BUSINESS India to increase service

The Daily Star

SIBL Board

2001.

recommends

40 pc dividend

The Board of Directors of Social

Investment Bank Limited (SIBL) has

recommend a 40 per cent dividend

for the shareholders for the year

Of the total dividend, 20 per cent

n cash and the rest will be in the

form of stock. This will be payable

subject to approval in the annual

The dividend was recommended

at the 70th emergency meeting of

the Board of Directors of the bank

held at its head office in the city on

by Ahmed Akbar Sobhan, chairman

the meeting including two Vice-

Chairmen Kamaluddin Ahmed and

The meeting approved the

audited financial statement for the

The meeting was presided over

Out of 27 Directors, 22 attended

general meeting of the bank.

Monday, says a press release.

Mohammed Shamsuzzaman.

of the Board.

year 2001.

Iran bans advertising of **US** products

AFP, Tehran

The Iranian government on Wednesday announced an all-out ban on advertising US-made products, but stopped short of

forbidding the sale of American goods in the Islamic republic. 'The Islamic government of Iran forbids all advertising of US products." state radio announced. quoting an order from the ministry of culture and Islamic guidance.

The broadcast called on the "press and other media" to "refrain from publishing such adverts", saying the order followed an initiative by state media

A ministry official said the ban formed part of moves in the Muslim world to boycott US goods due to Washington's Middle East policies. He said the ban was also supported by supreme leader Ayatollah Ali Khamenei.

There are next to no US companies based here and the only adverts of US products are carried by local traders.

Examples of US products available in Iran are home appliances from Hotpoint, a division of General Electric, computers from International Business Machines (IBM) and processors from Intel and American Micro Devices (AMD).

IT traders also promote software from US companies such as Microsoft and Adobe -- but the CD-ROMs they sell are all pirated

SingTel half-year profit falls

AFP, Singapore

Singapore Telecommunications Ltd. said Thursday first half net profit dived by a third due to costs associated with its take-over of Optus in Australia and a weak performance in its home market

The net profit of 792 million Singapore dollars (450 million US) in the six months to September was well down on market expectations. Last year's acquisition of Optus saw operating revenue rise to 4.92

billion dollars from 2.50 billion dollars the previous year. Excluding the goodwill charges

on the Optus purchase, SingTel said net profit would have been 1.11 billion dollars in the first half.

Singapore's sluggish economic growth and growing competition weighed on SingTel's operations at

Operating revenue for the half year in Singapore was 2.38 billion dollars, down 4.7 per cent from last year, with falls in income from data and Internet services and international calls. Mobile phone revenue increased by 8.5 per cent.

The company, which also has Southeast Asia, said it expects stronger second half revenue and profit "Our international investments have transformed SingTel's financial profile and we now derive more than 60 per cent of our proportionate revenues from outside Singapore," SingTel president Lee Hsien Yang said. "As a result, we remain well positioned for above average growth despite the slower than expected recovery in the Singapore economy." Lee said.

taxes, cut subsidies

AFP, New Delhi

cutting subsidies.

Business Standard newspaper.

Among the measures being

planned by Singh is a reduction in

taxes on the services sector Indian Finance Minister Jaswant "A quarter of my GDP is agricul-Singh said in an interview pubture. It is out of the tax net. One half of my GDP is services. I can't lished Thursday he would increase depend for taxes only on manufactaxes on the services sector and turing. Therefore service tax has to reduce government spending by come in," Singh said. "I absolutely have to improve

The minister also said he would work "overtime for fiscal consolidathe tax-GDP ratio but can't do it tion... (and) address the fiscal through expropriation and thereproblems of states. fore I have to move into a far more modern tax system." Singh told the

When asked about potential political opposition to cutting subsidies. Sinch said he had to convince others about the benefits of the new policies.

economy and the threat of deflation.

the Federal Reserve cut the federal

funds rate by half a point," said

policy to support the economy."

Sung Won Sohn.

customs tariffs and an increase in

Subsidies for farmers on items such as power and fertiliser, as well as feeding projects for the poor, have helped increase the fiscal deficit to 5.7 per cent of gross domestic product (GDP) for the current year to March, compared with 5.4 per cent last year.

On the government's stop-start privatisation programme, Singh said selling government stakes wasintegral to the economic reform programme. "It must continue."

He acknowledged that political opposition, including from within the cabinet, had held back the privatisation programme and the

target of 120 billion rupees (2.5 billion dollars) set by government in February "would be difficult to

However, he said he was confident that the differences over privatisation would be resolved soon.

Singh said that despite a crippling drought, military tensions with Pakistan and a sluggish global economy, India's economy had grown by 5.5 to six per cent, adding

that it had the potential to achieve an eight per cent growth

The 70th emergency meeting of the Board of Directors of the Social Investment Bank Limited was held at its head office in the city on Monday. Photo shows Ahmed Akbar Sobhan, chairman of the Board, and Golam Mustafa, managing director, among others

lems to overcome before that. But

we want to speed it up," he told a

body would likely be given cabinet

incumbent minister will hold the

position concurrently with their

disposal plans, economic and fiscal

policy minister Heizo Takenaka who

is also financial affairs minister, is

not expected to be given a third

industrial-related portfolios, such as

trade and industry, land and trans-

port labour and welfare were more

the Economy, Trade and Industry, is

considered a strong candidate by

Fukuda said ministers with

Takeo Hiranuma, the Minister of

economic portfolio, he said.

likely candidates

Fukuda said the head of the new

"In that case it is considered an

But architect of the bad-debt

press briefing.

minister status.

own.'

US axes interest rates to Tokyo plans corporate restructuring body bill boost flagging economy AFP, Tokyo The Japanese government said Thursday it is aiming to submit

AFP, Washington

US Federal Reserve policymakers slashed key interest rates half a point to a fresh 41-year low Wednesday in a final shot at firing up a flagging economy shaken by

Iragi war fears Chairman Alan Greenspan and his colleagues axed the federal funds target rate by half a per centage point -- twice as much as

had been expected by most economaking Federal Open Market mists -- to 1.25 per cent. Committee said in a statement after It was the first cut since unanimously voting for the fresh cut. December last year in the key "However, incoming economic

interest rate, which commercial data have tended to confirm that banks charge each other for overgreater uncertainty, in part attributnight loans. The rate is at its lowest able to heightened geopolitical level since July 1961 risks, is currently inhibiting spend-"Concerned over the wobbly ing, production, and employment."

Federal Reserve policymakers sent a message that the 12th successive lowering in interest rates should also be the last.

Wells Fargo Bank chief economist The risks ahead were balanced, "A possible war against Irag the statement said, indicating no could further rattle the economy and bias towards cutting or raising rates the financial markets. The central in the foreseeable future. bank has taken out an insurance Previously, the committee said there was a greater risk of weak-Lower interest rates were supness ahead. porting economic growth, the policy-

"What they did was make the decision to move aggressively, and signal that's all folks -- absent a bona fide financial crisis," said Wayne Ayers, chief economist at FleetBoston Financial

In fact, the real federal funds rate had sunk to minus 0.5 per cent taking into account the core inflation rate, said Merrill Lynch economist

Bruce Steinberg

'The latest move is no panacea. But lower rates reduce debt service for both the corporate and household sectors," he said.

Wall Street's Dow Jones industrials average of 30 top stocks jumped as the news broke, then slumped, possibly on fears that the cut signalled a weaker-thanexpected economy, and finally climbed again

The Dow Jones index rose 92.74 points, or 1.07 per cent, to close at 8.771.01.

sells part of

broadband business.

AFP, Tokyo

said

stake in Yahoo

Internet giant Yahoo Inc. to reduce

its debt and finance investment in

Softbank's subsidiary Softbank

America Inc. (SBA) sold the Yahoo

shares for 294 million dollars, the

company said in a statement. The

shares were sold to US financial

institutions, a Softbank spokesman

As a result of the transaction,

Softbank's stake in Yahoo would go

The euro gained strength, rising legislation needed to create the above parity with the greenback to body in the current parliament 1.0003 dollars shortly after the session." Chief Cabinet Secretary announcement dollars from 0.9971 Yasuo Fukuda said. dollars just beforehand.

"There are many difficult probobservers.

legislation to establish a corporate

restructuring agency during the

current extraordinary parliamentary

The agency is part of the govern-

ment's recently announced plan to

speed up the write off of banks' bad

loans and to combat deflation and

aims to rescue heavily indebted

firms from potential bankruptcy in

the face of tighter credit-

industrial-revival agency as soon as

possible because it is a pressing

issue. If possible we want to submit

"We are going to create an

assessment by banks.

session.

Semiconductor market growing after slump

worst-ever slump, according to industry surveys released Wednesday

The Semiconductor Industry Association said it expects worldwide sales of chips for all of this year to rise 1.8 per cent to 141 billion dollars, followed in 2003 by a rise of 19.8 per cent to 169 billion.

In 2004, sales will surpass the peak sales posted in 2000, gaining 21.7 per cent to 206 billion, according to the the SIA's outlook.

'The long-awaited rec

mates Dataquest said its survey showed the semiconductor market is already beginning to see signs of recovery, with 2002 revenues projected to reach 153.3 billion dollars, a 0.5 per cent increase from 2001.

production," he said.

The worldwide digital cellular

handset market is one of the few

industry, and is driven primarily by a

shifts from second generation (2G)

In 2001, worldwide chip sales totalled 152.5 billion dollars, a 32 per cent decline from 2000. "The semiconductor market recovery in 2002 has progressed as

expected, with strong growth in the AFP, Houston

replenished and weaker growth in the second half of the year." said Richard Gordon, principal analyst for Gartner Dataquest's semicon-

It has also decided that the AGMs for the year of 2000 and 2001 would be held on December 22. 2002 and the Share Register of the bank will remain closed from December 15-22, 2002. Golam Mustafa, managing

director, M Nazrul Islam, deputy managing director and M H Shaikh, EVP & secretary of the Board, were also present at the meeting.

Ex-Enron finance chief pleads innocence

first half of 2002 as inventories were Former Enron Corp. finance chief Andrew Fastow pleaded not guilty Wednesday to 78 counts of fraud and other charges in a federal court

Japan Softbank AFP, San Francisco Major Japanese Internet investor The worldwide semiconductor Softbank Corp. said Thursday it has market is seen picking up after its sold 17.5 million shares in US

ExxonMobil plans \$100b investment

AFP, New York

Oil giant ExxonMobil plans to invest 100 billion dollars on prospecting. drilling and early production projects, executive vice president Harry Longwell said Wednesday.

"During this decade, we expect to spend 100 billion dollars in capital on approximately 100 projects in the upstream (oil prospecting, drilling, and early production), Longwell said

"We expect regions such as West Africa, the Middle East, the Caspian and Russia to make up nearly 40 per cent of our production by 2010, up from 15 per cent today." ExxonMobil expected production capacity to grow at an average of three per cent a year from 2000 until "well into the decade." he said. Longwell was speaking to a

conference in Irving, Texas. A copy of his speech was released here.

ExxonMobil's production in established operations in the Americas, Asia Pacific and Europe, would remain about flat in absolute terms as new projects took over from natural declines in existing fields

Significant growth in the world's economies was expected to translate into global oil and gas demand of about 150 million oil-equivalent barrels per day by the end of this decade, he said

At the same time, ExxonMobil expected significant improvements in energy efficiency

The increased demand, coupled with existing field decline of roughly five per cent per vear, meant the oi industry may need to add about 80 million oil-equivalent barrels per day of production by 2010.



PHOTO AFP Picture showing the Reuters building in Fleet Street, London. Troubled British Media group Reuters is poised to announce deep job cuts in its editorial workforce as it strives to contain the impact of a steep decline in revenues.

Foreign firms laud China's WTO reform, want more

REUTERS, Shanghai

China scores high marks for keeping its WTO promises so far, but endemic problems like hazy rules and disregard for intellectual property will take years to resolve, executives at a forum on WTO affairs said vesterday.

Government officials were quick to reassure foreign companies that China would stick to commitments made for joining the World Trade Organisation, which sparked a liberalisation drive to gradually prise open its large but once-shuttered

"We realise that this is a longterm, very daunting task. Two to three years would not solve the problem," said Tian Lipu, deputy

commissioner of the State Intellectual Property Office. "For now, we have to start edu-

cating the Chinese people on the importance of respecting intellectual property, from primary school all the way up to university," the Germantrained Tian told a seminar of about 100 foreign and local businessmen. But overseas firms, many fight-

ing for access to markets ranging

from sovheans to courier services to banking, urged China to resolve conflicting rules and reduce red tape in applying for operating licences, executives said

"They get an A for effort, but an F for transparency," said Beth Meade business development manager at Boston Training Technologies. which teaches business English in Shanghai

"The strategy is typical, they will circle around the actual regulation", delaying the actual licence or investment, she said.

down to four per cent from seven per cent, while the Japanese investor would book a capital gain of 26.1 billion ven (216 million dollars), the statement said.

Softbank would use the money to reduce its debt, which stood at 232 billion yen in March 2002, and invest in high-speed Internet access operations, the company said.

The Japanese firm has been gradually selling down its stake in Yahoo, selling a total of a 12 per cent stake this year alone.

Stocks closed higher in a volatile

session as traders deciphered the

meaning of a surprise 50-basis point

interest rate cut and a decisive

Republican victory in midterm

closed up 92.74 points (1.07 per

cent) at 8,771.01, after choppy trade

The Standard and Poor's 500

added 8.37 points (0.91 per cent) to

923.76, while the Nasdaq compos-

ite was up 17.82 points (1.27 per

cent) at 1,418.99, moving smartly

off the psychologically important

Dealers said a brief bout of

weakness in the rate cut rally follow-

in positive and negative territory

The Dow Jones industrials

Stocks close higher

congressional elections.

over the session.

1,400 level.

AFP, New York

underway, Advanced Micro Devices Inc chairman Jerry ductor research group. Sanders said, presenting the SIA's 2002-2005 outlook for the industry. in the third quarter of 2002 held up

"It is now clear that 2000 was a bubble that distorted the industry's compound annual growth rate, pushing it above 16 per cent, Sanders said.

Sanders said the shift to more normalized yearly growth rates will "represent a sea of change for our industry."

bright spots in the semiconductor Earlier, a survey by the research firm Gartner Dataquest said the replacement cycle as the industry industry would show double-digit growth in 2003, with revenues to 2.5 generation (2.5G) cellular, totaling 171.8 billion dollars -- a 12.1 per cent increase from 2002 estiaccording to Gartner.

NSW and ACT Administration tional Aust nk House PHOTO AFF

Pedestrians stand outside the National Australia Bank in Sydney's business district. Australia's biggest bank reported yesterday a 62 per cent surge in annual profit to 3.373 billion dollars (2.0 billion US), with solid performances in core banking activities offsetting lower income from wealth management.

here. "Although semiconductor sales Fastow was indicted last week reasonably well, benefiting from a on fraud, money laundering and degree of seasonal strength, that other charges in the scandal that led strength has not carried forward into to the spectacular meltdown of the the fourth quarter, and highlights the energy giant. poor state of electronic equipment

After US Magistrate Marcia Crone read a summary of the counts, which include conspiracy to commit wire and securities fraud. money laundering and obstruction of justice, as well as the potential prison sentences and forfeitures for each count. Eastow said in a firm voice. "Your Honor, to each of these charges I am not guilty.'

Minutes later, while being escorted to a waiting car, he refused comment to reporters.

Australian jobless rate drops to six per cent REUTERS, Sydney

Australian unemployment fell to a two-vear low of 6.0 per cent in October, highlighting the strength of the domestic economy at a time when the United States is having to cut interest rates to stimulate arowth

Employment rose a modest 15,800, seasonally adjusted, in October, in line with forecasts, but a surprise fall in the participation rate the number of people looking for work -- cut the jobless rate from 6.2 per cent

"We think (unemployment) will have a five in front of it in the next few months." said Kieran Davies chief economist at ABN AMRO.

"All the leading indicators are suggesting that you're going to get further solid gains in employment over the next six-to-nine months. I think it just highlights that the domestic upward pressure is still there on interest rates." Davies said.

full-time employment fell by 59,900, which was offset by a 75,700 rise in part-time employment.

Forecasts for overall employment growth had centered on a rise of 17,500 after a 30,700 fall in September, and ranged from 5,000 to 50,000 growth.

US starts search for new corporate crime fighter

"We need rule-making. What

we've got, unfortunately, is distraction

after distraction." said US Chamber

of Commerce Executive Vice

commitment to sweeping reform.

viewed as constructive for stocks. in

our opinion, as there likely will be a

perception that greater clarity and

other than Pitt," Levkovich said.

Brokers agreed.

President Bruce Josten

decision-making, he said

Tobias Levkovich.

AFP, Washington

Business leaders and investors celebrated and the search for a successor began Wednesday after the chief US corporate crime fighter Harvey Pitt. guit over a series of aaffes

Pitt offered his resignation as chairman of the Securities and Exchange Commission (SEC) late Tuesdav

The announcement, given on the night President George W. Bush's Republican Party won power over both houses of Congress, left the SEC rudderless as it seeks to restore shattered investor confidence in Wall Street

But the departure of the 57-yearold former lawyer, his credibility in tatters, was widely welcomed.

"Certainly, it is good news for the market, one less distraction," said Mace Blicksilver, managing director of Marblehead Asset Management. A series of miscalculations dog

Uncertainty created by Pitt's ged Pitt's career at the SEC, overmissteps had hindered corporate shadowing achievements in the battle against the corporate scandals Pitt's resignation removed a cloud that have erupted since the collapse hanging over the equity markets of energy giant Enron Corp. last year. because many people questioned his

Under Pitt's turbulent 15-month tenure at the top, the SEC introduced said Salomon Smith Barney analyst a rule that chief executives must swear to the accuracy of their com-"In many respects, this will be pany accounts.

But Pitt never managed to shake off suspicions that he was too close to the accountancy industry. Early in his administration, he had

transparency in the US markets will be more forthcoming under someone promised a "kinder, gentler place for accountants."

ing the surprise Fed decision in afternoon trade was to be expected as there had been anticipatory buying ahead of the announcement. "Normally if you get any type of cut, you'll get a sell-off reaction in

first hour or so," said Mike the O'Hare head of listed trading at Lehman Brothers. "After some initial confusion, the

stock market had a positive reaction" to the rate cut, said Alfred Goldman of AG Edwards.

Some said the move could be interpreted as a sign that the US economy is weaker than believed. "The only thing that is worrying

me is that we're running out of bullets here," O'Hare said. "The market and the economy have to perform over the next few months."

Sung Won Sohn of Wells Fargo Bank said the move was aimed at boosting consumer confidence and market psychology.