

## BJA hails duty free access to Pakistan

BSS, Dhaka

The Bangladesh Jute Association (BJA) has welcomed the announcement of duty-free access of Bangladeshi jute to Pakistan.

In a statement issued Thursday, the acting Chairman of the BJA Rashed Ahsan Pinto thanked Prime Minister Begum Khaleda Zia and Pakistan's President General Pervez Musharraf for reaching an understanding in this regard.

The BJA also thanked Jute Minister and Commerce Minister for their untiring efforts in achieving the goal.

## StanChart launches extra value savings account

Standard Chartered Bank has launched Extra Value Savings Account (EVSA) in the city on Wednesday, says a press release.

Md Shafiqul Kadir Kanchan, proprietor of Lion Auto, opened the first EVSA account at the Dilkusha branch in the presence of Muhammad A. (Rumeel) Ali, Chief Executive Officer, Bangladesh of Standard Chartered Bank and other senior officials of the bank.

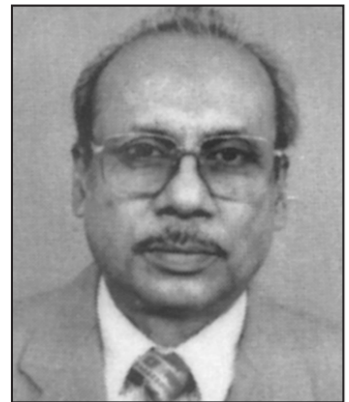
The EVSA offers many benefits to the customers of Standard Chartered Bank in Bangladesh.

It not only offers attractive discounts on some of the other products of the bank, but the EVSA account holders are also going to enjoy the flexibility of withdrawing double of the present amount from 20 ATMs of Standard Chartered Bank throughout the country.

Moreover, EVSA customers will also have the benefit of a free personal accident insurance coverage for one year from the date of EVSA account opening.

Standard Chartered Bank will pay the premium on behalf of their customers.

## New MD of Rupali Life



AF M Nur has taken over as managing director (current charge) of Rupali Life Insurance Company, says a press release.

Prior to present job, he held important positions in Homeland and Sunlife Insurance Company.

Before his retirement from Jiban Bima Corporation in 1995, he was Assistant General Manager of the corporation.

## Former banker ordered to pay \$9m for insider trading

AFP, New York

Former Salomon Smith Barney investment banker Arjun Sekhri has been ordered by a court to pay more than nine million dollars in penalties and restitution of illegal profits, for insider trading.

The New York federal court ordered Sekhri to disgorge nearly one million dollars in illegal insider trading profits.

The former banker has also been ordered to pay the maximum civil penalty for his actions - some 7.7 million dollars, which is three times the total illegal profit made on his information, as well as prejudgment interest amounting to 377,000 dollars.

Sekhri "held one of the highest positions of trust and confidence at a major investment banking firm and he betrayed that trust on repeated occasions," the SEC said in a statement.

Sekhri, 37, was deported to his native India by US authorities earlier this year after serving his 24-month criminal sentence. He pleaded guilty to insider trading charges.

When he worked for Citigroup Salomon in New York, Sekhri engaged in the illegal trades of MCI Communications, Carson Pirie Scott, Central and South West Corp. and other stocks in advance of merger and acquisition announcements between 1997 and 1998.

## Remittance delivery in 2 hrs

Uttara Bank introducing new system

### STAR BUSINESS REPORT

Uttara Bank Ltd. has promised to deliver remittance money within two hours through its soon-to-be-introduced Foreign Remittance Express Payment System (FREPS).

"We are expecting the new system to start functioning within a month and the people all over the country will get the benefit," M Aminuzzaman, managing director of the bank, said while exchanging views with the newsmen at the Dhaka Reporters' Unity auditorium yesterday.

Under the new system, the bank will deposit money in the accounts of remittance receivers within two

hours of getting instruction from senders, the Uttara Bank MD informed.

However, for the remittance beneficiaries, who do not have accounts with the bank, the Uttara Bank would issue identity cards for them and pay them cash after verifying the ID cards.

The bank has taken all the measures to store all the relevant data in the computers at all the 198 branches of the bank across the country to facilitate the service, Aminuzzaman said.

"The receivers with ID cards will not require to have an account with any branch of the bank to draw remittance money," he added.

For the clients of other banks in

metropolitan cities and other district headquarters, Uttara Bank will deliver pay order or bank draft within 24 hours and in case of upzilla headquarters the document will be delivered within three working days.

The Uttara Bank MD said other banks can also avail themselves of the facility, but they have to sign an agreement with Uttara Bank.

Explaining the reasons behind the bank's interest in dealing remittance money, M Aminuzzaman said this is the area where the bank can make more profit. Moreover, the country would be benefited as remittance has given a cushion to the country's dwindling foreign exchange reserve situation, he

added.

"The remittance issue is not getting adequate attention despite its significant role in the country's balance of payment situation. If the official channels could provide the facilities that hundi has been providing, inflow of remittance into the country could have been increased by at least 50 per cent," Aminuzzaman said.

"Dishonesty in the banking sector is also driving the remittance senders and receivers away from the banking system. The remittance receivers are becoming victims of extortion by bank staff," the Uttara Bank MD said.

## CCCI for transparency in setting up private port

STAFF CORRESPONDENT, Chittagong

Welcoming any move to set up seaport in private sector, newly elected president of Chittagong Chamber of Commerce and industry (CCCI) Amir Humayun Mahmud Chowdhury has said the process for awarding contract to set up such a port should be transparent.

He also urged the government to conduct a proper study to select location of such port.

He said a private port would encourage competition and also would force the existing Chittagong port to be efficient.

The CCCI president was addressing a press conference at the Chamber conference hall on

Wednesday.

"The Chittagong port can not cope with the growing demand. Moreover, private port can bring competition and force the Chittagong port to lower the handling cost," Amir Humayun Mahmud Chowdhury added.

He expressed his reservation to allow transit facility through the Chittagong port to the neighbouring Indian states saying, "It should be looked into whether we have required infrastructure facilities including road and capacity of the port".

About setting up of the proposed world trade centre at Agrabad, the CCCI president said efforts would be made to take possession of

additional land for the construction.

"We hope to meet the Prime Minister to secure allotment of that piece of land soon," he said.

Besides, the chamber will host a web portal shortly to render better information service to the business people both at home and abroad, he said.

Humayun Mahmud Chowdhury also informed the press that the chamber would organise a catalogue show in cooperation with the US embassy during American Week here shortly.

Senior vice-president of CCCI Ershad Ullah and directors Mahbub Ali and Dr. Moinul Islam Mahmud also addressed the press conference, among others.



Abdullah Al-Mahmud (Mahin), chairman of Crystal Insurance Company Limited, presides over the 2nd annual general meeting of the company held in the city on Wednesday.

## Crystal Ins holds 2nd AGM

The 2nd annual general meeting of Crystal Insurance Co Ltd was held at the corporate office of the company in the city on Wednesday, says a press release.

The meeting was presided over by the Abdullah Al-Mahmud (Mahin), chairman of the company. The meeting approved the directors and auditors report and audited accounts of the company for the year ending December 31, 2001.

It also approved the appointment of auditors for 2002.

The meeting was attended, among others, by the directors, shareholders, managing director and advisor.

## Agrani Bank's foundation course ends

The Banking Foundation Course (Probationary Officer: 65th and 66th batch) of Agrani Bank concluded at its training institute in the city on Wednesday, says a press release.

Managing Director of the bank A S M Imdadul Haque distributed certificates as chief guest among the participants of the course.

General Manager of Agrani Bank Training Institute Abu Sadek Md Sohel was present as special guest on the occasion.

The managing director in his speech advised the trainees to impart endless labour and carry on sincere effort to increase their professional skill.

General Manager Sohel also spoke on the occasion.

## India announces tax sops for common man

AFP, New Delhi

India's Finance Minister Jaswant Singh on Wednesday announced schemes offering tax concessions, partially offsetting what was widely seen as a harsh annual budget unveiled in February by his predecessor.

The measures announced by Singh included removing a limit of 200,000 rupees (4,000 dollars) on a central bank investment scheme which offers investors tax-free interest income.

He also removed a tax charged on insurance investments as well as on dividend income from shares.

In addition, he upped slightly the minimum income limit for charging certain taxes as well as announced some additional tax benefits for small investors who put money in government-run savings schemes.

Singh, who assumed office last month, also promised to simplify the taxation laws.

Singh's predecessor Yashwant Sinha had come under a barrage of criticism from opposition parties as well as some members of his own ruling BJP party for the budget which was seen as targeting the common man.

## Malaysia's trade surplus up 23pc

AFP, Kuala Lumpur

Malaysia's trade surplus rose 23 per cent year-on-year in June and was up eight per cent from the previous month on export growth, the trade ministry said Thursday.

Malaysia posted a surplus of four billion ringgit (1.05 billion dollars) in June, up from 3.7 billion in May, the ministry said in preliminary figures released here.

June's figure also beat the 3.3 billion ringgit recorded in the same month last year and marked the country's 56th consecutive monthly surplus since November 1997, it said.

## Pakistan's decision boosts Ctg tea sale

BSS, Chittagong

Weekly tea sale held here Thursday witnessed an upward trend after several weeks of decline following the announcement of Pakistan President Pervez Musharraf to allow Duty Free Access of 10,000 tonnes of Bangladeshi tea into Pakistan annually, market sources said Thursday.

According to sources there were some positive impact on the market as Pakistani buyers operated quite actively during the sale. The Afghan buyers were also more active along with Blenders and Loose Tea Trade. A buyer from CIS countries for a limited quantity was in the market. As a result, there was much less withdrawal in the leaf catalogue. Dusts continued to be a fairly good market.

The detail market reports is as follows:

CTC Leaf 3393 chests, 16,928 gunny sacks, 40 P.P.W sacks (40 gunny sacks of old season) on offer met with a strong demand at mostly dearer levels.

BRPLEMS: Clean well made Brokers were readily absorbed at fully firm to slightly dearer levels while all others met with more competition and were often dearer by Tk 1/00 to 1/50.

FANNINGS: Clean grainy Fannings were a strong market at firm to dearer levels often advancing by Tk 1/00 per kg. All others met with more demand and were mostly dearer by Tk 1/00 to Tk 2/00.

CTC Dust: 355 chests, 2,554 gunny sacks and (35 gunny sacks of old season), on offer continued to meet with a fairly good demand. Better liquoring types were fully firm to slightly dearer following competition. Others sold around last levels easing slightly following quality. Both Blender and loose tea buyers lent a fairly good support.

The next sale will be held on August 6 at the country's lone auction house in the port city.

## WTO nations fail to meet deadline for textile talks

AFP, Geneva

Developing countries at the World Trade Organisation have sharply criticised the lack of an agreement with western countries over market access for textiles, following the expiry of a negotiating deadline on Wednesday.

The 144 WTO member states had already failed to reach agreement on market access for developing countries' textile exports at the Doha ministerial meeting last November, and had set July 31 as a new deadline to examine proposals for a settlement.

But no agreement was reached at a meeting of the WTO's negotiating committee on trade in goods here on Wednesday, trade sources said.

The WTO agreement on the liberalisation of trade in textiles and clothing entered into force in 1995 and is meant to be completed gradually by 2005, notably though the removal of all import quotas.

## WTO rules against US steel import tariffs

AFP, Geneva

A World Trade Organisation (WTO) report published here Wednesday ruled against the United States over tariffs imposed on European steel imports.

The report by an expert panel concerns US measures against privatised European steel companies from Britain, France, Germany, Italy, Spain and Switzerland that were imposed gradually between 1987 and 1998. Washington claims these companies received unfair state aid just prior to privatisation.

The US tariffs, which are separate from US levies introduced in March imposing between eight and 30 per cent on certain imported steel products, have already been criticized by the European Union.

According to the final WTO panel report, dated June 19 but released to all WTO members on Wednesday, "The US department of commerce did not examine

whether the privatization that occurred after the original imposition of countervailing duties, was at arm's-length and for fair market value.

"Thus the US failed to determine whether the privatized producers received any benefit from the financial contributions previously bestowed to the state-owned producers".

Washington should have concluded "that no benefit resulting from prior financial contribution continues to accrue to the privatized producer," the report continued.

European trade commissioner Pascal Lamy hailed the reports findings.

"I welcome the decision by the WTO confirming the inconsistency of the US law with WTO obligations. I call again upon the US to promptly implement the panel findings and lift all WTO incompatible duties, so that European exports will be purchased at fair and competitive prices,"

Lamy said in a statement from Brussels.

The waves of privatisations in the sector followed the restructuring of the European Steel market in 1987-88 and again in 1998.

The European Union called on Washington to enter talks on the steel issue in November 2000, matter.

The WTO dispute settlement body set up a panel on the subject last September.

Last week European foreign affairs ministers formally endorsed a decision to postpone until the end of September the possible application of sanctions against the United States in a conflict over US steel tariffs.

The WTO panel did not study measures taken by the US government to boost its own steelmakers, measures which are also under WTO review.

## China sees India as WTO ally, targets \$4b trade in 2002

AFP, New Delhi

India and China should be allies in business negotiations with the World Trade Organization (WTO) and target four billion dollars worth of bilateral trade in 2002, a Chinese diplomat said here Wednesday.

Hua Junduo, the Chinese ambassador to India, told the Confederation of Indian Industry (CII) he was sure stagnating Sino-Indian bilateral trade would surge from the 3.6 billion dollars clocked in 2001.

"I am optimistic about the prospect of our bilateral trade crossing the four-billion dollar threshold with ease this year," Hua told a meeting of Indian business leaders.

"China and India... must be complementary to each other rather than competitive. We see increased Chinese co-operation with India in the WTO as we share common concerns in the agricultural and services sectors."

India is acknowledged as a leader among developing countries in the WTO, despite having only a 0.6 per cent share of world trade.

add a lot more weight for developing countries in wrangling for greater trade leverage with developed countries, added Hua.

"With China's entry into the WTO, India sees a more competitive trade environment. A synergy already exists between the two countries in the software and hardware sector. We have to build on such areas of co-operation," said Arun Bharatram of the CII.

China's opening-up as a result of its WTO entry in December last year is seen by many countries as a chance to tap its vast market, but some Asian economies, including India, fear Chinese goods will swamp the globe at their expense.

Increased competition as a result of China's membership of the global trade body will force Indian manufacturers to cut costs in vital industries such as textiles, which makes up a third of India's exports.

Trade issues dominated Chinese Premier Zhu Rongji's talks with Indian leaders in New Delhi in January, amid Indian concerns of an unchecked inflow of cheap Chinese products and Chinese suspicions of India's protectionist

policies. Bilateral differences had largely been shelved during the visit to allow both sides to focus on economic issues.

"Our premier made it clear during his visit to India that China wanted to be India's business partner. Anti-dumping litigation is harmful for bilateral business. It will take time to resolve," said Hua.

"It is a problem that both India and China have to resolve with mutual understanding."

India has brought nearly 40 anti-dumping cases against Chinese firms. Indian businessmen say household electronic appliances available on the Indian market are up to six times costlier than those manufactured in China.

India is facing Chinese competition in a host of industries ranging from plastics and consumer goods to automotive components, batteries and pens.

Many of these fall in the category of medium and small enterprises, which have recently lost special state protection in India.

## India lowers GDP growth estimates

REUTERS, New Delhi

India said Wednesday the economy was expected to grow at 5.5 per cent this financial year far below the double digit growth rates needed to cut poverty levels in the world's second-most populous nation.

This growth rate is lower than Prime Minister Atal Behari Vajpayee's announcement earlier this month that the economy was expected to grow more than 6.0 per cent in 2002/03 (April-March).

It is also below the central bank's 6.0-6.5 per cent growth estimate.

"As of June 2002, overall real GDP growth is currently forecast at 5.5 per cent for 2002/03," Finance Minister Jaswant Singh told the lower house of parliament.

He said industrial output was projected to grow by 5.9 per cent and the services sector, which contributes more than 50 per cent to India's GDP, was estimated to grow by 6.9 per cent.

Singh said agriculture which

accounts for nearly 25 per cent of India's GDP and provides employment to about 70 per cent of the population would grow by 3.5 per cent.

Several research houses have also cut India's growth estimates in recent weeks because of the looming drought in some parts of the country.

The June-September monsoon, crucial to India's economy, has been delayed in some areas, affecting several crops and prompting analysts to say that the drought could hurt economic growth.

In the latest downgrade on Wednesday, Salomon Smith Barney sharply lowered India's economic growth estimate for the current financial year to 4.8 per cent, from 5.5 per cent projected earlier.

It said water levels in reservoirs were 52 per cent less than a year ago, and this would wipe out growth in the farm sector previously forecast at three per cent.

## India's tea exports fall

REUTERS, Kolkata

Indian tea exports fell over three per cent in the first half of 2002 to 74.05 million kg compared with the year-ago period, an official of the state-run Tea Board said Wednesday.

India, the world's largest tea producer, has seen its exports hit by fierce competition from countries like Indonesia, Bangladesh and Sri Lanka.

In June, exports fell almost eight per cent to 13.01 million kg from 14.13 million kg in the same month in 2001, the official, who did not want to be named, said.

India's ailing tea industry, where prices have been falling in the past few months, exports to over 80 countries. But in recent months has witnessed lower demand from traditional importers like Russia and Britain.

Production for the first six months of 2002 fell 4.55 per cent to 284.62 million kg from 298.20 million kg in the same period a year ago. In 2001, India produced 853.71 million kg.

The peak growing season is from July to September in north India, which accounts for 75 per cent of country's production.