

HSBC to double paid-up capital in Bangladesh

STAR BUSINESS REPORT

The Hong Kong and Shanghai Banking Corporation (HSBC) has planned to double its paid-up capital from 10 million US dollars to 20 million US dollars in Bangladesh.

HSBC Chief Executive Officer David J H Griffith announced this at a press briefing at a local hotel in the city yesterday.

HSBC's Corporate Banking Head Adil Islam and Credit and Risk Management Manager Rian J Mcgoire were also present on the occasion.

Janata Ins board okays 10 pc interim dividend

The 109th meeting of the Board of Directors of Janata Insurance Co. Limited held on Tuesday declared 10 per cent interim dividend for the year 2002, says a press release.

The date of book closure for this interim dividend will be notified later on.

The meeting was presided over by Abdul Gaffar Chowdhury, chairman of the company. Vice Chairman M A Kalam and Directors M A Hashem, MA Sabur, Qamrun Nahar, Fahima Akhter, and Md Ruhul Amin and Adviser Md Jahangir Alam Khan were also present in the meeting.

Shahjalal Bank extends loan to Nat'l Housing

Shahjalal Bank Limited (SBL) has sanctioned an investment facility worth Tk five crore to National Housing Finance and Investments Limited (NHFIL), says a press release.

An agreement to this effect was signed between the SBL and the (NHFIL) yesterday at Gulshan Branch of the bank. The Managing Director of the SBL Matin Uddin Ahmed and Managing Director (Current Charge) of the NHFIL Shabbir Ahmed signed the agreement on behalf of their respective organisations.

Ashfaq U Chowdhury, advisor of the bank, Rafique Ahmed, manager of Gulshan Branch of the SBL, and other high officials of the bank were also present on the occasion.

Japan's extra budget likely to be worth \$65-73.5b

AFP, Tokyo

Japan's planned extra budget is likely to be worth 65-73.5 billion dollars, Finance Minister Masajuro Shiokawa said Wednesday.

Asked if the extra budget would be ranged between eight trillion yen (65 billion dollars) and nine trillion yen, Shiokawa told a news conference: "I think it will reach such levels."

"But there is a considerable gap" between the government's estimate for the budget and demand from the ruling party, Shiokawa added.

Ruling party officials have called on the government to come up with an extra budget of at least 10 trillion yen.

Prime Minister Junichiro Koizumi is set to announce plans for an extra budget for the year to March 2003 as early as this week.

Nepalese, Indian experts discuss control of fake currency

AFP, Kathmandu

Officials from the Reserve Bank of India and the Central Bank of Nepal met Wednesday to discuss how to stop the widespread circulation of counterfeit currency notes in their countries.

Teams led by regional director of the Indian Reserve Bank in Patna, M.D. Jha, and Rebati Nepal, deputy director of the research department of the Nepal Rastra (Central) Bank held talks during the second day of a three-day seminar on the issue.

Indian bank officials say counterfeit notes of 500 and 1,000 Indian rupees (10 and 20 dollars), which are printed in Dubai and Pakistan, are in circulation in both Nepal and India.

Indian currency is legal tender in Nepal and the 1040-kilometre (650-mile) open border between the two countries makes it easy for fake currency to pass across.

During the talks, Indian officials showed ways to distinguish between genuine and counterfeit notes.

Saifur blasts central bank 'anarchy'

STAR BUSINESS REPORT

Finance and Planning Minister M Saifur Rahman yesterday came down heavily on the central bank, saying nothing is going in the right direction in the Bangladesh Bank.

He said a committee would be formed soon to restore discipline in the central bank.

The minister said it is important to restore discipline in the Bangladesh Bank to curb irregularities, corruption and anarchy in the overall banking system.

He also turned down a request by the Ansar-VDP Unnyan Bank to run it commercially terming it to be a microcredit organisation. The minister said if necessary the government would extend all kinds of financial assistance to the bank.

The minister was speaking at the Branch Management Conference-2002 of Ansar-VDP Unnyan Bank at a city hotel.

Speaking on the occasion, Saifur stressed on increasing microcredit activities in the country to reduce poverty. He observed that the bank could be made more profitable if it continues activities with discipline.

Ansar-VDP Unnyan Bank Chairman Dr Sadat Hossain informed that the bank profited Tk 16 lakh for the first time in financial year 2001-02.

He hoped that the amount would reach Tk one crore in the current fiscal year. "We hope to make up the total loss in the next two to three years."

Speaking on the occasion, Anisa Ahmed said since inception the

bank disbursed Tk 162.31 crore loans till June 2002 with 99 per cent loan recovery record.

At present 50 out of 74 branches of Ansar-VDP Unnyan Bank are running with profit. "We hope to bring all branches under profit by June 2003."

Ansar-VDP Unnyan Bank lends money to its shareholders of the bank. All the shareholders are Ansar and VDP. Among 46 lakh Ansar and VDP, only nine lakh are shareholders of the bank. Each share is valued at Tk 100.

Finance secretary Zakir Ahmed Khan, Bangladesh Ansar and VDP Director General Major General Manjurul Alam, Ansar-VDP Unnyan Bank Managing Director Anisa Ahmed were also present at the conference.

Most FBCCI members against ministry order

EGM witnesses low turnout

STAR BUSINESS REPORT

An extra ordinary general meeting of the Federation of Bangladesh Chamber of Commerce and Industry (FBCCI), which witnessed a very low turnout, discussed a commerce ministry order for new election procedure of the country's apex trade body.

Most of the general members refrained from attending the EGM. Out of 1078 general members, only 154 attended the meeting convened to decide on the new election procedure of the FBCCI.

The commerce ministry order on July 31 this year asked the FBCCI for indirect election to the top slots of the apex body, the president and

two vice presidents.

According to meeting sources, most of the members present at the meeting spoke against the commerce ministry order. FBCCI President Yussuf Abdullah Harun, however, refused to make any comment on the EGM after the meeting.

FBCCI directors said they would sent the opinion of the meeting to commerce ministry. Sources said such opinions at the meeting would not prevent the ministry from implementing the order on the FBCCI election procedure.

Following the new commerce ministry order, a director of FBCCI filed a petition against the order with the High Court, which rejected the petition.

According to the new order of the commerce ministry, the FBCCI will elect 24 directors through direct election in equal numbers from the chamber and association groups. As per the order another 14 will be nominated in equal numbers from chamber and association groups. The commerce ministry has also named the chambers and the associations who will have nominated representation in the FBCCI.

The 38-member executive committee of the FBCCI would then elect its president and two vice presidents.

At present, members of the FBCCI directly elect their president, one vice-president and 30 directors equally from chamber and association groups.

Khulna Newsprint goes bust

Govt decides to close down mill on Nov 30, workers protest move

STAFF CORRESPONDENT, Khulna

Axe falls on another big loss-making SoE. The government has decided to close down the Khulna Newsprint Mill (KNM). The mill, burdened with some Tk 400 crore loans, will cease production forever on November 30, according to a circular issued by the government.

The circular issued signed by Mohammad Abdur Rob, secretary of the Bangladesh Chemical Industries Corporation (BCIC), said growing crisis has forced the government to take final decision to close down the mill.

There is no possibility of resuming production in the mill in future, the circular also stated. Production of the mill has remained suspended since January this year

following agitation by employees for payment of their arrears.

The circular further said workers, employees and officials would be asked to finally leave the mill on November 30, 2002. A notice in this regard has been hung on the notice board of the mill.

Established in 1958 on 103 acres of land on the bank of river Bhairab at Khalishpur, the mill went into production the same year. The production capacity of the mill was 48,000 tonnes.

It is learnt from CBA leaders of the KNM that a decision has been finalised by the government from behind the scene to privatise the mill. We shall resist it till our death, said workers and employees who were demonstrating in protest of

mill's final closure.

This state-owned enterprise, which is said to have been the biggest in Asia, went into commission with 2400 workers, employees and officials. But its number has now been reduced to 1600. Till 1979 it was a profitable concern of the state, but from 1980 the government started subsidising the mill at the rate of Taka 3,000 per tonne. But in 1991 the government stopped giving subsidy. Since then the KNM started facing an acute shortage of running capital and therefore failed to produce enough newsprint to meet the requirements of the country. Its production cost has all through been high, even higher than that of imported varieties. As a result, the mill incurred heavy losses every year.

Lack of efficient handling by authorities and unbridled corruption at every tier of its administration, frequent labour unrest and unnecessary expenditure for years together have crippled the mill which was once famous for earning huge foreign exchange.

Nearly one thousand officials have deserted the mill during the last 20 years for better jobs elsewhere. They left in disgust, failing to cope with the changing situation and to run the mill in a systematic manner.

Under the pay-off system, the mill needs over Taka 4 crore to pay the outstanding bills of last four months. But the mill does not even have the fund to bid final farewell to workers, employees and officials.

Peter England showroom at Uttara

Giant Distribution Ltd has opened a new showroom of Peter England at Uttara in the city, says a press release.

Internationally leading brand Peter England products will be available at the showroom at reasonable price.

The showroom will showcase a large collection of shirts and trousers as well as tie and blazers.

Marketing Director of GlaxoSmithKline M Azizul Huq and Vice President of Dhaka Bank Ltd. Emranul Huq inaugurated the showroom. Faruque Hasan, managing director of Giant Group and director of BGMEA, was also present on the occasion.

Pedrollo launches Atlas Filter

Marketing of Atlas Filter, a water purifying device manufactured in Italy, has been launched in the country, says a press release.

Pedrollo Group, a leading water pump selling company in the country, launched the marketing of the filter at a function held at Sonargaon Hotel in the city on Tuesday.

Speaking at the function, Sales Manager of Atlas Water Filter Company Stefano Comaioli said their product is the most easiest and reliable water purifying equipment used for domestic purpose. Comaioli is now visiting the country to promote the company's product.

Pedrollo Group, the lone distributor of Atlas Filter, will market different types of water filters throughout the country. The prices of water filters will vary from Tk. 800 to Tk. 7425 depending on size and effectiveness.

Managing Director of the Pedrollo Group Nader Khan said Atlas filter would ensure safe water to its users.

President of The Dhaka Chamber of Commerce and Industry (DCCI) Matiur Rahman, who was present at the function, appreciated Pedrollo's bid to introduce the world famous water filter like Atlas.

Khurshid A Chowdhury, executive director of the Pedrollo Group, also spoke on the occasion.

OPEC ready to boost supply in event of Iraq crisis

AFP, Geneva

The secretary-general of the Organisation of Petroleum Exporting Countries (OPEC), Alvaro Silva Calderon, reiterated on Wednesday that the cartel would be able to maintain sufficient oil supplies in the event of a war in Iraq.

"OPEC is ready to put additional oil on the market," he told reporters here.

"It has enough reserves and the capacity to provide oil under these conditions," Calderon said in response to questions about OPEC's ability to cope with a rise in demand during a conflict in Iraq.

Calderon and other officials from producing and consumer countries had earlier held a meeting at the United Nations here to discuss the general issue of security of energy supplies in the world.

Russia also indicated that it would be able to chip in with extra supplies if necessary.

Govt plans inland container terminal in Narayanganj

STAR BUSINESS REPORT

The government is planning to construct an inland container terminal at Khanpur in Narayanganj on Build-Operate-Transfer (BOT) basis.

Shipping Minister Lt Col (ret) Akbar Hossain yesterday urged the country's local and foreign investors to come forward and invest in implementing the project on the west bank of the Shitalakhya.

"It can be through local investment, foreign investment and joint venture investment as well," Akbar Hossain said while speaking as the chief guest at the inaugural session of an investment information meeting on Khanpur Inland Container Terminal at a city hotel.

The minister assured the potential investors that they would not have to face any kind of hassle while implementing the project. He also observed that the project would

obviously be a profitable one.

"Once the terminal is completed, most of the containers would be carried to the two ports of the country through inland container terminal," he said. According to him, it would play a significant role in reducing the cost of carrying containers to Chittagong and Mongla port, the minister said.

Jointly organized by Bangladesh Inland Water Transfer Authority (BIWTA) and Infrastructure Investment Facilitation Center (IIFC), a government owned company under the Economic Relations Divisions (ERD) of Ministry of Finance, the programme was among others, addressed by Shipping Secretary Ghulam Rahman, ERD Secretary Anisul Haq Chowdhury and BIWTA Chairman M Shahidul Islam Chowdhury.

Shipping secretary Ghulam Rahman while talking as special

guest said that direct waterway links would be established with Chittagong and Mongla from Narayanganj under the project.

ERD secretary Anisul Haq Chowdhury, also chairman of IIFC, said that the project might be included in the revised Annual Development Programme (ADP) or in the ADFP of next year.

He hoped that the project would soon commence in order to boost up some other such proposed projects.

BIWTA Chairman M Shahidul Islam Chowdhury informed that the Khanpur Inland Container Terminal would be the first ever BOT project in the shipping sector of the country.

In the business session of investment information meeting, a number of presentations were made projecting pros and cons of the project before a group of local and foreign investors.

New WB strategy for rural development

AFP, Washington

The World Bank has announced a new strategy for rural development, pledging to give more agricultural loans in a bid to improve living standards in poor regions.

The Bank said in a statement Monday it will boost lending for agriculture for the 2003 and 2004 fiscal years by 20 per cent yearly under the new strategy, marking a net increase of about 400 million dollars.

"The new Agriculture and Rural development strategy will contribute to the implementation of the outcomes of the Johannesburg World Summit on Sustainable Development in which more than 100 world leaders committed to make rural development a priority for action," says Ian Johnson, World Bank vice president for sustainable development.

The Bank said the program is in response to the lack of progress in global agricultural trade reform,

leaving poor farmers with little access to world markets.

A Bank statement said that the "a major reason for the inability of developing countries to capture a larger share of agricultural trade is that protection, especially in the large (industrialized nations') markets, has remained very high."

"Since 75 per cent of world's poor live in rural areas, the battle against poverty will in large measure be fought and won there," said Kevin Cleaver, director of the World Bank's Rural Development Department.

The bank said it still hopes for global agricultural trade reform, saying that will help more than any new loan programs.

The potential economic welfare benefits of global agricultural trade reform for the developing world are estimated to be at least 142 billion dollars annually, according to the Bank, which has been critical of agricultural protection measures in wealthy nations.

US trade gap narrows

AFP, Washington

Doubts hung over the US recovery, experts said Tuesday, as government figures showed the trade deficit struggling to recover in September while weighed down by a strong dollar.

The US trade deficit narrowed just 0.7 per cent in September from the previous month's record level to a seasonally adjusted 38.03 billion dollars, the government said.

The economy sucked in 0.5 per cent fewer imports and exports declined by 0.4 per cent.

"The US trade sector is not supporting the recovery prospects," said Sal Guatieri, Chicago-based economist at Bank of Montreal.

"What we would like to see at this stage is the trade deficit narrowing and contributing to economic activity," he said.

"One reason it is not is because of an arguably overvalued US dollar."

The dollar has weakened this year. It is trading at about 121 yen from about 130 yen at the start of the year. In the same period, the euro has strengthened to just over a dollar from 89 cents.



Managing Director of Shahjalal Bank Limited (SBL) Matin Uddin Ahmed and Managing Director (Current Charge) of National Housing Finance and Investments Limited (NHFIL) Shabbir Ahmed sign an agreement on behalf of their respective organisations yesterday at Gulshan Branch of the bank. Under the deal, the bank will extend Tk 5 crore investment facility to the housing company.

India seeks stakes in Iraqi, 4 other countries' oilfields

AFP, New Delhi

India's state-run Oil and Natural Gas Corp (ONGC) is close to picking up equity in oilfields in five countries including Iraq, Oil Minister Ram Naik said Tuesday.

He told reporters in the southern Indian city of Hyderabad that talks were at an "advanced stage" for equity in the oilfields in Iraq, Iran, Kazakhstan, Myanmar and the United States, the Press Trust of India reported.

Naik did not give further details. Iraq's once massive oil industry has been under tight international

monitoring since the 1991 Gulf war. ONGC recently purchased Canadian oil giant's Talisman's 25 per cent stake in the Greater Nile Petroleum Operating Co. (GNOC), which accounts for the bulk of Sudan's oil production.

The deal came despite criticism by human rights groups that allege Sudan uses its five-per cent stake in GNOC to finance its decades-old war against Christian and animist rebels in the south of the country.

Last year, the US House of Representatives overwhelmingly voted to bar oil companies with investments in Sudan from raising

capital on US markets. But the bill has not been turned into law because of opposition from the administration of President George W. Bush.

India has started to invest in oilfields abroad because its domestic production has been declining while consumption has been on the rise.

India has suffered heavily due to volatile international oil prices in the past because it imports 70 per cent of its crude requirements. It fears any oil shocks caused by potential US military action against Iraq.

US vows Pak debt relief

REUTERS, Islamabad

US Treasury Secretary Paul O'Neill Tuesday praised Pakistan's commitment to curbing the flow of terror funds and pledged his support in pushing for relief for the heavily indebted country.

Pakistan was "doing a great job" in helping to block funds for illegal purposes, including those used to support terror groups, O'Neill told a news conference after meeting Finance Minister Shaukat Aziz and other officials.

The Treasury chief, whose department heads the US drive to identify and intercept money used by terror groups like the al Qaeda

network, said there was a unified global drive to block funds for financing terror.

But he declined reporters' questions whether Pakistan's commitment to cooperate on intercepting such funds was likely to affect its economic prospects.

"Bad people who are breaking the law and doing evil things are evil for whatever reason and I am confident ... that people have a relentless attitude and a thoroughness in what they are doing that didn't exist two years ago and I think it's moving forward quite well," O'Neill said, referring to Pakistan's efforts to fight the flows.

The United States has more than

240 individuals, businesses and groups on a list of organisations suspected of helping move funds for terror groups. About 113 million dollars in assets of these groups have been frozen.

Many of the groups on the US list are based in Pakistan, making US interest in Pakistani cooperation a top priority.

Asked if Pakistan's cooperation on the issue might affect a US commitment to grant it additional debt relief of about one billion dollars, made by President George W Bush to President Pervez Musharraf, O'Neill said the two issues were not related.



Picture shows Managing Director of Pedrollo Group of Companies, Bangladesh Nader Khan (centre), Sales Manager of Atlas Water Filter Company Stefano Comaioli (L) and Executive Director of the Pedrollo Group of Companies Khurshid A Chowdhury (R) at the launching ceremony of Atlas water filters at Sonargaon Hotel in the city on Tuesday.