Star
BUSINESS

DHAKA THURSDAY MARCH 14, 2002

Tea auction

Foreign, local buyers lend good support

BSS, *Chittagong*

In the penultimate tea sale of the season on Tuesday, the Afghan buyers were very active on selected types of clean Brokens while there was more interest from both Pakistan and the internal buyers, Market sources said.

CTC Leaf: 5263 chests and 29,944 of gunnysacks on offer met with a good demand.

Brokens: Few clean Brokens available were strongly competed for and advanced quite considerably above last levels while Mediums were irregularly dearer.

Large Brokens were slightly better market and were generally firm but the poorest types were often easier with fair withdrawals.

Fannings: All clean Fannings particularly the neater varieties were a much stronger market also advanced quite considerable over last rates. Mediums were also dearer while the planer types were irregularly easier. Ends of the season types were discounted with fair withdrawals.

CTC Dust: 768 chests and 5743 gunnysacks on offer met with a fair demand. A few cleaner varieties were readily absorbed at around last levels while others generally eased especially end of the season types which suffered for fair withdrawals. Internal markets once again lent a fairly good demand.

A total of 22,2,550 kg has offered for auction.

StanChart opens Priority Centre at Dhanmondi

Mahmudur Rahman, Executive Chairman of the Board of Investment (BOI) of Bangladesh, inaugurated Priority Centre of Standard Chartered Bank at Dhanmondi in the city on Tuesday, says a press release.

Muhammad A Ali, Chief Executive Officer Bangladesh, Sethu Venkateswaran, Regional Head of Consumer Banking of Middle East and South Asia, and senior managers of Standard Chartered Group in Bangladesh were present at the opening ceremony.

The Priority Centres are designed to create an atmosphere of privilege and convenience for priority customers, which is identical in all Priority Centres of Standard Chartered Bank all over the world.

At present, there is an extensive network of 60 Priority Centres all over the world, where customers can get personalised service from dedicated Customer Relationship Managers.

The priority customers are also eligible for privileged discounts and benefits in a number of retail outlets. The first Priority Center of Standard Chartered Bank was opened in its Gulshan branch on January 27, 2002.

BOI chairman said the board of investment is planning to organise a number of road shows around the world to promote Bangladesh and an international bank like Standard Chartered can immensely help attract foreign investment into the country.

WB to give $121m to Bangladesh for school project

AFP, *Washington*

The World Bank announced Tuesday it would extend a 121 million-dollar loan to Bangladesh to finance a school project for impoverished rural girls.

The program will "help improve both the quality and accessibility of girls' secondary education in rural Bangladesh," expanding on a program that gives financial aid to families wanting to send their daughters to school, the bank's statement said.

The loan has a 40-year maturity, enhanced by a 10-year grace period. It is subject to conditions by the International Development Agency, one of the World Bank offices.

Pakistan opens 1st pvt micro-credit bank

REUTERS, *Islamabad*

President Pervez Musharraf opened Pakistan's first private micro-credit bank Monday, saying it would help desperately poor people access seed capital and broaden government bids to alleviate poverty.

The MicroFinance Bank Ltd -- set up by the Aga Khan Rural Support Programme with 200 million rupees ($3.3 million) and the Aga Khan Fund for Economic Development with 300 million rupees -- aims to provide small loans to poor people on a non-collateral basis and open 30 branches nationwide.

RMG exporters blast ban on yarn import thru' land ports

Restriction to add new cost escalation factor, increase lead time

STAR BUSINESS REPORT

The country's apparel exporters yesterday said the government's new order banning yarn import thorough land ports will add another misery to readymade garment (RMG) export that is already hit hard by global recession.

At a press conference in the city the leaders of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) said the decision will add another cost escalation factor to the apparel exports and increase the lead time.

The National Board of Revenue (NBR) through a Statutory Regulatory Order (SRO) on Saturday banned import of yarn through land ports in a bid to check smuggling and also 'protect' local spinning mills. Earlier, the NBR slapped ban on import of yarn and eight other items through four land ports excepting Benapole port.

The Bangladesh Textile Mills Owners' Association (BTMA), the apex body of the country's private sector textile mills, had been demanding to take such measures for a long time indicating unsold stocks of yarn at local mills due to availability of smuggled one.

However, the apparel exporters at the press conference said there was no scope for using smuggled yarn in making exportable apparel as the exporters has to take certificate of GSP from the Export Promotion Bureau (EPB) citing source of yarn.

Terming the decision totally 'anti export' that will push the RMG especially the knitwear sector to ruination, the apparel exporters urged the government to withdraw the decision immediately.

"Otherwise the government will have to take all the responsibilities for any sort of disaster in the knitwear sector," said Ershadullah, acting President of the BGMEA.

The BKMEA President Monjurul Hoque said the local spinners can hardly supply 50 per cent of the total 100 million kg cotton yarn of annual demand for exportable knitwear. "Besides that, the knitwear exporters also have to import other sorts of yarn like millange, CVC yarn weighing some 30 million kg a year from India as the country's mills do not produce those."

"In this context there is no other alternative to import of yarn and the easier is better for the exporters," he added.

Ershadullah said the knitwear exporters some times have to import two to three thousand kg of yarn at a time and if they are forced to import it through sea then the import cost for per kg yarn will be increased by 50 cents.

"Now it takes only two to three days to import yarn through land ports from India. On the other hand, it will take 20 to 30 days to import through seaports and it will increase the lead time," he added.

As the government took the decision citing unsold stock of yarn at local mills, Ershadullah asked the government to find out the genuine reason behind this.

He said non-disbursement of cash incentive to the textile sector and high price of local yarn are the reasons behind huge unsold stock of yarn at local mills.

The BGMEA acting president said price of local yarn is about 35 per cent higher than the international price.

"We are very much interested to use local yarn as the value addition will be much higher. But the local spinners should offer us yarn at competitive rate, otherwise we will not be able to compete internationally," BKMEA President Monjurul Hoque said.

BGMEA Vice Presidents Qazi Moniruzzaman, Atiqul Islam and Shafiul Islam Mohiuddin and BKMEA leaders Abdus Sobhan Mia, Abu Ahmed Siddiq, Mohammad Hatem and Shafi Rahman, among others, were present at the press conference.

Mahmudur Rahman, Executive Chairman of the Board of Investment (BOI), inaugurates Priority Centre of Standard Chartered Bank at Dhanmondi in the city on Tuesday.

815m people going hungry in world: FAO

AFP, *Tehran*

Around 815 million people in the world suffer from hunger and malnutrition, mostly in developing countries, the head of the Rome-based UN Food and Agriculture Organisation (FAO) said here Tuesday.

"There are around 815 million people suffering from chronic malnutrition in the world today: 777 million in the developing world, 27 million in transitional countries and 11 million in industrialised countries," Jacques Diouf told the opening of a 26th FAO regional conference in Tehran.

"Improvement registered in certain developing countries and regions, notably in East Asia, has been offset by the deteriorating situation in other regions, notably sub-Saharan Africa, central America and the Caribbean.

"As long as hunger and malnutrition remain, it will be difficult, if not impossible, to obtain sensible and lasting results in other major fields in the fight against poverty, such as health and education," he said.

Diouf said world cereal production in 2001 had fallen 1.2 per cent on 2000 levels to 1.85 billion tonnes, but noted that Australia, the European Union and North America were in a position to export cereals and "probably" able to increase food production.

As for the FAO's 29-country region stretching from Morocco to Pakistan, Diouf said agricultural production was down 0.8 per cent, blaming "insufficient rainfall that caused drought in numerous countries."

Foreign liquor makers cheer India's import tariff cuts

AFP, *New Delhi*

Foreign liquor manufacturers are not exactly popping the champagne corks yet, but their spirits have been lifted by India's decision to make sizeable cuts on hefty import duties of bottled wines and whiskies.

India's budget for year beginning April 1 effectively brought down the duty on wines from over 400 per cent to below 300 per cent and for many whiskey brands to around 400 per cent from earlier levels of 700 per cent.

While the duties are still high, industry experts said the cuts would allow a large section of middle class Indians to splash out on imported liquor.

"This was not happening earlier as the price was such a deterrent. But the latest move will give the foreign firms room to price premium wines and whiskies more affordably," said R.V.Subramanian, a liquor industry expert.

The shelf price of a bottle of imported wine could be halved to about 300 rupees (six dollars), while cheaper Scotch whiskies could retail at 500 rupees, compared with 900 rupees.

Some industry experts said the move should trigger an initial jump in imports from around 10,000 cases of wine last year to 50,000 cases, but others said the growth would be more gradual.

"I don't think the market will suddenly explode. But what this does is set in motion a positive trend by which the market will grow steadily over the next few years," said Sidharth Banerjee, regional director of UK-based Kendall Spirits Limited.

The Indian government has already committed itself to bringing down the import duties to 150 per cent by 2004 in accordance with World Trade Organisation (WTO) norms.

"As the duties reduce, prices will come down and consumers will over time have a greater choice of products," Srikant Illuri, the chief executive officer of Allied Domecq's Indian arm, told AFP.

"The market is generally going towards higher quality and there will be greater growth in the better qualities."

But foreign firms looking to tap the Indian market will need to invest in infrastructure such as marketing and distribution to really find their feet here, given the complex and varied geography of the subcontinent.

"India is not a cowboy market where you can suddenly charge in and make a quick profit. You have to be prepared for the long haul," Banerjee said.

Agrani Bank signs deal with ETN to introduce ATM

Agrani Bank has signed an accord with Electronic Transactions Network Ltd (ETN), a joint-venture of United Group, Bangladesh and IFS International, Inc, USA, to introduce ATM service in the bank, says a press release.

General Manager of Agrani Bank Md Humayun Kabir and Managing Director of ETN Ltd. Salahuddin Imam signed the agreement on behalf of their respective organisations.

Managing Director of the bank A S M Imdadul Haque, Deputy Managing Director Md Abdus Samad Sheikh, General Managers, Kazi Mominul Islam, Anish Kumar Sarkar, M Aftab Ali, Deputy General Manager of Computer Division Moin Uddin Ahmed, Divisional Head of Public Relations Syed Mushtak Ahmed and Chairman Zahir Ahmed and Director K M A Shamim of ETN Ltd were also present at the signing ceremony.

Managing Director of the bank in his speech reiterated the firm determination of the bank to use modern technology.

He said the ATM service will be introduced at Jatiya Press Club branch of the bank soon.

He expressed hope that the respected clients of Narayanganj, Sylhet, Chittagong, Khulna, Rajshahi and other parts of the country would gradually get the ATM service of Agrani Bank within a short period of time.

US Justice Dept seeks tough restrictions on tobacco cos

AFP, *Washington*

The Justice Department is pressing for tough restrictions on the tobacco industry as part of a massive lawsuit, including an end to marketing promotions and limits on print advertising, according to documents released Tuesday.

The move would mark a hardening of the position of the administration of President George W. Bush, which last year hinted it may seek an out-of-court settlement in the case filed by in 1999 by the Clinton administration.

According to a government brief drafted but not yet filed in court, the proposal would limit cigarette ads to "black and white print formats" in all forms of media. This would end any use of "lifestyle" ads showing people smoking, which are seen as a way of attracting young people.

The government is seeking to end the ads in which "cigarette smoking is portrayed as an integral part of youth, happiness, attractiveness, vigor and other positive life-styles," according to the document, obtained from tobacco giant Philip Morris.

The proposal would also ban merchandise giveaways that contain company logos and restrict cigarette packaging to black and white.

The government proposal also seeks to end the use of the term "light" for cigarettes with lower levels of nicotine, which now represent about half the market.

It also would ban the sale of cigarettes from vending machines and disallow the free distribution of promotional cigarette packs.

Philip Morris general counsel William Ohlemeyer said tobacco firms would oppose the proposals, saying some would be unconstitutional limits on free speech.

"It's fairly absurd for the government to suggest they can use a lawsuit of this type to make these kind of requests," Ohlemeyer said, noting that any such measures would have to be passed by Congress.

The federal government, which pays an estimated 20 billion dollars per year to treat smoking-related illnesses, filed its action in 1999 after the tobacco industry reached a landmark 246 billion settlement with the states.

A federal judge dismissed part of the case but allowed the government to sue under the Racketeer Influenced and Corrupt Organization Act -- alleging that the industry hid evidence that nicotine is addictive and that smoking is unhealthy.

8-month revenue collection misses target by 2.35pc

STAR BUSINESS REPORT

The revenue collection till February of the current financial year amounted to Tk 11990.22 crore, down by 2.35 per cent from the target but up by 8.37 per cent than that of the corresponding period of last financial year.

According to National Board of Revenue (NBR), the target was Tk 12279.22 crore for the July-February period of FY02.

"Revenue earning at the import level could not achieve the target during the period. The earning from imports in February dipped further and it was Tk 779.71 crore against the target of Tk 857.07 crore," said an official of the NBR.

At the import level, revenue collection was Tk 6443.55 crore, down by 5.35 per cent from the target of 6807.81 crore but up by 3.12 per cent than last fiscal's same period.

The first eight months of the FY02 fiscal year saw Tk 3279.27 crore in import duty against Tk 3451.25 crore target.

Collection of Value Added Tax (VAT) at import level amounted to Tk 2,327.71 crore against the target of Tk 2,487.32 crore.

Supplementary duty on imports amounted to Tk 836.57 crore against the target of Tk 869.24 crore during the period.

On the other hand, revenue collection from domestic activities amounted to Tk 3475.85 crore, up by Tk 99.09 crore from the target but Tk 465.44 crore higher than that of the corresponding period of the last fiscal.

The excise duty collection stood at Tk 165.57 crore against the target of Tk 177.89 crore during the July-February period of this fiscal year. VAT collection from domestic activities surged to Tk 1,866.29 crore, which is Tk 143.94 crore higher than the target of corresponding period of last fiscal.

At local level, the NBR's accrual from supplementary duty stood at Tk 1443.99 crore, which is Tk 32.53 crore short of the Tk 1476.52 crore target.

Income tax collection till February amounted to Tk 1,964.82 crore, down by Tk 17.43 crore from the target. Tax and duties from other sources during the period was Tk 106 crore against the target of Tk 112.40 crore.

The NBR collected Tk 18,774.75 crore revenue last fiscal year and set Tk 20,730 crore target for the FY02.

Asian nations vow to step up fight against piracy

AFP, *Tokyo*

Maritime authorities and experts vowed Wednesday to step up efforts to eliminate pirates from the Asian region, where more than half of the world's sea attacks occur.

Officials from 15 Asian nations along with representatives from the International Maritime Bureau (IMB) and the International Maritime Organisations (IMO) attended a two-day meeting on piracy in Tokyo which ended Wednesday.

"The participants ... were all deeply concerned about the fact that a large number of piracy attacks have still occurred especially in Southeast Asian waters," Tadao Kuribayashi, chairman of the meeting, said in a statement.

"They also shared the view that piracy is a serious threat to all Asian regions and that it is necessary that they should cope with this problem to eradicate piracy," the statement said.

"It is essential to continue and increase their efforts, in their respective capacities, to enhance the self-protection measures on board."

In particular, the group called on Asian nations to exchange information on current anti-piracy regulations introduced by each country, as well as consider "concrete measures to make the planned actions practicable."

The number of sea attacks in Southeast Asia and the Far East region fell from 262 in 2000 to 170 last year, according to statistics released at the meeting. But the figure still accounted for 51 per cent of the world's total last year.

During the meeting participants also agreed to boost cooperation with international organisations, including the IMO, saying the body's anti-terrorist measures could contribute to suppression of piracy.

Countries who attended the talks hosted by Japan's transport ministry were Bangladesh, Brunei, Cambodia, China, India, Indonesia, Japan, Laos, Malaysia, Myanmar, South Korea, Singapore, the Philippines, Thailand and Vietman.

Russia and OPEC avoid conflict, but for how long?

AFP, *Moscow*

Russia has avoided ruffling OPEC's feathers before its gathering in Vienna on Friday and could even keep a lid on its oil exports for a few more months but everything is pushing Moscow to open the taps again.

OPEC, the powerful oil producers' cartel, has stepped up its visits to Moscow this month before the Vienna meeting, expected to keep output quotas unchanged until the end of June, in a bid to convince Russia to help support crude prices.

Russian business daily Vedomosti reported on Wednesday that the government was preparing a resolution fixing the level of oil exports for the second quarter at a level "barely superior" to the first three months of the year.

Russia, the world's second-largest oil producer and top non-OPEC oil exporter, late last year grudgingly signed up to an export cut of 150,000 barrels a day (out of a total output of 7.2 million bpd) after weeks of brinkmanship.

But it refused to commit itself beyond January 1 to March 31 this year.

For the second quarter, OPEC has already secured the support of the other major independent producers, Norway, Mexico and Oman, but Russia has stayed on the sidelines, delaying its decision until the end of March.

The mainly Arab oil grouping has chosen to interpret that as a potential willingness to collaborate.

The two sides, by mutual agreement, have refrained from undiplomatic statements which could unsettle the markets just as world oil prices have shot up on worries about US-led military action against Iraq.

But Vedemosti's report met with scepticism among analysts.

"Those of us watching Russia closely sense that (extending its commitment to trim exports by a further three months) is unlikely indeed," said Adam Landes from Renaissance Capital brokerage.

Christopher Weafer from Troika Dialog bank added: "Russia will not make any official commitment and will avoid any announcement. In reality, it is doing nothing to restrict its sales abroad as it has no choice but to increase exports."

Several Russian oil majors (Yukos, Sibneft and Surgutneftegaz) have invested heavily in recent years and forsee a strong rise in their output in 2002 "but the domestic market is saturated," Weafer pointed out.

The drop in Russian oil exports has produced a glut of crude on the domestic market, forcing prices down and causing a sharp drop in revenue for producers and tax receipts for the government.

At the highest official level, it is regularly stressed that it would be better to sell more oil at a lower price rather than the contrary and to regain market share lost over the past decade.

"OPEC members do not respect" their quotas and new players such as Kazakhstan are taking advantage of the Russian export curbs to increase their sales, Andrei Illarionov, economic adviser to President Vladimir Putin, said in an interview with weekly Itogi.

Russia is all the more tempted to step up oil exports since prices have recovered to six-month highs of around 23 dollars a barrel and the US economy is showing signs of improvement.

Russia's oil production increased by six per cent in January compared to a year earlier, rising to 7.23 million barrels a day.

"We are expecting a rise of more than 25 per cent in exports this year, to 3.9 million bpd" from three million bpd in 2001, Weafer said.

PHOTO: AGRANI BANK

General Manager of Agrani Bank Md Humayun Kabir and Managing Director of Electronic Transactions Nework Ltd sign an agreement on behalf of their respective organisations on installation of ATM in the bank. Among others, Managing Director of the bank A S M Imdadul Haque, Deputy Managing Director Md Abdus Samad Sheikh, General Managers Kazi Mominul Islam, Anish Kumar Sarkar, M Aftab Ali, other executives of the bank and ETN Chairman Zahir Ahmed and Director K M A Shamim are also seen in the picture.