

Star BUSINESS

DHAKA SATURDAY AUGUST 31, 2002

Ubique launches Angel brand baby-care items

STAR BUSINESS REPORT

Ubique Corporation yesterday launched 64 baby-care products of 12 categories of Angel brand of Thailand.

The categories of products include feeding bottle, nipple, feeding plate, breast pump, bottle-brush, liquid cleanser, milk powder container, teether, hairbrush and comb, powder puff, nasal aspirator and silicon pacifier.

Angel Director Chatriee Ekwanchanone was present at the launching ceremony held at a city hotel.

Bodruddoza Mithun, president of Ubique Corporation, Director Md Moniruzzaman and other officials and distributors of Ubique were also present on the occasion.

Angel director said his company's products are more hygienic than other existing products in the market and the price is also competitive.

ATDP-II sets up agribusiness centre

The agro-based industries and technology development project, phase II (ATDP-II) has set up an agribusiness centre for excellence, says a press release.

According to Momtaz Faruki Chowdhury, the spokesperson for the centre, "this is an effort to develop Bangladesh's most precious and abundant resource, namely its people." "The biggest constraint to developing agribusiness in Bangladesh, is lack of well-trained middle and senior level managers equipped with skills needed to compete in today's global business environment."

The centre will sponsor a chief executive officer (CEO) lecture series in which speakers from institutions such as the Harvard Business School, the Wharton School of Finance, the University of Wisconsin, Cornell University, Cargill (the world's largest agribusiness company) and other companies will be brought to Bangladesh to conduct workshops with CEOs of top agribusiness companies.

The centre will also conduct four to six workshops annually. It will also co-sponsor a seminar in late September with the American Soybean Association on shrimp feed formulation. Over 150 private companies, NGOs and public organisations are likely to attend.

The centre has recently completed a study on the feasibility of starting an Agribusiness MBA programme in Bangladesh.

OPEC may boost output

AFP, Vienna

OPEC could hike oil production levels by up to 800,000 barrels per day in a bid to keep down rising prices if Saudi Arabia overcomes its partners' opposition to such a move at the cartel's next meeting on September 19, an OPEC official said Thursday.

The cartel's oil ministers could "decide in September on a moderate increase to give the market some time to absorb it" before making a further decision a further decision on output later in the year, the official said, speaking on condition of anonymity.

Oil prices have climbed to their highest levels for over a year in New York and for five months in London recently on the back of concerns about a possible US-led attack on Iraq and falling levels of oil stocks.

Reference Brent North Sea crude oil for October delivery rose five cents to 27.00 dollars per barrel Thursday in London.

The ministers "need to reach a compromise to release a small amount of crude. It is a very tough decision to make," the OPEC said, explaining that the output hike could be "between 500,000 and 750,000 to 800,000 barrels a day".

He added that Saudi Arabia, by far the biggest and most influential producer within the Organisation of Petroleum Exporting Countries (OPEC), was pushing for a production hike but faced opposition from Kuwait, Indonesia and Venezuela.

"I think the momentum is going against the Saudi interests," he said.

However, Algeria and Nigeria have both said they will request increases to their individual output quotas at next month's meeting, which some analysts say would require an increase to the overall output ceiling.

The Saudi stance was primarily political, he said, explaining that the move was a conciliatory gesture towards the United States, with which the kingdom's relations have deteriorated since the September 11 terrorist attacks there.

PDB to pilot pre-paid metering system in Ctg

ABDULLAH-AL MAHMUD, Ctg

A pre-paid electricity metering system under a pilot project will be implemented in Chittagong.

The Power Development Board has started the Tk 30.81 crore project, which got cabinet approval recently.

Sources in the PDB said the foreign consultant engaged in this regard had almost finalised the profile of the project, titled 'Pre-paid Metering System Pilot Scheme'.

The PDB expects to float an international tender within the next two months for

the project work, which is expected to be completed by June 2004, according to the sources.

Under the project, which aims at reducing non-technical systems loss and raising revenue collection, the PDB will provide pre-paid meters to its subscribers under three 11-KV feeder areas in Chittagong city.

The areas-- feeders of Khulshi 1 & 2 and Stadium 5 in the port city -- were included on the basis of feasibility study conducted in 1993 on several feeders with higher rates of systems loss.

According to the sources, under

the pilot scheme, 8500 single-face and 450 pre-face pre-paid meters, 280 three-face programmable electronic meters, 10 credit dispensing units (CDUs) and one system master station (SMS) will be procured and installed.

When implemented the project will put an end to theft of electricity or so called 'systems loss' and harassment of the subscribers as well, sources said.

They said as the system is modern technology-based, it will leave no scope for non-technical systems loss or theft of power through tampering of meters in the

name of so called 'systems loss'.

At the same time, it will bring down the technical loss to an acceptable limit as, there is no cost for operational activities such as meter reading, billing, bill distribution, disconnecting or restoring the electricity connections.

Sources also informed the expenditure of Tk 6.81 crore of the project will be financed in local currency while the rest of Tk 24.00 crore in foreign currency.

Chittagong was chosen for the pilot project as quantity of non-technical systems loss was found to be much higher here than elsewhere in the country.

IMF sees Indian economy growing 5.5pc this fiscal

AFP, Washington

The Indian economy is set to grow 5.5 per cent in the fiscal year to March 31, 2003, the IMF forecast Thursday, but the country's debt load risks running out of control.

"The economy is projected to grow at 5.5 per cent in 2002-03, assuming a modest recovery in the industrial sector," the International Monetary Fund said after an annual review of India's performance.

The Indian economy grew 5.4 per cent in the past fiscal year, reflecting both weak agricultural growth and a significant slowdown in the service sector, it said.

But the government must meet

a target of eight per cent growth to lift people out of poverty, the Fund's directors said in a statement.

"Attainment of the authorities' eight per cent economic growth objective, which is the key to sustained poverty reduction, will depend critically on the pace of progress with fiscal consolidation and structural reform," they said.

IMF directors said they were worried about the sustainability of India's fiscal situation.

The general government deficit was among the highest in the world and general government debt, even excluding sizable contingent liabilities, represented

80 per cent of GDP, the directors said.

"They were particularly concerned that recent trends-- large primary deficits, growing debt, and the sharp narrowing of the growth rate-interest rate differential--are creating conditions for potentially unsustainable debt dynamics," the IMF statement warned.

"The weak fiscal situation leaves little room for maneuver in macroeconomic policies and could entrench the cycle of decelerating growth and deteriorating fiscal balances."

They urged India to take early steps to achieve or exceed this year's fiscal targets.



PHOTO: BAPLC

Bangladesh Association of Publicly Listed Companies (BAPLC) President Samson H Chowdhury speaks at a meeting of the association on Thursday in the city. The BAPLC decried an order of the Securities and Exchange Commission (SEC) that called for reconstitution of company boards in Z category.

Japan economy grows but prospects remain weak

AFP, Tokyo

Japan's economy grew for the first time in more than a year in the June quarter but weakening industrial production cast a shadow over the fragile export-led recovery, official data showed Friday.

Gross domestic product (GDP) rose a stronger than expected 0.5 per cent from the previous quarter in the first increase since the January-March period last year, the Cabinet Office said.

But the introduction of a revised method of calculating GDP saw a robust expansion of 1.4 per cent in the March quarter slashed to zero.

"The economic recovery was mainly led by exports in the first quarter and in the second quarter the bright spots spread to domestic

demand," said JP Morgan chief economist Masaaki Kanno.

Exports -- which account for around 11 per cent of GDP -- increased by 5.8 per cent in the three months to June, but economists warned the weakness of the US recovery coupled with a recent rise in the yen against the dollar could scuttle the rebound.

Japanese factory output fell 0.4 per cent in July from a month earlier, marking the second straight month of decline, the government said Friday.

"I thought that these numbers were probably the most important today and also the most worrying," said Richard Jerram, chief economist at ING Barings.

He noted an alarming rise in stockpiled goods, which were up 0.6

per cent from the previous month.

"I believe there are some factors supporting an economic recovery, however there are some risk factors... which are rising," Heizo Takenaka, state minister for fiscal and economic policy, told reporters.

Private consumption, which accounts for over half of GDP, rose 0.3 per cent in the June quarter from January-March, despite near record unemployment and declining wages.

Jobless data for July remained unchanged from the previous month at 5.4 per cent, just shy of a record 5.5 per cent in December.

Economists said the figures showed a recovery in exports was helping to stabilise the labour market but the situation was unlikely to improve.

Pak exports, imports rise

AFP, Islamabad

Pakistan recorded a 19 per cent rise in exports and a 17 per cent rise in imports year-on-year in July, the finance ministry announced Friday.

Exports reached 816 million dollars last month, while imports reached 926 million dollars, according to a statement issued by the ministry. Non-food and non-oil imports were up 22 per cent.

Foreign exchange reserves reached 7.4 billion dollars in July, the ministry said, up from 5.56 billion dollars in early June.

Pakistan recorded a 27 per cent loss in exports over the fiscal year that ended June 30, hit by the war in neighbouring Afghanistan, with overseas buyers cancelling orders, shipments postponed and trading costs increasing with the hike in freight and insurance charges.

Last month the government set a fresh export target for the 2002-2003 financial year of 10.4 billion dollars, a 13.4 per cent increase on last financial year's export figures of 9.1 billion dollars.

It is also aiming for a 7.4 per cent increase in imports.

Premier Bank presentation on banking software held

Premier Bank organised a technical presentation on banking software named GLOBUS at its head office in the city on Thursday, says a press release.

Dr H B M Iqbal, chairman of the Board of Directors of the bank, inaugurated the function.

Data Soft Systems Bangladesh Limited provided the software.

The function was attended by Md Abdur Rob, deputy managing director, Md Shawkat Ali, consultant, and advisor of the bank Kazi Abdul Mazid.

All branch managers in Dhaka City and divisional heads in Head Office were also present.

Acer net profit leaps fivefold

AFP, Taipei

Taiwan's leading computer maker Acer Inc. said Friday its first half net profit jumped more than fivefold, boosted by the disposal of long-term investments and strong overseas demand.

Acer's net profit was 4.49 billion Taiwan dollars (131.3 million US) in the six months to June compared to 816.57 million dollars a year earlier, it said in a statement.

The surge came largely from the disposal of long-term investments in the first quarter and strong overseas demand in the second quarter, an Acer official said.

Sales of Acer personal computers in the three months to June grew 15 per cent year-on-year on strong demand in Europe, America, Asia and China despite it being a traditionally weak season, the company said.

Its subsidiary Acer America turned to the red from May 2002 and profitability from Acer's operations in Europe and the Asia remained stable while its losses in Latin America narrowed, it said.

However, the company's sales in the first half of the year plummeted 42.7 per cent year-on-year to 20.64 billion dollars after it spun off its contract manufacturing business as Wistron Inc. this year, it said.

Acer forecast 2002 parent net profit at 10.6 billion dollars on sales of 52.2 billion dollars.

ADB upbeat on aid projects for peaceful Sri Lanka

REUTERS, Colombo

Sri Lanka's growing peace process will make it easier to run aid projects around the island although an immediate increase in donor help is not seen, an Asian Development Bank official said Thursday.

The ADB has a \$600 million aid programme in the pipeline for the next three years, but also has a strategy review next year that will take into account a peace bid that could end two decades of war, said ADB country director John Cooney.

"Sri Lanka's review comes up next year which is very timely, and our strategy will need to change to reflect these very significant changes in the environment in which we operate," he said.

"Our large north-east project was put together with considerable difficulty in an active conflict situa-

tion but it is just ramping up at a time when the people are able to get the most benefit," Cooney said.

The government and separatist Tamil Tiger rebels are set to hold their first direct peace talks in seven years in Thailand in September to try to end a conflict that has claimed 64,000 lives and frozen the island's economy.

The peace talks, which follow a cease-fire signed in February, have led to renewed optimism for an economy that shrank 1.4 per cent last year and seen a huge movement of goods and people in and out of rebel-controlled areas.

Cooney said until peace was firmly entrenched international donors would be cautious about vastly raising aid to Sri Lanka. "It has not happened yet. We are watching very carefully. We are a development bank, we are not a

diplomatic operation like the United Nations," said Cooney, an Australian who has run the bank's mission in Sri Lanka for three years.

"We are following and supporting a process, we are not leading it," he said of the ADB, the second-most active donor in Sri Lanka behind Japan.

But he added the ADB and others were also preparing to help as the peace process advanced.

"We can move fairly quickly when the times comes," he said.

The ADB has already said it would look at the feasibility of a larger rehabilitation programme as the peace process evolves.

The \$600 million programme, which should take at least five years to fully disburse, will include loans to fight poverty and to revamp Sri Lanka's decaying road system.

China poised to sell stakes in state-run cos to foreigners

AFP, Washington

The Chinese government likely will allow the sale of government shares in publicly traded, state-controlled enterprises to foreign companies, The New York Times said Friday.

China also would give permission to multinational corporations to sell shares in their Chinese operations to Chinese citizens, the assistant chairman for international policy, futures trading and accounting at the China Securities Regulatory Commission, Wang Jianxi, told the daily in an interview.

The reason behind the move, the daily said, was China's need to raise money to better cope with its large budget deficit, shaky banking system and a public pension system with virtually no reserves.

Both measures, however, would draw China more into the global economy and are a sign that the country remains committed to a market-directed economy, the daily said.

While China's largest state-run companies are traded in the New York and Hong Kong stock exchanges, more than 1,000 others are traded only on the A-share stock markets in Shanghai, which is off-limits to foreign companies and individuals.



PHOTO: AFP

Two women walk past a sign for the Development Bank of Singapore (DBS), one of Singapore's best listed companies, on Thursday. State-linked companies still have major role to play in Singapore's economic development, but the government will gradually reduce its shareholdings, Deputy Prime Minister Lee Hsien Loong said on Wednesday.

Weekly Currency Roundup

August 26 - August 29, 2002

Market had high demand for dollar throughout the week. Increased demand for dollar by the importers for vehicle import and lower flow of remittances resulted in the higher demand of greenback. As a result BDT weakened and fell to 59.29/30 by the weekend from 58.26/28 at the beginning.

Treasury bill auction held on Sunday where Bangladesh Bank accepted treasury bills worth of BDT 12,870 million. The central bank accepted BDT 9,370 million at 6.15 per cent for 28-days T-bills, BDT 210 million at 6.28 per cent for 364-days T-bills and BDT 3,290 million at 9.89 per cent for 5-year T-bills. Yield for 28-day and 5 year T-bill is on the rise for the last few weeks.

Demand for BDT for overnight borrowing was steady throughout the week. The call money rate increased slightly on Monday as there was a mismatch of amount T-bill auction and maturity. The call money ranged between 5.00-5.50 per cent on Monday. Improvement in liquidity conditions of the private banks eased the call money rates in the following days and it ranged between 3.00-4.50 for the rest of the week.

The trading was thin in the beginning of the week as London market was closed and key data due to be released, which was expected to be mixed. Dollar had a positive day in the market and stood close to last week's two-week high against the euro and the yen. Stabilisation of US equity market was

attributed to be the major reason of the rise in dollar. For the direction of the dollar, market was currently looking at US stocks, which ended the week higher on Friday. But the dollar remained range bound as anxiety prevailed in the market ahead of Sept 11 and worries that Saudi Arabia could reduce its asset in US.

The dollar faltered against the yen in the middle of the week and fell by around 1 per cent as market offloaded the long position. The failure of dollar to rise 120 yen sparked the sell. It also fell against the euro by nearly half a per cent. The fall was attributed as a technical correction rather than market-making news although worry of possible US attack over Iraq contributed to the fall. Key US data of consumer confidence and durable goods orders are due to be released today. Elsewhere Australian dollar gained by more than 1.5 per cent against the greenback.

Dollar fell across the board on the weekend. It fell by more than 1 per cent against the yen and two-third of a per cent against euro and Swiss franc. Fall in the Wall Street raised concern about the health of US economy and contributed to the fall of the greenback. The trade was thin as traders refrained from aggressive trading ahead of wave of US and Japanese data due to be released later this week. Market is presently waiting for the April to June GDP of US and Japan, industrial production, unemployment, household spending and nationwide consumer price data of July due to be released on Friday morning.

At 1430 hours of Thursday, euro was traded at .9854/58, yen at 117.67/72 and GBP at 1.5423/27 against the dollar.

Standard Chartered Bank