

## BTTB cell phone not soon

### Tender delayed again for upgrading some technical details

**MUSTAK HOSSAIN**

Launching of mobile phone service by the Bangladesh Telegraph and Telephone Board (BTTB) is likely to be delayed further as it has shifted the tender dropping date for the second time, BTTB sources said.

The last date for dropping of tender is now December 18. The earlier dates were November 10 and November 25.

The date has been shifted for upgrading some technical details in the tender papers and due to requests from leading telecom vendors, the sources said.

"BTTB has brought some

changes in the technical specification of the mobile project keeping in view the present day needs and availability of cellular gears in the global market," a high official of the BTTB said.

Posts and Telecommunications Minister Aminul Haque told The Daily Star BTTB agreed to shift the tender dropping date as many vendors requested for it. The date would not be shifted any more.

The mobile project, covering the entire country, would be financed through floating of telecom bonds worth Tk 594 crore. Tender has been floated for its implementation on a turnkey basis.

The BTTB mobile phone service would end a monopoly of the private sector in this field.

The tender was floated on August 17 for supply of equipment and installation of the mobile project with "high-tech and futuristic mobile virtual private network (MVPN), general packet radio service (GPRS), wireless application protocol (WAP), short message service, and intelligent network (IN)," an official mentioned.

The BTTB held a pre-bid meeting in September. The participants included representatives from French telecommunication vendor Alcatel, Germany's Siemens, Swedish Ericsson, American

Motorola Inc, Chinese ZTE Corporation, Korea Telecom and China Machinery and Equipment Import and Export Corporation (CMEC).

Meanwhile, Bidding for BTTB's 250,000 global system of mobile communications (GSM) project would take place on December 10.

Bangladesh now has some 6,50,000 fixed-line phones operated by the state-owned BTTB. Four private operators providing some 1,000,000 cellular phones in foreign joint-ventures through GSM and code division multiple access (CDMA) services.

## Sheba Telecom to share network backbone of CityCell

Pacific Bangladesh Telecom Limited (PBT) and Sheba Telecom (Pvt) Limited signed an agreement which enables Sheba Telecom to share network backbone of CityCell Digital on Sunday in the city, says a press release.

Faisal Morshed Khan, managing director of PBT, and Jefri Ahmad Tambi, managing director and CEO of Sheba Telecom (Pvt) Limited, signed the agreement on behalf of their respective sides.

This is a step to sharing network infrastructure between telecom companies and better utilisation of scarce telecom resources.

Ashgar Karim, acting chairman, AKM Shafiqul Azam, SVP, Faisal Hyder, CFO, Tipu Sultan, CAO, Mahfuzur Rahman, VP, Sandip Anand, VP of PBT and Zainul Abiddin Isma Yatim, CTO, Shawkat Osman, SGM, AFM Safiqul Alam, GM of Sheba Telecom among others, were present on the occasion.



Faisal Morshed Khan, managing director of Pacific Bangladesh Telecom Ltd (PBT), and Jefri Ahmad Tambi, managing director and CEO of Sheba Telecom (Pvt) Ltd, exchange documents after signing a network backbone sharing agreement on Sunday in the city.

## Agrotech-Norway firm accord to market BioBags

Agrotech-Bangladesh and Polargruppen AS, Norway signed a partnership agreement recently at the Polargruppen office at Askim in Norway to market and produce 100 per cent biodegradable bags for Bangladeshi market, says a press release.

Managing Director of Polargruppen AS Jorn Johansen and Managing Director of Agrotech-Bangladesh Mushtaque Ahmed signed the deal on behalf of their respective sides.

Polargruppen is the largest manufacturer of 100 per cent biodegradable bags which they call BioBags.

A new product based entirely on organic raw materials made from corn, wheat and potato starch. These ingredients are processed into raw materials for BioBags where vegetable oil and biodegradable thermoplastic materials are used as plasticizer.

## DPRK regulations for capitalist industrial enclave

**AFP, Seoul**

Communist North Korea on Wednesday published regulations extending tax and customs privileges to foreign investors in a planned capitalist industrial enclave just over the border from South Korea.

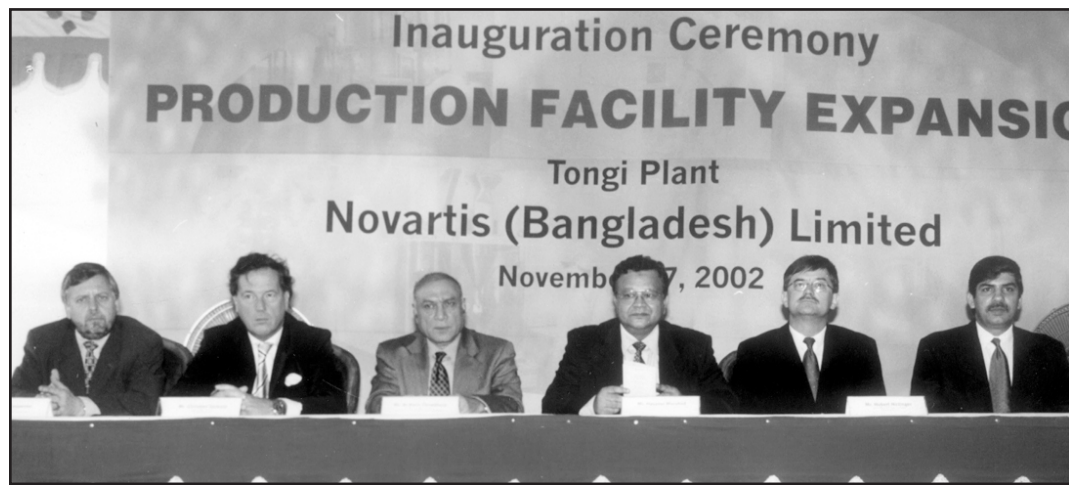
The official Korean Central News Agency said two decrees relating to the establishment of the Kaesong industrial zone had recently been issued by the presidium of the Supreme People's Assembly, the highest decision-making body in the North.

"South Korean, overseas Korean, foreign corporate bodies and individuals and economic organizations can invest in the zone. Preferential conditions for economic activities shall be provided in such fields as the hiring of workforce, use of land and payment of taxes," the news agency quoted a November 20 decree as saying.

"The zone shall protect the right and interests of an investor and grant him the right to inherit invested capital and properties and the properties of the investor shall not be nationalized," it added.

North and South Korea signed an accord earlier this month on joint construction of the ambitious project to turn 66 million square meters of land into a sprawling industrial complex.

The entire project had been thrown into doubt by North Korea's admission last month that it was pursuing a nuclear weapons programme.



Novartis (Bangladesh) Limited inaugurated the expansion of its production facility at Tongi plant yesterday. Pictures shows (From left to right) Jurg Casserini, charge d'affaires of the embassy of Switzerland, Christian Seiwald, head of Novartis generics business unit, Al Amin Chowdhury, secretary of ministry of industry, Hasanul Morshed, chairman of BCIC, Hubert Hirzinger, head of business franchise retail of Novartis generics, Asfaqur Rahman, managing director of Novartis, attending the inauguration ceremony.

## Novartis expands plant

**STAR BUSINESS REPORT**

Novartis Bangladesh, a leading pharmaceutical company, yesterday went into expansion of its production facilities at its Tongi plant in Gazipur.

Novartis would be among the few other multinational pharmaceutical firms to export large quantities of its products to Europe.

Christian Seiwald, head of Novartis Generics Business Unit, and Al-Amin Chowdhury, secretary of Ministry of Industry, inaugurated the expansion facility at the Tongi factory.

Termed as the global supply point for Novartis, the state of the art production facility would start export-

ing medicines, mostly antibiotics, to Europe from 2003. At present, Novartis Bangladesh is exporting its products to Asia and South America from the Tongi plant. The export of Novartis products from Bangladesh is expected to almost double from US \$2.5 million to \$4 million in 2003.

"This plant is very important for Novartis as it is a major supplier of our products in global market. In the near future we are hoping to further expand this plant considering its significance," said Christian Seiwald.

"We are glad to be a partner of the company and it is a good news that it is expanding and exporting its prod-

ucts to Asia, Latin America and Europe. We provide very attractive package of incentives to local and foreign investors and today's occasion is a testimony," said Chowdhury in his speech.

Among others present on the occasion were Hubert Hirzinger, head of business franchise retail of Novartis Generics, and Jurg Casserini, charge d'affaires of the Swiss embassy in Dhaka.

The company operates in more than 140 countries employing over 74,000 people globally.

Asfaqur Rahman, managing director of Novartis Bangladesh, was also present.



A seminar on 'Anti Money Laundering' was held at the Corporate Office of Bank Asia on Monday. The seminar was inaugurated by Syed Anisul Haq, managing director of the bank. AKM Mustafizur Rahman, general manager, Money Laundering Prevention Department of Bangladesh Bank, presented a paper on the Money Laundering Prevention Act and the related Bangladesh Bank guidelines. Senior executives from the Corporate Office and compliance officers from all the branches of Bank Asia participated in the seminar.

## China to drive global economy in 21st century: Economist

**AFP, Hong Kong**

China is poised to become the engine of the world economy this century but Japan's failure to tackle its bad debt problem could scuttle any early return to significant global growth, a leading economist said Wednesday.

Kenneth Courtis, vice chairman of Goldman Sachs Asia, said China was poised to become the global economic powerhouse of the 21st century, rivaling the impact the United States had during the last 100 years.

"One of the strongest positives for the world economy is what is going on in China. I believe that we are in a process which doesn't happen every fifty years, it is only once every three or four hundred

years when something this big, this all embracing, happens.

"I think it's pretty clear that unless something pretty dramatic and unexpected happens in the next couple of decades, the dominant economic fact of this century will be the rise of China," Courtis told the Hong Kong Business Summit.

Premier Zhu Rongji said earlier this month China hopes to quadruple the size of its economy over the next 20 years. China grew by an average annual rate of 7.6 per cent between 1998 and 2001 and attracted 173.4 billion dollars in foreign investment during that period.

But Courtis warned that despite China's "economic miracle" and its potential impact on the world, global

growth would continue to be sluggish for some time yet.

The largest threat to any immediate China-led global economic recovery was Japan's moribund economy and its debt plagued banking sector.

Bad loans held by Japanese banks were estimated by the government at 43.2 trillion yen (354 billion dollars) at the end of March, but many private sector analysts believe the figure is much higher.

"Bad debts are not like good wine, they do not get better with age. Bad debt is like garbage, it becomes poisonous and pollutes everything around it -- it is paralysing (Japan's) banking system ... in a way which hasn't happened in a major econ-

omy since the system broke down in the United States in the 1930s.

"Remember Thailand? When it imploded it shook markets from London to Wall Street, yet Japan's economy is 46 times larger," he said, adding total Japanese debt was now running at between five and six times gross domestic product (GDP).

"We have simply never seen anything like this before," he said.

Further drags on global growth include the burden of debt in the crucial technology sector. This debt would absorb any upturn in sales and, in the face of current static demand, the sector will likely see a number of bankruptcies.

## NBL workshop on prevention of money laundering held

National Bank Limited (NBL) organised a day-long workshop on prevention of money laundering at the bank's training institute in the city recently, says a press release.

Azizur Rahman, SVP and in charge, human resources division of NBL head office, attended the opening ceremony.

AKM Mostafizur Rahman, deputy general manager, money laundering prevention division of Bangladesh Bank head office attended the workshop as main discussant.

He elaborately discussed various articles of the act promulgated by the government for prevention of money laundering.

31 executives and officers of NBL participated in the workshop.

Md Ruhul Amin Khan, SVP and chief of the central compliance unit for prevention of money laundering of NBL head office acted as co-ordinator of the workshop.

## Former Enron executive pleads guilty to tax evasion bid

**AFP, Washington**

A former finance executive at Enron Corp. pleaded guilty Tuesday to charges of filing a false income tax return and failing to report income on kickbacks received at the failed energy giant, officials said.

The Justice Department said the case involved Lawrence Lawyer, who entered the plea in federal court in Houston, Texas, under a plea agreement requiring him to cooperate with prosecutors in the wide-ranging probe into Enron.

According to prosecutors, Lawyer held various positions at Enron between 1996 and 2001, and worked in the Enron Capital Management Group in 1997 where he worked on a deal involving a "special purpose entity" known as RADR established to purchase Enron's interest in California wind farms.

Enron has been accused of setting up special purpose entities to hide its debt off its balance sheet, obscuring the company's massive debts from investors.

## US Airways to cut 7pc jobs

**AFP, Arlington, Virginia**

US Airways announced Tuesday it would axe about 2,500 jobs, or seven per cent of its workforce, as it struggles to emerge from bankruptcy and compete with budget carriers.

The staff would be placed on furlough over the next three months, the airline said in a statement.

US Airways said it would seek work rule and benefit changes to complete its cost-cutting plans and emerge from Chapter 11 bankruptcy protection in the first quarter of 2003.

Chapter 11 bankruptcy is a procedure under which a company attempts to cope with untenable debt burdens under court supervision.

"Every mature network airline is struggling with how to adapt to fundamental changes in the airline business, where high costs will no longer be subsidized by passengers paying premium fares and low-cost airlines have become a major force in the industry," said US Airways chief executive David Siegel.

## Denmark vows to take active part in EPZs

**UNB, Dhaka**

Denmark has expressed its desire to participate in the development projects in Bangladesh through its active involvement in the EPZs of Bangladesh.

The Danish interest was shown when the two members of the visiting delegation called on the Executive Chairman of the Bangladesh Export Processing Zones Authority Brig General (Retd) M Mofizur Rahman yesterday.

The members of the delegation are head of the department of

Business and Contract of the Danish Ministry of Foreign Affairs Christian Koenigsfeldt and PSD Coordinator of the Danish Embassy in Dhaka Amarnath Reddy.

The Danish delegation discussed with the BEPZA officials the trade balance between Denmark and Bangladesh.

The members of the delegation evinced keen interest to invest in the EPZs of Bangladesh particularly in IT and agro-based industry sectors. The two sides also exchanged views on buyers' compliance and ILO programmes in EPZs.

The Executive Chairman of BEPZA sought Danish and Private Sector Development (PSD) programme facilities for EPZs.

Brig Mofizur Rahman briefed them about the facilities, incentives and infrastructure of the Export Processing Zones. The visiting Danish members expressed their satisfaction about the prevailing conditions of EPZs.

Among others, the member (Investment Promotion) of BEPZA M Nazrul Islam and General Manager (Investment Promotion) AZM Azizur Rahman were present.

## India simplifying laws to woo foreign investment

**AFP, New Delhi**

India is simplifying laws in order to smooth procedures for foreign investments, a senior government official said Tuesday.

The simplifications were based on the recommendations of a government-appointed panel, V. Govindrajana, secretary in the department of industrial policy and promotion, told reporters on the sidelines of a World Economic Forum conference in New Delhi.

He said the aim of the exercise was to reduce high transaction costs in India which often put off foreign and domestic investors.

Govindrajana said a ministerial committee was also considering a report by another government-appointed panel which has suggested raising the foreign equity limits in the insurance, telecom and aviation sectors.

Foreign investment grew 60 per cent in 2001 from the previous year, he said.

"This year also there is an

upward spurt in foreign direct investments. However, there is no doubt that a country like ours needs more foreign investment," he said.

"The question is how do we attract foreign investments? Are we competitive enough so that a foreign player comes in to invest?" he asked.

Govindrajana said existing policies were liberal enough to attract foreign investors, but the biggest impediments were procedural hurdles.

L. Mansingh, director general of foreign trade, said India was on track for a targetted one per cent share of global trade by 2007.

"We are keeping to the target and growing roughly at between 12 to 13 per cent (for exports)," he added.

He said imports had not grown this year.

Mansingh said exports would further increase if ports and road infrastructure improved to meet international standards.

## India ups base import prices of palm oils

**REUTERS, New Delhi**

India, the world's largest edible oils importer, Tuesday raised base import prices of palm oils, used to calculate tariffs, which traders said would firm up domestic prices.

But they said it would not impact the volume of India's imports, which totalled more than 4.4 million tonnes in the year to the end of October, as the country was short of oils. "It will have some impact on the price behaviour. The Indian prices should go up a bit, but not much," said BV Mehta of the Solvent Extractors Association of India.

Crude palm oil futures in Malaysia, the world's biggest exporter, fell almost one per cent on the news, although traders said the market had partly factored in India's price hike.

The benchmark third-month February contract KPOG3 dropped 14 ringgit to close at 1,539 ringgit per tonne. The contract had dropped 19 ringgit on Monday.

India was the biggest buyer of Malaysian palm oil for November 1-20, taking 167,899 tonnes or nearly a quarter of Malaysia's total exports.

India fixes the base prices to check revenue losses due to under-invoicing by some importers. It mainly buys palm oil from Malaysia and Indonesia and soybean oil from Argentina and Brazil.

## US economy shows strength in third quarter

**REUTERS, Washington**

The US economy grew more briskly in the third quarter than first thought, with robust car sales helping to more than triple the weak second-quarter pace, the government said Tuesday.

However, two other reports showed new home sales dropped in October while consumer sentiment posted a small-than-expected rise this month. Investors, concerned over a loss of economic momentum, sent prices for stocks down and US Treasuries up.

US gross domestic product, a measure of all output within the country's borders, rose at a revised 4.0 per cent annual rate in the July-September period after an anemic 1.3 per cent gain in the preceding quarter, the Commerce Department said.

Commerce had originally estimated the economy expanded at a slower 3.1 per cent pace last quarter.

However, a build-up in business inventories was one of the main drivers of the upward GDP revision and there was a fall in

corporate spending, which was originally reported as rising a bit. Economists said these were an ill omen for growth ahead.

While growth in the third quarter was strong, several signs -- including weakness in manufacturing and a slide in auto sales -- have suggested the economy began to brake sharply as the quarter drew to a close.

A survey of professional forecasters released on Tuesday by the National Association for Business Economics found an expectation the economy would expand at a pace of just 1.4 per cent in the final three months of the year.

While an inventory build was a big factor in the upward GDP revision, the department also boosted estimates for government spending and housing. And final demand -- a measure of the economy's strength when swings in inventories are excluded -- posted a solid 3.5 per cent rise.

"A pretty strong number," said Todd Finkelstein, director of fixed income at Boston Advisors. "Even without inventory building, the economy showed some clear

strength."

A step-up in consumer spending, up at a 4.1 per cent clip after an 1.8 per cent gain in the second quarter, accounted for most of the quarter-to-quarter improvement in the economy's performance. A sharp gain in auto sales, helped by zero-per cent financing deals and other incentives, played a big role.

Separately, the private Conference Board reported that its consumer confidence index rebounded in November from a nine-year low, but the rise to 84.1 from 79.6 in October was smaller than economists had expected and the index remained well below September's reading of 93.7.

Most of the index's gain came from optimism on the economy's six-month outlook.

"The rebound in expectations suggests consumers do not expect economic conditions to become worse," said Lynn Franco, director of the board's Consumer Research Center. She said the report signaled "brighter holiday spending than was anticipated only a month ago."