

Restaurateurs asked to renew licences by Sept 30

UNB, Dhaka

Hotel and restaurant owners have been asked to renew their registrations and licences by September 30, 2002.

According to the Bangladesh Hotel and Restaurant Ordinance, 1982 and the Rules, 1986, it is mandatory for all hotel and restaurant owners to renew their registrations and licences.

Legal action will be taken against those who fail to comply with the government order, said an official release.

Drought hits Indian industrial growth

AFP, New Delhi

Forecasts for India's industrial growth have been lowered for the financial year to March because of the severe drought over the country's northern region, an economic research body said Wednesday.

"The failure of the rains in the first two months of the monsoon season has warranted a lowering of our forecast of growth of the index of industrial production for 2003-03 to three per cent from 3.5 per cent," said an outlook report by the independent Centre for Monitoring Indian Economy (CMIE).

Seasonal monsoon rains that hit most parts of India in June and July have been at a record low, forcing the government to declare a drought in most parts of the country.

While measures are now being taken to help farmers, the CMIE report said the damage to industrial growth has already been done.

"Since about 70 per cent of the population in rural and semi-urban areas depend on agriculture and allied activities for a living, aggregate purchasing power and thus demand would be depressed," the report said.

IBM to shed 15,000 jobs

AFP, San Francisco

IBM Tuesday announced it would shed more than 15,000 jobs and said its top executives have certified the company's 2001 and 2002 financial statements.

According to filings with the Securities and Exchange Commission, the company will shed 14,213 jobs from its Global Services division and other departments. It is also cutting 1,400 jobs from its microelectronics division.

The giant computer manufacturing and services company announced job cuts in July, without giving specific numbers.

"The reductions are to drive efficiencies and productivity throughout the company," said IBM spokeswoman Carol Makovich late Tuesday.

The company also said chief executive Samuel Palmisano and chief financial officer John Joyce have certified the company's financial statements in compliance with new SEC rules enacted after the massive fraud allegations surfaced against the leaders of Enron, WorldCom and other companies.

Losses explode at banks due to bad loan write-offs: BOJ

AFP, Tokyo

Losses at Japanese banks exploded to 4.9 trillion yen (40.8 billion dollars) in the year to March from 0.1 trillion yen previously as they stepped up efforts to erase bad loans, the Bank of Japan said Wednesday.

"In fiscal 2001, Japanese banks recorded large net losses because they disposed of non-performing loans and wrote off stocks in a substantial amount," the central bank said in a statement.

Prime Minister Junichiro Koizumi has made a clean up of Japan's battered banking sector - cited as a root cause of the nation's economic slump - a key plank in a major reform drive to lift the economy from recession.

Over the year, banks collectively disposed of 9.7 trillion yen in bad loans, up from 6.1 trillion yen erased from their books in the year to March 2001.

Their pre-tax loss swang to 6.5 trillion yen from a 0.5 trillion yen pre-tax profit seen a year earlier.

On brand bandwagon

Modelling local garments on Western ones gains momentum

SABRINA KARIM

Where do you stop to shop for when you need to buy an attire that suits you? Would you go haggling from one shop to another or just step into an outlet of brand wears?

The recent phenomenon of branding the clothes and luxury items all over the world has left a significant impression on people's life. Be it Marks & Spencer, United Colour of Benneton, Tommy Hilfigure, Levi's or Versace, it has become a part of life around the globe. Or an emblem of lifestyle should we say?

The emergence of local brands in Bangladesh manifests that the brand culture has not left the country untouched. Nowadays one can buy exclusive brand garments from stores like Texmart, Westecs, Fit Elegance or Artisti Collection Ltd without tedious bargaining.

The nuances of colour, the chic designs, and the delicate texture of material have turned the productions of these shops into 'a la mode' attracting a large scale of customers. Shirts, trousers, suits or blazers picked up from these stores help one to look stylish and elegant.

"I see the shirt as a canvas while designing it where I can paint different moods like classic or trendy," said Sayeed Siddiqui Rumi, owner of

Cat's Eye who designs his own productions. Cat's Eye brought the men's wear of their own brand in 1983 and became the rage from the very beginning.

Most of the owners of these shops expressed their objective for launching the brands for the convenience of the consumers. "Our goal was to create the outfits which would be similar to foreign brands in look and quality, but not costly like those," said Sharmeen Hassan Tithi, director of Texmart.

Texmart has launched a wide variety of executive wears where shirts ranging from Tk 360 to Tk 700 are available. "I cannot afford to buy the foreign brand clothes as office wears that I need six days a week," said Abu Saleh Siddiqui, a sales executive.

Moreover, there is a possibility of buying fake goods when one opts for foreign brands. "Shoddy made local shirts are available in stores with tags of foreign brands," said Faisal Kabir, a student of North South University. "I prefer to stick to the local brands which ensures the quality," he added.

Garments in these stores are considered exorbitantly expensive by a section of people, who think the brand name is responsible for that. However, the owners express their helplessness, saying that the production cost which

includes using foreign materials does not permit them to make it less.

"We are asking for a justified price and don't want people to misinterpret us," said Tanvir Ziaur Rashid, director of Fit Elegance Ltd. "One cannot get a pair of jeans of 'Dockers' brand at less than 35 US dollars, whereas can get one of our brand at Tk 850," he clarified.

Although most of these stores sell men's wear, few of them have introduced women's wear. Pencil skirts with rich floral embroideries, lycra top, or designer trousers and blazers found at Westecs would definitely attract women who dress with chic. Only Western outfits for women are there at Westecs since they have a number of foreign customers.

The local consumers who are fond of Western outfits also visit the store. "It is a must for me to get some good stuff for myself from here whenever I come to Dhaka," said Sohona Khan, a housewife residing in Khulna.

However, not only Western outfits but also traditional dresses like salwar-kameez or lehenga are available in shops like Artisti.

The entrepreneurs of these brands plan to expand their market around the world. Fit Elegance, which has already registered its brand in the UK, is seeking its distributor there.



Shoppers browse through attires at city shops that sell local brand clothes.



PHOTO: STAR

US economy on right track, Bush tells Texas forum

Congress warned to control spending

AFP, Waco, Texas

President George W. Bush Tuesday warned the US Congress to control its spending and reassured Americans his administration has the nation's slumping economy under control at an economic forum here designed to show his concern ahead of crucial legislative elections in November.

In announcing he would not spend 5.1 billion dollars of emergency homeland security funds approved by Congress, Bush called on lawmakers to curb government expenditures to restore the economic health of the country.

"My administration will spend

what we truly need and not a dollar more," Bush said. "Congress needs to restrain spending."

In his opening address, Bush said the US economy is on the right track, but much more work remains to be done to help it along.

"The foundations of the American economy are strong. Yet the only purpose of a strong foundation is to build on it. And that's what we're discussing today. And we're determined, this administration is determined to build on the long-term security of the American people," Bush said.

In eight round-table discussions at Waco's Baylor University, partici-

pants focused on economic recovery, corporate responsibility, innovation and technology, health insurance and protecting pensions and retirement funds.

Half of Bush's cabinet, including Vice President Dick Cheney, as well as some 240 people representing diverse economic sectors, attended the forum in this mid-size city near Bush's ranch.

Treasury Secretary Paul O'Neill, Commerce Secretary Don Evans, US Trade Representative Robert Zoellick, White House budget chief Mitch Daniels and Agriculture Secretary Ann Veneman were also on hand for the event.

Uttara branch of StanChart renovated

Chris Keljik, group executive director of Standard Chartered Bank, inaugurated the bank's extended and refurbished Uttara branch in the city yesterday, says a press release.

John Filmeridis, regional general manager for Middle East and South Asia, Muhammad A (Rume) Ali, chief executive officer for Bangladesh, AEA Muhaimen, head of Consumer Banking-Bangladesh, and other senior officials of the bank were also present on the occasion.

Standard Chartered's Uttara branch has been extended to cater to the growing business requirements.

In addition to dedicated floors for customer transaction and service areas, the office offers priority banking services from an exclusive suite for the bank's high net worth customers.

Safe deposit lockers and 24-hour ATM services are also available from the renovated branch.

Steel row: US may make new concessions

AFP, Paris

The United States could make further concessions to European steel producers in a bid to defuse a trade row over US steel tariffs, US Trade Representative Robert Zoellick has told a French newspaper.

"We're going to continue looking at the requests for exemptions made by foreign producers and their clients in the United States," Zoellick told the French daily Le Monde in an interview printed in its Thursday edition.



The visiting IMF mission meets leaders of the Metropolitan Chamber of Commerce and Industry, Dhaka in the yesterday.

Bandarban to lose six Sonali Bank branches

UNB, Bandarban

Intensifying their efforts to get rid of loss-making and corruption-plagued branches, authorities have decided to shut down six Sonali Bank branches, out of seven, in the hill district in phases.

Two of the branches, Lama and Alikadan, will be closed down in December this year, according to competent sources.

The decision has been taken in compliance with the government directive to close down the branches which could not make profit over the years due mainly to corruption.

The SB branches have so far sanctioned farm loan totalling Tk 56 lakh against 112 dairy and poultry farms, but most of the borrowers are either missing or the farms have no existence.

The authorities have planned to file cases against over 50 borrowers for taking loans against their ficti-

tious farms like MS Salam Dairy Farm, Ahmed Dairy Farm, MS Prince Dairy Farm, MS Parvin Dairy Farm, MS Nargis Farm Complex and MS Shafi Dairy Farm.

A departmental investigation found that former Sonali Bank branch manager Osman Goni and field officer Mohammad Kashem helped these borrowers prepare fake documents and misappropriate the bank's money.

Meanwhile, departmental action has been taken against Osman Goni and Mohammad Kashem.

Besides, a case has been filed against a middleman, Nasirul Alam, for helping the borrowers prepare fake papers for applying for loan.

The case against him has been filed at the directive of the Deputy Commissioner, who is also the president of the district agriculture loan committee.

Joyal Abedin, the investigation officer, in his report mentioned that loans have been sanctioned even

against the names of dead people. The report has been sent to the Managing Director of Sonali Bank.

There are 22 branches of commercial banks in six upazilas of this hill district, including nine of Sonali Bank, seven of Janata Bank and Agrani Bank and one each of Rupali Bank and Pubali Bank.

All the branches, except those are located in the district headquarters, have been incurring losses for long, according to the sources.

Under the circumstances, the authorities have decided to close down all the branches, except one.

A senior official said various steps were taken in the past to make these branches profitable, but all efforts went in vain.

He said Sonali Bank gave loan amounting to Tk 4.79 crore to 755 people in Lama upazila in 1983 for horticulture and some of the borrowers have already died.

71 trade bodies welcome FBCCI reform move

STAR BUSINESS REPORT

Seventy-one trade bodies have hailed the recent government directive to bring electoral reforms in the country apex trade body - the Federation of Bangladesh Chambers of Commerce & Industries (FBCCI).

The trade associations in a joint statement on Tuesday termed the commerce ministry's directive timely, saying it was a demand of the businessmen for a long period.

With the reforms the apex trade body will be strengthened to play a vital role in prompting the private sector-led economic growth, the associations hoped.

The commerce ministry issued an order on July 31, amending

memorandum of article of the FBCCI. According to new order, 24 elected directors, 12 each from chamber group and association group, and 14 nominated directors, seven each from chamber and association group, will elect the president and two vice-presidents. Presently, FBCCI members directly elect their president, one vice-president and 30 directors, 15 from chamber group and 15 from association group.

The Association of Taxi Cab Owners of Bangladesh, Bangladesh Domestic Garment Manufacturers Association, Bangladesh Auto Spare Parts Merchant and Manufacturers Association, Bangladesh Bidi Shilpa Malik Samity, Bangladesh

Chemical and Perfumery Merchants Association, Bangladesh Cotton Association of Agents and Traders Growers, Bangladesh Energy Companies Association and Bangladesh Electronics Merchant Association, are among the signatories to the statement.

The list of signatories also includes Bangladesh Embroidery Manufacturers and Exporters Association, Bangladesh Grey Cloth Merchants Association, Bangladesh Jamanani Manufacturers and Exporters Association, Bangladesh Marine Accessories Merchants Association, Bangladesh Pathar Babosayee Samity and Bangladesh Polymer Importers Association.



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Oil price hits 3-month high

AFP, London

Oil prices rode up to three-month highs on Wednesday as concerns about the prospect of a US-led attack on Iraq intensified and figures showed a huge fall in levels of US crude oil stocks.

Reference Brent North Sea crude for September delivery gained 39 cents to 26.54 dollars, levels not seen since mid-May. Prices have now rallied by 33 per cent since the start of the year.

In New York, benchmark light sweet crude September-dated futures added another four cents on Tuesday to 27.90 dollars.

Traders said there were two main drivers behind the rally.

Soros calls for regulation of global financial markets

AFP, Singapore

Billionaire George Soros, the man vilified by Malaysian Prime Minister Mahathir Mohamad for speculative raids on Asian currencies, has called for regulation of financial markets in an article published here Tuesday.

The US financier and philanthropist said the apparent failure of a multi-billion-dollar International Monetary Fund (IMF) package to rescue Brazil from financial crisis

has shown "that something is fundamentally wrong" with the global financial system.

"In recent years, the so-called Washington consensus as espoused by the IMF and World Bank has put its faith in the self-correcting nature of financial markets. That faith was and is misplaced," Soros wrote in a syndicated article published in Singapore's Straits Times newspaper.

He pointed out that since finan-

cial capital moved freely worldwide "crisis has followed crisis," prompting the IMF to come up with bailout packages for stricken nations.

"If stability is to be preserved, financial markets need regulators and a lender of last resort. But there can be no lender of last resort without a modicum of moral hazard," he said.

Outspoken Malaysian leader Mahathir had publicly accused Soros of leading currency specula-

tors that brought down the value of the Malaysian ringgit and other Asian currencies during the 1997-1998 Asian financial crisis.

Mahathir at the time called for a ban on currency trading and instituted a fixed peg for the Malaysian unit on the US dollar.

Soros denied having a hidden hand in the currency attacks and called Mahathir's proposal to ban currency trading as a "recipe for disaster."

Mexico slaps 47pc import tariff on US apples

AFP, Mexico City

Mexico slapped a nearly 47-per cent import tariff on two varieties of US apples, its economy ministry announced Tuesday, as part of a campaign to protect its agricultural sector.

The 46.58 per cent tariff covering Red Delicious and Golden Delicious apples, other than those produced by Price Cold Storage and Washington Fruit and Produce, will not be up for review soon, a spokesman for the ministry said.

"Once the tariff is in place, Washington may request a review in a year," economy ministry spokesman Salvador Musalem said.

The apple dispute is another chapter in the conflict between the neighboring countries that has included skirmishes over tomatoes, sugar and avocados since the North American Free Trade Agreement took effect in 1994 and which helped make Mexico one of the United States' largest trading partners.

NAFTA requires the trading partners to remove barriers to

agricultural goods by 2003.

Mexico's move comes after the US Congress approved massive subsidies for farmers earlier this year.

A similar subsidy package for Mexican farmers is to be unveiled in October, Economy Minister Luis Derbez said last week, declining to elaborate.

Mexico's ministers of economy and of agriculture also announced last week that Mexico would begin to "shield" its agricultural sector.