise reform, boost spending to offset crisis

AFP, Tokyo

Japan will abandon a pledge to cap fiscal expenditure and return to a policy of increased spending to offset an imminent financial crisis, a top member of the ruling Liberal Democratic Party (LDP) said Thursday.

Mounting hope for an emergency cash injection by the government to bail out the nation's ailing banking sector helped reverse four days of heavy losses on the Tokyo Stock Exchange, said dealers.

"There is no prospect that the government can overcome looming crises such as the possible aftermath of the launch of the bank 'payoff scheme' and closure of the corporate accounts in March," Takami Eto, a co-faction LDP leader said.

"We have argued that the government should shift its policy as soon as possible to boost the economy and I believe the government will move in that direction," he told a faction meeting.

In April, Tokyo will reduce an unlimited guarantee on time deposits at banks to a maximum of

10 million yen (75,190 dollars) -- the so-called pay-off scheme -- raising fears of a run on weaker banks, which would further hurt an already fragile financial system.

The compromise would be a blow to Prime Minister Junichiro Koizumi who charged into power 10 months ago on a raft of reforms that included cleaning up the banking sector, crippled with bad loans, and a cap on new government bond issues at 30 trillion yen in a bid to reign in national debt.

But a recent slump in public support for Koizumi, after a decision to sack his outspoken but popular foreign minister Makiko Tanaka last week, has raised fears over the premier's ability to implement the reforms as the economy wallows in its worst post-war recession, analysts said.

Concern is rising over fresh bankruptcies before the fiscal year end in March as Tokyo's Nikkei-225 index trades around 18-year lows and fierce deflation eats into corporate profits, turning more loans held at Japanese banks sour.

An emergency action plan to salvage the ailing financial sector is

a matter of when, not if, analysts said.

"Koizumi is likely to open a discussion (over) injecting additional public funds into the banking sector," said Morgan Stanley strategist Noboru Kawai.

"There do not seem to be ways of avoiding this issue in the course ... when Japan's economic cyclical upturn will likely be too feeble to put an end to the further decline in the asset quality of Japanese banks."

Pressure will increase on the government during a Group of Seven meeting of finance ministers in Ottawa, Canada on Friday and Saturday, said Hidenori Kawasaki, chief of equities at Kokusai Securities.

"(Also) US President (George W.) Bush is coming to Japan soon. So players are speculating that the government would do something to stop banking shares from falling further, given those major events," he said.

Tokyo's Nikkei-225 average ended the day up 1.7 per cent to 9,583.27, powered by expectations of positive policy action by the government, dealers said.



PHOTO: BATA

S J Davies, Managing Director of Bata Shoe Company (Bangladesh) Ltd, inaugurates a Meena Bazar organised by Uttara Ladies Club at Uttara yesterday. Jahanara Islam, President of the club, MA Quader, Retail Marketing Manager, and other senior executives of the company are seen in the picture.