

Indian economy grows 6.3pc in third quarter

AFP, New Delhi

India's economy grew 6.3 per cent in the three months to December from a year earlier on the back of a strong performance by the agricultural sector, the government said Thursday.

The growth figure was up from 3.4 per cent in the same period last year.

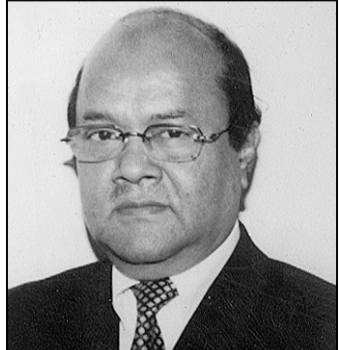
While the manufacturing industry remained in the doldrums with growth of just 2.8 per cent, the agricultural sector grew 7.1 per cent in the October-December period, the statement said.

The government has estimated economic growth for the fiscal year ending Sunday at 5.4 per cent, while setting a longer term target of between seven and eight per cent.

Another top performer in the third quarter was the services sector, which posted growth of 10 per cent, compared to just 2.1 per cent a year earlier.

The figures will offer some relief to Finance Minister Yashwant Sinha who has been criticised of late for failing to do enough to stimulate the economy after two years of stagnant growth.

City Bank chairman, vice-chairman reelected



Chairman



Vice-chairman

Deen Mohammad and Aziz Al-Kaiser have been re-elected chairman and vice-chairman of The City Bank Limited for the year 2002-2003, says a press release.

Deen Mohammad is the chairman of Phoenix Group of Industries and Apollo Group comprising various industrial and commercial undertakings in different sectors ranging from textile, spinning, weaving, dyeing, printing & finishing, G.C.I. sheets, C.R. coil, etc.

He is associated with a number of trade bodies and socio-cultural organisations.

Aziz Al-Kaiser is Vice-Chairman of Partex Group. He is a former chairman of Janata Insurance Company Limited.

STB encourages tourism industry to go wireless

Wireless Applications in Tourism is a new initiative by the Singapore Tourism Board (STB) to encourage local enterprises to explore innovative ways to provide services to visitors to Singapore, says a press release.

Supported by the Infocomm Development Authority of Singapore under the Wired With Wireless Programme, this may soon mean that visitors can access information and services on anything from hotels to attractions via wireless applications such as mobile phones and personal digital assistants (PDAs).

To achieve this, the STB is pledging financial support of up to 50 per cent of start up costs.

Patrick Lau, Chief Information Officer of the STB said: "Consumers today are sophisticated. They want quick access to information anytime and anywhere. They expect personalised services. Many of them carry mobile phones or PDAs and want the power of information at their fingertips. Singapore is in a position to exploit this as we have an excellent telecommunications infrastructure and the know-how to capitalise on this technology."

With wireless applications, visitors can look forward to checking into hotels or making room service orders with their mobile phones. Visitors may also check on forthcoming blockbuster shows staged in Singapore and pre-book tickets via wireless applications.

JICA seminar advocates more Japanese aid to Bangladesh

BSS, Dhaka

Speakers at a seminar yesterday recalled the contribution so far Japan made to the development of Bangladesh and said as a tested friend it should come in a bigger way for improvement of housing, IT, organic farming, agriculture and readymade garments.

They said Japan should also share its expertise and knowledge with the Least Developed Countries (LDCs) of the region in the process of globalisation.

Japan International Cooperation Agency (JICA) in cooperation with Japanese embassy in Dhaka jointly organised the seminar on "30 Years of Japanese Cooperation for Economic Development of Bangladesh" marking the 30th anniversary of diplomatic relations between the two countries.

State Minister for Foreign Affairs Reaz Rahman, Japanese Ambassador to Bangladesh Jiro Kobayashi, JICA Resident Representative Takashi Sakamoto, General Secretary of JICA Alumni Association Azmal Chowdhury and Dr Saleh Ahmed spoke at the seminar.

JICA President Prof Motiur Rahman presided over the seminar.

Dr Monwar Hossain, former chairman of Bangladesh Institute of Development Studies (BIDS), read out the keynote paper in the seminar titled "Japan-Bangladesh Development Cooperation: Past, Present and Future".

Speaking on the occasion, Reaz Rahman said Japan is one of the first few countries to recognise Bangladesh as an independent state and made enormous contributions to the economic development of the war-ravaged country soon after its independence in 1971.

He described Japan as a 'tested friend' and said it has eventually become the leading development partner of Bangladesh.

The state minister expressed his gratitude to the Japanese government and hoped that the country would mobilise its assistance for other sectors that need more attention both from the government and the developing partners.

Jiro Kobayashi referred to the assistance Japan provided to the economic and social sectors in the country during the last 30 years and said proper utilisation of those made significant contribution to the nation's development.

He referred to the loans Japan took for its development after the Second World War and said Bangladesh could also change its fate through best uses of borrowed money.

In his keynote paper, Monwar Hossain said over the three decades Japan provided development assistance of Tk 433 billion, of which 40 per cent was in grant, three per cent technical cooperation and rest of 57 per cent soft loan.

He said Japan's economic assistance went to four priority areas of agriculture and rural development, social sector improvement, infrastructure development, export promotion and disaster prevention.

Hossain identified some thrust sectors where Japan could invest more for mutual benefits.

The sectors, he said, are food processing and agriculture items for export, backward linkage industries for readymade garment, housing, IT sector and organic farming.

Lack of gas, funds retard industrial growth in northern region

UNB, Bogra

Despite immense potential, industries in the country's northern region could not derive much benefit from the long-cherished Jamuna bridge for lack of other vital infrastructural supports, including gas and finances.

Although the bridge brought an end to a longstanding communications problem by connecting entire North Bengal with the capital Dhaka, industries here have not yet taken off the ground. No new industrial sector has emerged rather many units have been closed down while many others are limping.

Chamber leaders here feel that a separate industrial policy, along with infrastructures and special incentive package, can accelerate industrialisation in the relatively backward northern region.

In the post-independence period, Bogra Cotton Mill, blanket

industry, Ramna Cigarette, soap factory, glass factory, ceramic industry and many other small-and-medium-scale enterprises—built here during the Pakistan time —started going bust.

Some 60-70 thousand labourers of some 30-32 industries became completely jobless following closure of the industrial units.

The latest casualty, following price hike of furnace oil, were the about Tk 30 crore Tajma Ceramic Industries along with 300 workers. The unit that contributed about Tk 1 crore to the exchequer annually closed down on January 8 this year.

Tajma, established in 1959, also exported ceramic goods to London in 1994.

"Even one per cent of our expectations from Jamuna Bridge was not fulfilled... We thought industry will flourish here as price of land is much lower than in Dhaka," says M Amjad Hossain, president of Bogra

Chamber of Commerce and Industry.

Only 2 per cent of the bank deposits of the people of this area are invested here while the rest go to Dhaka and other areas, the business leader told the visiting UNB reporter, quoting bank officials.

The road is fine and there are many beautiful roadside restaurants, but people achieved nothing, he said in a note of frustration.

If the industries had got gas, unit costs would have reduced and the industries would be able to compete with those in East Bengal. Also, investors from other regions would be encouraged to invest in North Bengal. Labour cost is also very low here.

"Though agricultural raw materials are very cheap here and the government always vows to help in setting agro-based industry, the government is not specific about types of agro-based industry," said

Golam Rasul Khan Rana, junior vice-president of BCCI.

Vegetables and fruits like tomato, mango, potato, cabbage, cauliflower have tremendous potentials as raw materials of food-processing industry.

The businessmen informed that cost of transportation via Jamuna Bridge is higher than through Nagbari-Aricha ferry service. Toll for use of the pay-bridge per truck ranges from Tk 750 to 1250 while it is Tk 400-600 if the old way is taken.

"You see, for example, the bank will provide me Tk 20 lakh if I have a one-acre land while in Dhaka bank would provide Tk 1 crore for the same plot of land," Abul Kalam Azad, vice-president of BCCI, said.

So the government must consider the collateral security and the bank must reduce the interest rate, he pointed out, for helping industry flourish in the industrially laggard north of the country.



Grand Azad Hotel, a three-star hotel, celebrated its first founding anniversary at the hotel on Thursday. Picture shows Director of the hotel Tanjina Azad Laboni, cutting a cake while Senior Vice-President of Islami Bank Bangladesh Ltd Habibur Rahman, founder of the hotel Abul Kalam Azad, Salahuddin Ahmed MP, former GM of Sonargaon Hotel Sahed Hamid and Editor of the Monitor Kazi Wahidul Alam looking on at the function.

Battle over HP-Compaq merger goes to court

AFP, San Francisco

The battle over the merger of Hewlett-Packard and Compaq moved to court Thursday as family heir Walter Hewlett filed suit alleging improper conduct by HP management to sway a shareholder vote.

Hewlett-Packard quickly dismissed the allegations as "baseless."

Hewlett, an HP board member who opposes the merger, alleged in his complaint that HP management "obtained a significant number of votes (for the merger) by improper means."

The suit cited "enticements and coercions" to win the approval of proxies by Deutsche Bank, which owned at least 25 million voting shares.

"The number of votes improperly obtained by Deutsche Bank may, by itself, be outcome-determinative," the suit contends.

It alleges that Deutsche Bank had initially decided to oppose the merger, but changed it stand a day before the vote.

A few days before the HP vote, Deutsche Bank reportedly joined other investment banks in forming a four billion dollar credit facility for Hewlett-Packard.

"Deutsche Bank was led to understand that if it did not switch its votes to favor the proposed merger, its future business dealings with HP would be jeopardized," the suit said.

Deutsche Bank, contacted by AFP, had no immediate comment on the suit.

The suit also says the votes for the merger were tainted by "fraud, deception, misleading statements and misleading nondisclosures" of key information.

The complaint asks a judge to order that shareholders defeated the merger plan on March 19, or to invalidate the vote and order a new vote.

HP denied any irregularities in the voting.

"We believe this suit is completely without merit and intend to vigorously defend it," an HP statement said.

"We find it regrettable that Mr. Hewlett has chosen to resort to baseless claims without regard to the impact of his false accusations on HP's business reputation and employees. We continue our progress in planning for a successful integration of our merger with Compaq."

Ericsson may cut 25,000 jobs this year

AFP, Stockholm

Beleaguered Swedish mobile phone maker Ericsson could lay off up to 25,000 more employees this year if the economy fails to recover, after cutting 22,000 jobs last year amid a sweeping restructuring, a Swedish financial daily reported Thursday.

"Ericsson is preparing further large cutbacks. The telecom giant's plans could lead to the number of employees being reduced by up to 25,000 people," the FinansVision newspaper said, quoting unnamed sources within the company.

But Ericsson, which had 85,200 employees at the end of 2001, denied the report in a statement.

"There are no grounds for the information printed in the Swedish press that speculates about a new efficiency program leading to 25,000 redundancies at Ericsson," the group said.

At the company's annual general meeting on Wednesday, chief executive Kurt Hellstrom said he expected no immediate turnaround in the battered telecommunications market.

"To date things look the same as they looked during the last quarter of 2001," he said.

Saturday Business Solutions

Do you have business problems? Write to us at: dsbusins@gononet.com

The Daily Star, 19 Karwan Bazar, Dhaka, Bangladesh, E-mail: dsbusins@gononet.com

The Daily Star runs a business solution column, which appears on Saturdays. While running your business, you come across problems and wish someone would help. This column will provide you with insights to solve your problems. Write to us or to Sarwar Ahmed, MBA (sarwar@asia.com) who hosts this column.

Attitudes

What has attitudes to do with business, your personal life or even our country? Perhaps we don't give it any thought but attitudes make or break us. I have often repeated in this column of the people factor. I will say it again, and again. I have a basic 'attitude' about people there's no hundred percent about their output.

Unlike machines, which will give you the rated output per hour, we humans really do not know what we can give. It is management which has to create an enabling environment which will enable your people to give perhaps their 1000 percent, not just 100. If your environment is disabling, people will hold back on their creativity, and they may be giving their 50 per cent and you wouldn't know.

Through Taylor's scientific management concepts, we have been able to standardize mechanical work, which needs human involvement. People on an assembly line do produce so many units per hour. Even with the best of attitudes you can produce so many cars per shift, so many whatever per unit of time. But what do you do of the new car which made a strange sound whenever the car needed fresh petrol? This new car was sent back to the Plant. Literally tearing the car to pieces, they found an empty soft drink can in the petrol tank which was making the noise. A worker with the wrong attitude had put this can in, dissatisfied with his work and environment.

Where do attitudes grow? It starts with your home. The environment of your home, later your school, college and eventually your work place will continuously form your attitudes, though the earliest years are the most important in the formation of your personality, character and attitudes. As parents we have to create a lovable, positive caring attitude which should be carried on in the schools by our teachers, and eventually in the work place by our mentors.

All our experiences, positive or negative shape our attitudes. The worst thing that is happening in Bangladesh is our morning newspapers. The pessimism, cynicism that pervades Bangladesh is even more aggravated by the vicious cycle of reading our morning papers full of sordid tales of murder, rape and other ill deeds, including the negative politics on the front page. We begin our day when our minds are fresh with rest and most receptive, to all the possible negative news. I wish the Editors or our newspapers, including The Daily Star, wake up to this reality and push all these negative news in a page which is way in, not in the front or back page.

At a personal level, negative attitudes create negative stress and will bring you ill health; most illnesses are psychosomatic. I am not an expert on health but can someone tell us how many people of the street the rickshaw puller, the daily labourer have heart diseases, diabetes, compared to the affluent? The former lead a simple life, what they earn is what they spend, and if they do not have that kind of money, they go hungry, and no complaints. And if they do not have our three square meals plus the in between snacks a day, we feel the hunger pangs of the famine stricken! That is attitude.

Like charity, attitude begins at home. Live a healthy, more complete life, appreciating what you have and developing a positive attitude. It will pay you off, positively!

Announcement

The weekly Business Solutions column by Sarwar Ahmed will now be appearing on Saturdays instead of Sundays. So, the column is renamed Saturday Business Solutions.

Japan still in grip of severe unemployment, deflation

AFP, Tokyo

Japan remains in the grip of high unemployment, deflation and depressed industrial production, new data showed Friday, but a senior government official predicted the imminent end of the recession.

Japan's jobless rate remained unchanged at 5.3 per cent in February, according to data from the Ministry of Public Management, Home Affairs, Posts and Telecommunications.

Other figures showed a smaller than expected 1.3 per cent rise in industrial production in February and consumer prices in the month fell 1.6 per cent from a year earlier in the 30th straight month of deflation.

The world's second biggest economy suffered three straight quarters of economic decline from April last year and another fall is expected in the three months to March.

But a leading government official said the economy is expected to pick up in the quarter starting on Monday.

"As exports have showed a smaller decline recently and will soon begin turning up, the conditions for recovery have been emerging on the production and income fronts," Deputy Finance Minister for International Affairs Haruhiko Kuroda told reporters.

"I think the Japanese economy

will be in positive territory from the April-June quarter," Kuroda said.

Economists, however, are expecting Japan's ranks of unemployed workers to continue swelling. Compared to a year earlier, the number of people out of work increased by 380,000 to 3.56 million in February, the ministry said.

The 5.4 per cent unemployment rate for men in February was unchanged from the previous month but the per centage of women without jobs hit a record 5.2 per cent, up from 5.1 per cent in January.

"The employment conditions became very severe around September last year and that situation remained unchanged in (February)," a public management ministry official said. Japan's jobless rate hit a postwar record high of 5.6 per cent in December.

In recent months there has been a sharp rise in job losses among full-time workers in the large manufacturing companies, the official said, adding unemployment among women workers was catching up with the rate for men.

The Ministry of Economy, Trade and Industry said in a preliminary report Japan's industrial output in February rose a less-than-expected 1.3 per cent from the previous month. Output fell 11.3 per cent year-on-year.

Weekly currency roundup

March 23-28, 2002

Trading in the local foreign exchange market was moderate. Demand for dollar was steady.

In the weekly treasury bill auction Bangladesh Bank accepted treasury bills worth of BDT 4,502 billion. The government accepted BDT 3,742 million at 4.45 per cent for 28-day T-bills, BDT 50 million at 5.25 per cent for 91-day T-bills, BDT 110 million at 5.84 per cent for 364-day T-bills, BDT 50 million at 6.83 per cent for 2-year T-bills and BDT 550 million at 9.2 per cent for 5-year T-bills. Demand for BDT for overnight borrowing at call was steady throughout the week and the call money ranged between 8 and 10 per cent.

Yen lost ground against dollar in the beginning of the week in the international market, touching 133 level briefly. Euro failed to rise against the dollar in spite of a better-than-expected rise in the German IFO business sentiment index. According to the survey results, the business sentiment index rose to 91.8, and its highest level in about 11 months.

Later in the week, yen gained more ground against dollar, steady on its flight boosted by anticipation of more funds repatriation by Japanese investors and hopes that the government would come up with new measures to tackle the deflationary pressures. Dollar had risen on account of better than expected January retail sales data, but failed to hold on to the gains. Australian dollar rallied due to a huge rise in January employment.

At 1330 hrs on Thursday, euro traded at 0.8707/14 against dollar, pound sterling at 1.4285/88 and yen traded at 132.44/50 against US dollar.

- Standard

Chartered Bank