Star
# BUSINESS
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# Business leaders call for direct air, shipping links with Oman

**STAR BUSINESS REPORT**

Direct Bangladesh-Oman air and shipping links should be established in order to increase trade between the two countries, representatives of the business community of Oman and Bangladesh observed yesterday.

During a meeting between a three-member business delegation of Oman Chamber of Commerce and Industry (OCCI) and the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), it was discussed that other countries traded Bangladeshi products in Oman as there is no direct air and shipping links between the two countries

Regretting the case, State Minister for Expatriate Welfare and Overseas Employment Major (retd) Kamrul Islam assured the business leaders of taking the issue to the ministries concerned. He was speaking at the meeting as chief guest.

Bangladesh business leaders also urged the entrepreneurs of Oman to invest in Bangladesh taking advantage of the liberal policies and incentives currently available for foreign investors in Bangladesh.

The State Minister said although the volume of trade between the two countries is negligible but not insignificant. " We hope the volume will increase gradually."

During the year 2000-01, Bangladesh exported products worth 1.34 million US dollars while it imported goods worth 0.78 million dollars from Oman.

President of OCCI and leader of the business delegation Abdullah Bin Salem Bin Rawas invited Bangladeshi businessmen to Oman and called for exploring new areas of trade and economic co-operation.

FBCCI President Yussuf Abdullah Harun accepted the invitation and announced that a separate desk for Oman would be set up at the FBCCI to promote trade. He also urged the delegation to open a similar desk for Bangladesh at the OCCI.

Following the meeting, a memorandum of understanding was signed by the OCCI president and the FBCCI president on behalf of their respective sides.

As per the MoU, both parties will facilitate exchange of visits of businessmen and economic information with a view to exploring the possibilities of increased trade and economic cooperation between their members.

The MoU also creates scope for formation of a joint committee to exchange views and submit proposals for strengthening trade ties between the two countries.

Among others, Bangladesh Ambassador to Oman Major General (retd) Amin Ahmed Chowdhury also delivered speech at the meeting held at the FBCCI.

# Farasuddin suggests setting up of debt management cos

## Bid to fight default loans

**STAR BUSINESS REPORT**

Former Bangladesh Bank (BB) Governor Dr Mohammad Farasuddin suggested formation of debt management companies to get rid of the default loans in the country.

Citing Indonesian example, he said the country hit hard by East Asian financial collapse in 1996, recovered well as it reduced the bad loan to six per cent from a staggering 50 per cent with the help of debt management company.

The former governor was addressing a seminar on "Financial and Investment Services in a Changing Environment" jointly organised by the Dhaka Chamber of Commerce and Industry (DCCI) and Centre for International Private Enterprise (CIPE) at the DCCI auditorium in the city yesterday.

Dr Farasuddin said if the banks are able to realise half of their bad loans, it would add at least two per cent to the country's GDP.

"The irony is that we live in a country where rebate and other rewards are offered to those who defaulted on bank loans but the timely repayers are not, which further encourage defaulting," he said.

The ex-governor was also very critical of the sole authority of the Board of Directors of banks to make decision on sanctioning loans. "The system leaves scope for manipulation and politicisation of the process," he said.

To evolve a sound financial and investment system, he said, economics must be separated from politics.

Dr Farasuddin stressed the need for flourishing of small and medium enterprises(SMEs) and for that he recommended a separate financing institution, which has to offer collateral-free loan at a low interest rate.

Dr Mahmood Osman Imam and Prof Salahuddin Ahmed Khan of Finance and Banking Department of Dhaka University presented a keynote paper at the seminar.

In the paper, they recommended export diversification, development of industrial infrastructure, quick deregulation of SOEs, grooming skilled manpower, tax reform and improvement of law and order attract more FDI. They also advocated strong political will to reform financial sector.

Jahiruddin Khan, former Minister for Industries and Planning, Matiur Rahman, President of DCCI, Syed Naser Bukhtear Ahmed, Managing Director of Prime Bank Ltd, MA Momen, Director of DCCI, Dr Mustafizur Rahman, Director of CPD, Ferdaus Ara Begum, Joint Secretary and Co-ordinating Officer of DCCI-CIPE, ERRA Project, and Brigadier (retd) Mostafizur Rahman, Chairman of BEPZA also spoke at the seminar.

## New office-bearers of France-Bangla Chamber

The new Executive Committee of France-Bangladesh Chamber of Commerce and Industry has elected its office-bearers, says a press release.

Gerard Marchand, Country Manager of Credit Agricole Indosuez, has been elected president while Obaidur Rahman, Managing Director of Dorasco Ltd, Vice-President (Bangladesh) and You Ngai Chan, Managing Director of Lafarge Surma Cement Ltd, Vice-President (France).

Syed Farhad Ahmed, Managing Director of Texas Resources Ltd, has been elected Treasurer of the organisation.

The newly elected members are Dr a Qayyum Khan, Managing Director of Bureau Veritas (Bivac) Bangladesh Ltd, Humayun Rashid, Director & CEO of Energypac, KM Khaled, Director of GETCO Ltd, Col Mujibur Rahman (Retd), Managing Director of Miladon Centre, MS Kumaran, Managing Director of Premier LP Gas Ltd, SM Hossain, Managing Director of SMH Engr & Trading Co, SS Kamal, Chairman of ECM Services Ltd, and Engr Zilhurain Jaigirdar, Managing Director of JW Worldwide Ltd.

## Thai central bank raises growth forecast for 2002

**AFP,** *Bangkok*

The Bank of Thailand (BoT) on Tuesday raised its 2002 economic growth forecast to 2.5-3.5 per cent from earlier estimates of 2.0-3.0 per cent, falling into line with more optimistic finance ministry figures.

The central bank also said it was raising its 2003 gross domestic product (GDP) forecast to a bullish 2.5-4.0 per cent from the previous estimate of 2.5-3.5 per cent.

"Preliminary data indicated that Thai economic conditions improved in the 2002 first quarter, especially with regard to production," the BoT said in a statement.

It said it expected 2002 exports to grow 1.0-3.0 per cent by value, with imports up 2.0-4.0 per cent, to give a trade surplus of 1.5-2.5 billion dollars.

However the central bank said Thailand's current account surplus in March fell to 446 million dollars from 1.02 billion dollars in February, as a first-quarter export slump took hold.

Exports in March totalled 5.56 billion dollars, down 4.6 per cent year-on-year after a fall of 8.1 per cent in February, it said.

Imports in March came to 5.16 billion dollars, down 9.3 per cent year-on-year after a fall of 13.7 per cent to 4.25 billion dollars in February.

## DHL opens Express Centre at Rampura

DHL Worldwide Express opened its fifteenth Express Centre at Rampura in the city on Monday, says a press release.

Bryan Jamison, Area Director of South East Asia of DHL, inaugurated the centre.

Malcolm Rees Area Director of South Asia and Indo China, Desmond Quiah, Country Manager of DHL Bangladesh, and other senior managers of the company were also present on the occasion.

Speaking on the occasion, Jamison remarked that as the market leader in Air Express industry in Bangladesh DHL would continue its effort to reach to its customers as much as possible.

He said the opening of another brand new express center is indicative of DHL's growth and its commitment to the business community as the most favoured trade facilitator.

He also hoped that the customers in Bangladesh would continue to get the unmatched support from DHL in the future.

DHL has other express centres located in Gulshan, Motijheel, Dhanmondi, Karwan Bazar, Mirpur, Imamganj and Savar in Dhaka, Agrabad CEPZ and Nasirabad in Chittagong and also in Narayanganj, Fatullah, Sylhet and Khulna.

DHL Worldwide Express is the world's leading air express service, linking more than 85,000 destinations in more than 220 countries and territories. It has a fleet of over 260 aircraft worldwide.

In Asia Pacific and Middle East, DHL serves 51 countries and territories from Japan to Australia and from the Middle East to the Pacific Islands.

DHL operates about 1300 stations, employs more than 18,000 personnel and owns about 3,900 transport vehicles in this region.


PHOTO: FBCCI

**Yussuf Abdullah Harun, President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), and Abdullah bin Salem Al Rawas, President of the Oman Chamber of Commerce and Industry (OCCI), sign an MOU on behalf of their respective chambers at a meeting held at the FBCCI auditorium yesterday. Major (Retd) Kamrul Islam, State Minister for Expatriates Welfare and Overseas Employment, Anwar Ali Sultan and Ali bin Abdullah Al Badi, businessmen of Oman, and Abdullah MS Al Ryami, representative of Oman in Dhaka, are also seen.**

# Rich countries must take pain to help poor: UN

**REUTERS,** *Geneva*

Rich countries will have to make painful structural changes if they are to carry out pledges to help poorer states move into the global economic mainstream, a United Nations report said Monday.

Such changes should include faster phasing-out of labour-intensive industries and opening up markets to vital Third World exports like clothing, footwear and farm produce, according to the UN's trade and development agency UNCTAD.

In its annual report on developing countries and world trade, the Geneva-based body said that even the more advanced of the world's poorer states would need better access to finance and technology to move up the production scale.

But it implicitly warned the richer powers in the currently 144-member World Trade Organisation (WTO) against trying to force faster liberalisation on developing countries by making it a condition for opening up their own markets.

Following the WTO's ministerial conference last November in Doha which launched a new round of fee trade negotiations, UNCTAD Secretary-General Rubens Ricupero said, global trade had to be made more development friendly.

It would be wrong, declared Ricupero, to suggest that easing trade barriers to goods from the South "carries no, or only small, adjustment costs in industrial countries" -- where low-skilled workers already fear for their remaining jobs.

"But renewed protectionism is not the way forward," the UNCTAD chief said in a clear reference to calls from Western-based labour bodies for trade with poorer states to be tied to rules making them improve treatment of their workers.

The report said the apparent sharp increase in developing country exports of manufactured goods over the past two decades was a mirage and had brought scant increase in living standards for the Third World's low-paid workers.

Much of the growth had been in manufactured goods, now 70 per cent of developing country exports, and statistics seemed to show that many poorer states had managed to move into trade in high-technology sectors like electronics and electrical goods.

But exports from these states -- apart from a few in East Asia -- were still largely the product of unskilled labour or were semi-finished products moved by big global firms from one poor country to another for assembly operations, UNCTAD said.

All developing countries needed help to move in to high-skill product lines where markets were currently dominated "by oligopolistic northern producers" who competed on the basis of quality, marketing and brand rather than price, UNCTAD said.


PHOTO: DHL

**Bryan Jamison, Area Director of South East Asia of DHL Worldwide Express, inaugurates a new express centre of the company at Rampura in the city on Monday. Malcolm Rees, Area Director of South Asia and Indochina, Desmond Quiah, Country Manager of DHL Bangladesh and other senior area and functional managers of the company were also present on the occasion.**

## Emirates posts record $164m profit

The Emirates Group has declared a 13.5 per cent increase is net profits to Dhs603 million (US$164m) for the financial year 2001-2002, flying in the face of recent industry trends, says a press release.

The Annual Report of the Group, which comprises Emirates Airline and Dnata, was announced at a press conference at its Dubai hub on Tuesday by Group Chairman, Sheikh Ahmed bin Saeed Al-Maktoum.

In his review of the year, Sheikh Ahmed said: "In a normal year, our profitable results would have been a superb achievement; in 2001-2002, it is exceptional and probably unique."

Total Group revenue increased by 12.9 per cent to Dhs7.8 billion (US$2.1b) in the year ending March 31, 2002, compared with Dhs6.9 billion (US$1.9b) in the previous year.

Of the Group net income of Dhs603 million (US$164m), Emirates' profits rose 11 per cent from Dhs421.8 million (US$115m) to Dhs468.2 million (US$127m). Dnata returned a net income of Dhs134.8 million (US$37m), up from Dhs109.5 million (US$30m) for last year.

Maurice Flanagan, Emirates' Group Managing Director, brought up an issue of concern to Emirates in his review of the year, saying that ill-informed allegations about hidden subsidies (despite publication of transparent, audited annual accounts) may affect government decisions on offering traffic rights to Emirates.

A bold 'business as usual' strategy, in the aftermath of September 11, by Emirates' sales teams network-wide, achieved excellent sales figures in the last quarter, especially in securing business from competitors who had cancelled or suspended flights to Dubai.

Overall, airline passenger numbers grew by 18.3 per cent to 6.8 million, with seat factor down slightly from 75.1 per cent to 74.3 per cent. Available seat kilometres increased by 19.7 per cent, with costs up by only 13.6 per cent, reflecting improved productivity.

Paradoxically, the upsurge in passenger traffic reduced available freight space in aircraft. However, Emirates SkyCargo reported an 8.7 per cent improvement in revenue, with cargo tonnage up by 19.5 per cent to 400,569 tonnes.

PHOTO: EMIRATES

**Sheikh Ahmed bin Saeed Al-Maktoum, Chairman of Emirates Group, announces record profits of the group at a press conference in Dubai yesterday.**

# Singapore PM warns of bleak labour market

**AFP,** *Singapore*

Singapore Prime Minister Goh Chok Tong on Monday warned of a further deterioration in the jobless rate in the recession-hit economy and called on people to be less choosy about jobs.

In his annual message to mark Labour Day on Wednesday, the premier said the island's deepest recession in more than 30 years called for a "fundamental change in mindset."

Singaporeans "should not overcommit themselves on the expectation of a quick rebound in the labour situation," Goh said, adding that "excessive cost pressures may weaken the tentative recovery and lead to further job losses."

The unemployment rate is projected to rise to between 5.5 per cent and 6.0 per cent this year even as the economy is likely to grow between one per cent and three per cent this year, Goh said.

Singapore's economy shrank 2.0 per cent in 2001 after nearly 10 per cent growth in the previous year, putting the island-state into its worst recession since statehood in 1965.

"Although the initial signs are promising, the global economy is not out of the woods yet. Furthermore, the labour market tends to lag the overall economy by two to three quarters," Goh said.

Singapore's unemployment rate hit a 15-year high of 4.7 per cent in December.

For the whole of 2001, the unemployment rate averaged 3.3 per cent, above the 3.1 per cent in the previous year but lower than 3.5 per cent in 1999 after the Asian financial crisis.

Before the Asian crisis, Singaporeans enjoyed virtually full employment due to a booming economy and a domestic labour shortage.

## India's Wipro ties up with Canadian firm for security solutions

**AFP,** *Bangalore, India*

India's third largest software exporter, Wipro Ltd, announced Tuesday a pact with Toronto-based Blockade Systems Corp. to provide security solutions.

The strategic alliance, which includes joint marketing, will enable customers to secure their networks and business applications using an integrated solution from both firms.

"Cost reduction is a major factor for many IT executives while considering IT spending," said Rosa Caputo, Chief Marketing Officer of Blockade.

The integrated solution will enable customers to extend their centralised security policies for Web-based access control, he said.

Wipro two weeks ago said its net profit rose 32 per cent in the fiscal year which ended in March as growth in new business areas offset the slump in telecommunications.

It posted a net profit of 8.9 billion rupees (184 million dollars) with revenue growing 12 per cent to 34.9 billion rupees.

# US still mulling steel compensation for EU

**REUTERS,** *Brussels*

The United States is still considering whether it has to take trade measures to compensate the European Union for heavy new import duties on steel but has not yet made any offers, a US official said Monday.

The European Commission is considering sanctions worth more than $300 million on US goods after Washington imposed duties of up to 30 per cent on various steel products in March.

The EU executive has said it will use sanctions if the United States does not take trade measures, such as lower duties on other goods, to compensate it for the steel tariffs.

"We have not definitely said 'no' we have certainly not said 'yes'," the US official said.

"The US has not proposed to offer anything at this point. We are listening to their (EU) proposals, we have not given an answer," the official added.

The Commission, the EU executive, has said Europe's steel industry stands to lose some $2.0 billion from the new US duties and would ultimately like compensation of a similar size.

However, it has said it would impose the smaller sanctions of around $300 million from June to match a portion of the US steel duties the Commission says are clearly illegal under the rules of global trade body the World Trade Organization (WTO).

The EU has already gone to the WTO to fight the duties, but the US official questioned whether the proposed EU sanctions, and measures already imposed to shield the European steel industry from a rise in imports, were in line with WTO rules.

"We think this is really pushing the WTO rules. If they were to do it (impose sanctions), we could certainly push for a WTO (dispute) panel, the official added.

The official also said that the US steel duties, called safeguard measures, were backed by data showing that imports of steel into the US market remained high and had only been imposed after a nine-month investigation.

## Dart Express celebrates its founding anniversary

Dart Express Bangladesh (Put) Ltd celebrated the 10th anniversary of its founding at a city hotel recently, says a press release.

The Sri Lankan High Commissioner in Bangladesh, Neville Piyadigama, was the guest of honour at the function.

President and CEO of Dart Express Group, Simon Ho, Managing Director of Dart West Asia region, Charles Wijesundera, Regional Director-Sri Lanka and Bangladesh, S Mohanadas, Regional Director of India, Pakistan and the Middle East, Martin Abayesekara, Country Director of India, Anton Anandaraj, and Country Director Bangladesh, Dhanesh Kellapotha were, among others, present on the occasion.

As part of its celebrations, the company also honoured its employees with awards for service. Those who received the "5-year category" awards were: Anwarul Azim Milon (Accountant), Salah Uddin Chowdhury (Operations Executive Chittagong Branch), Atiqur Rahman (Operations Officer Chittagong Branch), Rafiqul Islam (Assistant Airport Supervisor), Suchine Mondol (Airport Assistant) Abdus Salam (Airport Assistant), Abul Kalam (Airport Assistant) Monirul Islam (Office Assistant, Chittagong Branch).

The award recipients in the "10-year category" were: Dhanesh Kellapotha (Country Director), AKM Rafiqul Islam (Manager, Finance and Administration), and John Madhu (Airport Supervisor).

It may be mentioned that Dart Express Bangladesh (Pvt) Ltd. has been certified by the Air Transport Association (IATA) as an IATA approved cargo agent and also approved by ISOCAR (UK) for ISO 9002 standards.

The Hong Kong based Depart Express Group has over 25 branch offices in South East Asia, the Indian subcontinent and North America.

## Southtech Ltd automates 650 BRAC offices

Southtech Limited has successfully automated 650 area offices of BRAC, says a press release.

The automation contributes to BRAC's leadership as a premier micro-finance institution (MFI) providing best practices in its operations.

Southtech, one of the most successful IT product and services companies in Bangladesh, has developed several "best-of-breed" suites of software applications for the banking, retail, manufacturing, education, human resource development and micro-credit sectors.