

Star BUSINESS

DHAKA TUESDAY JULY 9, 2002

Licences of 10 moneychangers cancelled

UNB, Dhaka

Bangladesh Bank has cancelled the licences of 10 moneychanger companies for violating its rules.

The companies include The Best Moneychanger, Gold Star Moneychanger, Kappa Pie Money Exchange, Titr Money Exchange Co Ltd and WMF Money Exchange in Dhaka, World Link Moneychanging Ltd and Golden Money Exchange in Chittagong, Mofazzel Hossain Khasru Moneychanger in Jessore and Asia Money Exchange House and Pioneer Money Exchange House in Sylhet.

BKB forex branch managers' confce held

A review meeting of foreign exchange dealing (authorized dealers) branch managers of Bangladesh Krishi Bank was held at the bank's boardroom in the city on Saturday, says a press release.

K M Jahangir, general manager of International Division of the bank was in the chair. AKM Sajedur Rahman, managing director, was present as chief guest.

Concerned branch managers and officers in charge of foreign exchange and high officials of the bank were present at the meeting.

Overall success of export-import business as well as remittance activities of the bank during 2001-2002 was discussed in the meeting.

BKB has signed taka drawing arrangements with a number of Exchange Houses of the Middle-East to facilitate and expedite remittance from Bangladeshis living abroad.

In his speech, the managing director said the bank has set target of Tk. 900 crore for import, Tk. 650 crore for export, Tk 350 crore for remittance and Tk. 30 crore for income from foreign business.

Among others, Deputy Managing Director, General Managers, Head Office, General Manager, Chittagong and Dhaka Division were present at the meeting.

Dhaka Bank celebrates its 7th founding anniversary

Dhaka Bank celebrated its 7th founding anniversary in the city on Saturday, says a press release.

The anniversary function, which was held in the city, was attended, among others, by Managing Director of the bank Mokhlesur Rahman, Executive Vice-President Majedur Rahman and Company Secretary Arham Masudul Huq.

The bank was established in 1995 with the objective of meeting every banking need of the customers by providing quality services.

Currently, it has 18 branches across the country and a wide network of correspondents all over the world. The bank has plans to open more branches in the current fiscal year.

The bank offers the full range of banking and investment services for personal and corporate customers. It has launched fully automated phone banking service, joined a countrywide shared ATM network and has introduced a co-branded credit card.

Iraq, India sign deal to bolster cooperation

AFP, Baghdad

Iraq and India signed an agreement Sunday to bolster trade ties, including in the oil sector, the two sides announced after a meeting of a joint Iraqi-Indian commission in Baghdad.

Indian Oil Minister Ram Naik, who presided over the meeting along with his Iraqi counterpart Amer Mohamed Rashid, told the press that the Indian oil firm Oil Natural Gas Corporation Limited (ONGC) would soon open offices in Baghdad.

Naik added "work was progressing" on an ONGC oil concession in southern Iraq.

For his part, Rashid said the accord reached Sunday would boost trade between the two countries.

Reserve dips to \$1.49b on ACU payment

STAR BUSINESS REPORT

The country's foreign exchange reserve dipped to US\$ 1.49 billion yesterday after clearing the payment to Asian Clearing Union (ACU) on Sunday.

Last week the reserve stood at US\$ 1.62 billion.

However, a high official of the central bank expressed his satisfaction over the present foreign exchange situation given the fact that it went through a downward trend last year.

In October 2001, the reserve dipped to as low as US\$ 1.05 billion. On Sunday, the Bangladesh Bank (BB) had made a payment of US\$ 170.4 million to ACU.

Normally ACU payments are made

after every two months.

But significant increase in inflow of remittance into the country, thanks to different initiatives taken by BB as well as different commercial banks helped to check further fall of reserve.

According to sources, remittance from the expatriate Bangladeshis marked a significant rise, which was about 35 per cent, during the first eleven months of FY02 (July-May).

Expatriate Bangladeshis sent around US\$ 2268 million during the eleven months against US\$ 1684 million during the corresponding period of previous fiscal.

The global recession that aggravated after the September 11 incident resulted in a downtrend in the country's export, putting pressure on the

balance of payment.

But, good flow of remittance gave a cushion to the balance of payment situation of the country.

The country's exports fetched US\$ 4876.85 million during July-April period of FY2002, which was 18.38 per cent or \$1098.15 million less from the target. The earnings was also down by 7.66 per cent or US\$404.58 million from the corresponding period of the previous fiscal, according to statistics of Export Promotion Bureau.

Even in the face of the worst-ever export performance, the government had to slash the export target for FY2002 by US\$ 1220 million. With the revision, the target was brought down to \$5950 million from \$7170 million.

Lift 2-year import limit of used vehicles:BARVIDA

STAR BUSINESS REPORT

Bangladesh Reconditioned Vehicles Importers & Dealers Association (BARVIDA) yesterday urged the government to lift the two-year import limit of used vehicles, saying reconditioned vehicles imported mainly from Japan are far better than brand new ones of many countries.

Reconditioned vehicles importers said used Japanese cars hold high technical capacity, which is environment friendly. They also rejected the complaint that these vehicles cause environment pollution.

They also said the government should make the use of catalytic

converter (for petrol-driven vehicles) and particulate filter (for diesel-run vehicles) mandatory for both the reconditioned and new cars.

Reconditioned vehicles importers were speaking at a discussion at FBCCI conference center in the city. The importers also lauded the FBCCI role in pursuing the government to lift the ban on import of reconditioned vehicles.

The government proposed the ban from this fiscal, but later lifted it for the next two financial years.

BARVIDA leaders said only reconditioned vehicles can help meet the increasing demand for trucks, buses and cars in the country.

FBCCI President Yusuf Abdullah

Harun assured BARVIDA members of providing them with all-out cooperation.

Harun suggested them to create awareness among people about the positive sides of reconditioned vehicles by arranging workshop, and seminar instead of street agitation.

Presided over by BARVIDA President Anwar Hossain, the meeting was also addressed by FBCCI Vice President Mohammad Ali, FBCCI Director M A Rouf Chowdhury, General Secretary of BARVIDA Mannan Chowdhury Khosru, M A H Sharif of BARVIDA and President of Bangladesh Shops Owners Association Amir Hossain.



AKM Sajedur Rahman, managing director of Bangladesh Krishi Bank, addresses as chief guest a conference of foreign exchange branch managers of the bank in the city on Saturday.

Nepalese economic growth sinks, income drops

AFP, Kathmandu

Maoist insurgency and the aftershocks of September 11 have taken a toll on the Nepali economy, pushing incomes lower and sapping growth, according to a report Monday.

Low growth and a weak Nepalese rupee helped push the kingdom's per capita income down to 226 dollars, from 240 last year, officials said in an economic survey.

Gross domestic product likely grew just 0.8 per cent in the fiscal year ending July 15.

The estimates are based on figures from the first eight months of the year. GDP increased 4.8 per cent in the 2000-2001 fiscal year, while the finance minister had projected 6.0 per cent growth this year - 7.0 per cent if the agriculture sector is excluded.

Non-agricultural growth was put at only 0.2 per cent in the closing fiscal year, while agricultural pro-

duction was projected at just 1.7 per cent.

The figures come just ahead of caretaker Prime Minister Sher Bahadur Deuba's 2002-2003 budget on Monday.

Nepal's population increased 2.02 per cent to 23.21 million, said the government.

Economists said tourism, the main earner of foreign currency in Nepal, was devastated after the September 11 terrorist attacks in the United States, which also hit Nepal's export market.

Total trade accounted for 104.77 billion rupees (1.4 billion dollars) in the current fiscal year, down 8.26 per cent from 2000-2001.

Tourist arrivals have dropped by nearly half since June 1, 2001, when 10 members of the royal family were killed in a palace massacre carried out by the crown prince. The recovering industry was set back again in November, when Maoist rebels broke a four-month ceasefire and

launched attacks with a new ferocity.

More than 4,300 people are believed to have died in the land of Mount Everest since 1996, when the Maoists started their armed campaign to topple the constitutional monarchy.

The survey said inflation was three per cent in 2001-2002. Foreign exchange reserves were 1.33 billion dollars, with 73.3 per cent of it in convertible currency. The figure would cover the cost of imports for more than 10 months.

Deuba will present the annual budget before Nepal's National Planning Commission rather than the parliament, which was disbanded in late May. Elections are due in November, two years ahead of schedule.

The budget is expected to include about 205 million dollars in defense spending, a rise of about 25 per cent from last year, to fight the Maoists.

Tri Star Intel to set up potato flake factory

Tri Star Intel (Pvt) Ltd will set up a potato flake industry in the country, says a press release.

An agreement to this effect has already been signed by Tri Star Intel (Pvt) Ltd with the local agent of an Italian company in the city.

An amount of Tk 56 crore has been earmarked as the cost of the project.

Speaking at a function as chief guest on the occasion of the opening of the office of the company at Basundara in the city on Wednesday, Communications Minister Barrister Nazul Huda urged the youths of the country to come forward to adopt socio-economic projects.

The Managing Director of Tri Star Intel (Pvt) Ltd, Mustaque Ahmed said job opportunities will be created for the youths with the implementation of the project.

Chairperson of the company Raheela Khatun presided over the function.

NZ joins 6 WTO members to fight US steel

AFP, Geneva

New Zealand Monday joined six other World Trade Organisation (WTO) members on Monday to protest officially against US tariffs on steel imports, a trade source said.

New Zealand asked the WTO's dispute settlement body to establish an expert panel to probe the controversial US measures, introduced on March 20, saying they fell foul of US commitments under WTO agreements.

The request was accepted, despite it being a first-time bid which can be blocked by the country "in the dock" under WTO rules. A second request cannot be blocked.

But US legal advisor Steven Fabry told a meeting that although it was "regrettable" that New Zealand was challenging the measures, it would not oppose the panel, a source said.

New Zealand has become the seventh plaintiff among the 144 members of the global trade body to feature on the already-established panel -- the other members are EC, Japan, South Korea, China, Norway and Switzerland.

Brazil is still holding consultations with the US, and if the talks fail to resolve the matter Brazil could also ask for the establishment of an independent expert panel.

Japan delays retaliation against US steel tariffs

AFP, Tokyo

Japan has further delayed a plan to retaliate against controversial US steel tariffs until August 31, when Washington is due to offer a compromise to Tokyo, a trade ministry official said Monday.

"We can take action anytime, but we will give the United States time until August 31 as the US government said it will announce a list of steel items to be exempted from its import tariffs on that day," the official said.

"So, the ball is now in their court," said the official, who declined to be named. "We are waiting to see whether the US government is to provide a satisfactory offer for us."

Japan agreed in mid-June to postpone a plan to retaliate against US steel tariffs following talks between Japanese Trade Minister Takeo Hiranuma and US Trade Representative Robert Zoellick.

The United States has since announced exemptions on a large number of steel products, including some from Japan but Tokyo said it wanted Washington to go further.



Zafar Ahmed Chowdhury, chairman of United Commercial Bank Limited, speaks at the inauguration of the renovated Lohagara branch of the bank in Chittagong on Thursday.

Sri Lanka cuts fuel, power prices

Series of economic relief measures announced

AFP, Colombo

Sri Lankan Finance Minister K.N. Choksy Sunday announced a series of populist relief measures, including cutting the price of fuel and electricity, to ease the cost of living.

In a televised speech Choksy said the move was "a bold measure to bring down prices of a large variety of items in daily use".

The cost of diesel, largely used for transport purposes, was reduced by 8.0 per cent, while petrol prices were cut by 12 per cent.

"Our first objective is to reduce prices, reduce the cost of living and make it easier for the wage earner and the housewife to balance the monthly household budget," Choksy said.

The cuts followed a speech by Prime Minister Ranil Wickremesinghe on Thursday in

which he asked for patience as he outlined his government's plans to lead the country towards economic recovery.

Rises in fuel and electricity prices have done little for the popularity of Wickremesinghe's government which came to power in December.

The government has blamed the previous administration for its commitments to the International Monetary Fund and donor agencies to keep local market prices above world market rates.

Choksy said a new value added tax (VAT), which will come into force from August 1 in place of the existing goods and services tax (GST) would lead to price reductions.

He said essential consumer items and pharmaceuticals would be exempted from VAT.



M Tanveer Madar, managing director of Bangladesh Express Co Ltd, licensee of Federal Express Corporation, receives the President's Award from FedEx Regional Vice-President Hamdi Osman and Managing Director-Sales Jude Fonseka recently.

India may become 2nd largest rice exporter

REUTERS, New Delhi

India, saddled with large grain stocks, could become the world's second largest rice exporter after Thailand if infrastructure problems are ironed out, traders and analysts said Monday.

They said India was considering aggressive rice sales this year, as global prices turned competitive, to cut grain stocks which totalled 62 million tonnes on May 1.

"It could be touch and go and we may share the honours with Vietnam or edge it out in the rice export market provided infrastructure concerns are addressed," said a Bombay-based commodities

analyst.

Traders said the pace and direction of exports had been encouraging and the country should export between 3.5 to 4.0 million tonnes of rice in 2002/03 (April-March).

"Overall shipments in April-June, the first quarter of the financial year, have touched one million tonnes and our rice is cheaper than that of similar origin from Thailand or Vietnam," said Sudip Basu of ITC Ltd, a leading rice trading firm.

Basu said Vietnam, the world's second largest rice exporter, could sell about 3.5 million tonnes during the year, looking at their crop pattern and prevailing global prices.

BSB reduces classified loans

BSS, Dhaka

Bangladesh Shilpa Bank (BSB) has succeeded in reducing the classified loan to the lowest level as compared to the last six years.

BSB sources told BSS Monday that the success was achieved by dint of close supervision and all-out efforts of loan recovery by the bank management.

The sources said BSB's classified loan was Tk. 1453 crore as on December 31 last year which has come down to Tk 1275 crore by way of reducing classified loan to the tune of Tk. 178 crore this year.

During the period under review, classified loan has been reduced by 6 per cent as compared to total recoverable loans.

The BSB authorities have been continuing vigorous efforts to improve further the quality of loan portfolio in the coming days.

'Oil producers don't want price war'

AFP, Caracas

OPEC Secretary General Alvaro Silva Calderon on Sunday gave assurances that no oil-producing nation wanted to spark a price war in order to improve its standing in the market.

"No one is planning a price war in order to control the market. ... I believe that none of the oil-producing countries are considering that," Silva told the Venezuelan daily El Nacional.

He acknowledged that some oil-producing nations may be having "difficulties" in reducing their output and may want to expand, in an apparent allusion to Russia, but he emphasized that he felt none of the countries were interested in "getting into a scuffle".

Moscow announced late last month that it would raise its oil exports by about 150,000 barrels per day as of July 1, despite the 11-member oil cartel's call for Russia to limit its exports in a bid to stabilize global oil prices, which slumped sharply amid global fears of an economic slowdown.

Russia, the world's number-two oil exporter, had agreed to cut its exports by 150,000 barrels per day in December.

Indonesia ups sugar import tariffs

REUTERS, Jakarta

Indonesia, Southeast Asia's largest sugar importer, has raised import duties on raw and white sugar in a bid to protect farmers from imports, according to a finance minister's decree said Monday.

The new tariffs, which came into effect on July 3, are set at 550 rupiah/kg for raw sugar and 700 rupiah/kg for white and double refined sugar.

Under the previous system, importers had to pay a tariff of around 500 rupiah/kg on raw sugar imports, based on a 20 per cent tariff rate and the average sugar import price, and 600 rupiah/kg for white imports under a 25 per cent tariff rate.

"The new tariffs will be valid for 24 months since coming into force," said the decree signed by Finance Minister Boediono.

"The changes were made to support the restructuring of the national sugar industry, to help sugarcane farmers and still meet the interests of consumers."

Indonesia imports around 1.3 million tonnes of sugar annually. Industry sources said imported sugar had begun flooding the market after the government liberalised the sugar trade as part of an agreement with the International Monetary Fund in 1998.

Indonesia was the world's second-largest sugar exporter in the 1920s but increasing sugar consumption, coupled with farmers switching to more lucrative crops has seen imports grow.

Earlier this month, Trade and Industry Minister Rini Suwandi said her office was proposing offer a subsidy of 500 rupiah per kg to its sugar farmers to encourage them to produce more of the commodity and reduce dependency on imports.

The proposal needs to be approved by the finance minister.