

Navana to design, construct City Bank building

The City Bank Limited has selected Navana Construction Ltd. as contractor for design and construction of the bank's high-rise commercial building at Gulshan in the city, says a press release.

An agreement to this effect was signed between the two organisations on Tuesday.

The building will be six-storey above the ground in the current phase and three-storey (three level basements) below ground. There will be central air conditioning system, four spacious lifts and a pair of escalators in this building besides all other facilities of a modern building. The first level basement will hold locker and vault space and the remaining two level basements will be earmarked for car parking.

The first two floors above ground will be used for branch office. The construction is scheduled to end within 750 days.

Abbas Uddin Ahmed, managing director of the bank, Shafiqul Islam, chairman of Navana Construction Ltd signed the contract on behalf of their respective sides.

Deen Mohammad, chairman, Aziz Al-Kaiser, vice-chairman, Azizul Haque Chowdhury, director, Manwar Hossain, director, and NAM Alamgir, engineering consultant of the bank, were present in this signing ceremony.

Dutch-Bangla Bank opens Gulshan Branch

Gulshan Branch of Dutch-Bangla Bank Limited (DBBL) on Tuesday commenced its operation, says a press release.

The Branch was jointly inaugurated by the chairman of the bank Mohammed Sahabuddin Ahmed and Hajo Provo Kluit, second secretary of economic and cultural affairs of Netherlands embassy.

On the opening day, Gulshan Branch of the bank achieved customers' deposit of Tk 815.88 million. This has become possible for the continuous support and patronage of its valued clients and well-wishers. DBBL authority expressed its gratitude to all of its clients, patrons and well-wishers for their cooperation.

Among others, Kabir Ahmed, advisor of economic and cultural affairs of Netherlands embassy, Directors of the bank Abdur Rashid Khan, and Nizamuddin Mahmood Selim, president and managing director in-charge, Abul Hashem Khan and other senior executives of the bank were present on the occasion.

China industrial output soars

AFP, Beijing

China's industrial production soared 12.7 per cent year-on-year last month on the back of the country's burgeoning auto industry, state media reported on Tuesday.

The auto sector is now China's most productive industry, according to a monthly report from the National Bureau of Statistics quoted by Xinhua.

The vehicle industry was worth 263.4 billion yuan (about \$1.8 billion dollars) in August, with a total value this year of 1.97 trillion yuan (about \$237.5 billion dollars), the agency said.

"China's industrial exports hit 170.6 billion yuan (20.6 billion dollars) in August, up 24.9 per cent year-on-year."

WB arm plans first loan for Iran since '74

REUTERS, Washington

The World Bank's private-sector financing arm plans to make its first investment in Iran since 1974, a move likely to meet with opposition from the bank's largest shareholder, the United States.

The International Finance Corp plans to invest several million dollars in an Iranian leasing company.

The Bush administration, which has branded Iran a member of what it calls "the axis of evil" for allegedly seeking weapons of mass destruction, is expected to oppose the investment when it comes before the IFC board in October.

"The United States continues to oppose international financial assistance to Iran for both statutory and policy reasons," Tony Fratto, US Treasury spokesman, told Reuters.

Although the proposal will probably meet with US resistance, projects are seldom considered at the boards of the IFC or World Bank unless management expects them to win approval from the bank's shareholders.

Aug revenue crosses target

STAR BUSINESS REPORT

After a poor performance in July, revenue earnings managed to surpass target in August, indicating a significant improvement in the government's ambitious revenue collection programme for the current fiscal.

According to the National Board of Revenue (NBR), the revenue collection was Tk 3135.46 crore during July-August of the current fiscal year against the target of Tk 3132.94 crore.

In July, the collection fell short of around Tk 75 crore from the target. But, the surplus in August helped to recover the last month's shortfall. In August, the collection was Tk

1668.42 crore against the target of Tk 1593.37 crore.

The government set an overall revenue growth target of 20 per cent in the current fiscal. Of the target, the government expects about 17 per cent growth in revenue from the NBR sources.

The earnings at the import level fell only Tk 6.20 crore short of Tk 1743.67 crore target during the period while it clocked 13.52 per cent or Tk 206.95 crore from last fiscal's same period.

"Revenue earnings at the import level recovered in August for which it was possible to achieve the overall target in the first two months of FY03," said an NBR official.

At the import level, import duty

accounted to Tk 968.29 crore, up by Tk 93.84 crore from the target.

Earnings from value added tax (VAT) were Tk 591.83 crore against the target of Tk 668.62 crore and supplementary duty Tk 177.35 crore against the target of Tk 200.60 crore.

Revenue collection from domestic activities amounted to Tk 959.46 crore, up by 7.58 per cent or Tk 67.57 crore from Tk 891.89 crore target. The earnings were also Tk 241.99 crore or 33.73 per cent higher than that of last fiscal's July-August period.

At the local level, excise duty amounted to Tk 30.46 crore against the target of Tk 33 crore. VAT at local level fell short of Tk 507.48 crore target by Tk 5.34 crore while supple-

mentary duty surpassed Tk 351.41 crore target by Tk 75.45 crore.

Income tax collection in July-August period amounted to Tk 400.53 crore, down by Tk 11.46 per cent or Tk 51.85 crore from the target. Tax and duties from other sources was Tk 38 crore against the target of Tk 45 crore.

The NBR collected Tk 20300.70 crore revenue last fiscal year against the target of Tk 20,730 crore and set Tk 23750 crore target for the FY03. Total revenue collection target for the current financial year has been fixed at Tk 33,084 crore, up by 20 per cent from last fiscal year.

FBCCI reform-opponents stage hunger strike

STAR BUSINESS REPORT

A section of businessmen yesterday staged mass hunger strike and wore black badges at the top floor of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) building, protesting the recent order of the commerce ministry regarding reform in the country's apex trade body.

The businessmen under the banner of FBCCI Sangshkar

Sangram Parishad organised the protest programme. They demanded direct election to the posts of the president and vice president of the FBCCI.

The commerce ministry issued the order on July 31 making provision for indirect election to the posts of president and two vice presidents of the FBCCI. The order also asked the trade body to convene an extraordinary general meeting (EGM) to endorse the

change.

The hunger strike started at 10 am and continued till 5 pm. The strike ended when FBCCI President Yussuf Abdullah Harun offered the striking businessmen fruit juice.

A number of business leaders gathered at the FBCCI Bhaban and expressed their solidarity with the striking businessmen. Some business people from outside Dhaka also joined the hunger strike.



PHOTO: THE CITY BANK

Abbas Uddin Ahmed, managing director of The City Bank Limited, and Safiqul Islam, chairman of Navana Construction Ltd, exchange documents after signing an agreement in the city on Tuesday for design and construction of the bank's high-rise commercial building at Gulshan. Deen Mohammad, chairman, Aziz Al-Kaiser, vice-chairman, Azizul Haque Chowdhury, director, and Manwar Hossain, director of the bank, are also seen in the picture.

Dhaka to get \$65m ADB loan for road project

STAR BUSINESS REPORT

Asian Development Bank (ADB) has agreed to provide an amount of 65 million US dollars to Bangladesh for a road development project.

A negotiation meeting between the ADB and a delegation from Bangladesh in this regard at Manila has been successful, said an ADB press release in Dhaka yesterday.

The total cost of the Road Network Improvement and

Maintenance Project is estimated at 122.9 million US dollars, of which 65 million US dollars would be given by the ADB as loan. The project will also be co-financed by OPEC Fund for an amount of 10 million US dollars. Roads and Highways Department will be the project's executing agency.

According to ADB's Bangladesh Residence Mission, this is the first loan for Bangladesh in 2002 that has been successfully negotiated.

The loan will be repayable over 32 years, including a grace period of eight years.

The project is aimed at helping the government achieve economic development and reduce poverty through improvement of transport efficiency and strengthening integrated road networks.

The project is also expected to promote private sector participation in road maintenance, the press release added.

India fully committed to privatisation: Minister

AFP, New Delhi

A delay in sales of stakes in two key national petroleum-producing firms will not set back India's disinvestment programme as the government is fully committed to privatisation, a minister said Tuesday.

The Press Trust of India (PTI) news agency quoted Commerce and Industry Minister Muralosi Maran as saying the government still backed privatisation.

"It is not a set-back as the disinvestment programme has not been abandoned. It has only been postponed, not abandoned," Maran told PTI.

"I have all along been in favour of the disinvestment programme... Privatisation has been a shining feature of this government," he added.

Prime Minister Atal Behari Vajpayee on Saturday postponed by three months a plan to privatise Bharat Petroleum Corp. Ltd. (BPCL) and Hindustan Petroleum Corp. Ltd. (HPCL) after there was opposition to the sell-off by Oil Minister Ram Naik and Defence Minister George Fernandes.

The market reacted badly to the decision, falling by 1.6 per cent on Monday. The markets were closed for a holiday Tuesday.

The government announced in

February it wanted to privatise the companies as part of its plan to trim its budget deficit to 5.3 per cent of economic output in the fiscal year ending March 2003.

So far it has only managed to raise 50 billion rupees (one billion dollars) from privatisation in the current year against a targeted 120 billion rupees (2.4 billion dollars).

The state owns 51 per cent of HPCL and 66 per cent of BPCL but it is not known how big a stake it planned to sell.

Global energy giant Royal Dutch-Shell and Reliance Industries Limited, India's biggest private company, had expressed an interest in bidding for the two companies.

Textile exporters, importers to confer on freer trade Sept 21-22

REUTERS, Geneva

World textile and clothing industry leaders are to confer in Geneva later this month on how to meet the challenge from freer trade when markets open up in 2005, Europe's Eurotext body said Tuesday.

The two-day meeting on September 21-22 will be attended by industry bodies and firms from the major trading powers -- the European Union and the United States -- and formal developing countries pushing for faster access for their exports.

"We hope to find common ground and see where we can collaborate for the benefit of all our companies," said Francesco Marchi of Eurotext, the European Apparel and Textile Organisation which has set up the gathering.

Firms and industry bodies attending would be "looking at strategies to develop in the future to ensure that the global trade in textiles develops with fewer barriers, especially non-tariff barriers," he told Reuters.

The meeting comes as pressure builds on the 15-nation EU and the United States from poorer countries to speed up the opening of markets, and as negotiators at the World Trade Organisation (WTO) discuss wider liberalisation measures.

Textiles and clothing are one of the major global industries, with an annual turnover of some \$290 billion and employing around 30 million people.

Manufacturers in rich and poor states are increasingly nervous over how far and fast textile giant China -- now a WTO member -- will move to dominate the global trade when the system of quotas which has ruled it for decades comes to an end.

AkTel goes to Rangpur

AkTel became the first cellular phone service provider in Rangpur when on Saturday the company launched its full-fledged services in the northern district, says a press release.

AkTel currently covers 15 districts in the country including Dhaka, Chittagong, Sylhet, Comilla, Feni, Cox's Bazar, Narayanganj, Gazipur, Munshiganj, Jessore, Narsingdi, Rangpur, Lalmonirhat and Dinajpur.

AkTel has taken an extensive network expansion plan. Its network expansion programme is progressing satisfactorily in Khulna.

Rajshahi, Barisal, Bogra, Noakhali, Moulvibazar, Brahmanbaria, Mymensingh, Tangail and Chandpur will be under

AkTel network coverage by the next month, according to the release.

AkTel is offering both post-paid and pre-paid subscription with competitive prices. The company is also offering many value added services like call forwarding, call waiting, itemised bill, voice mail service and short message service.

AkTel is also planning to launch more value added services like enhanced messaging service, multimedia messaging service, fax and data services very soon.

At present, AkTel's subscriber base is more than 120,000.

Dispute over export tax breaks

EU readies hit-lists of US products

AFP, Brussels

The European Commission has prepared a list of US products it plans to target for retaliation if the United States does not comply with a WTO ruling, officials said Wednesday.

The list, which will be published Friday and of which AFP has seen a copy, includes numerous agricultural, metals and textile products, plus some games and electronic equipment.

Last month the World Trade Organization (WTO) authorized the European Union to impose over four billion dollars (4.1 billion euros) in retaliatory sanctions against the US in a dispute over US export tax breaks.

In Washington, one top US lawmaker has said Congress is unlikely to pass legislation this year changing its tax code to comply with the WTO ruling.

But in the meantime the EU is continuing with plans to impose the sanctions. The list of targeted products was sent Tuesday to a committee which meets every Friday to discuss trade issues.

The list includes a range of meat, dairy, vegetable and cereal products, as well as leather, fur and textiles, forestry products, iron and steel, ceramics and glassware, jewellery, electronic products including sound and image recorders, and toys and games.

The commission, the EU's executive body, has asked EU member states to submit their comments on the list and make any requests to remove products before November 12.

"This would accelerate the process of drawing up a final list of products that could be used for retaliatory action," said an EU official.



PHOTO: EBL

A M Shaukat Ali, director of Eastern Bank Limited, delivers inaugural speech at a day-long training course held at the EBL Training Academy. K Mahmood Sattar, managing director and CEO of EBL, is also seen in the picture.

EBL course on loan held

A day-long training course on "CIB, Large Loan and Loan Classification" was held at Eastern Bank Training Academy in the city yesterday, says a press release.

A M Shaukat Ali, director of eastern Bank Ltd, inaugurated the training course, which was participated by executives from different departments of the bank.

K Mahmood Sattar, managing director and CEO of EBL, and other high officials were present at the inaugural session.

In his speech, Shaukat Ali underscored the need for arranging such a training in order to develop skills and efficiency of officials in credit operation, particularly in large loan handling and reducing loan classification.

ASEAN meets today to finalise world's biggest free trade framework deal

AFP, Bandar Seri Begawan

Southeast Asian economic ministers will meet here from Thursday to finalise a framework agreement with China on how to create the world's biggest free trade area of nearly two billion people, officials said.

They are expected to endorse the framework for signing by leaders of the 10-member Association of Southeast Asian Nations (ASEAN) and China during a summit in Cambodia in November.

The ASEAN economic ministers are also expected to receive a report by an experts' group on a proposal for broader ASEAN-Japan ties as well as sign a declaration for closer economic relations with Australia and New Zealand.

Japan proposed widening economic ties with ASEAN earlier this year, in what was seen as an attempt to counter China's rising influence in the region.

During their four-day meeting, the ASEAN ministers will also hold discussions with business groups operating in the region, and for the first time hold a dialogue with India, represented by the Minister of Commerce and Industry Muralosi Maran.

They already hold annual dialogues with their counterparts from China, Japan and South Korea, as well as Pacific neighbours Australia and New Zealand.

But, the proposed ASEAN-China free trade agreement (FTA) "will be one of the key agenda items", a spokesman for the Singapore trade ministry said in a written reply to AFP.

"At their meeting in Brunei, ministers can be expected to give guidance to progress the text, so that it may be ready in time for signing by the leaders at the ASEAN-China Summit in November."

While the FTA itself may sound

straightforward, the preparatory talks "had been bloody," one official said of the hardosed bargaining during the five rounds of negotiations on a draft text of the framework agreement.

When the leaders of ASEAN and China agreed in 2000 to work out an FTA within 10 years, they left it to senior officials to hammer out the details.

Such a free trade zone would cover China's 1.2 billion people and 500 million consumers in ASEAN. The economic region will also have a combined gross domestic product of two trillion dollars, with total trade projected at 1.23 trillion dollars.

But preparatory talks have been marked by disputes, especially over the so-called "early harvest" principle, officials familiar with the talks said.

This calls for China to cut import tariffs on certain Southeast Asian products before the implementation of the FTA.

ASEAN has already slashed tariffs on most products traded within the region to a maximum five per cent under the ASEAN Free Trade Area, or AFTA, from this year. Any liberalisation by China is viewed by ASEAN as a goodwill gesture, but Beijing wants "early harvest" as part of the formal agreement, the officials said.

There have also been differences on the tariff rates and on the sectors to be liberalised.

One proposal is for products with 15 per cent tariffs to have the rates cut to 10 per cent by July 2003, five per cent by 2004 and zero by 2005.

One ASEAN trade official said the regional bloc disagreed with a proposal by China to focus early tariff liberalisation mostly on farm products and processed agricultural items as it would favour their giant neighbour.

ASEAN wants coverage for non-farm products which form the bulk of its exports.

US business leaders support free trade with ASEAN

AFP, Bandar Seri Begawan

US business leaders on Wednesday offered support for a free trade agreement (FTA) with ASEAN to keep their country engaged with Southeast Asia as China's influence grows in the region.

During a dialogue with economic ministers from the Association of Southeast Asian Nations, they also urged the 10-member alliance to ensure member states did not delay their commitments to the ASEAN Free Trade Area.

ASEAN-US Business Council president Ernest Bower said that strategically, a US-ASEAN free trade deal "is a damn good bet".

The free-trade pact, first mooted in April, is the latest in a series of proposed free trade accords for ASEAN.

Leaders of ASEAN and China in 2000 agreed to work out an FTA covering nearly two billion people within 10 years, and talks are under way for a framework agreement to

be finalised.

Japan earlier this year suggested a broader economic partnership with ASEAN, which could also include a free trade pact.

Singapore, a member of ASEAN, has signed free trade deals with New Zealand and Japan and may finalise one with the US later this year.

Bower told reporters after the US business leaders met the economic ministers that free trade talks were at an exploratory stage and he did not see an FTA emerging in the next two years.

A US-ASEAN deal would have strategic importance, given China appears to have taken an increasing leadership role in the region which has traditionally focussed on Japan and the United States.

"Bear in mind that to us, ASEAN is a very significant market," he said, citing the region's combined population of over 500 million.

US investments in ASEAN are about the same level as Japan and "we have five times as much

invested in ASEAN currently as we do in China," he said.

"Strategically, we want to be engaged in helping to define the future environment for trade and investment in this region. And what we've seen happening is China has taken... a leadership role in terms of reforming its image in the region," he said.

Bower acknowledged the closure of the US embassies in Indonesia and Malaysia because of security threats on the September 11 anniversary could dent investor sentiment towards Southeast Asia, where pockets of Muslim extremists operate.

But he said that he and a large group of business leaders from the US-ASEAN Business Council would go ahead with a trip to three Indonesian cities next week.

On moves by some ASEAN countries to delay liberalisation commitments under the ASEAN Free Trade Area (AFTA), Bower expressed concern over news reports that the Philippines was seeking protection of its petrochemicals industry.

New MD of First Security Bank



Syed Ashraf Ali joined First Security Bank Ltd as its managing director on Sunday, says a press release.

He has had a distinguished career in banking spanning over a period of 35 years.

Ali joined the State Bank of Pakistan as an officer in 1962 and worked as executive director of Bangladesh Bank. He was also managing director of Security Printing Press (BD) at Gazipur.

While in Bangladesh Bank, he had been associated with formulation and implementation of financial sector reforms in the eighties and nineties. He worked with international agencies to implement several development projects, especially micro-finance and rural development programmes, at home and abroad.

US tells Europe to emulate UK economy

AFP, Washington

Europe would do well to emulate Britain's economic performance, US Treasury Secretary Paul O'Neill said Tuesday in a television interview.

"The UK is doing quite well economically -- their unemployment rates are very low -- and it would be nice if continental Europe were more like the UK," he told Fox television.

Both Japan and Europe should bolster growth to ensure the United States was not the only engine of global economic expansion, the treasury secretary said.

The United States needed to keep "pounding away" towards its sustainable pace of 3.0-3.5 per cent growth in gross domestic product (GDP), he said, predicting record US home sales and near record car sales in 2002.