

## Sri Lanka tea prices dip

REUTERS, Colombo

Sri Lanka tea prices dipped at the latest auction as the market was hit by high volumes of poor quality tea, brokers said yesterday.

The anticipated gross sales average was 152.50 rupees per kg, compared to 153.56 rupees per kg last week, Forbes and Walker Tea Brokers said in a statement.

"The dip is mainly on large volumes. We are seeing very regular and uninteresting teas -- loads of very plain teas," said Dimantha Jayasinghe, a broker at Forbes and Walker.

Volumes of tea on offer tipped over the six kg million mark, with 6.1 million on sale this week, and 6.3 million going to market next week.

Among high-grown teas, below best varieties of broken orange pekoes weakened as the sale progressed, closing 10 to 12 rupees lower.

Teas from the temperate Nuwara Eliya region met with even less demand and were mostly unsaleable.

Select best quality broken orange pekoes from low-grown areas strengthened slightly, but the balance declined more than 10 rupees.

Jayasinghe said demand was strong from the Commonwealth of Independent States, but only at the bottom of the market. Demand from Japan decreased because of the poor quality of most teas on offer.

He said the trend of high volumes of plainer teas was likely to continue over the next few weeks.

## Tea traders assoc election held

STAFF CORRESPONDENT, ctg

A 16-member executive committee of Tea Traders Association of Bangladesh (TTAB) was elected on Wednesday.

Elite International Ltd Managing Director and Arab Bangladesh Bank Ltd Vice Chairman Feroj Ahmed was reelected as chairman of the association for two years.

Rubi Tea store proprietor Abdul Hai was elected vice chairman.

## DCCI training course ends

A two-day training course on 'Building effective leadership in the organisation' organised by DCCI Business Institute (DBI) ended in the city recently, says a press release.

The purpose of the course was to provide functional knowledge about how to create business leaders for transferring the challenges of the free economy into opportunity.

The course aimed at familiarising the participants with the following topics: the concept of the "whole person -- needs-wants-desires, motives & motivation, motivation to teambuilding, team building, why we need a team? factors influence team building, seven keys to building great work team, leading is an art -- types & styles of leadership, qualities of a good leader, leadership by following; situational leadership, making appropriate decisions; managerial leadership, managing individuals & groups, managing meetings/conferences, the leadership circle, management and organisational change through teambuilding, employees participation in the development organisation through teambuilding.

A total of 18 participants from different business organisations attended the training course.

DCCI Director M A Momen distributed certificates amongst the participants on the concluding day.

## Egypt to launch new monetary policy

REUTERS, Cairo

Egypt's central bank governor said yesterday he expected to announce a transparent new monetary policy in December which would lead to lower short-term interest rates and help encourage investment in the sluggish economy.

Mahmoud Abu el-Ayoun said the new policy, which would be "active, not accommodative," had to be cleared by the central bank's board of directors before being made public.

He gave few details of the scheme and would not say whether there were plans to devalue the Egyptian pound. Devaluations have already cut its value by roughly 35 percent, he said.

## Bad weather wrecks tea hope

Production may miss target by 10pc

IQBAL SIDDIQUEE, Sylhet

A fall in tea production is apprehended this year in the country, thanks to unfavorable weather.

Tea experts have attributed the possible production slump to unusual fall in day and night temperature, damp weather and untimely rainfalls during the current season.

Although the weather situation has marked a little improvement in the recent weeks, the experts fear the total production may miss the

target by about 10 per cent. This year's tea production target has been fixed at 56 million kilograms. About 50,000 hectares of land at 160 tea gardens in the country have been brought under the tea cultivation.

Last year the country produced 54.47 million kilograms of tea and earned about 22 million US dollars by exporting the cash crop.

A high official of Bangladesh Tea Research Institute (BTRI) at Srimangal said the production is so

far about 10 per cent less against the target while it was more than 30 per cent in May-June. "Even if rest of the season goes well, there is no possibility of achieving the year's target," he observed.

According to officials, prolonged cloudy weather as well as abnormal behavior of rains during the season cast adverse impact on the industry.

Ali Ahmed, manager of Fulbari Tea Estate of Komolganj upazila in Moulvibazar district, said tea requires sufficient sunlight for proper growth and leaf production.

But, there was no sufficient sunlight in most of the time this season, he added.

An official in the local meteorological office said the whole tea-producing areas experienced less sunlight in July-August period. Some 2235 mm rains were recorded during the period of January to July against 1991 mm during the corresponding period last year.

In May, June and August, heavy showers washed away the fertiliser applied in the gardens.

## Pak economy steady, public debt high: IMF

AFP, Washington

Pakistan has succeeded in steadying the economy despite a battery of external shocks but high public debt is hampering critical investments, the IMF said Wednesday.

"Despite various adverse shocks, which took a toll on economic activity, Pakistan has succeeded in consolidating macro-economic stability over the past two years," International Monetary Fund directors said.

"Growth appears to be picking up, inflation remains subdued, and the external accounts have strengthened considerably owing to high worker remittances, sizable capital inflows, and, more recently, improved export performance," they said in a report after annual consultations between the IMF and Pakistan.

The central bank had built up record reserves and the fiscal deficit had declined, the Fund said. Pakistan, which had been

buffeted by a global economic slowdown in the aftermath of the September 11 attacks on the United States, recorded real economic growth in the year to June 30 of 3.6 per cent.

"Notwithstanding these overall favorable developments, directors observed that the high public debt burden continues to constrain needed investments in human development and infrastructure, and that private investment and economic growth remain insufficient to reduce rapidly Pakistan's high rate of poverty," the IMF said.

"The key policy challenges for the medium term are therefore to improve the public debt dynamics further through fiscal adjustment, and to address Pakistan's 'social gap' through enhanced provision of basic social services."

Progress depended on stronger tax collection efforts and improved financial performance of public enterprises, especially the utility companies, the IMF said.

The Fund urged the Pakistani

authorities to allocate more money to basic education and health.

"Directors viewed Pakistan's near-term economic outlook as broadly encouraging, with recent data confirming a continued recovery in exports, imports, and tax revenue," the IMF report said.

"At the same time, however, downside risks remain, including the risk that the reform efforts will not be sustained over a sufficiently long period of time, or that the current reforms will take longer than assumed to produce a strong impact."

The IMF praised efforts to restructure public enterprises, but expressed reservations about plans to support the program with "one-off" budgetary transfers.

"They cautioned that such plans should be part of a clearly articulated strategy to restructure, privatise, or liquidate them (the public enterprises), and that their cost should be part of the budget process rather than being brought up in an ad hoc fashion after the budget was passed."

## Premier Bank opens Uttara branch

Premier Bank has opened a branch at Uttara in the city.

The State Minister for Liberation War Affairs Redwan Ahmed inaugurated the branch on Wednesday, says a press release.

The opening ceremony was presided over by Shafiqur Rahman, vice-chairman of the bank.

A large number of clients, patrons, elite and business personalities were also present on the occasion.

The bank has already opened 11 branches in different areas of Dhaka, Chittagong, Ashuganj and Narayanganj. The bank has also plan to expand network of branches in Khulna and Sylhet soon.

Premier Bank has introduced interest on savings account on daily basis. The rate of interest is 8.5 per cent.

## SMC holds annual sales confce

The annual sales conference of Social Marketing Company (SMC) was held at a city hotel recently, says a press release.

The conference was attended by all sales officers, sales promotion officers, area executives, regional managers, area managers, members of the senior management and others staff.

Shahid Ahmed, head of sales, presented the FY-2002 Sales Performance.

SMC distributed 34.02 million cycles of oral contraceptive pills, 162.37 million pieces of condoms and 0.417 million injectables during the period.

In addition, 96.60 million sachets of packaged oral rehydration salt (ORSaline) was sold during the period.

## Asian PC sales rise 10pc in Q3

AFP, Singapore

Sales of personal computers (PCs) in the Asia Pacific region increased nearly 10 per cent to 5.6 million in the third quarter to September from a year earlier, technology research firm Gartner said Thursday.

The 9.6 per cent surge in PC demand, which came in spite of widespread worries over the global economy, was driven mostly by China which accounted for 46 per cent of total sales, US-based Gartner said in a report.

"Demand in the home market was steady due to the seasonal holiday week in China, as well as in countries where vendors offered aggressive promotions during computer exhibitions," it said.



Redwan Ahmed, state minister for liberation war affairs, inaugurates the Uttara branch of Premier Bank Limited in the city on Wednesday.

## ROK holds interest rates for 6th straight month

AFP, Seoul

South Korea's central bank on Thursday decided to hold its key interest rate at 4.25 per cent for the sixth consecutive month despite inflationary pressures.

The Bank of Korea said the decision reflected concerns about the uncertain global economy which is weighing heavily on the country's economy.

South Korea's call rate has remained the same since May when the central bank raised it by 25 basis points.

"Uncertainty has grown further due to the delayed economic recovery in industrialised countries such as the United States," the central bank said in a statement following a monetary policy meeting.

The central bank has recently been under pressure to raise the rate amid major real estate price hikes and increasing consumer debt.

"Overall, the economy is main-

taining a solid growth led by exports, but facing a steady build-up in inflationary pressure," it said.

Industrial output slowed in September because of the end of tax benefits aimed at boosting consumption, but rebounded in October on the back of sharp export growth and new spending on consumption and construction.

Central bank governor Park Seung forecast the country's gross domestic product growth would be able to reach six per cent this year.

"The economy is on a solid recovery track and will have no major difficulties growing at least six per cent this year," Park told a news conference.

But Park warned the danger of consumer price hikes linger.

"Despite government-led steps, household loans and real estate prices remain at high levels. In particular, mortgage loans are maintaining a stronger-than-expected growth," he said.

The government recently

announced to impose heavy taxes on speculative real estate investment and to take steps to curb bank loans in fear of inflation.

"The Bank of Korea will closely watch (real estate and household debt trend). But it will wait for government steps to take effect," he said.

South Korea's freeze on its call rate came one day after US Federal Reserve's decision to slash key interest rates by half a percentage point to a 41-year low of 1.25 per cent in a bid to boost the flagging US economy.

"US rate cut, which was bigger than expected, is a positive for the local economy. It should positively affect our exports and stock markets," Park said.

But the South Korean central bank chief ruled out any chances for the country to cut its key interest rate further to help boost the economy.

## FDI in Indonesia falls

AFP, Jakarta

Approved foreign direct investment in Indonesia fell 11.2 per cent to 5.4 billion dollars in the nine months to September a year earlier, according to official figures released Thursday.

The government approved a total of 780 such projects during the period compared with 1,017 in January-September 2001, the Investment Co-ordinating Board said in a statement.

Domestic investment approvals fell even more sharply, to 15.99 trillion rupiah (1.7 billion dollars) from 50.74 trillion rupiah previously.

The board gave no reason in its statement for the nine-month decline.

But in June Theo Tumiung, head of the national investment co-ordination agency, said the unpredictable legal system was partly to blame for the decline in foreign

investment this year.

In the most contentious case Manulife Indonesia, a unit of the Canadian insurance giant, was declared bankrupt by the commercial court in June over a disputed debt even though it is a fully solvent company.

The Supreme Court later overturned that ruling.

Expectations that foreign investment in particular will decline further is a major reason behind the government's move last week to downgrade its 2003 economic growth target to 4.0 per cent from 5.0 per cent originally.

Already weak foreign investor appetite has soured in the wake of the October 12 Bali terrorist attacks, which raised the risk profile attached to Indonesia.

## Remco, Index sign marketing agreement

A marketing agreement was signed between Remco (Pvt) Ltd and Index Construction Ltd at Remco's Bijnagar office in the city on Tuesday, says a press release.

Managing Director of Remco (Pvt) Ltd Md Nazrul Islam and Executive Director of Index Group Mahin Mazher signed the agreement on behalf of their respective sides.

Chairman of Remco M H M Shahjahan and Chairman of Index Md Mazherul Quader were present at the signing agreement.

Under the signed accord, Remco, a real-estate marketing company, will market Index Prantor, a residential apartment project of Index at Shyamoli. Index is the builder of innumerable modern residential and commercial projects in the city.

## US companies optimistic on HK prospects

AFP, Hong Kong

American Chamber of Commerce members in Hong Kong are increasingly optimistic about the city's economic prospects, a survey showed Thursday.

Although Hong Kong remains mired in a prolonged economic downturn, some 80 per cent of respondents anticipated their companies would see a good or satisfactory performance next year.

## Republicans eye tax cuts

REUTERS, Washington

With Congress now firmly in their control, Republicans are set to push a tax-cut agenda but still face strong opposition from Democrats with different ideas on how best to help Americans amid a sluggish economy.

The White House said yesterday that President George W. Bush would lay out plans before year-end for new economic measures and Senate Republican leader Trent Lott, who will lead the majority when the new Senate convenes, told reporters.

"Let's look at what we can do to target some tax cuts that could help

the economy. Let's have fiscal restraint. Let's begin to get control on the spending."

Republicans who often chide Democrats for pushing increased spending, are eager to make permanent the tax cuts Congress approved last year, but those efforts have been stymied by Democrats concerned over the return of budget deficits and what they see as an effort to help the rich.

Currently, those tax cuts are set to expire in 2010.

Bush is also likely to resurrect several ideas that were put on hold before the election because moderate Republicans were concerned with how they would play with vot-

ers.

Those include allowing taxpayers to subtract the effect of inflation from capital gains earned on sales of stocks or homes; raising the age at which senior citizens must begin withdrawals from retirement accounts; raising limits on how much pretax income can be put into 401(k) retirement accounts; and doubling the amount of capital losses investors can deduct from ordinary income.

The White House would also like to end what it sees as the double taxation of corporate profits that occurs through a direct tax on corporations and a separate tax on dividends companies distribute to shareholders.

## Financial woes erode Manila's growth, says World Bank

AFP, Manila

Weak financial markets and concerns over fiscal policy are undermining the healthy economic growth posted by the Philippines, a World Bank report said Thursday.

It said that economic growth had increased in the first half, bolstered by strong exports, low inflation and interest rates, making it likely Manila would hit key economic targets for this year.

But the report warned that "notwithstanding progress on the real economy, financial markets have weakened significantly," since March.

This was reflected in low stock

market prices, thin trading volumes, a weakening of the local currency, rising spreads in Philippine bonds and a fall in business confidence in August.

"Fiscal policy has also been a central concern, in particular the overshooting of national government deficits and underperformance on the revenue front," the report said.

The government recently announced that the budget deficit for the first nine months hit 166.47 billion pesos (3.2 billion dollars), exceeding official projections by 57 per cent.

Officials now concede it is unlikely that the deficit will remain

under the ceiling for the whole year of 130 billion pesos.

The World Bank also warned that the ratio of non-performing loans in the banking sector hit 17.6 per cent in August, one of the highest levels since the end of the 1997 Asian financial crisis.

Unemployment also continued to rise, reflecting slower job creation, the World Bank said.

"Reversing the deterioration in public finances, implementing power sector reforms and addressing structural weaknesses in the banking and corporate sectors remain vital areas of policy agenda," the report said.

A recent decision by govern-

ment to reduce the power rates charged by the state-run National Power Corp. had only exacerbated liquidity problems and increased the power agency's financing requirements, the report said.

The World Bank called for "a sustained effort to strengthen tax administration and policy," to address the decline in revenues.

It acknowledged that the government was implementing several reform measures including bills restructuring the power sector, allowing banks to dispose of non-performing loans and cracking down on money laundering.

However some proposed key reform measures are still pending in Congress.



An Iraqi family works during the harvest of the high-quality amber rice in the Abbasiyat area near the Shiite Muslim holy city of Najaf, about 160 kms south of Baghdad. The cultivation of this type of rice, specific to the south, has suffered in the past two years from dwindling water resources for irrigation and from the shortage of pesticides as a result of the 12-year-old UN trade embargo. About 70 per cent of Najaf's workforce make their living in agriculture, mainly of amber rice, wheat and barley.