

SAARC body suggests regional power grid

UNB, Dhaka

A two-day meeting of SAARC Technical Committee on Energy concluded here yesterday recommending a regional power grid connecting Bangladesh, Bhutan, India and Nepal.

In this regard, the SAARC energy experts recommended identifying commercially viable electricity flows from generating stations to load centres.

Further discussion among the countries to evolve a suitable arrangement for power sharing will take place.

"All the SAARC countries are hungry for energy.... We are ready to extend our cooperation in the power sector in the region," said State Minister for Power Iqbal Hasan Mahmud while addressing the concluding session.

Although SAARC was initiated in 1977, it is 'unfortunate' that the first meeting is being held after 25 years, Iqbal said in a tone of self-criticism, adding, "In reality we could not achieve our goals in SAARC."

"This (setting up power grid) should be a common issue and linked with other energy sector and other issues of interest," said Bangladesh's State Minister for Energy and Mineral Resources AKM Mosharrif Hossain.

He added they would have to plan out how to minimise the cost of power for the consumers through extended cooperation among the SAARC countries.

Mosharrif Hossain told the function that the Bangladesh government had already taken various steps for using environment-friendly energy like CNG and LPG. "But regionally, there is a need for

cooperation in other areas, such as reducing trade gap between India and Bangladesh," he mentioned.

Citing success of rural electrification system in Bangladesh, he hoped that the concept would be extended to other SAARC countries. The SAARC Technical Committee on Energy put this issue for future areas of discussion.

The two-day brainstorming began here Sunday focussing energy cooperation, environment-friendly energy, a regional power grid and cooperation regarding renewable energy.

The technical committee agreed on exchange of energy information among the SAARC countries and finalised the format. Members will report as per format by December 2002 and SAARC Secretariat will compile and finalise the database by February 2003.

And the compiled energy data will be circulated among the member-states and put on website. The SAARC Secretariat will make relevant analysis on the data and disseminate these to the members, according to the recommendations of the Technical Committee.

About environment-friendly energy, the SAARC experts recommended that all sources of environment-friendly energy (hydro, natural gas, wind energy, solar energy etc) in the region need to be exploited to their full potential.

Positive experience of India, Pakistan and Sri Lanka regarding introduction of environment-friendly energy like CNG, LPG, cleaner motor fuel may be shared by other countries of the region and SAARC Secretariat will develop specific projects on these two items.

Tea exporters now eye locals

High production cost cuts competitive edge in global market

NURUL ALAM, Chittagong

Bangladesh tea, battling for survival, has turned its eye to home market against the backdrop of its dwindling export market, sources said.

"If we want to survive in tea business, we have no alternative but to depend on home market as our export of tea has gone down," chairman of Tea Traders' Association of Bangladesh Feroz Ahmed said.

"As our cost of production is very high, our tea faces difficulties to compete in the global market," Feroz Ahmed said adding, "as a result, our tea export has dropped in recent years."

"Foreign buyers are taking less interest to purchase Bangladesh tea due to its high price in the auction market here," Feroz said.

"On the other hand, our internal buyers are offering better price in

the auction, forcing the foreign buyers to stay on sideline," he added.

"Some of the companies, selling packet tea in the internal market, have also become active in the auction to buy tea for their purpose," he also added.

"But we need to reduce our production cost by raising the yield, in a bid to boost tea export with a competitive price in the global market," Feroz further said.

Market sources said that Bangladesh tea was facing a tough competition with Kenya, Sri Lanka and India in case of price and quality.

Earlier, Bangladesh tea was exported to 25 countries of the world. But now only few countries including Afghanistan, CIS and Pakistan are taking interest to buy tea from Bangladesh, sources said.

Pakistani buyers became

active recently in the auction which is held in the port city every week, after the issuance of SRO by their government allowing duty free access of Bangladesh tea as per bilateral agreement, market sources said.

Before the issuance of SRO Pakistani buyers were almost shy to buy Bangladesh tea, the sources informed.

As a result, Bangladeshi tea growers depend mostly on the home market, sources informed.

According to official reports, in the year 2001 Bangladesh exported only 12.9 million kg of tea out of its total output of 54.5 million kg which showed that lion portion of the tea produced in the country's 156 gardens, was sold in the internal market.

In the year 2000, Bangladesh exported 18 million kg of tea out of its total output of 52.6 million kg,

official reports said.

In the first 8 months till August of the current year (2002), Bangladesh tea export stood at only 7.2 million kg out of the total output of 28.5 million kg during this period, the reports added.

Ten years ago, Bangladesh used to export about 30 million kg tea annually, concerned sources said.

The export market of Bangladesh tea started to shrink after the disintegration of Soviet union and gulf war, sources said.

Meanwhile, the companies and packaging firms, which are in the race to capture internal market, started massive campaign through advertisements both in electronic and print media.

Besides, bill boards also have been set up at different places of the city with lucid slogans to encourage the people for buying and drinking tea.

Exim Bank to launch MasterCard

Export Import (Exim) Bank of Bangladesh Ltd is going to launch MasterCard credit card soon, says a press release.

Exim Bank yesterday signed MasterCard credit card co-branding agreement to this effect with Prime Bank Ltd.

Exim Bank Managing Director Mohammed Lakiotullah and Prime Bank Ltd Managing Director Shah Mohammed Nurul Alam signed the agreement on behalf of their organisations.

Prime Bank Chairman Kazi Sirajul Islam MP, SVP Abdul Wali, EXIM Bank Acting Chairman Mohammed Abdullah, Advisor Alamgir Kabir and DMD Muhammed Mubarak Hussein were present at occasion.



PHOTO: EXIM BANK

Exim Bank Managing Director Mohammed Lakiotullah and Prime Bank Ltd Managing Director Shah Mohammed Nurul Alam sign MasterCard credit card co-branding agreement in the city yesterday.

AkTel's Eid package

AkTel mobile phone company has announced Eid Bonus Package for its customers, says a press release.

The offer includes special price, Eid gifts and exemption of rental charge for three months for mobile to mobile subscribers. But, this offer is not valid for Chittagong zone customers.

Barisal, Mymensingh and Tangail will be brought under AkTel's network very soon, according to the release.

AkTel is also offering many value added services like call forwarding, call waiting, itemised bill, voice mail service and short message service.

At present, AkTel's subscriber base is more than 150,000.

Rahimafrooz's new IPS

Rahimafrooz has introduced an economy range IPS, says a press release.

The two new IPSs of 400VA and 600VA are priced at Tk 12,900 and Tk 16,900 respectively.

Rahimafrooz IPS is available at its retail outlets in Dhaka, Chittagong, Jessore and other areas.

Workshop on ADB project under forest dept ends

BSS, Dhaka

A two-day workshop on "Financial Accounts Audit and Internal Control of ADB Aided Project under Forest Department" concluded in the city yesterday.

Anwar Faruque, chief conservator of forests, presided over the first session of the workshop organised jointly by Asian Development Bank, Foreign Aided Project Audit Directorate (FAPAD) and Bangladesh Forest Department.

Molahar Hossain, director general of (FAPAD), Shah Mohammad Aminul Haque and Wahida Hamid, directors, and Siddiqur Rahman, auditor of FAPAD, spoke at the second session of the workshop presided over by Ikil Mondol, project director, forestry sector project.

The speakers stressed on discipline in financial management, accounts and audit of the foreign aided projects.

They also emphasised proper utilisation of foreign aid.

Pak central bank cuts key interest rate by 2.5pc

AFP, Karachi

Pakistan's central bank cut its key interest rate at the weekend, prompting a surge in the stock market Monday, dealers said.

The central State Bank of Pakistan has announced a reduction in its discount rate -- the lending rate for commercial and retail banks -- from 9.0 to 7.5 percent effective Monday, as it attempts to bring commercial rates down to single digits.

The cut was the fifth in 15 months, the most recent being in January when rates were cut from 10.0 percent to 9.0 percent. The discount rate has now declined by almost half since July 2001, when it was 14.0 percent.

"Our foreign exchange reserves gave us the confidence to lower the discount rate, which in turn will spur economic activity due to an expected increase in credit take-off," central bank head of research Mohammad Mansoor Ali told AFP.

Pakistan's foreign exchange reserves have ballooned from 3.2 billion dollars in July 2001 to a current 8.6 billion dollars.

The cut was also prompted by lower rates on the international market, Ali added.

Analysts said the move was expected to have a positive impact on the economy.

"With the cut in interest rates the financial costs of companies will correspondingly come down, thus improving their profitability," Iffad

Zahri, analyst at IP Securities, told AFP.

"Secondly, many companies, especially textiles, will opt for expansion programs due to cheaper loan availability, which will spur economic activity."

The benchmark Karachi Stock Exchange KSE-100 index rose 1.3 percent Monday mainly in response to the cut, analysts said.

The KSE-100 index climbed 28.49 points to close at 2,300.09.

"Investors' sentiment generally remained positive over the State Bank's move, which will have an effect on lending rates as well as corporate profitability," head of research at Khadim Ali Shah Bukhari Securities, Arshad Arif, told AFP.

Tax revamp to boost Indian economic reform: Minister

AFP, New Delhi

Finance Minister Jaswant Singh on Monday denied that India's sweeping economic reforms have stalled, saying they will be accelerated by a revamp of the country's tax structure.

Singh told the Economic Times newspaper here that the privatisation of state firms -- the cornerstone of the reforms -- would continue even though senior members of the ruling federal coalition have called for a review.

"If you look at the number of things that have been done in the past 90 days, you won't sustain the belief that reforms are flagging. For the first time in 50 years, we have put the entire plan for revamping the tax system up for public debate," he said.

Singh, who was appointed finance minister just over four months ago, said the tax reforms would benefit employment-generating industries such as housing and tourism.

It would also help ailing sectors, such as textiles and steel.

An Indian government panel earlier this month recommended widening tax reforms including a reduction in corporate tax rates and the removal of exemptions to

reduce evasion.

Singh said the changes would be carried out after consultations with experts as well as studying the recommendations of a government-appointed panel.

The Indian government needs to improve tax collections to boost revenue and cut a ballooning budget deficit which stood at 5.9 percent of gross domestic product (GDP) last year, way above the targeted 5.1 percent.

India's target is to cut the deficit to 5.3 percent of GDP in the current fiscal year, which ends in March 2003.

Singh said most of the recommendations on tax reforms would be received by December after which his ministry would start formulating the policies.

The finance minister said the government was committed to privatisation despite senior coalition allies questioning the sell-offs.

"The ministry remains fully committed to it (privatisation). But, simultaneously, Prime Minister Atal Behari Vajpayee is facing the situation of having to take the coalition along with him," he said.

"These are the demands of democracy which cannot be abdicated. It is not an impasse."

In September, Vajpayee post-

poned by three months plans to privatise fuel companies Bharat Petroleum Corp. and Hindustan Petroleum Corp. after Defence Minister George Fernandes and Oil Minister Ram Naik expressed opposition to the sell-offs.

The delay means that the government is unlikely to achieve its target of raising 120 billion rupees from the privatisation programme this year. So far it has only raised 50 billion rupees (one billion dollars).

Singh said the Indian economy was performing satisfactorily in the face of heavy odds.

"There must be recognition that the last six months have witnessed probably the most adverse set of circumstances that India could have had," he said.

"We had a standoff in the west (with Pakistan), we had the most severe drought in decades, the global upturn that had been expected did not materialise, there are recessionary trends in Germany, Japan and there are weak spots in the US recovery," he added.

He said the chances of a US attack on Iraq had further added to the worldwide climate of economic uncertainty.

On Line Courier Service launched

On Line Courier Service (Pvt) Ltd was launched in the city on Sunday, says a press release.

Principal Asadul Habib Dulu, deputy minister for communications, attended the inaugural ceremony as chief guest. M A Hashem Raju, chairman of the company, presided over the function held at the VIP Lounge of Jatiya Press Club.

Shahjahan Chowdhury, MP, was the special guest on the occasion.

Speaking at the launching ceremony, the deputy minister hopes that the new company will maintain international standard in providing courier service.

Among others present at the ceremony were Zafar Ahmed Chowdhury, chairman of United Commercial Bank, FBCCI Director Abul Kashem Ahmed, and FBCCI Director Masuda M Rashid Chowdhury.

AB Bank gets ICAB Award-2001

Arab Bangladesh Bank Limited received ICAB National Awards-2001 for 'Best Published Accounts and Reports' at a presentation ceremony held at a city hotel on Sunday organised by the Institute of Chartered Accountants of Bangladesh, says a press release.

Finance and Planning Minister M Saifur Rahman, handed over the prize to Abu Haniff Khan, President and Managing Director of the bank.

AKM Mosharrif Hossain, State Minister for Energy and Mineral Resources, MA Bari, president ICAB, were present among others on the occasion.

Arab Bangladesh Bank Ltd also received the ICAB award 2000 last year.

The managing director of the bank recalled that this kind of recognition would increase the competition amongst the listed companies, make them more fair, accountable and transparent of their books of accounts as well as the disclosure of their business position to the general public.

Dnata Cargo sees rise in volumes

Dnata Cargo registered a record throughput of 167,076 tonnes handled in the first half of the current financial year (April to September 2002), says a press release.

This represents a 23 per cent increase over the same period last year.

Exports accounted for 66,945 tonnes and imports for 100,131 tonnes. Transit cargo registered in the half year amounted to 12,320 tonnes, a massive 73.4 per cent increase over last year, caused mainly by a surge in cargo feeder activities from the Indian Subcontinent to Dubai for onward connection to Europe and the USA.

That total tonnage figure includes shipments at the main cargo terminal in Dubai Air Cargo Village and the terminals in the Dubai Airport and Jebel Ali Free Zones, all operated by Dnata Cargo. Emirates SkyCargo took over self-handling at its Dubai hub in April this year.

In addition to impressive volume, this year also includes a number of milestones for Dnata Cargo. The first phase of Chameleon, a new-generation cargo handling system, will be implemented by year's end.

NBR puts off tender for appointing PSI agents

UNB, Dhaka

The National Board of Revenue (NBR) has postponed the tender procedures for appointing pre-shipment inspection (PSI) agents.

Officials would not elaborate the reason for the NBR action, but said the process will be resumed soon as the tenure of the current PSI agents will expire on February 15, 2003.

The postponement takes place after a last week deferment of the tender process to appoint five PSI agents. Now three PSI agents are performing.

As per main notification of the NBR, the last date for submitting tender documents was November 10. Later, it deferred the date to November 28 and finally postponing it temporarily.



PHOTO: ICAB

Abu Haniff Khan, president and managing director of AB Bank, receives ICAB Award-2001 from Finance Minister M Saifur Rahman at a function recently.

US in bid to boost trade with Lanka Official to visit Colombo this week

AFP, Colombo

A senior US trade official is due to visit Sri Lanka this week to explore the possibility of increasing bilateral trade and investment, the US embassy here said Monday.

The US Deputy Trade Representative, Jon M. Huntsman Jr. is expected to hold talks with a cross section of government and private sector business leaders, the embassy said.

It said the visit would coincide with the first meeting of the Council on Trade and Investment which is jointly chaired by the office of the US Trade Representative and the Sri

Lankan Ministry of Commerce.

The council was established in July during Prime Minister Ranil Wickremesinghe's visit to Washington for talks with President George W. Bush, the embassy said.

The visit comes amid stepped up cooperation between the two countries and strong US support for the island's Norwegian-backed peace bid aimed at ending three decades of ethnic bloodshed.

The US Deputy Secretary of State Richard Armitage who visited here in August said Washington wanted to "re-energise" relations with Colombo.

DHL to buy Mayne Group Canada

DHL Worldwide Express has announced DHL Canada is purchasing Mayne Group Canada, Inc, a leading Canadian express delivery company, to become the third largest express delivery provider in Canada, says a press release.

The purchase will be made final by January 31, 2003, pending regulatory approvals by the Canadian authorities.

The acquisition of Mayne Group Canada, well-known by their brand name, Mayne Logistics Loomis or "Loomis", will enable DHL to dramatically expand its Canadian domestic market share and improve cross-border service performance with the US.

In addition, the combined strengths of DHL and Loomis will offer customers a complete, 'one-stop-shop', domestic and interna-

tional transportation service.

Loomis is the Canadian logistics arm of Mayne Group Limited.

"Purchasing Mayne Logistic Loomis, which has a solid reputation and 100-year history in the region, will significantly enhance DHL's presence in Canada and further our business opportunities in North America," said John Fellows, Chairman and CEO of DHL Worldwide Express Americas operations.

"Mayne Logistics Loomis' strong domestic knowledge and large Canadian customer base are complementary with DHL's international expertise," said DHL Canada President Eric de Maat.

DHL and Loomis' combined product offering will include an extensive ground operation and air express network.

Bangkok-Ctg Phuket flight from Nov 24

Phuket Air, Thailand's private airline, will start Bangkok-Chittagong flight from November 24, 2002, says a press release.

In the inaugural flight, Phuket Air has invited about 60 dignitaries to be on board to visit Chittagong. The delegation will comprise top 16 senator from the Thai Parliament, top level business leaders, journalist, media, leaders, other govt and private officials.

The team aims at exploring possibilities to increase business, investment in the port city. Phuket Air expects that the visit by this private level delegation will help greatly boost business.

Phuket Air will take another delegation comprising Bangladeshi lawmakers business leaders, journalist, media, govt and private officials to Thailand on December 12, 2002 in its flight as part of the promotion of trade and tourism.

Al-Arafah Islami Bank branch managers' confce held

A day-long branch managers' conference of Al-Arafah Islami Bank Ltd was held in the city on Thursday, says a press release.

The chairman of the bank Najmul Ahsan Khaled inaugurated the conference as chief guest while Md Yousuf Ali Howlader, managing director of the bank presided over it.

Head office executives and 40 branch managers were present at the conference.

Vice Chairman of Board of Directors of Al-Arafah Islami Bank Ltd Abdul Malek Mollah, member Board of Directors, AZM Shamsul Alam, Khandaker Mejbah Uddin Ahmed, Dr. Bahauddin Mohammed Yousuf, Bodur Rahman Kazi, Abu Kawsar, Siraj-ud-Dowla and Deputy Managing Director MA Samad Sheikh were present.

Oil prices firm on ME jitters

AFP, London

The price of oil nudged higher in early trading here on Monday amid nervousness over whether Iraq will impede UN weapons inspections and concerns about recent Israeli-Palestinian violence, traders said.

Reference Brent North Sea crude oil for January delivery rose to 23.58 dollars from 23.35 at the close of trading on Friday.

In New York, the benchmark light sweet crude December contract gained 22 cents on Friday to 25.51 dollars a barrel.

Commerzbank analyst David Thomas said that prices were being bolstered by the arrival of United Nations disarmament inspectors in Baghdad on Monday to re-launch the hunt for Iraq's suspected weapons of mass destruction.

He said their arrival was bringing into focus the timetable set for Iraq by the UN Security Council after Baghdad accepted resolution 1441 last week.

"If the Iraqi regime is not cooperating, it will accelerate the military action," said Thomas.

Baghdad's next deadline is December 8, by when it must make a complete and accurate declaration of its programmes to develop chemical, biological and nuclear weapons, ballistic missiles and other delivery systems.