

Fine Foods trading begins on CSE

Trading in Fine Foods Ltd scrips made its debut on the Chittagong Stock Exchange (CSE) yesterday, says a press release.

The company has been placed in A-category. With this new one, the number of total listed securities on CSE now stands at 183, out of which total companies are 170.

The new issue's face value is Tk 10 and paid up capital Tk. 70 million.

New MD of Shell Bangladesh



Stewart Brown has been appointed new Managing Director of Shell Bangladesh Exploration and Development BV (SBED). He will succeed Reinier Reddingius, says a press release.

Stewart Brown, an Englishman, has been working with Shell for 17 years. In April 2002, he was appointed Deputy Managing Director of SBED.

Brown was the finance and IT manager for Shell East Africa before his appointment to Bangladesh.

He also worked in many other countries including Nigeria, Norway and the United Kingdom.

IUB students' internship at CSE

Chittagong Stock Exchange (CSE) under an internship programme would provide practical training, study and research facilities for students of Independent University, Bangladesh (IUB), says a press release.

The students will be placed in various CSE offices and section so that they gain practical experiences.

To this effect, a memorandum of understanding (MOU) was signed between CSE and IUB in Chittagong recently. Prof Bazul Mobin Chowdhury, vice chancellor, Prof Syed Sufderul Hoque, Prof Nuruzzaman and Tahil Azim of IUB, and Mirza Salim Ispahani, president, Habibullah Khan, vice president, Wali-ul Maroof Matin, CEO, and other officials of CSE were present on the occasion.

Admission to IT Bangla diploma begins today

STAR BUSINESS REPORT

IT Bangla Ltd, a computer firm of the country, starts its admission procedures for the third batch of one-year Diploma in Information Technology (DIT) course today.

Assumption University of Thailand will award certificates to successful students and will also provide necessary course contents and materials of the course.

"The course fee is only Tk 18,000, inclusive of Tk. 3600 registration fee and monthly installment of Tk 1200 per month," said the Centre Manager of IT Bangla Syed Salahuddin.

He also said that necessary book and Internet browsing is free for all diploma students.

He was speaking at a press conference held at IT Bangla office in the city. Senior Marketing Executive Abdul Alim Razi was also present on the occasion.

The one year course is divided into three semesters and the majors of the course are visual basic, C/C++, data structure and algorithm, networking with windows NT, linux, SQL server, oracle D2K, animation, desktop publishing, web design, Java fundamental and real life project.

The first one thousand applicants will sit for admission test for three hundred seats and minimum requirement is HSC.

The admission test will be held on November 29, December 13, 14 and 20 and classes will begin on January 18, 2003.

MCCI hails anti-crime drive, seeks steps to fight graft

STAR BUSINESS REPORT

Hailing the government's ongoing drive to improve the law and order situation, the Metropolitan Chamber of Commerce and Industry (MCCI) noted that similar measures for combating corruption in the field of administration is overdue.

"The investors are losing confidence because of poor governance and corruption at various levels of administration. The business community also agrees that corruption in government administration and law and order are the most pressing governance problems, which stand as major obstacles to business," the chamber said in its latest monthly publication.

Setting up of an Anti-Corruption Commission should not be delayed

further. Similarly, appointment of Ombudsman, Human Rights Commission and separation of judiciary from the executive will go a long way to restoring business confidence, the MCCI suggested.

"There is no scope for ignoring these issues in the emerging competitive business scenario."

The MCCI urged the government that the decisions should be taken at the earliest as commitment and willingness to carry out important public policy reforms provide the competitive climate for efficient business enterprise, making the economy attractive to investors and reinforcing the government's business-friendly image.

"In the energy sector, actions against 'system loss' and collection of bills from the top 1000 delinquent customers of electricity and gas continue to remain extremely

unsatisfactory. Progress has been slow in human resource development, health and environment as well."

Bangladesh loses US\$ 900 million every year from maladministration of Chittagong port alone. Another \$500 million on account of lost revenue, \$100 million in power sector and an equal amount in public procurement, the MCCI mentioned.

Because of poor governance in the banking sector, the country's annual losses during the 1975-1995 period were between 0.7 per cent and 1.6 per cent of GDP. Frequent power disruption and load-shedding causes production loss in the industrial sector, equivalent to 0.5 per cent of GDP every year, it added.

"An arrangement should be made to enable the country's trade

bodies to appear before the relevant standing committees of Parliament to make their submissions on different aspects of economic management and infrastructural support services."

Indeed, reforms remain incomplete in several of these areas. More actions will be needed to make these reforms meaningful and effective. For example, a lot of reforms have taken place in the banking sector, but in our opinion, banking service remains far from business supportive, the chamber observed.

Similarly, progress in privatisation is inadequate and unsatisfactory. There is an ambitious plan to privatise 103 state-owned enterprises, but there is no specific time frame within which this task would be completed, it said.



Managing Director of Sheltech Towfique M Seraj and President of REHAB Abul Quasem sign an agreement on a new apartment project, Sheltech Sapphire, in the city recently.

Head of new US accounting oversight board resigns

AFP, Washington

The head of a new US accounting oversight board, William Webster, has resigned, financial television news channel CNBC said Tuesday.

A spokeswoman at the Securities and Exchange Commission (SEC), which appoints the board, was not immediately able to comment on the report.

Earlier, Webster reportedly told the Wall Street Journal he was considering stepping down due to questions about his involvement in a failed Internet investment firm.

"I feel terribly concerned about my value to the board at this point," said Webster, a former federal judge and director of the Federal Bureau of Investigation and Central Intelligence Agency.

In an interview, Webster said that while he had not made a final decision or informed the White House, he did not want his work to impede the work of the new oversight board.



Home Minister Altaf Hossain Chowdhury and BGMEA President Kutubuddin Ahmed hold a poster, copies of which were distributed among BGMEA members in different parts of the country, at the BGMEA office in the city yesterday. The BGMEA has launched a campaign for creating social awareness to curb extortion and crimes in the places where garment units are located. State Minister for Commerce Barkatullah Bulu is also seen in the picture.

Unocal to invest \$500m if Dhaka agrees to export gas

AFP, Dhaka

US oil giant Unocal said Wednesday it was ready to invest 500 million dollars in Bangladesh if the government agrees to export natural gas, a move bitterly fought by the opposition.

Unocal's local subsidiary proposed exporting 500 million cubic feet of gas daily, mostly to neighbouring India, from the Bibiyana Gas Field in the northeastern district of Habiganj.

"This will need immediate investment of 500 million dollars or more to develop the gas fields and set up the pipeline once the country decides to export its gas," Naser Ahmed, Unocal Bangladesh's manager for external affairs, told AFP.

"We have already invested 350 million dollars and look forward to investing more," he said.

The Bibiyana field was discovered by Unocal in 1998 but has not been developed amid controversy on whether Bangladesh should export gas.

The United States and other major donor countries have pressed Bangladesh to export gas, which Ahmed said would contribute "significantly" to the country's development.

But studies commissioned by Prime Minister Khaleda Zia's government have said Bangladesh was not in a position to sell energy resources.

The country had proven recoverable gas reserves of 13 trillion cubic feet, of which more than three trillion has already been extracted, according to official figures.

Zia has delayed a decision on whether to export gas, with government officials saying it was looking for a national consensus.

Zia's own Bangladesh Nationalist Party had opposed gas exports before coming to power in October 2001.

The main opposition Awami League of former prime minister Sheikh Hasina Wajed says exports would hamper national interests and that Bangladesh must first be

assured of a 50-year reserve.

Sheikh Hasina has a bitter and personal rivalry with Zia and has accused the premier of trying to stifle opposition by sending out the army last month to crack down on rampant crime.

"A situation is being created by the government in which the army is being used for selling out the country's natural gas," Sheikh Hasina told a party meeting late Tuesday, as quoted by the private UNB news agency.

Unocal is proposing a 1,363-kilometre (847-mile) gas pipeline stretching from Bibiyana to India's western state of Gujarat, which it said would also increase access within Bangladesh.

"A delay on the export decision could cause a shrinking international market as the window of opportunity will not remain open always," Ahmed said.

Unocal said Bangladesh, one of the world's poorest countries, could raise up to 177 million dollars annually through taxes and other revenue from the pipeline.

Bush vows steps to bolster economy

REUTERS, Washington

President George W. Bush told business leaders Tuesday he would take steps to bolster the beleaguered US economy but said companies must do their part by increasing investment in equipment and workers, according to participants.

Bush also praised Federal Reserve chairman Alan Greenspan one week after the Fed cut its benchmark fed funds rate to a new four-decade low of 1.25 per cent, the 12th cut in less than two years and the first in 2002.

"He said Greenspan clearly has the confidence of everybody. He (Greenspan) has done his job in terms of monetary policy. Now we here in this town need to do our job in terms of fiscal stimulus," Bruce Josten, executive vice president of the chamber of commerce, quoted Bush as telling the group.

Emboldened by elections giving Republicans control of Congress, corporate America is pressing the administration to include tax breaks for business in a new economic stimulus package which Bush plans to unveil early next year.

Bush was noncommittal in Tuesday's private session with members of the chamber's board.

According to participants, Bush said his immediate economic priority was hammering out an agreement on terrorism insurance, which would create a government backstop for insurers in the event of another terrorist attack.

Some Republicans in the House of Representatives have balked at a proposed compromise, saying it did not go far enough in limiting frivolous lawsuits that might be filed following a terrorist attack.

Bush also told the chamber that he wanted to make last year's

tax cuts permanent and would propose a new stimulus package aimed at boosting jobs but offered no details.

"He encouraged our board to... go do what you guys do best: go spend your money, invest in people, invest it in expansion, get rid of running down your inventories and build up your inventories, and get production and capacity levels back and don't hesitate," Josten said after the meeting.

Business groups want to accelerate last year's tax cuts in a bid to boost the economy. They are also pressing the White House to make investment tax breaks permanent and to rewrite the tax code to help companies compete overseas.

"The president continues to review ideas," White House spokesman Scott McClellan said.

Republican aides said Bush was likely to resurrect several ideas that were put on hold before the election because moderate

Republicans were concerned about how they would be received by voters.

Those include 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.

Some Republicans are pushing for more sweeping changes, including reductions in capital gains taxes. But administration officials and some business leaders have sought to scale back expectations.

Japanese export engine sputters, recession looms: Economists

AFP, Tokyo

Japan's export engine is sputtering and robust consumer spending is also likely to wane, leading to the possibility of another recession just around the corner, economists said Wednesday.

Gross domestic product (GDP) rose 0.7 per cent in the three months to September from the previous quarter with private consumption and rising stockpiles of goods helping to offset sluggish exports.

"The concern really is the weak export growth, which was the main thing the economy had going for it," said HSBC Securities senior economist Peter Morgan.

Exports rose just 0.5 per cent over the third quarter compared with a 5.9 per cent surge in the three months to June.

"The weakness in external demand shows the pace of the recovery has slowed, though the overall growth was not so bad,"

Economic and Fiscal Policy Minister Heizo Takenaka told reporters.

He said the government must adopt policies to encourage domestic demand.

"The relatively strong GDP data was mainly led by domestic demand, in contrast, exports had been the main driver up to the second quarter," said JP Morgan chief economist Masaaki Kanno.

Consumption was boosted by a hotter than usual summer but this effect has cooled off as Japan heads into winter, he said.

Falling overseas demand and sliding prices at home are putting more pressure on jobs and wages and this in turn should lead to weaker consumer spending.

Japan's largest computer maker Fujitsu Ltd. said last month it would slash 7,100 jobs before the end of March -- including 5,400 positions in Japan -- to combat the tough business conditions.

"Given the continued challeng-

ing labour and wage conditions, it is highly doubtful whether the solid growth of consumer spending will be sustained," said Daiwa Institute of Research economist Junichi Makino.

A major government drive to tackle bad loans in the banking sector, cited as a root cause of the nation's 12-year economic slump, is expected to lead to further bankruptcies and job losses, economists added.

Prime Minister Junichiro Koizumi wants to halve the ratio of bad loans at major banks by March 2005, but some economists feel more fiscal stimulation -- such as a supplementary budget -- is vital to ease the fallout.

The latest growth numbers, however, may deter the premier from dipping into the state coffers again.

"The third quarter GDP showed a rise, marking a third consecutive quarter of growth," said Yasunari

Ueno, chief market economist at Mizuho Securities.

"As a slowdown in the Japanese economy has not yet been confirmed, I don't think (the data) will prompt active discussions about the compilation of a supplementary budget," he said.

But if consumer sentiment crumbles there is little to support future growth with key external markets such as the United States and Europe looking increasingly shaky, economists said.

"Weaker US growth will probably close the door on hopes that the Japanese economy can sustain a recovery based on external demand," Dresdner Kleinwort Wasserstein said in a note.

"We project that the Japanese economy will contract in the October-December quarter, as well as in January-March 2003, since the economy slips into a double-dip recession."

India announces sweeping financial sector reforms

AFP, New Delhi

In a bid to unleash financial sector reforms, the Indian cabinet on Tuesday said it would introduce a bill in parliament to corporatise the country's leading financial institution for development and give it substantial aid.

Information and Broadcasting Minister Shushma Swaraj told reporters the government would introduce new legislation to allow state-run Industrial Development Bank of India (IDBI) to operate like a commercial bank.

"A bill to repeal the IDBI Act of 1964 will be introduced in the winter session of Parliament. After the IDBI Act is repealed it will be corporatised and will become a bank," said Swaraj.

"IDBI will be allowed to accept

deposits from retail investors but will not be permitted to provide retail loans."

She added the government would provide "surety to the tune of 25 billion rupees (521 million dollars) to IDBI over five years to take care of liabilities that might devolve in terms of interest differentials between its earlier and current borrowings."

Swaraj said the decision to convert IDBI into a banking entity was taken in view of the deterioration in IDBI's financial health due to "substantial reduction in loan disbursements and profitability."

IDBI is one of the leading financial institutions in India, offering loans to medium and large development projects, with infrastructure as a key focus area.

US, India to set up high tech co-op body

AFP, New Delhi

India and the United States have agreed to set up a body to facilitate the transfer to India of sophisticated technology, including that with military applications, a joint statement from the two governments said Wednesday.

The agreement was reached during discussions here between high-level delegations from the two sides, led respectively by Indian Foreign Minister Yashwant Sinha and US Undersecretary of commerce for exports Kenneth Juster, the statement said.

"The two governments agreed to create an India-US high technology cooperation group comprising senior representatives of relevant departments of both countries," it added.

"The group will expeditiously work towards developing a new statement of principles governing bilateral cooperation in high technology trade."

Malaysians told to change to survive competition

AFP, Kuala Lumpur

Malaysians have been placated for too long and must change if the country is to survive competition from China and other regional economies, a senior official warned Wednesday.

National Economic Action Council executive director Mustapa Mohamed called for a "total surgery" to the way the private sector and government operate to boost the country's economic competitiveness.

He said the economy had "regained some lost ground" in the last few months, after the country's competitiveness slipped during the 1997-98 Asian financial crisis, but more efforts were required to lure foreign investment.

Despite the success of its manufacturing sector, the country's key economic driver, Mustapa said only

56 multinational companies have based their regional operating headquarters in Malaysia.

"Our interest now is to consolidate on the gains to ensure that we remain on top but this requires a total approach -- a total surgery if I may use this radical term -- on the way we think, the private sector, the whole country," he told reporters.

"We have been so complacent in Malaysia. We have had everything on the plate for so long, we never faced challenges."

Mustapa said China's growing economic stature was challenging for Malaysia but it was "coping extremely well" and few manufacturing firms in the country had relocated.

"We are still competitive despite competition from China. We have been flexible in our ability to adjust but we need to respond faster," he said.

Malaysia's key challenge was to harness its vast resources and integrate its research institutes to work towards boosting its competitiveness, he added.

Foreign investment in Malaysia has dried up amid global economic uncertainties, with only 2.2 billion ringgit (579 million dollars) worth of approved manufacturing investment in the first half of this year.

This was a far cry from 18.8 billion ringgit for the whole of last year, official statistics showed.

Trade ministry officials last week said five US electronics firms would invest more than 50 million dollars in the country next year, showing that US investors were still coming, although in smaller numbers.

Malaysia has announced a 10 year tax exemption and loosened financial restrictions in a bid to woo multinational firms to set up their regional bases in the country.