

Malaysian palm oil promotion programme in Ctg from today

UNB, Dhaka

Malaysian palm oil is going to be available in the rural markets soon as a rural market promotion programme begins in Chittagong today.

Commerce Minister Amir Khasru Mahmud Chowdhury is expected to inaugurate the programme at Hathazari Degree College ground in the port city.

The programme would be conducted in 60 important commercial centres of 30 districts to make the palm oil gradually available to the rural consumers of Bangladesh.

This was announced at a press conference at Sonargaon Hotel yesterday.

Malaysian High Commissioner to Bangladesh Ashaari Sani, chief executive office of Malaysian Palm Oil Promotion Council (MPOPC) Datuk Harun Siraj and country representative Fakhru Alam addressed the press conference.

MPOPC and Bangladesh Edible Oil Ltd have jointly organised the promotion programme aimed at conveying the beneficial attributes of the oil.

During the campaign, arrangements would be made for selling consumer packs so that people can assess the attributes using the oil in cooking foods.

Bangladesh imported 3.5 lakh tons of palm oil, 40 per cent of total edible oil imports, in the crude form in 2001 to produce consumer packs in three brands -- Meizan, Lucky and Natural.

Malaysia is the highest producer and exporter of palm oil in the world. In the year 2000, a total of 35 million tons of oils and fats entered in the world market, of which 15 million tons was palm oil.

Japan's NTT to cut 17,000 jobs

AFP, Tokyo

Japan's top telecommunications firm Nippon Telegraph and Telephone Corp. (NTT) said Friday it would cut 17,000 jobs and reduce capital investment by three billion dollars over three years.

As part of a three-year business plan, the NTT group, which includes the nation's mobile phone giant NTT DoCoMo Inc., aims to cut staff to 199,000 by the end of March 2005 from 216,000 currently.

NTT's capital investment will be cut to 2.2 trillion yen (17 billion dollars) by the year to March 2005, down by 400 billion yen from the year to March 2002.

"Over the next three years, we will concentrate our management resources on developing the market for broadband Internet communications," NTT president Junichi Miyazu told a news conference.

"And at the same time, we will continue to streamline management by reviewing our capital investment and costs," Miyazu said. "We hope to see revenue and profits rising over the next three years."

As a result of the reform initiative, NTT -- which expects to soon report a record net loss -- will aim for an operating profit of 1,500 billion yen for the year to March 2005, up from 867 billion yen estimated for the year just ended.

The former state monopoly aims for sales of 12.6 trillion yen in three years' time, up from an estimated at 11.8 trillion yen in the recently ended year.

StanChart ceases Cambodia branch operations Apr 30

AFP, Phnom Penh

British-based Standard Chartered will scrap its Cambodian branch operations on April 30, officials said Friday.

In a brief statement, the bank said all cashier services would be terminated Saturday but a counter service would be maintained until the end of April to allow clients to transfer their deposits to other banks.

Standard Chartered announced it was ditching its branch office in March but a representative office would be maintained.

The effective withdrawal of a major international bank was seen as a blow to Cambodia's infant financial industry.

Analysts said poor Cambodian growth and the weak global economy had prompted Standard Chartered to look elsewhere for better returns.

French bank Credit Agricole Indosuez is also in negotiations to allow its local operations to be transferred to a state owned bank.

This could result in its withdrawal from this country.

BSFIC sugar mills sweetened

Factories achieve production target for first time in five years

RAZIUR RAHMAN

In the current crushing season, the country's 15 state-run sugar mills have achieved the production target of 1.83 lakh metric tons of sugar, ending a five-year failure streak.

Bangladesh Sugar and Food Industries Corporation (BSFIC) officials have attributed the 2001-2002 success to increase in sugarcane and decline in molasses prices. Sugarcane farmers usually prefer selling of their produce to molasses producers as they get higher prices from them.

As the BSFIC factories have produced 1.92 lakh metric tons of sugar till April 13, the officials are expecting the total domestic sugar production will exceed 2 lakh metric tons, indicating dependence on imported sugar will be less this year.

Earlier, the government decided to import 1.7 lakh metric tons of sugar this year to meet the annual domestic demand of around 4 lakh metric tons.

"With the more than 2 lakh metric tons of locally produced sugar, the government will not

be required to import 1.7 lakh metric tons," said a BSFIC official.

This year the BSFIC and the Trading Corporation of Bangladesh (TCB) have been given the permission to import 1 lakh metric tons and 70 metric tons of sugar respectively.

However, according to official sources, the government is yet to revise the sugar import target for this year.

Due to shortage of sugarcane, the raw material, during the last five years, production in the 15 mills had come down to around 50 per cent of their capacity. The total annual production capacity of the mills is nearly 2.10 lakh metric tons.

In 2000-2001 crushing season, in the face of scarcity of raw material, the sugar mills produced only 98 thousand metric tons of sugar against the target of 1.5 lakh metric tons.

During the last few years, the sugar mills suspended operation much before the end of seasons as supply of sugarcane dwindled. But, this year seven sugar mills are still in operation. Some of the mills are expected to continue pro-

duction till the first week of May this year. The current crushing season started in the first week of November last year.

Officials said increase in sugarcane price has inspired the growers to sell their produce to sugar mills. In 1999-2000, farmers cultivated sugarcane on 1.9 lakh acres of land while in 2000-2001 peasants planted the crop on 2.20 lakh acres of land.

Following the decreasing trend of sugarcane supply in mills, the government increased the price of sugarcane by Tk four per *maund* in crushing season 2000-2001. At present, the farmers are getting Tk 41.50 per *maund* of sugarcane at the mill gates and Tk 41 per *maund* of sugarcane at the outline purchase centres.

As the farmers used to get more profit by selling their sugarcane to molasses producers, the illegal molasses producers in mill zone areas appeared as a potential treat to the sugar industry during the last few years, officials said.



PHOTO: AFP

This photo released by Microsoft shows Microsoft co-founder and Chief Software Architect Bill Gates (R) shaking hands with Intel President and CEO Paul Otellini (L) during WinHEC 2002 in Seattle, Washington on Thursday. WinHEC, which stands for Windows Hardware Engineering Conference, is designed to help engineers, driver developers and product designers prepare for the coming changes in the computer hardware industry and for understanding future directions for hardware running Microsoft Windows operating systems.

IMF sees erosion in OPEC market influence

AFP, Washington

The Organization of Petroleum Exporting Countries, its share of the world oil market in decline, could see an erosion in its ability to affect global oil prices, the IMF said Thursday.

Such a development, the International Monetary Fund noted in its latest World Economic Outlook report, could prove to be a boon for non-OPEC producers.

The Fund predicted average prices of 23 dollars a barrel this year and 22 dollars in 2003, provided OPEC's recent production cuts are

maintained in the absence of supply disruptions.

The IMF calculated that a five-dollar increase in oil prices, if maintained over a year, could cut world economic growth by 0.3 per centage points. Output would be reduced by 0.4 points in the United States and the euro zone and 0.2 points in Japan.

OPEC, an 11-nation cartel, has traditionally accounted for nearly 40 per cent of the world's oil output and holds 77 per cent of the world's proven reserves.

But its output share fell to 36 per cent late last year and could slip to

35 per cent if the recent production cuts are kept in place.

"This decline could raise concerns in OPEC about a secular decline in their ability to influence the market, and an erosion in revenue in favor of alternative producers," the IMF said.

"The equilibrium in oil markets is thus likely to remain rather fragile as OPEC navigates the trade-off between losing market share and supporting prices."

Lower output levels are expected to trim growth in Middle East oil exporters from five per cent in 2001 to 3.4 per cent this year, according to the IMF.

Microsoft posts \$2.74b profit

AFP, Redmond, Washington

Microsoft said Thursday it posted a net profit of 2.74 billion dollars in its most recent quarter, up 12 per cent from the same period a year earlier.

The earnings, which included special charges and a one-time gain from the sale of its Expedia travel unit, amounted to 49 cents a share for the software giant.

Revenue for Microsoft's fiscal third quarter were 7.25 billion dollars, a 13 per cent increase over the 6.40 billion reported in the prior year.

"We delivered another quarter of solid revenue growth and operating results that exceeded our expectations," said John Connors, chief financial officer at Microsoft.

Connors said the company's sales were driven by "the strength of Windows XP," the new operating system introduced last year for business and home PCs.

He added, "We took another big bite out of costs this quarter, with single-digit operating expense growth driving costs down and efficiency up throughout the entire organization."

Indian cabinet okays oil sector regulator

AFP, New Delhi

India's cabinet approved on Thursday the setting up of a petroleum regulatory authority with powers to intervene against companies, following this month's dismantling of state-controlled oil prices.

A government statement said the function of the regulator would be to "protect consumer interest by fostering competition and fair trade, preventing profiteering by entities and ensuring adequate availability of petroleum products."

The regulator would also have the judicial power to decide on disputes between consumers and oil companies.

India ended its decades-old oil price regime on April 1 by stopping government subsidies on all products except a few that are widely consumed by poor households such as kerosene and cooking gas.

The decision was taken because the Indian government has been trying to reduce its overall debt and expenditure burden to contain the fiscal deficit, estimated at 5.7 per cent of gross domestic product.



PHOTO: AFP

Japan's printing giant Toppan employee Yumi Narita displays a prototype of the color electronic paper during the annual Tokyo International Book Fair yesterday. The next generation lightweight display with a thickness of 0.3mm, contains electronic ink and is driven by AA batteries. Electronic ink is a proprietary material that is processed into a film for integration into electronic displays, a fusion of chemistry physics and electronics. The ink is printed onto plastic film that is laminated to a layer of circuitry that forms pixels that can be controlled by a display driver.

Weekly Currency Roundup

April 13-18, 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 1.445 billion. The Government accepted BDT 675 million at 4.00 per cent for 28-day T-bills, BDT 600 mio at 5.14 per cent for 91-day T-bills, BDT 150 Million at 5.80 per cent for 364-day T-bills and BDT 20 mio at 8.90 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 7 and 9 per cent.

Dollar came off a one-week high against the yen in the beginning of this week in spite of verbal boost given to the greenback by the Japanese financial diplomats. The talk of Electronics Giant Sony Corporation sellign a sizable portion of its investment in Japanese Insurance unit to General Electric Capital was another contributor to dollar's fall.

In middle of the week, yen gained some ground against dollar and euro. Standard & Poor, a top US credit rating agency, downgraded Japan's long-term and sovereign rating by one notch to A minus. The reasons cited for the cut in rating were a negative outlook for the debt-ridden Japanese economy.

Dollar fell across the board against all major currencies later in the week. The greenback touched a three-month low against the euro and sterling with news of US Trade deficit coming in at USD 31.5 bio against a market forecast of USD 28.9 billion Federal Reserve Chairman Aal Greenspan painted an optimistic picture of the economy, waiving possibilities of an early hike in funds rate.

At 1515 hours on Thursday, euro traded at 0.8891/98 against dollar, pound sterling at 1.4460/65 and yen traded at 130.62/66 against US dollar.

--StanChart

US firmly rejects EU right to retaliate against steel tariffs

REUTERS, Washington

The United States Thursday firmly rejected the European Union's claim it has the right to retaliate against new US steel tariffs before the World Trade Organisation has ruled on the matter.

"That thought really strikes at the heart of the whole WTO arrangement," a US trade official told reporters during a conference call. "What they are really arguing is a step down the road toward unilateralism."

The EU's retaliation threat was triggered by President George W

Bush's decision last month to impose tariffs on up to 30 per cent in 10 different steel categories to give the struggling domestic industry time to rebuild.

The move angered steel producers around the world, with the EU now leading a long list of countries seeking to overturn the measure at the WTO.

Brussels also argues countries have until June 18 to decide on their own whether to retaliate against the new tariffs.

It is threatening to take that action if the United States does not "com-

pensate" the EU for lost trade through increased market access for other European products.

The EU's argument is based on its view that the United States did not experience an "absolute increase in imports" and therefore violated provisions of the WTO Safeguards Agreement, which allows countries to impose temporary curbs.

But the United States argues that countries can not decide on their own whether Washington violated the rules. They must leave that issue for a WTO dispute settlement panel to decide.

Japan to deliver upbeat recovery message at G7 meeting

AFP, Tokyo

Japanese Finance Minister Masajuro Shiohara said Friday he will deliver a strong message to his Group of Seven (G7) partners at a meeting this weekend that Japan's economy is on the path to recovery.

"I am planning to argue against (the International Monetary Fund and other overseas) criticism of Japan's economic situation," Shiohara said, on the eve of the two-day meetings in Washington of finance ministers and central bankers from the world's seven richest nations.

"Japan's economic fundamentals have not changed significantly and I believe the economy will

rebound because there are some hopeful signs that indicate there will be a sustainable recovery," he told a regular news conference.

Recent reports by the government and Bank of Japan indicate the world's second largest economy is on the verge of a cyclical upturn, powered by a revival in global demand for Japanese exports.

"I will also explain to the G7 that Japan's bank bad-loan disposals will progress steadily and eventually the situation will return to normal because we have already created a system to monitor closely the banks in future in terms of bad-loan disposals," Shiohara said.

Last week the government's financial watchdog, the Financial

Services Agency (FSA), published the outcome of a special probe into Japan's 13 largest banks.

The report showed the banks wrote off bad loans worth 7.8 trillion yen (60 billion dollars) in the year to March, up 1.4 trillion yen from an estimate made in November, or an additional 1.9 trillion yen as a result of the probe.

"I cannot understand why (foreign) economists are asking Japan to compile an additional budget," Shiohara added.

"That idea contradicts the government's commitment to cap bond issuance at 30 trillion yen," he said, referring to a pledge by Prime Minister Junichiro Koizumi to limit new bond issues in the year to

March just ended and the current financial year to rein in national debt.

"I want to speak out and they (the economists) should wait until Japan works out its industrial policy outline in June," he said.

Shiohara also warned he would soon submit a paper to the world's major credit rating agencies asking them to explain a string of recent downgrades of the country's sovereign debt.

Standard and Poor's this week cut Japan's long-term credit rating to AA-minus -- the weakest of the G7 countries -- from AA, while Moody's Investors Service is mulling whether to lower Japan to single-A status, citing the nation's deep economic woes.