

Sony Rangs made CityCell distributor

Sony Rangs has been awarded the distribution rights of CityCell mobile phone, says a press release. An agreement to this effect was signed between Pacific Bangladesh Telecom Ltd (PBT), the owning company of CityCell, and Sony Rangs on Tuesday.

Managing Director of Pacific Bangladesh Telecom Limited Faisal Morshed Khan and Managing Director of Sony Rangs Akhtar Hussain signed the deal.

Acting Chairman of Pacific Bangladesh Telecom Limited Ashgar Karim and Director of Sony Rangs Sabur Ahmed were co signatories.

Now CityCell mobile phone sets and connections will be sold from 31 Sony Rangs outlets across the country.

New DMD of Janata Ins



Md Fasiar Rahman recently joined Janata Insurance Co Ltd as deputy managing director, says a press release.

After completion of his post-graduate degree, he started his career as a banker. He retired from Rupali Bank Ltd as deputy general manager.

Prior to his new assignment, he served a general insurance co as deputy managing director.

Afghanistan announces new currency

AFP, Kabul

Afghan President Hamid Karzai said Wednesday his government would replace its troubled afghani currency with new banknotes, in a bid to bring stability to volatile exchange markets.

The new currency, which will still be called the afghani, will be worth 1,000 of the current currency, Karzai said in an address filmed at the presidential palace which is to be shown on state television.

Two plane-loads of the new notes have already been flown into Kabul after being printed in Germany, and the exchange with the old notes will begin soon.

"People will be proud that they will be able to use the new afghani in all corners of Afghanistan," Karzai said.

"The new money will have value and in the exchange markets it will be stable and credible."

Karzai said that Afghan and foreign experts had been debating for the last eight months how best to reduce the large amount of money currently in circulation.

Toyota plans to enter Indian small car market

AFP, New Delhi

Japan's number one automaker Toyota Motor Corp. said Wednesday it planned to enter the Indian small car market by 2006 with an investment of nearly 800 million dollars.

"I would put the timeframe for entering the small car segment at 2005-2006. Toyota has small cars like the Aris and Vitz which could be possible candidates for a launch in the Indian market," said Atul S. Kirloskar, vice chairman of Toyota Kirloskar Motor Ltd.

He added that the foray into the small car segment would call for "heavy investments of around 800 million dollars" to set up a new factory near the car maker's existing plant in Bidadi near the southern city of Bangalore.

Toyota entered the Indian market in October 1997 through a joint venture with India's Kirloskar group. It launched its first vehicle, the hot selling multi-purpose Qualis in January 2000.

The Kirloskar group holds a 11 per cent stake in Toyota Kirloskar Motor Ltd., the Indian subsidiary of Japan's Toyota Motor Corp.

India opened its car sector after market reforms in 1991. It was previously dominated by antiquated versions of British models and Italy's Fiat.

Small cars enjoy a 60 per cent market share of the crowded Indian passenger auto market.

Maruti Udyog's small cars still command a lion's share of the market despite the entry of global auto giants such as Hyundai, Ford, Daewoo, Fiat and General Motors.

During April to July this year, sales in this segment rose by 4.5 per cent to 94,787 units, against a 3.5 per cent drop in total car industry sales.

EPB plans series of trade shows abroad

Thirteen single country exhibitions in twelve countries this fiscal

RAZIUR RAHMAN

With export heading southwards, the Export Promotion Bureau (EPB) plans to organise a series of single country trade shows to explore new markets and diversify export items.

In the current fiscal, the Bureau is planning to hold thirteen single country trade shows in twelve countries.

Besides organising the shows, Bangladesh will also participate in thirteen international trade fairs in ten countries during the same period, EPB officials said.

They said out of the planned thirteen single country trade shows, ten fairs will be held in twelve cities where no such single country shows

had ever been organised.

The cities are London, Paris, New York, Phnom Penh or Bangkok, Zurich or Geneva, Toronto, Beijing, Sydney, Karachi, Agartola, Guwhati and Thimphu.

The first of the series will be held in Bricklane under a Bangladesh Week banner from September 9 to 13, under the joint auspices of EPB and Bricklane Business Association.

Commerce ministry officials said the fairs are being organised to reduce dependency on few export markets that might prove to be unsafe in future.

"But to explore new markets we need to promote our products through holding fairs," an official of

the ministry said explaining the reason for holding many fairs within a year.

EPB officials said the Bureau is organising the fair being inspired from response of fairs held in Moscow and Yangon.

Bangladeshi companies received spot export orders worth about 5.4 million US dollars during the trade show in Moscow in June this year.

According to EPB officials, Bangladesh will also participate in the international trade fairs.

"Last time we had a stall of 40-square-metre at a fair at Saudi Arabia while this time we are going to have an around 270-square-metre stall at the Saudi Arabia's

International Trade and Fashion Fair, scheduled to be held from October 14 to 18 this year," he said.

While selecting the city for such single country trade shows, EPB has considered export trends in those countries and the number of Bangladeshi people living in those cities, said EPB officials.

"As part of the plan we are again going to organise a trade show at Yangon in February next year," the official said.

During the next year, Bangladesh will participate in thirteen trade shows in Germany, the UAE, South Africa, KSA, Nepal, the USA, Russia, Hong Kong, Belgium and India.

Management to blame for labour unrest in industries

STAR BUSINESS REPORT

Board of Investment (BOI) Executive Chairman Mahmudur Rahman yesterday said management failure and political interference are the main reasons behind labour unrest in Bangladesh industries.

He said recently the BOI has rejected a proposal of a big corporate house to appoint a foreign national as chief executive officer with poor academic background.

Appointing chief executive officers (CEOs) from abroad is not the solution, the BOI chief said.

"Rather, they may become burdens on the industries due to lacking in understanding the culture which is very important to run a company," the BOI chief said while speaking at the inauguration of the second international conference on human resource

management and development as chief guest.

"Some companies have set unique examples in managing their workforce and I don't find labourers make trouble there," he added.

Prof Khawja Amjad Saeed, former pro-vice chancellor of Punjab University, Wali Bhuiyan, president of Foreign Investors Chamber of Commerce & Industry (FICCI), M Mosharrar Hossain, managing director of Rapport Bangladesh Limited, and MA Abdullah, director of Human Resource Department of Lever Brothers, spoke on the occasion. Abdul Matlub Ahmad, chairman of Nitel Group, presided over the conference.

Addressing the function as keynote speaker, Amjad Saeed observed it is high time for the

SAARC nations to work for united efforts in the region.

Wali Bhuiyan said his company finds its workforce as its asset. "Bangladesh is not a poor country at all. Rather, it is a poorly managed country and its vast population can be made its resources," he mentioned.

The FICCI president stressed the need for maintaining ethical standard in the corporate houses.

Matlub Ahmad said it is not enough to spend only three per cent of the company's administrative expenses for developing human resource rather the share should be increased further.

Rapport honoured Wali Bhuiyan and MA Abdullah for their contributions to human resource development by presenting crests to them.



Takao Kobayashi, president of Japan Commerce and Industry Association, along with JETRO Representative Sotaro Nishikawa met Tapan Chowdhury, president of Metropolitan Chamber of Commerce and Industry, Dhaka at the Chamber yesterday.

India sees sugar output fall

REUTERS, Bali, Indonesia

Indian sugar output is seen falling 15 per cent in the 2002/03 sugar year (Oct-Sept) compared to last season following drier-than-usual weather during the current monsoon season, a senior industry official said.

But in an interview late Tuesday, S. L. Jain, director general of the Indian Sugar Mills Association (ISMA), also said huge existing stocks are likely to cushion the fall.

Sparse rains in June to August across many parts of India, the world's second largest sugar producer, stunted sugar cane growth, and sucrose formation within the crop has been hit, he said.

"Rains have improved in the past few weeks but it won't be able to compensate the earlier drought," Jain told Reuters. "It is now felt that from the expected level of 18.5 million tonnes of white value, India's sugar output may decline to 16-16.5 million tonnes."

But the decline is not likely to

create any supply problem because India has a carryover stock of more than 10 million tonnes, said Jain, speaking on the sidelines of an Asian sugar conference here.

"We have sufficient, if not huge, surplus stocks. A dip in output cannot wipe out the surplus, although it to some extent has reduced output to around 10 million tonnes by the end of this year from 11.2 million last year."

In the sugar year ending September 30 India is expected to produce 18.5 million tonnes of white sugar.

Output may also be lower in some areas because farmers are using sugar cane to feed their cattle due to difficulties in getting green grass, Jain added.

India's sugar exports are estimated to reach one million tonnes in the current sugar year, and are unlikely to change much next season, he said.

"I think exports will stay at around one million tonnes next year if not

even less. We are being hit by low prices and tough competition from Thailand and Brazil, but we have to export anyway to ease stocks," he added.

Sugar prices have fallen sharply over the last few months amid heavy supplies and slack demand. London's LIFFE white futures October contract were quoted at \$182.90 a tonne by 1238 GMT on Tuesday.

ISMA data show India's sugar exports in the October to July period fell 24 per cent to 706,000 tonnes compared with 927,000 tonnes exported from October 2000 to July 2001.

Sugar exports slowed earlier this year as exporters waited for a long-anticipated transport subsidy from the government. The subsidy was finally announced in May.

"Exports would have completely dried up but for the subsidy," Jain said, adding that despite the subsidy, millers are selling sugar at \$25 to \$30 a tonne below cost.

GMG appoints Mack Air its GSA in Lanka

GMG Airlines, a leading private domestic airline of the country, has appointed Sri Lanka based Mack Air Ltd its General Sales Agent (GSA) in Sri Lanka for passenger and cargo, says a press release.

Under a GSA agreement signed recently, Mack Air will be responsible for generating sales originating out of Sri Lanka within Bangladesh.

Mack Air, an ISO 9002 certified company, belongs to Sri Lanka's largest conglomerate John Keells Holding Ltd (JKL).

JKL and its subsidiaries represent American Airlines, Asiana Airlines, Swiss World Cargo, Air Europe, Gulf Air and Jet Airways, among others, in Sri Lanka.

Air Alliance hosts party for clients

Air Alliance Ltd, service partner of air express company United Parcel Service (UPS), hosted a party for its clients on Sunday at a city restaurant, says a press release.

Air Alliance Ltd Managing Director Rezaur Rahman, Director Atif Rahman and General Manager Saikat Chakraborty, Cleveland L. Charles, chief of Economic Commercial Office of the US Embassy, and JMS Brito, managing director of Aitkens Spence & Company Ltd, among others, attended the reception.

Iran seeks free trade zone with GCC states

AFP, Jeddah, Saudi Arabia

Iran has proposed to the Gulf Arab states to set up a free trade zone, the presidency of the six-nation Gulf Cooperation Council (GCC) said Tuesday.

"We have a request from Iran to develop economic cooperation through a free trade zone between the two parties," said the minister responsible for foreign affairs Yusef bin Alawi for Oman, which holds the annual GCC presidency.

"We have recommended to our leaders to agree to it," he told a press conference.

The Gulf monarchs are due to hold a summit in Doha, Qatar, in December.

The GCC groups Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE).

Three bank laws to change

BSS, Dhaka

Amendments to three major laws relating to financial institutions are going to be made as part of the government's programme to strengthen the Bangladesh Bank.

The laws include Bangladesh Bank Order, Banking Companies Act and Bangladesh Bank Nationalisation President's Order.

Official sources told the news agency the finance ministry is working on the amendments to the three legal instruments that have so far regulated the functions of the central bank.

The amendments to these legal instruments will eventually be passed by the parliament to make

the central bank more effective and stronger, the sources said. The Bangladesh Bank is implementing the reform project under a technical assistance project funded by different donors.

Meanwhile, officials said a pre-appraisal mission of the World Bank, one of the major donors of the project, has already visited Bangladesh to finalise a proposal of cooperation relating to the strengthening of the central bank.

They said during the pre-appraisal of the mission it had been decided to announce the dates of final appraisal on the project to be decided after the amendment to the three laws are passed by the parliament.

The sources said the mission looked for avenues to expand its cooperation to the advancement of the financial sector reforms where the Bangladesh Bank would have to take a leading role. The mission had mainly focused on complete automation of the Bangladesh Bank's operation and its human resource development.

The officials said the mission and the Bangladesh Bank sides had struck out details of future cooperation for complete automation of the central bank's dealings, including the reporting system from the commercial banks, both from the private and nationalised commercial banks (NCB).



Dihan D Dedigama (left), general manager of Mack Air Ltd, Singapore, and Shahab Sattar (right), managing director of GMG Airlines Ltd, sign a GSA agreement on behalf of their respective organisations recently. Also seen in the picture are Erfan Haque, DGM-Business Development, and Mizanur Rahman Siddique, general manager (F & A) of GMG Airlines Ltd.

China told to discard protectionist steps

AFP, Johannesburg

China has made progress nearly a year after its entry into the World Trade Organisation (WTO) but it must discard protectionist measures and be more transparent, new WTO chief Supachai Panitchpakdi said Wednesday.

The emerging economic giant has strengthened its market interlinkages, streamlined major legal entities and trained thousands of trade officials since joining the WTO in December 2001, he told AFP.

China's ratification in New York of the Kyoto Protocol on global

warming during the Earth Summit here also reflected its leadership's commitment to environmental protection despite criticisms over its record, he said.

"But in anticipation of greater competition from foreign entities, China is coming up with certain regulations that are not in accordance with its commitments to the WTO," Supachai said.

For instance, new rules were imposed on imports of certain food products with Chinese authorities reportedly scrutinising imports of genetically modified food, while foreign banks faced tight regulations in setting up branches, he said.

WB okays \$3b reform aid for Vietnam

AFP, Hanoi

The World Bank has approved three billion dollars in assistance to Vietnam over the next four years to help keep the country's economic reforms on track, officials said Wednesday.

The decision was made Tuesday in a meeting of World Bank executive directors to discuss the bank's strategy for Vietnam in 2003-2006, its Vietnam country director Andrew Steer said in a statement.

The strategy lays out a lending program of 300-760 million dollars a year in support of poverty reduction efforts, focussing on rural and urban development, infrastructure and human development.

"This is the second largest international development assistance program in the world after India (which) reflects the extraordinary potential, and opportunities in Vietnam," Steer said in a statement.

The World Bank's new assistance program was designed to support the Vietnamese government's poverty reduction and growth strategy.

"The country assistance program gives strong emphasis to our desire to work collaboratively with the Vietnamese government, donor and NGO (non-government organisation) community to help Vietnam achieve its development targets," World Bank vice president for East Asia and the Pacific Jemal-ud-din Kassum said.

The main themes of the supporting program are to facilitate the three main objectives of the government's poverty reduction and growth strategy.

These are to support the country's transition to a market economy; to enhance equitable, inclusive and sustainable development; and to promote good governance.

Japan likely to see no growth this fiscal

AFP, Tokyo

Japan's economy is likely to stagnate in the year to March due to slowing export growth and an uncertain US recovery, a think-tank said Wednesday, reversing an earlier forecast of 0.5 per cent growth.

The nation's gross domestic product (GDP) will likely be unchanged in the current financial year in line with the government's official forecast, Daiwa Institute of Research said.

"The economy has hit bottom

but a recovery is very gradual," the private sector research firm said in a report.

"Export trends, which have led the recovery, continue to be important but we see worrisome signs such as the uncertainty surrounding the US economy and a lull in production activity in Asia," it said.

"Exports have staged a fast recovery but this is expected to slow."

The Cabinet Office said last week GDP in the three months to June rose 0.5 per cent from the

previous quarter. This ended four quarters of contraction, as strong exports and resilient private spending offset a slump in corporate investment.

Daiwa Institute forecast private consumption, which accounts for more than half of Japan's GDP, to edge up 0.5 per cent in the year to March against a 1.1 per cent increase in the previous year.

Capital spending is estimated to dip 3.9 per cent following a 4.8 per cent decline last year.

For next year to March 2004, GDP is estimated to grow 1.2 per

cent, down 0.6 per centage points from an earlier forecast made on June 12.

"Corporate balance sheets will continue to be adjusted, and the recovery of capital investment will not be strong."

The world's second largest economy would be unable to shake off deflation next year, although the pace of price declines would slow, it said. Private consumption is seen rising 0.4 per cent and capital spending by 4.7 per cent next year.

Massive Central Asian gas project moves ahead

AFP, Islamabad

After decades of geopolitical rivalry, corporate intrigue, false starts and dashed hopes, a massive project which could bring unprecedented wealth to Turkmenistan, Afghanistan and Pakistan may soon become a reality.

For more than 20 years, plans to build a 1,500-kilometer (900-mile), two billion dollar gas pipeline from energy rich Turkmenistan across

Afghanistan to Pakistan have been thwarted by war and the machinations of regional and global powers.

But the Asian Development Bank (ADB) says despite rife insecurity in war-torn Afghanistan, the project has gathered momentum in the past six months.

"We are closer to getting it started than at anytime in the past 20 years," said Marshuk Ali Shah, ADB country director in Pakistan. "This project has the potential to

transform the regional economy, bringing with it unprecedented prosperity and a stability which we haven't seen for a very long time."

Estimates put gas reserves in Central Asia at some 235 trillion cubic feet (6.7 trillion cubic metres) -- the vast majority in Turkmenistan.

Since the collapse of the Soviet Union, interest by Western energy companies in Turkmenistan has been likened to the Middle East oil rush of the 1920s.