Star BUSINESS

DHAKA MONDAY MAY 20, 2002

Agrani Bank cuts interest rates for export sector

Agrani Bank has reduced interest rate for export sector so that the exporters can export goods in the international markets at competitive prices, says a press release.

The interest rate has been lowered from existing 10 per cent to 9 per cent for the term loans for the export-oriented thrust sub-sectors, which will include agro-based industry (local fruit preservation and processing), computer software information technology, electronic goods, artificial flower industry, frozen foods, export-oriented less familiar agricultural commodities, gift items, export-oriented leather and jute goods, jewellery, diamond cutting and polishing, silkworm production and silk industry, stuffed toys, textiles (excluding readymade garments), oil and gas.

The interest rate has also been refixed at 13 per cent from 14 per cent regarding cash credit/hypothecation to procure materials for export-oriented industries before getting the export order, excluding LC and contract.

The loan facility of working capital against back to back LC will remain unchanged, the release said. The interest rate has been cut from 9 per cent to 8.5 per cent for jute, tea and leather sanctioned against transport documents of packing credit.

Agrani Bank gives the facility to the exporters to deposit foreign exchange from 10 per cent to 50 per cent of the remitted export payments in 'Foreign Currency Retention Account'. The interest rate has been reduced from 15 per cent to 9 per cent for loan against trust receipt in case of import of capital machinery for export-oriented industries.

Japan to set up rubber moulding industry at DEPZ

Japan is to set up a rubber moulding industry in the Dhaka Export Processing Zone, says a press release.

An agreement to this effect was signed by Member (Investment Promotion) of BEPZA Md. Azmal Chawdhury and the Managing Director of the Japanese industry, Hiroshi Kaseda, on behalf of their respective sides in the city on Thursday.

The propose industry will involve an expenditure of US$ 787,000.

The industry to be known as M/s. Hin Getah Bangladesh Ltd. will annually produce about 450,000 pieces of different types of automobile parts and about 1.9 million pieces of audio parts. The products will be exported to Japan and Malaysia.

The industry is likely to create employment opportunity for about 110 Bangladeshi nationals.

Manpower signs 2 deals with PDB for supplying transformers

Transformer and electrical switchgear manufacturer Manpower Ltd. has signed two agreements with the Power Development Board (PDB) for supplying distributor transformers, says a press release.

Under an around Tk 3.5 crore agreement, Manpower Ltd. will supply 225 units of 200 KVA and 250 KVA distributor transformer within 60 days.

As per another deal worth over Tk 1 crore, Manpower will supply 75 units of 250 KVA distributor transformer for PDB's Chittagong project.

The agreements were signed in presence of the Director (Purchase) of PDB Engineer Khizir Khan and Rezwanul Ahsan, Deputy Managing Director of Manpower Ltd, at the WAPDA on Thursday.

Manpower, a concern of Superior Group, has already supplied over 11000 units of various rating transformers and switchgears to DESA, PDB, DESCO and other institutions in the last two fiscal years.

ONE Bank opens branch in Sylhet

ONE Bank Limited opened its 7th branch at Chouhatta in Sylhet recently, says a press release.

Sayeed Hossain Chowdhury, chairman of the bank, formally inaugurate the branch at a function held on the new branch premises.

The Chairman in this speech spoke of various aspects of the bank's operations and its product range. He highlighted the recent installation of MicroBanker software in the bank.

Mirza Ejaz Ahmed, Managing Director, also spoke on the occasion. The inaugural programme was attend by the members of the bank's Board of Directors, senior executives, prominent business persons and elite of Sylhet.

Khosru for more steps to boost remittance

BSS, *Dhaka*

Commerce Minister Amir Khosru Mahmud Chowdhury here yesterday said more steps should be taken both by the private and public sectors to give a boost to the flow of remittances from the expatriates.

"The government has already taken a number of measures to ensure increased remittances but still informal receipts seems to be larger in the sector," the minister told the inaugural session of a workshop on "International Trade -- Recent Development" organised by Standard Chartered Bank.

The minister said the international trade was the key word of the economy of Bangladesh.

He said, "although we have a large population but we are not yet prepared to create a sustainable local market with the present low buying capacity of the people."

The minister underlined the need for streamlining the remittance sector that would give a boost to the export-led business expansion of the country.

He said the amount of remittance that we receive at present in the formal sector indicates that there was much bigger informal sector considering the number of our people working abroad.

Executives of 50 local and foreign banks took part in the day-long workshop. Area head of Institutional Banking of Standard Chartered Bank made a presentation on enhancing inward remittance highlighting the present situation in the sector and measures that could be adopted by the commercial banks for attracting higher remittances.

Prof of Dhaka University Dr Mustafizur Rahman made a representation on Bangladesh Export Sector: On-going Deceleration and next Challenges", and Jorg Volker Ketelsen of European Commission on "Euro, Its impact on Bangladesh."

PHOTO: GP

Muhammad A (Rumee) Ali, CEO of Standard Chartered Grindlays Bank, hands over the 'Most Responsive to FX Market Changes' award to NKA Mobin, finance director of GrameenPhone, at a function held in the city recently.

OPEC unlikely to up output

AFP, *Nicosia*

The OPEC oil cartel is unlikely to raise production at a ministerial meeting on June 26 unless current market fundamentals change, the Middle East Economic Survey (MEES) reports in its Monday edition.

"MEES soundings indicate that OPEC is unlikely to raise output based on current market fundamentals," the industry newsletter says, underlining the cartel's determination to act on fundamentals and not only high prices.

"But it is still too early for a final judgement pending a more up-to-date supply/demand picture by mid-June."

"While OPEC will be concerned at price rises based on speculation, MEES soundings indicate that available supply/demand data are seen to provide no reason for the organisation to raise output at the ministerial meeting," in Vienna.

"OPEC analysts will look particularly at OECD inventory data in the run-up to the meeting but there is no talk at this stage of a production quota change," the Cuprus-based weekly says.

Oil prices fell on Friday as the prospect of increased global supplies, along with the recent easing of tensions in the Middle East, saw the market back further away from eight-month highs set earlier in the week.

Reference Brent North Sea crude for July delivery fell 30 cents to 26.08 dollars a barrel by late afternoon.

In New York, the light sweet crude June contract fell another 35 cents to 27.60.

The retreat followed news that Russia, the world's number two oil-exporting nation, was to lift its self-imposed curb on exports within the next two months.

Russia had bowed to pressure from the Organisation for Petroleum Exporting Countries (OPEC) and on January 1 curbed exports by 150,000 barrels per day (bpd) as part of a producer pact brokered by the cartel to skim 1.5 million bpd from world markets to help haul prices out of a post-September 11 slump.

Most analysts expect OPEC to maintain its existing curb on production at the ministerial meeting, despite being under pressure from consumer countries to increase output amid concern that high oil prices could hinder economic growth.

Qatar's Energy Minister Abdullah bin Hamad al-Attiya said Tuesday the Gulf state opposed any increase in oil production, adding that calls to hike output were not justified.

MEES noted that four OPEC ministers present at the Arab Energy Conference in Cairo last week -- Algeria, Qatar, Saudi Arabia and the United Arab Emirates -- held private consultations on May 13.

Russia eyes 55pc jump in privatisation next year

AFP, *Moscow*

Russia forecast Saturday it would fill its coffers next year with more than 54.8 billion rubles (1.8 billion dollars) from a wide range of privatization initiatives including the sale of state-owned business.

The year 2003 represents a "new phase" for privatization and management of public assets, the deputy minister in charge of privatization Alexander Braverman said at a press conference.

His forecast for earnings generated from privatisation schemes is up 55 per cent from estimated 2002 figures and compares with just 10.1 billion rubles in 2001.

Sales in public industries for 2003 are expected to garner 51 billion rubles.

Major initiatives will include the sale of one of Russia's largest steel factories, Magnitogorsk Metallurgy Factory, in which the state still owns 17 per cent, as well as several airlines.

Also included is the public offering of 25 per cent (minus two shares) of telecommunications group Sviazinvest, which will undergo a restructuring beforehand.

Sales of farmland, which are dependent on a hotly contested law currently undergoing debate in parliament, are expected to bring in 2.2 billion rubles, compared with just 290 million rubles in 2002.

The initiative also includes the sale of several small businesses and military property that should total 1.6 billion rubles, Braverman said.

Ministry officials predict the government will raise more than 100 billion rubles through a combination of privatization programs, income from government stock holdings, and overall improvement in the management of public assets.

That compares with an estimated 64.1 billion rubles in 2002.

PHOTO: ONE BANK

Sayeed Hossain Chowdhury, chairman of ONE Bank Limited, inaugurates the bank's 7th branch at Chouhatta in Sylhet recently. Mirza Ejaz Ahmed, managing director, is also seen in the picture (4th from left).

Uttara Finance okays 25pc dividend

Uttara Finance and Investment Limited has approved a 25 per cent dividend for the shareholders for the year 2001.

The approval was given at the 7th annual general meeting of the company held at a city hotel on Sunday, says a press release.

The company has been distributing cash dividend each year ranging from 10 to 20 per cent and holding AGMs regularly.

Ng Chin Keong, foreign sponsor of the company, and Matiur Rahman, vice chairman of the company and president of Dhaka Chamber of Commerce and Industry (DCCI), also addressed the gathering.

The total business exposure of Uttara Finance stands at Tk 537.93 million in 2001 as against Tk 423.44 in 2000 showing a business growth of 27.04 per cent over the figures of the previous year. The operating revenue of the company has achieved 457.12 per cent growth over the figures of the year 2000 and operating revenue of Uttara Finance stands at Tk 400.75 million as against Tk 255.05 million of the year 2000.

Net profit after tax and all provisions is registered at Tk 69.14 million in 2001 as against Tk 33.99 million which shows a growth rate of 103.43 per cent.

GP receives StanChart Award

GrameenPhone has received a Standard Chartered Bank award, says a press release.

GrameenPhone received the award, 'Most Responsive to FX Market Changes', for its prudent foreign exchange hedging strategies. By efficient foreign exchange risk management, GP has minimised its potential opportunity cost.

The award was handed over to N K A Mobin, finance director of GrameenPhone Limited, by Muhammad A (Rumee) Ali, CEO of Standard Chartered Grindlays Bank, at a simple ceremony held in the city recently.

Ola Ree, managing director of GrameenPhone, was present. S A A Masrur, head of corporate and institutions, Ahmed A Shah, head of Global Marketing, Alamgir Morshed, head of sales of Global Marketing of SCGB, and Md Arif Al Islam, GM-Finance of GP, were also present on the occasion.

India's largest pvt firm bags 26pc stake in state oil co

AFP, *New Delhi*

India's largest private company Reliance Industries Saturday bagged a 26-per cent stake in the country's state-owned bluechip firm Indian Petrochemical Corp. (IPCL), officials said.

The decision was taken at a meeting of Prime Minister Atal Behari Vajpayee's cabinet late Saturday night, they said.

Reliance out-bid state-owned refiner Indian Oil Corporation, which is a Fortune 500 company, and other private sector rivals and bagged 26 per cent of ICPL for 1.4 billion rupees (310 million dollars), they said.

The Indian government, which presently holds 59.95 per cent equity in IPCL, plans to offload 51 per cent of its stake in the oil company in two phases.

Reliance will now automatically get management control over the company and have the first right of refusal to buy the remaining 25 per cent equity, the officials said.

The government has set itself a target of raising 120 billion rupees (2.5 billion dollars) through privatisation of state enterprises in the current financial year ending March 2003.

Iran, ROK to boost economic co-operation

AFP, *Tehran*

Iran and South Korea decided to boost their economic and political ties during a visit here by the South Korean minister of state for trade, Hwang-Doo-Yun, state radio reported Sunday.

"The two governments have decided to strengthen their political, economic, cultural and tourism relations, and aim to do so by using the immense potential at their disposal," it said.

PHOTO: UTTARA FINANCE

Chairman of Uttara Finance and Investment Limited Rashid-ul-Hasan speaks at the 7th annual general meeting of the company held at a city hotel yesterday. Picture also shows (from L to R) Bernard Ng Ching Keong, K I Hossain, Matiur Rahman, Sayyed H Jamal, Mujibur Rahman and Zakia Rahman.

Kabul aims to export gas

AFP, *Tehran*

Afghanistan's interim vice-president, Hedayat Amin Arsala, said here Sunday that his country aims to "exploit and export as soon as possible" natural gas and copper.

"Afghanistan has many resources that we wish to exploit and export as soon as possible, especially natural gas and copper," Amin Arsala told AFP on the sidelines of a regional conference on Afghan reconstruction in Tehran.

"It is important for us to make better use of our resources. For this, we need political stability," said Amin Arsala, who is also finance minister in his country's interim administration.

"We are giving ourselves one year to normalize the situation and to take-off economically," he added.

"Afghanistan is not only carpets and fruit, like in the past. We have large resources. And who knows if there are not more to be discovered in our mountains," Amin Arsala said.

He hoped that Iran and Pakistan, the other two parties attending the Tehran conference, would "play a positive role" by facilitating Afghan access to the ports of Karachi in Pakistan and Bandar Abbas in Iran.

"Cooperation with our big neighbours should not consist mainly of repairing our roads and infrastructure. We are depending (for that) more on the World Bank or Asian banks," he said.

"The important thing for us is that Afghanistan becomes a regional transit centre for the whole of Central Asia," said Amin Arsala.

"Our future is the OEC, and by developing it we will also develop," he added, referring to the Organization of Economic Cooperation that groups Iran, Turkey, Pakistan, Afghanistan and the former Soviet Central Asian republics.

The UN-sponsored conference in Tehran on Afghan reconstruction and economic cooperation was ending Sunday.

The three countries taking part have agreed to create a permanent commission of government officials and representatives from the private sector. Its first meeting will take place in Kabul at a yet unspecified date.

During the conference, Iran and Pakistan on Saturday pledged economic assistance to help Afghan reconstruction efforts, with the emphasis on promoting private sector activity.

PHOTO: STAR

Spencer Lim, general manager-Asean of eSys Distribution, speaks at the company's launching ceremony in Bangladesh held in the city on Saturday. Tejinder Pal Singh, product manager of the company, and Sharad Srivastava, country manager-India of Seaget, are also seen in the picture.

eSys Distribution starts operation in Bangladesh

STAR BUSINESS REPORT

Singapore-based eSys Distribution, a global distributor of computer accessories, formally started its Bangladesh operation on Saturday.

eSys, which also operates in 20 other countries, plans to market hard disc drive of Seagate and Maxtor, VIA-Cyrix CPU and Hynix (Hyundai) memory chips in Bangladesh, said Rezwanur Rab Zia, country manager of eSys Distribution Bangladesh, at the launching ceremony held at a city hotel.

Spencer Lim, general manager-Asean of eSys Distribution, Tejinder Pal Singh, product manager of the company, and Sharad Srivastava, country manager-India of Seaget, were also present on the occasion.

eSys, one of the largest distributors of hard disc drives in Asia-Pacific, is committed to offering the best accessories to the customers, officials said.

Manila to ask Tokyo to maintain ODA levels

AFP, *Manila*

Philippine President Gloria Arroyo will ask Japan to maintain its level of official development aid during her forthcoming visit, her spokesman said Sunday.

Presidential spokesman Silvestre Afable also said she would use her trip as an an opportunity to stress the Philippines' commitment to global trade and to push for the creation of an East Asian trade zone.

Arroyo leaves for Japan on Monday for a four-day visit which will include an address to an international business forum.

The trip has been doubled in length from its originally scheduled two days.

"This has a relation to the official development assistance," Afable said, adding that Arroyo would show that the country has improved its use of foreign aid.

Japan is traditionally the biggest source of bilateral assistance to the Philippines but there has been concern that this level of aid will go drop because of the economic slowdown in Japan and allegations that the Philippines has failed to use foreign aid properly.

However Afable said: "There are positive things in the utilization of this (aid) and the president, months ago, ordered the cabinet to clear all the bottlenecks to the utilization of ODA (official development assistance)", especially in the strife-torn south.

Arroyo will also use her visit to show business leaders and Japanese officials that "the Philippines is committed to a deep and continuing involvement in the global (trading) regime," Afable said.

Microsoft vows to comply with court ruling in antitrust case

AFP, *Washington*

Microsoft will do everything in its power to comply with any eventual court-ordered mandate in the antitrust case against it, the company's attorney Charles Rule told the federal judge presiding at a hearing Friday.

US District Judge Colleen Kollar-Kotelly said lawyers for Microsoft should make sure their client complies with any order that she issues regarding a remedy for the company's violations of US antitrust law.

"I would expect that is going to be the case," Kollar-Kotelly said, adding "these are the kinds of things that will come back to haunt you if, in fact, you don't -- because I will have a memory of all these statements."

But at a hearing that focused on the enforcement provisions of a future order to be imposed on Microsoft, John Shenefield -- lawyer for nine US states and the District of Columbia which have refused to sign the November 2001 settlement -- offered his vision of an enforcement mechanism.

And Shenefield offered an assumption that Microsoft would seek to avoid compliance through delay and other legal maneuvering.

"If you have a monopoly power and you are making a lot of money ... there is very little incentive" to change behavior, Shenefield said, adding "the big problem here is forcing Microsoft to adhere to a judgment that it hates."

Moscow mayor bans US chicken

AFP, *Moscow*

Moscow mayor Yuri Luzhkov announced Saturday a local ban on US chicken in the Russian capital, reigniting a volatile trade conflict only five days before Russian and US presidents convene for a summit here.

Luzhkov, who has blocked Moscow-based farm produce companies from buying US poultry imports, said he was concerned that Russia was "not independent in terms of food products."

Luzhkov's decision, announced during a regional conference on agro-industrial development, brings back to the fore a trade squabble over a ban on US poultry imports.

Russia slapped a ban on US poultry imports on March 10, citing health concerns over the use of antibiotics and scares of salmonella, a bacterium that causes food poisoning, found in a number of US poultry shipments.

Criticizing the strong numbers of foreign food products sold on the Russian market, the populist politician said: "We fully have the possibility of compensating" for US poultry through domestic products.