

## AB Bank sets up unit for loan syndication

Arab Bangladesh Bank Limited has set up a loan syndication unit, says a press release.

The unit was launched at the bank's head office in the city recently.

Abu Haniff Khan, president & managing director of the bank, Iqbal U Ahmed, senior executive vice president, and Ali Reza Iftakhar, senior executive vice president were present on the occasion.

The unit will help to disperse risk concentration and build up quality asset base augmenting a healthy loan portfolio of the bank.

The unit consists of experienced hands capable of supporting corporate finance needs.

The setting up of the unit also tunes with the present government policy which reflects global quest for sound financing.

## Qatar Airways holds workshop for travel agents

Qatar Airways and its GSA in Bangladesh Oryx Aviation held its second workshop for travel agents at a city hotel on Thursday, says a press release.

The day-long workshop was inaugurated by Shamshad Ahsan, Area Manager-Bangladesh, Qatar Airways.

The workshop appraised the agents of Qatar Airways products, new destinations, new addition to the airline's fleet, latest fares and two of their recently-opened divisions - Qatar Airways Holidays and Privilege Club.

Two executives representing Qatar Airways Holidays and Privilege from Doha attended the workshop.

The workshop ended with raffie draw.

## Saudi Arabia snubs oil firms investment in key gas fields

AFP, Paris

Saudi Arabia is not going to open key gas fields to US and European oil firms, dashing the companies' hopes for a reopening of the country's oil sector for foreign development, The Wall Street Journal Europe reported Monday.

Instead the Saudis offered only meagre fields which "won't yield adequate profits to merit the investment of billions of dollars", the newspaper said.

The companies' negotiations were being led by ExxonMobil, which has the lead in two consortia, and Royal Dutch/Shell, leader of the third. The other members are BP, TotalFinaElf, Phillips, Occidental, Marathon and Conoco.

The newspaper said the firms had been prepared to invest 25 billion dollars in the projects, motivated by the prospect of getting a foothold in the kingdom which sits on top of the world's largest oil reserves.

## Fed sees US economy recovering

REUTERS, Marlborough, Mass.

Two Federal Reserve policymakers Monday agreed that the US economy was recovering gradually, although it has hit a few "bumps in the road."

The remarks indicated no urgency among central bankers to lower interest rates to help prop up a sluggish US economy, confirming Wall Street's view that the Fed will hold interest rates steady at its next meeting on Sept 24.

"My own sense is that the recovery will proceed at the slow pace we're seeing for a while, with a gradual pickup in capital spending and employment growth through the end of the year," Federal Reserve Bank of Boston President Cathy Minehan said.

The comments were echoed by her counterpart at the Chicago Fed, Michael Moskow, who said that despite challenges facing the economy, the recovery was still continuing and monetary policy remained accommodative.

"We expect that the economic expansion now underway will continue," he said in a speech in Rosemont, Ill.

Moskow said he expected growth to pick up close to trend in coming quarters, or 3.0 to 3.5 per cent GDP growth, although he conceded the path of recovery was uneven.

# Edible oil, lentil duties cut

## Bid to contain price hike

STAR BUSINESS REPORT

In a bid to contain price hike of essential items, the government has cut duties on crude edible oil and lentil by 14 per cent and 6.5 per cent respectively.

The decision came as part of different government measures for stabilising the prices of essential commodities. An inter-ministerial meeting held at the Ministry of Commerce on August 10 decided some steps that include allowing counter-trade with Malaysia for palm oil and pulses imports.

According to the National Board of Revenue (NBR), the duties on

edible oil (soybean and palm oil) has been reduced by 14 per cent, of which import duty is 7.5 per cent, advanced income tax (AIT) 3 per cent and infrastructure development surcharge (IDSC) 3.5 per cent. On the other hand, the 3 per cent AIT and 3.5 per cent IDSC on lentil were withdrawn.

Although the government did not raise duty on any essential commodity in the last budget, it has been observed that prices of some essentials have increased, sources added. Citing example a NBR official said duties on vegetable oil and on all types lentils remain unchanged for last few years, but

prices of soybean and palm oil are increasing in the market.

The government has reduced duties on those items to keep the market price stable in the coming Ramadan. "We hoped that the traders would now bring down prices of these essentials," the official added.

Earlier in July, the commerce ministry held two separate meetings with representatives of trade bodies, agencies and departments concerned and requested them not to create an artificial crisis. However, the rise in prices of essentials continue, the inter-ministerial meeting was told.

A working paper, analysing the latest price situation, was presented at the meeting. Edible oil price went up by 10.67 per cent. Refiners were not importing crude oil due to price hike in the international market. Crude soybean was selling between US\$485 and \$492 per metric ton in the international market, up from between \$330 and \$350 one and a half months ago, working paper mentioned.

Lentil price increased by 6.86 per cent between Tk37 and Tk41 per kg in August this year from Tk34 to Tk35 per kg in October last year, the working paper added.

## StanChart CEO tipped as BB deputy governor

STAR BUSINESS REPORT

The government has decided to appoint the chief executive of a foreign bank as a deputy governor of the Bangladesh Bank.

This is for the first time that chief executive of a foreign bank will become a deputy governor of the central bank.

If everything goes right, Mohammad A (Rume) Ali, chief executive officer of Bangladesh operations of the Standard Chartered Bank, is expected to join the Bangladesh Bank as a deputy governor sometime in the first week of November.

The government will issue a notification on the appointment very soon, according to finance ministry sources.

Meantime, Ali has tendered his resignation to the authorities of the London-based Standard Chartered Bank late last month and his resignation will be effective from October 31, sources said.

It is not clear as to who will succeed Rume Ali in the Standard Chartered Bank.

Now there are three posts of deputy governor at the central



Mohammad A ( Rume ) Ali

bank. Sources said that authorities have been considering for quite sometime to have a fourth deputy governor.

However, deputy governor-1 Mohammad Ruhul Amin has been on leave for long.

According to sources, the government considered three persons working in private banks for the post of deputy governor.

Besides Ali, a consultant of a private bank and managing director of another private bank was also among the three. Ali was eventually selected among the three.



Syed Anisul Huq, managing director of Bank Asia, distributes micro-credit sanction letters among rural poor people in Munshiganj. Bank Asia Vice Chairman A Rouf Chowdhury was present on the occasion. The bank operates micro-credit programme at its two rural branches - Malkhanagar branch in Munshiganj and Tarail branch in Kishoreganj.

## Fuji Photo develops low-cost optic fibre

AFP, Tokyo

Japan's Fuji Photo Film Co. Ltd. said Tuesday it had developed a plastic optical fibre that allows households to set up networks for high-speed communication at sharply lower costs.

"The optical fibre will be used for home networking in the coming broadband age," Fuji Photo, the world's second largest photo film maker after Eastman Kodak of the United States, said in a statement.

A company spokesman said the cost for setting up the gigabit-level broadband networks at home using the new fibre would be "significantly lower" than that of conventional fibres.

The Nihon Keizai economic daily reported that the costs would be less than one-tenth the usual expenses, adding the company planned to launch the business by the end of next March.

The new fibre measures 500 microns or 500 millionth of a metre (3.3 feet) in diameter, much thicker than some 10 microns for conventional glass fibres.

"Because of the large diameter, the (new) fibre can be connected easily without using special tools," the company said.

## Jamuna Bank gives Tk 50m credit line to Int'l Leasing

Jamuna Bank Limited (JBL) has extended a credit line of Tk 50 million to International Leasing and Financial Services Limited, says a press release.

The credit will be utilised for extending lease financing for development of productive enterprises of the country in the field of leasing of plant, machinery, professional and office equipment.

An agreement to this effect was signed between the two organisations at the bank's head office in the city yesterday.

Md Solaiman Khan Majlish, managing director of the bank, and Mafizuddin Sarker, managing director of the leasing company, signed the agreement on behalf of their respective institutions.

Mohammad Gofran, SVP and head of credit division of JBL, Proshanta K Halder, vice-president of International Leasing, executives and officials of both the institutions were present at the signing ceremony.

## ASEAN-India meet to explore investment areas

AFP, Kuala Lumpur

An inaugural economic meeting between Southeast Asian countries and India in Brunei on Sunday will explore areas for cooperation in promoting trade and investment, Malaysia's trade minister said Tuesday.

The talks with India will be held on the sidelines of a meeting of economic ministers from the 10-member Association of Southeast Asian Nations (ASEAN) from September 11 to 15, Rafidah Aziz, minister of international trade and industry, told reporters.

ASEAN ministers would also hold dialogue meetings with their counterparts from China, Japan, Korea, Australia and New Zealand.

# No complaint from Holcim users, say dealers



Premier dealers of Holcim, the country's leading cement producer, (from left) Hari Shankar Roy of Seema Trading Company, Abul Kashem Sarker, proprietor of Sarker & Company, and Md Abdul Halim of Jahanara Trading Company, talk to journalists at a meeting in the city Monday.

STAR BUSINESS REPORT

Leading dealers of Holcim, the country's leading cement producer, said they have not received any complaints so far from their clients who are using Holcim cement in different construction works for long.

"There has been a controversy over the quality of fly ash-based cement in Bangladesh. But I have found the price of fly ash-based cement is higher than normal product in Thailand," said Abul Kashem Sarker, proprietor of Sarker & Company, one of the top selling dealers of Holcim, while talking to newsmen at a local hotel in the city Monday.

Abul Kashem Sarker along with two other premium dealers - Hari Shankar Roy of Seema Trading Company and Md Abdul Halim of Jahanara Trading Company - recently visited Thailand. Holcim sponsored the five-day visit.

Fly ash-based cement is selling at comparatively lower prices in Bangladesh because import duty on the raw material is less than that of clinker, the main ingredient in cement, Holcim officials said.

During the visit, the dealers visited Thailand's second largest

cement factory Siam City Cement Public Company Limited, a concern of the Holcim Group. The dealers saw state-of-the-art integrated cement production process and its distribution system.

The dealers also had meetings with Thai cement dealers and discussed the quality of pulverized fuel ash (PFA)-based cement. Thai dealers told the Bangladeshi dealers that users in Thailand always prefer PFA-based cement for high-rise construction because they think this cement is suitable for their climate.

According to Holcim officials, the company pioneered the PFA-based cement in Bangladesh under the brand Holcim Black.

"The tour was very useful for us. We have visited one of the biggest operations in Asia owned by Holcim," said Sarker.

"The tour has made me confident that I am the premium dealer of a global leader," said Hari Shankar Roy.

According to the company officials, after starting its operation in Bangladesh Holcim has pioneered some practices towards developing the marketing system, besides sharing knowledge in the industry.

# OECD talks this week

## US wants steel subsidies, trade barriers removed

AFP, Washington

The United States will propose the elimination of steel subsidies and trade barriers during OECD talks this week in Paris, a senior Commerce Department official said Monday.

"We are setting forward a very, very ambitious set of objectives that in our view (seeks to) eliminate the conditions that have led to overcapacity in the steel sector going forward," a Commerce Department official told reporters on condition of anonymity.

The technical talks would set up high-level talks at the Organization for Economic Cooperation and Development in December when the US hopes that the 38 other countries participating in existing OECD-sponsored steel talks would endorse the outlines of the four-point plan.

The actual negotiations for the

new global rules on steel would subsequently take place under the auspices of the World Trade Organization or under the OECD, or possibly under some combination of both multilateral institutions.

"We would urge countries to join us to agree to prohibit substantially all subsidies to the steel sector, except perhaps for assistance that is carefully circumscribed for promoting capacity closure and facilitating worker adjustment," the official said.

The plan also seeks to get participating nations to agree to elimination of all tariffs and other market access barriers that hinder free trade.

The official denied that the proposal is contradictory to the Bush administration's March decision, under a law known as Section 201, to impose tariffs ranging from eight to 30 per cent on imported steel.

## India hopes for new wheat markets

REUTERS, New Delhi

Rising global wheat prices on fears of a supply squeeze will open up new markets for Indian exports and improve returns, traders said Monday.

They said shortfall in supplies will also make international trading houses, mainly dependent on Canadian and US wheat, wake up to the availability and quality of Indian produce.

Dry weather has slashed Australia's wheat crop to 15.5-17.5 million tonnes, the lowest since 1994-95. The US crop is headed for some 45 million, the smallest in 30 years, and the Canadian crop has been cut to 15.45 million tonnes, the lowest since 1974.

India is sitting on a huge stockpile of 41 million tonnes.

So far sales by India, a relatively new entrant in the wheat export market, to mainly Southeast Asia and the Middle East has been either for feed purposes or for mixing with other quality of wheat for milling.

"India still happens to be the cheapest destination for wheat, though quality wise we are still inconsistent," said Gagan Gulati of GTC Holdings, a grains exporter.

Gulati said Indian wheat sales to traditional buyers in Southeast Asia should grow by 15 per cent.

## NIIT opens centre in Rangpur

NIIT opened a centre in Rangpur. The centre is expected to be operational by 2nd week of September.

Maxwell Computers in association with Beximco Systems Limited launched the centre in Rangpur recently, says a press release.

Earlier, Managing Director of the Maxwell Computers, SA Chaklader, Taposh Ray, from NIIT Limited, Calcutta, and AKM Ghaffar, CEO Beximco Systems Limited, signed the agreement at Beximco Head Office.

## S'pore to hold 2nd Autumn festival

Singapore will hold an 8-day second island-wide Mid-Autumn Festival from September 14, 2002, says a press release.

This year's Mid-Autumn Festival will be opened by President SR Nathan at the new Kreta Ayer Square in Chinatown.

A highlight is the "Mid-Autumn Festival Procession," which this year features participation from other racial groups, comprising dancing lions and dragons, lantern floats, giant flag bearers, stilt walkers and a lantern parade.

Following last year's success, four districts - Chinatown, Albert Mall, Orchard Road and the Singapore River - are once again pulling together to create bigger impact for this traditional festival.

In addition, celebrations will take place in other fringe areas including Downtown East and the Chinese Garden. The Chinese Garden, for example, will this year feature lanterns in the shapes of Disney characters.

The effort is led by the Singapore Tourism Board (STB), which aims to revive interest and awareness for the traditional Chinese festival.

## StanChart files application for HK bourse listing

AFP, Hong Kong

British-based Standard Chartered Bank refused to comment Tuesday on a report it has submitted an application for a listing on the Stock Exchange of Hong Kong.

Standard Chartered's listing is expected to take place around the end of October or early November, the Chinese-language Hong Kong Economic Journal said Tuesday, citing sources familiar with the deal.

The listing of the bank, which has previously said it expects to list in the fourth quarter, is expected to raise about 2.3-3.9 billion Hong Kong dollars (295-500 million US), the report said.

However, a spokeswoman for Standard Chartered declined to comment, other than to confirm it is "hoping to be listed by the end of the year."

Standard Chartered, which does most of its business in Asia, postponed the sale of shares last year after share markets plunged in the wake of the September 11 terrorist attacks in the United States.

# BIS sees slow economic upturn in euro zone, US

AFP, Basel, Switzerland

The euro zone and the United States are set for a slow upturn in economic growth next year, Sir Eddie George, governor of the Bank of England and spokesman for central bankers from industrialised countries, said on Monday.

Speaking after a regular meeting of the G-10 group of central bank governors at the Basel headquarters of the Bank for International Settlements (BIS), George said growth in the 12-nation euro zone should be around two per cent "or a little bit above two per cent".

Growth in the United States was expected to be about three per cent in 2003, he added.

"We share the view that the pace of the recovery has slowed," George told reporters.

He predicted a gradual pickup in 2003.

"It will be slower than we have foreseen," George said.

He added that macro-economic indicators were positive with no sign of a "double dip" recession.

George also pointed to an apparent contradiction in the United States between recent macro-economic data and the weakness of equity markets.

But he underscored some positive signs, such as the strength of consumer spending or the housing market, which remains robust.

George cautioned that those positive signs were countered by issues such as problems of corporate governance which have had an impact on business expectations, and fears of a possible war against Iraq.

US monetary policy, as well as fiscal policy were supportive of growth, he said.

Turning to the euro zone, George said growth was likely to be sluggish.

The 12-nation zone faced problems with structural inflexibility, according to the central banker.

Wage hikes in some countries would lead to lower productivity and had also affected inflation, he added. Meanwhile, George said that China's economy was growing at the fastest pace of any country in the world at the moment with a rate of more than eight per cent.

"That's the impact of WTO (World Trade Organisation) accession on imports and exports," he told reporters.

China joined the WTO at the end of last year after 15 years of difficult negotiations on the terms of its membership.

But George said the high growth rate was necessary to fuel changes in China's economic structure.