

## Pakistan keen to invest more in EPZs

Pakistan is keen to invest more in Bangladesh specially to the Export Processing Zones, says a press release.

This was stated by the visiting Pakistani delegation during its visit to the Dhaka Export Processing Zone on Monday.

The Pakistani delegation includes President of the Federation of Pakistan Chambers of Commerce and Industries (FPCCI) Iftikhar Ali Malik and Chairman of FPCCI Islamabad Office Sohail Altaf.

The Executive Chairman of the Bangladesh Export Processing Zones Authority Brig General (Retd) M Mofizur Rahman briefed the Pakistan delegation about the incentives and facilities offered by BEPZA to the investors.

Iftikhar Ali Malik who represents 29 chambers and 128 trade bodies of Pakistan said, Pakistan wants to be a partner of progress to Bangladesh. With this end in view, Pakistan is increasingly investing in the medium scale industries in the EPZs of Bangladesh.

It may be mentioned that at present there are 4 Pakistani industries operating in the EPZs of Bangladesh with an investment of US\$ 2.66 million. These industries have created employment opportunity for 453 Bangladeshi nationals.

## Trust Bank ups dollar buying rate

The Trust Bank Limited has increased the dollar buying rate by Tk 0.30.

The rate has been raised in compliance with the instruction from Bangladesh Bank to reduce the gap between buying and selling rates of foreign currencies, says a press release.

As per the new rate clients will get Tk 57,7000 per one unit of US dollar of remittances brought into the country and Tk 57,4000 against one unit of US dollar of export.

Similarly the buying rate of other currency has also been increased.

The bank hopes that the increase will surely boost the country's export and facilitate the inward remittance through the banking channel.

## Janata Bank earns Tk 35cr profit in six months

Janata Bank earned Tk 35 crore profit on its half yearly closing as on June 30, 2002, says a press release.

Last year during this period, the profit was Tk 5 crore.

This profit increase ratio for six months of this year stands at 700 per cent than that of last year.

Similarly foreign remittance as on June 30, 2002 raised up to Tk 1088 crore during the last six months. During the same period last year, it was 527 crore. As a result the increased ratio of foreign remittance earned for six months of this year stands at 100 per cent than that of last year.

Classified advances as on June 30, 2002 also reduced remarkably.

## Trust Bank opens branch at Agrabad

The Trust Bank Limited has opened a new branch at Agrabad in Chittagong.

With this, the total number of branches of the bank stands at 11, says a press release.

Commerce Minister Amir Khosru Mahmud Chowdhury attended the inaugural ceremony as chief guest.

The chairman of the bank, Chief of Army Staff Lt Gen Hasan Mashhud Chowdhury, Vice Chairman Adjutant General of Bangladesh Army Maj Gen Jalaluddin Ahmad, Directors of the bank, senior government officials, clients and other guests were also present on the occasion.

In his speech, the commerce minister emphasised that the Trust Bank could invest in agro-based industries like poultry in the agriculture sector.

The Managing Director of the bank Zahid Hossain Chowdhury said that through the opening of the branch, the bank will provide the people of the port city better banking and financial services.

# Pak, Bangla chambers' MOU to form business council

### Bid to promote trade and investment

#### STAR BUSINESS REPORT

In a bid to promote trade and investment between Bangladesh and Pakistan, the apex trade bodies of the two countries yesterday signed a memorandum of understanding to form a joint business council (JBC).

President of the Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) Yussuf Abdullah Harun and the President of the Federation of Pakistan Chambers of Commerce & Industry (FPCCI) Iftikhar Ali Malik signed the agreement on behalf of their respective sides.

The MOU signing marked the renewal of the agreement on Economic and Commercial Cooperation that was reached on July 22, 1992 in Dhaka between the

two chambers.

"The JBC aims at fostering friendship and understanding between the business communities of Pakistan and Bangladesh and promoting cooperation in trade, investment, technology transfer, services and other industrial sectors," the MOU said.

Speaking at the signing ceremony, FPCCI president Iftikhar Ali Malik suggested that both the governments consider signing of a free trade agreement, under which both the countries can offer zero or preferential tariff to each other on reciprocal basis for providing greater market access.

"This agreement would certainly make sure that the domestic industry in Pakistan and Bangladesh are not affected," FPCCI president assured. The FPCCI president said the

signing of the MOU would make the private sectors of Pakistan and Bangladesh much closer to each other in exploring potential of trade expansion and joint industrial collaboration.

"It will also give a major fillip to exports from both the sides which collectively is around US\$150million. We must make serious efforts to double this volume of bilateral trade in the shortest possible time," he said.

Both the sides hoped that the JBC agreement would provide a regular and recognised platform for discussions on promotion of trade and investment between businessmen and industrialists of the two countries.

Both the sides will hold joint meetings as mutually agreed upon to address various problems pertain-

ing to the promotion of trade, economic cooperation and services between the two countries. The joint meetings will be held alternatively in each country.

Sub-committees and task forces may be set up, if necessary, to consider and recommend solutions to specific matters, mentioned in the signed MOU.

Meanwhile, the visiting Pakistan trade delegation's two members who are representing Younys and Dewan groups have decided to set up fertilizer and polyester fibre plants in Bangladesh.

Besides, Guard group owned by the FPCCI president also decided to set up a light engineering auto unit in Bangladesh.



Maj Gen Amjad Khan Chowdhury (Retd), chief executive of PRAN Group, hands over PRAN Agro Ltd share certificates, which have been issued against EEF support, to Finance Minister M Saifur Rahman and Murshid Kuli Khan, managing director of Janata Bank, in the city on Monday. DMD of PRAN Group Ahsan Khan Chowdhury (extreme left), DGM of Janata Bhaban corporate branch, Janata Bank, MA Salam (extreme right) were also present.

## PRAN share certificates handed over to govt

Share certificates of PRAN Agro Ltd issued against EEF support of Tk 4.20 crore of the total paid-up capital of the company were handed over to Janata Bank at a simple ceremony at the Secretariate in the city on Monday, says a press release.

M Saifur Rahman, Minister for Finance, was present as chief guest on the occasion.

PRAN Agro Ltd has established first-ever project at Natore under EEF Equity support of the govt with project finance of Janata Bank.

The project, first of its kind in the agro-processing sector, is engaged in primary processing of agro-based products like mango, tomato, pineapple, guava and various types of vegetables and horticulture products which are being produced in northern region of the country.

Farmers in the region will be encouraged through contract farming to maintain quality and increase quantity of fruits and vegetables produced in North Bengal by way of ensured demand at predetermined prices.

The project was financed by Sponsor's Equity EEF of Bangladesh Bank together with a term loan of Tk 8.66 crore financed by Janata Bank.

## BASIC Bank starts forex dealing

BASIC Bank Limited has started foreign exchange dealing operation at its head office, says a press release.

Al-Ameen Chaudhury, secretary of Industries and chairman of the Board of Directors of the bank, inaugurated the dealing room in the city recently.

The bank opened the dealing room in line with the government's plan to introduce floating exchange rate from November this year.

Directors of the bank Syed Mushatag, secretary of the ministry of Chittagong Hill Tracts Affairs, MA Mannan, chairman, of BSCIC, Md Rabiul Islam, Managing Director of BSR, Qazi Monowarul Hoq, director general of prime minister's office, and Md. Nurul Huda, managing director of BASIC Bank Ltd were present on the occasion.

## BanEx to pay utility bills thru' ReadyCash

Bangladesh Express Company, official licensee of Federal Express Worldwide, has started paying its utility bills through ReadyCash one stop payment service, says a press release.

This facility will enable FedEx to pay all its utility bills in Bangladesh from ReadyCash POS stationed at Motijheel location from now on.

A S M Azad Khan, Deputy Managing Director and Bashir A K Chowdhury, Executive Director of BanEx thanked ReadyCash for introducing this service.

Taskin Mustafa Chowdhury, marketing specialist and other executives of FedEx were also present.

Masudur Rahman Ajoy, senior executive, and Mynuddin Ahmed, executive, Utility Services of ReadyCash were also present.

Besides FedEx, renowned Bengali daily Prothom Alo is already paying its utility bills with ReadyCash.



President of the Federation of Pakistan Chambers of Commerce and Industry Iftikhar Ali Malik and Sohail Altaf, chairman of FPCCI Islamabad office, visited Dhaka Export Processing Zone on Monday. Executive Chairman of BEPZA Brig General (Retd) M Mofizur Rahman briefed them about facilities and incentives being offered to the investors.

# US bank economists still expect 3 to 3.5pc growth

AFP, Washington

Chief economists from the largest US banks said Monday they had not altered their forecasts of a modest economic pickup in the second half of the year despite the steep drop in US stock prices.

"While there has been some material deterioration in equity markets, the underlying real economy is still in recovery mode," Gregory Miller, chief economist at Sun Trust Banks, and chairman of the American Bankers Association's economist advisory committee, said in a conference call.

"We're still in that same 3.0 to 3.5 per cent (annualized GDP growth) neighborhood for the economy for the rest of the year and into 2003,"

Miller said.

None of the nine bank economists on the ABA panel thought there was more than a 25 per cent chance that the Federal Reserve's next monetary policy move would be an ease. The committee expects the next Fed move to be a rate hike -- either in December or next year.

The panel meets twice a year in January and June. It held a special meeting given recent sharp declines in US stock prices.

There is a negative wealth effect from the declining stock market but this is being offset by rising housing prices, the panel said.

Unemployment probably peaked in the second quarter and the labor market will continue to recover, they said.

A credit crunch is not developing

despite the decline in commercial and industrial loans, rising loan standards, and widening yield spreads in the corporate bond market, the panel said.

"I don't believe there is a credit crunch," said Anthony Chan, chief economist at Bank One Investment Advisors Corp. He said the widening interest rate spreads are due to increased risks from accounting irregularities and weak demand for loans stemming from the weak recovery.

"We're not having a credit crunch in the large sense -- but we are having some impediment of credit flows -- and that part and parcel being in a business-centered recession," said Frederick Breimyer, chief economist at State Street Bank and Trust Co.

# Japanese tech firms post improved results

AFP, Tokyo

Three of Japan's technology giants announced improved first quarter results Tuesday but warned they remained at the mercy of volatile exchange rates and a fragile recovery in demand.

Hitachi Ltd. and Toshiba Corp. said losses declined in the three months to June from a year earlier, while Mitsubishi Electric Corp. swung back into profit.

Japan's largest electronics firm Hitachi posted a net loss of eight billion yen (67 million dollars) against a loss of 34.0 billion yen last year.

"Hitachi's first quarter results were better than initially expected due to strong performances by information-related equipment and electronic devices," the company said in a statement.

The firm managed a pre-tax profit of 1.0 billion yen compared with a loss of 25.7 billion yen previously, although revenue fell four per cent to 1,865.2 billion yen.

Toshiba similarly reduced its red

ink on a moderate pick-up in demand, with a net loss of 18.8 billion yen against a 33.4 billion yen loss previously.

"The markets in which Toshiba operates recovered from their low point and there were indications of growth," it said.

Toshiba's pre-tax loss shrank to 33.3 billion yen from 52.6 billion yen, while revenue edged 2.2 per cent higher to 1,191.1 billion yen.

Cost-cutting and layoffs added 14.6 billion yen to the bottom line and Toshiba said in April it expected 180 billion yen in cost reductions in the current year to March through 11,000 job cuts and other initiatives.

Rival Mitsubishi Electric -- which will integrate its loss-making large-scale integrated (LSI) semiconductor arm with Hitachi next year -- clambered back into the black in the first quarter after cost cuts and a shake-up at its mobile handset and chip divisions.

Its net profit came to 857 million yen, reversing a loss of 11.1 billion yen a year earlier.

All three hi-tech leaders

remained cautious about future prospects, leaving full and half year earnings forecasts unchanged.

Reduced first quarter losses were "not enough to justify a change in our outlook," Toshiba vice president Kiyooki Shimagami told a news conference.

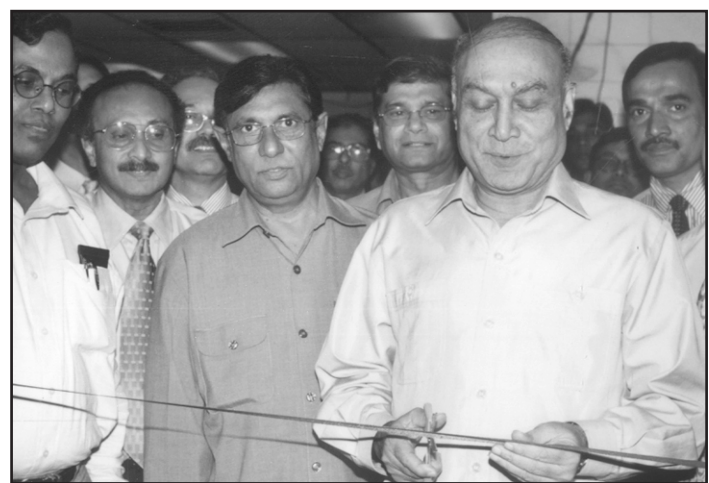
"On top of that, we are concerned over the trend in US consumption. If the trend worsens, it will lead to a decline in corporate investment by Japanese firms, which will affect our performance," he said.

Toshiba has forecast a net profit of 23 billion yen in the year to March. Hitachi said uncertainty in the information technology market was increasing, especially for personal computers and mobile phones.

"Together with the sharp appreciation of the yen, the company's operating environment has become increasingly difficult," it warned, maintaining a half year net profit forecast of five billion yen.



Commerce Minister Amir Khosru Mahmud Chowdhury inaugurates the 11th branch of The Trust Bank Limited at Agrabad in Chittagong recently. Chairman of the bank Chief of Army Staff Lt Gen Hasan Mashhud Chowdhury, Vice Chairman Adjutant General of Bangladesh Army Maj Gen Jalaluddin Ahmad and Managing Director of the bank Zahid Hossain Chowdhury were also present.



Al-Ameen Chaudhury, secretary of Industries and chairman of the Board of Directors of BASIC Bank Limited, cuts tape to inaugurate the dealing room of foreign exchange operation of the bank at its head office in the city recently.

## World Cup cuts ROK industrial growth

AFP, Seoul

The football World Cup cut into South Korea's industrial output growth in June as people remained glued to television sets during the world's largest sporting event, official figures showed Tuesday.

Industrial output growth slowed to 5.4 per cent in June from a year earlier, down from 7.7 per cent in May, the National Statistical Office said.

"The slowdown in output growth reflects cuts in work hours due to local elections, the World Cup and strikes at auto companies," the NSO said in a statement.

June industrial output was down 3.6 per cent seasonally-adjusted

from the previous month when there was a gain of 0.5 per cent month-on-month.

Analysts said the slowdown in output growth was larger than expected, noting that the weak US and local stock markets eroded corporate investment sentiment in June.

"Even taking into account the World Cup and strikes, the size of the fall in investments was more severe than expected," Dongwon Securities economist Kim Kwang-Yeol said.

Increases in semiconductor production in June were offset by falls in automobiles and computers, the NSO said.

# ASEAN in race with China for economic survival: Manila

AFP, Manila

ASEAN must resist the urge to stall closer regional integration, Philippines President Gloria Arroyo said.

"For our diverse countries to survive and prosper, we need closer integration. We need to think regionally and deepen regional ties. Our national and economic interests lie in the destiny of the region and our linkage with the rest of the world," she wrote in the Asian Wall Street Journal's Tuesday edition.

Arroyo said the ASEAN Free

Trade Area (AFTA) which has slashed import tariffs on almost all goods traded among the Philippines and five of the nine other members "has some way to go before it will become an effective means of strengthening the region's competitive economic position."

The accord brought down tariff levels on intra-ASEAN trade from this year to between zero and five per cent.

"Underlying AFTA is the realization that small, protected markets will no longer work in the face of the competitive challenge confronting

us," she said. "China embodies that challenge most starkly in terms of its power and its proximity. ASEAN views the rise of China and other regional groups as both a competitive spur and a market opportunity."

However, ASEAN (Association of Southeast Asian Nations) boasts that its combined gross domestic product is now equal to that of China with only half the latter's population would "remain an empty boast if the integration of the ASEAN economy lags behind China's integration with the global economy."