

BASIC Bank earns Tk 35.61cr pre-tax profit

BASIC Bank Limited earned a pre-tax profit of Tk 35.61 crore during the year 2001, says a press release. It was disclosed at a meeting of the Board of Directors of the bank. The meeting presided over by Al-Ameen Chaudhry, Chairman of the bank and Secretary of the Ministry of Industries, approved the audited accounts of the year 2001.

The Board decided to give Tk 15 crore against a 50 dividend of its total profit to the government of Bangladesh, the only shareholder.

Directors Syed Mushtaq, Secretary of the Ministry of Chittagong Hill Tracts Affairs, M A Mannan, Chairman of BSCIC, Qazi Monowarul Hoq, Director General of Prime Minister's Office, Delower Hossain, Joint Secretary of the Ministry of Commerce, Md. Rabiul Islam, Managing Director of Bangladesh Shilpa Rin Sangstha and Md. Nurul Huda, Managing Director of the bank were present at the meeting.

DHL announces commencement of Afghanistan operation

DHL Worldwide Express has announced the commencement of operations in Afghanistan, says a press release.

Uwe Doerken, CEO of DHL, said, "DHL is the first international company to offer express services in Afghanistan."

The regular service from Bahrain to Kabul, the first by civilian aircraft since the formation of the new government in Kabul, will initially be with a chartered, Russian built AN-12 aircraft, which has an 18-tonne load capacity.

DHL Worldwide Express is the global market leader of the international air express industry.

Emirates voted top airline

Emirates has been named Airline of the Year by Skytrax Research (UK) through its airline passenger survey for the second successive year, says a press release.

The Dubai-based international carrier was voted the top airline while Cathay Pacific Airways was placed second, Singapore Airlines third, and British Airways fourth.

The independent survey, carried out by Skytrax Research of the United Kingdom between August 2001 and March 2002, received more than four million nominations.

The data was collated through online customer surveys, corporate travel buyer questionnaires, telephone interviews and selected onboard and airport interviews. Over 84 different nationalities of travellers submitted data.

Taiwan to ease half-century ban on Chinese investments

AFP, Taipei

Taiwan's cabinet on Wednesday decided to ease a half-century ban on Chinese investment in Taiwan in an effort to offset the mounting outflow of domestic funds to the mainland, officials said.

The Taipei government has banned investment by any company which was more than 20 per cent controlled by Chinese individuals or institutions.

And even those companies with Chinese interests under the limit have been required to obtain approval from the economic ministry, according to the Mainland Affairs Council (MAC), the island's China policy-making body.

"The latest relaxation will allow any Chinese individuals and institutions to invest in Taiwan as long as they are approved by the economic ministry," a MAC official told AFP.

WB to study \$1.35b loan for Turkey

AFP, Ankara

The World Bank will examine in April loans worth 1.35 billion dollars (1.54 billion euros) to support Turkish financial and banking reforms, and is prepared to provide more assistance in the future, the international body said Monday.

"The 1.35 billion loan for financial and public sector reform has been submitted for approval of the Bank's board for discussion in April," said a statement by the bank's office in Ankara.

Bangladesh doesn't appear in Japanese investment plans

Envoy tells FICCI meet

UNB, Dhaka

Bangladesh has not appeared in the mid-term and long-term investment plans of Japanese private sector, evidently as ancillary costs outweigh business prospects here.

In their three-year and 10-year investment plans from 2001 onwards, most of the Japanese companies interviewed by JBIC favoured China as the most attractive destination.

India appeared fifth in mid-term plans and second in the long-term among 10 destinations chosen by Japanese leading companies in view of lower overhead cost of business as well as other facilities that attract foreigners.

Disclosing the future investment plans of Japanese companies, Jiro Kobayashi, Ambassador of Japan in Dhaka, said companies cited three elements—prospect of domestic market growth, cheap labour and availability of cheaper raw materials in choosing China as the most favoured place for putting in their money.

For long-term investment, India became their second choice for prospects of domestic market,

cheaper labour, excellent human resources and elements of infrastructures and social institutions.

At the monthly luncheon meet of the Foreign Investors Chamber of Commerce and Industry (FICCI), the Japanese envoy did not make any direct comment on the existing investment climate in Bangladesh.

But graphs he displayed to differentiate Dhaka from other destinations in terms of available business facilities were fair enough to show why Japanese private sector favoured other Asian cities than Dhaka.

Exceptionally high installation charges for both land and mobile telephones, higher prices of cars, higher container charges and higher corporate taxes are some of the factors that offset Bangladesh's competitive edges for cheaper worker wages and low office rents.

The JETRO survey that compared Dhaka to other cities showed telephone installation charge as the second highest in Dhaka, accounting for about US\$500. It is about US\$1500 in Yangon, the highest in the chart that surveyed major Asian cities.

In Mumbai, there is no installation charge for telephone while mobile telephone is free in Colombo and Manila.

In his humble presentation, the Japanese envoy had no advice for political stability, as most envoys often used to cite as an impediment to investment.

"Try to take care of existing investors who are the best agents to propagate investment climate of Bangladesh" was all Kobayashi said about how to make Bangladesh more attractive to Japanese investors.

Listening to the problems facing the existing investors and sorting those issues out are the best ways to attract new investors, he felt.

The diplomat, however, said he was convinced by the commitment of the government and efforts of the BOI and BEPZA regarding investment climate in Bangladesh.

FICCI president Wali Bhuiyan noted with sadness that Bangladesh did not appear either in 3-year or 10-year investment plans of Japanese companies.

Echoing the observations of the Japanese envoy, Bhuiyan said

existing investors must be looked after because they are the real ambassadors for Bangladesh abroad.

The rule of law is the single-most concern that frustrates most investors he pointed out.

FICCI executive Quaiyum Khan said talk about cheap labour would not be enough to bring in FDI unless productivity, education and services are improved.

Japanese FDI in Bangladesh peaked to US\$ 191 million in 1995-96 due to inclusion of KAFCO, but abruptly dropped the following year and again got some dynamism in 97-98 mainly in EPZs.

Two-way trade, which is largely in favour of Japan, amounted to 470 million dollars in 1990 which remained almost the same, 439 million, in 1999 and rose to 601 million in 2000.

Bilateral economic relations in terms of trade have not grown much compared to potential, the Ambassador observed.

He, however, said Bangladesh is one of the major recipients of Japanese official development assistance (ODA) for infrastructure and socioeconomic areas.

BATEXPO spot orders fall by 40pc this year

STAR BUSINESS REPORT

The 12th Bangladesh Apparel & Textile Exposition (BATEXPO) saw comparatively poor response from foreign buyers, as spot orders fell by 40 per cent over the last exhibition.

According to Bangladesh Garment Manufacturers & Exporters Association (BGMEA) statistics, garment exporters this year received spot orders worth US\$ 32.88 million including ready-stock apparel of \$2.38 million. Besides, the event will create future business prospects for another US\$ 300 million.

On the other hand, readymade garment exporters received spot orders worth US\$ 53.50 million by participating in the eleventh BATEXPO held during November 21 to November 23, 2000. BATEXPO 2000 expected additional business of US\$ 525 million.

This year's three-day exposition was inaugurated on March 23.

"Response from the buyers at the BATEXPO was comparatively

poor this year. The country's apparel sector is lagging behind the current pace of global competition. The main objective of this year's BATEXPO was to regain the buyers' confidence and also ensure our strong presence on global apparel market," said Kutubuddin Ahmed, President of the BGMEA, at a press conference at its office in the city yesterday.

Besides, expanding the existing market and exploring new markets were also the objectives of the show, the BGMEA president said.

Kutubuddin identified global economic downturn, passage of the TDA-2000 by the USA giving 72 countries more competitive edge over Bangladesh, bilateral trading arrangements reached by the US and the EU with many countries, NAFTA treaty and the September 11 terror attacks on the USA as the main reasons for the crisis of the country's apparel export.

Of the total 79 stalls this year, BGMEA members had 37 and local accessories and fabrics had 20

stalls. On an average each participant received 20 inquiries while a stall in BATEXPO 2000 received 25 inquiries on an average.

Total number of foreign buyers visited this year's exposition was 72 while 125 foreign buyers visited BATEXPO 2000. Number of new foreign buyers was 10 this year while 25 new foreign buyers visited BATEXPO 2000.

"We have made an appeal to the prime minister to form a high-powered committee led by her to sketch a plan to face the challenge after 2004," Kutubuddin Ahmed mentioned. "As weak infrastructure pushes the production cost up, we sought her intervention in improving the port management," the BGMEA president said.

The prime minister has announced that steps would be taken soon to form a separate ministry for the apparel sector, Kutubuddin mentioned.

Members of the BGMEA executive committee were also present at the press conference.

Dhaka, Yangon to form joint body to remove trade barriers

Bangladesh trade fair begins

M SHAMSUR RAHMAN from Yangon

Bangladesh and Myanmar have agreed to form a joint economic council to remove barriers that stand in the way of trade between the two neighbouring countries.

The decision came at a meeting between the visiting Bangladesh trade delegation led by Commerce Minister Amir Khosru Mahmud Chowdhury and Myanmar's highest policy making body State Development Council Secretary-1 Lt General Khin Nyunt on Tuesday.

The joint economic council will meet every year, Khosru said while talking to journalists.

Both the countries also agreed to introduce 'account trade' and 'counter trade' to facilitate improved trade, he said.

Explaining it, the commerce minister said under the account and counter trade arrangements, the Myanmar businessmen will keep the money they receive

through export of goods to Bangladesh in an account for importing similar amount of goods from Bangladesh by using the money. "And similarly our exporters will also keep their sale proceeds for importing from Myanmar."

Currently, due to foreign exchange crisis the Myanmar government does not allow opening of direct letters of credits (LCs). The LCs are mostly opened by third parties from other countries like Japan and Singapore.

"We also discussed on the formation of a standing committee for resolving issues relating to border trade which crop up time to time," the commerce minister said speaking on the outcome of his four-day visit of Myanmar.

Commerce Minister Amir Khosru Mahmud Chowdhury and his Myanmar counterpart Brigadier General Pyi Sone also jointly inaugurated weeklong Bangladesh trade fair on the day at Yangon

Trade Centre in Mingala Taungnyunt township here. The fair will conclude on Saturday.

The two ministers urged the businessmen of the two countries to come forward in boosting bilateral trade relations.

Some 60 Bangladeshi companies are participating in the fair to showcase their products to explore the market of the next-door neighbour. A Bangladeshi cultural team is also holding shows here.

Prior to leaving the Myanmar capital, Khosru termed his four-day mission 'a very successful one'. He said the turnout at the fair is good and Bangladeshi goods are in great demand in Myanmar.

Earlier on Monday Khasro addressed a seminar titled Prospects of Myanmar-Bangladesh Bilateral Trade at the Information and Communication Technology Park auditorium. Leading businessmen of Myanmar attended the seminar.

Indian minister to visit Myanmar for three-nation highway project

AFP, New Delhi

Indian Foreign Minister Jaswant Singh will visit Myanmar April 5-7 to discuss plans to construct a three-nation highway connecting India, Myanmar and Thailand.

"The proposal has been under consideration for some time and will consolidate the relationship between the three countries by providing better connectivity for trade, tourism and people-to-people contacts," an Indian foreign ministry spokeswoman said Wednesday.

Singh will hold talks with Myanmar's Foreign Minister Win Aung and Thai Foreign Minister Surakiat Sathirathai in Yangon, the spokeswoman said.

India and Myanmar will also discuss cooperation in oceanographic surveys as well as medical and educational fields.

Taiwan indicators signal recovery

AFP, Taipei

Taiwan's leading economic indicators rose for the fifth consecutive month in February, confirming the economy was heading towards recovery, official data showed Wednesday.

The February leading indicator index, which gauges economic activity for the next three to six months, rose 0.2 per cent month-on-month to 98.7 points, according to the Council for Economic Planning and Development (CEPD).

The February composite indicator, which reflects current economic conditions, remained unchanged at 15 points from a month earlier, it said.

The composite index came in at the "blue light" level for the 15th consecutive month, indicating recession, according to the CEPD.

The CEPD uses a five-colour rating system to measure domestic economic performance.

Three of all the seven leading indicators were higher than they were a month earlier, it said.

Tax cuts essential to revive Japan economy, says minister

AFP, Paris

Japan's top economic policy minister, Heizo Takenaka, said in an interview here Wednesday that carefully targeted tax cuts were essential to reviving the national economy.

"We have very clearly proposed to balance the budget within the next 10 years," Takenaka told France's Le Figaro newspaper.

"So we will have to rein in some spending. But it is necessary to re-allocate the economy and for that a well-targeted tax cut is indispensable," he said.

Takenaka said a "total reform" was needed of Japan's fiscal system, which dates back to the immediate post-war period.

"Our income tax is strongly progressive. In addition, the tax on inheritance and charitable donations is too high," he said.



Leader of the Opposition in Parliament and Awami League chief Sheikh Hasina speaks at the closing ceremony of the 12th Bangladesh Apparel & Textile Exposition (BATEXPO) Monday in the city.

Allegation of irregularities Registrations of 17 travel agents cancelled

UNB, Dhaka

The government has cancelled the registration certificates of 17 travel agencies for their alleged irregularities in their business.

The travel agencies are Messrs Shahjalal Aviation Systems Ltd (Dhaka), Messrs Shahjalal Aviation Systems Ltd (Chittagong), Messrs Shahjalal Aviation Systems Ltd (Sylhet), Messrs Khaja Air Media Services Ltd (Dhaka), Messrs Haramine Travels (Dhaka), Messrs Haramine Travels (Chittagong), Messrs Meghatop Travels International Ltd (Dhaka), Messrs Islamia Overseas Ltd (Dhaka) and Messrs Islamia Overseas Ltd (Sylhet).

The agencies also include Messrs Travels Bridge Syndicate (Dhaka), Messrs Masud Travels (Dhaka), Messrs Masud Travels (Moulvibazar), Messrs Challenger Travels and Tours Ltd (Dhaka), Messrs Biral International (Dhaka), Messrs Sundarbans Travels and Tours Ltd (Dhaka), Messrs Mowallin Oversees Ltd (Dhaka) and Messrs Al-Hera Air Travels Ltd (Dhaka).

The decision could throw open the doors for growth of more varieties of GM crops in India. "The trials conducted have been highly inadequate," environmentalist Vandana Shiva said.

But experts who supported the decision said it would help farmers withstand virulent pest attacks which had ravaged their crops.

India approves commercial cultivation of GM cotton

AFP, New Delhi

An Indian government committee Tuesday approved the cultivation of genetically modified (GM) cotton for commercial cultivation as debate raged over whether they would be environmentally harmful.

GM cotton is more resistant to pests, but has been opposed by many experts who say the effect of growing such crops was not yet fully known.

The chairman of India's Genetic Engineering Approval Council, A.M. Gokhale, said that terms and conditions were being finalised though approval for commercial cultivation had been given.

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Japan funds controversial hydro-electricity project in Lanka

AFP, Colombo

Japan gave Sri Lanka a 245 million dollar loan Wednesday for the construction of a 150 megawatt hydro-electric power station held up for 10 years by environmental protests.

The Japanese embassy here said the loan agreement was signed in Colombo Wednesday to finance the Upper Kotmale power project.

Japanese ambassador Seichiro Otsuka and Sri Lanka's finance Secretary Charita Ratwatte signed the agreement on behalf of their respective governments.

The loan carries an annual interest rate of 0.95 per cent with repayment due over 40 years, including a 10-year grace period. Work on Upper Kotmale should have begun 10 years ago but environmentalists filed several court cases arguing that the construction of six dams would ruin waterfalls and harm the picturesque mountainous region.



Habibullah, Chairman of Kay & Que (Bangladesh) Ltd, inaugurates the second unit of the company's tar and pitch distillation plant yesterday. Tabith M Awal, Managing Director, and directors are also seen in the picture.

Central Asian states call for transport, energy, trade links

AFP, Manila

Ministers from Central Asian states ended a meeting here Tuesday with a call for a "results-oriented" approach to regional cooperation in the fields of transport, energy and trade facilitation.

China, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan sent high-level delegates to the two-day meeting, hosted by the Asian Development Bank.

"The delegations strongly advocated a practical and results-oriented approach," according to a statement at the end of the first Central Asian ministerial meeting on economic development since the September 11 terror attacks in the United States.

"The key to this approach is to focus on concrete projects that bring tangible benefits (which) would help

build confidence and foster trust," it added.

The ministers discussed a three-year regional assistance programme by the ADB and singled out transport, energy and trade facilitation as priority areas for economic cooperation.

"By mid-2002, ADB will present a revised programme for further consideration by the governments," the statement said.

The ADB is also helping to coordinate the activities of customs authorities in Central Asia.

The ministerial meeting is part of an institutional framework established by the ADB and the Central Asian states to enhance sub-regional cooperation after the September 11 terror attacks.

The attacks led to a US-led campaign in Afghanistan, which borders Uzbekistan and Tajikistan,

to crush the al-Qaeda network of Saudi-born militant Osama bin Laden who was blamed for the attacks, as well as his Taliban hosts.

Central Asian states are keen to attract foreign investment to build their shattered economies following the Soviet Union's collapse in 1991.

ADB vice-president Joseph Eichenberger told a news conference that the Manila meeting noted that a stable Afghanistan could offer a "historic window of opportunity" for enhanced cooperation.

He said the Central Asian states could supplement existing aid to Afghanistan by providing critical services such as education and training, as well as power supplies.

"Over the medium and long term, access to regional markets and rehabilitation of vital trading routes would be very beneficial to all," he said.



Janata Bank and BSCIC signed a memorandum of understanding in the city on Sunday to induce establishment of small-scale industries in the country. Picture shows Janata Bank Managing Director Murshid Kuli Khan and BSCIC Chairman MA Mannan exchanging the documents of the MOU after signing it on behalf of their respective sides.