

## Pubali Bank inks term loan deal with Phoenix Leasing

Pubali Bank Limited has signed a Tk 100 million term loan agreement with Phoenix Leasing Company Limited.

Helal Ahmed Chowdhury, general manager of Credit Division of Pubali Bank Limited, and A Quadir Chowdhury, managing director of Phoenix Leasing Company Limited, signed the deal on behalf of their respective organisations at a simple ceremony held at the bank's head office in the city on Monday, says a press release.

Khandker Ibrahim Khaled, managing director, Ansaruddin Ahmed, deputy managing director (Admn), A H Ziauddin Ahmed, deputy managing director (Operation), Mirza Ali Insaf, general manager, Himansu Sekhar Roy and A Aziz, deputy general managers of Pubali Bank Limited, and Kazi Emdadul Haque, executive vice president of Phoenix Leasing Company Limited, were also present at the signing ceremony.

## Emirates to build new hangar complex at Dubai

A huge new hangar complex is to be built at Dubai International Airport -- to give Emirates engineers a facility where they can work on the airline's future fleet in safety and comfort, says a press release.

The eight hangars in the AED\$ 1 billion (US \$275m) Emirates Engineering Centre, the biggest building project ever undertaken by the airline, will house every aircraft type in its fleet, including its new 775-seat Airbus A380s which will be the largest in the skies when they enter service from 2005.

As well as hangars, the complex includes an aircraft washing bay, administration block, mosque, waste treatment plant, access roads, and parking for 2000 cars. It will be developed on a site next to the exhibition centre and will be ready to use by the end of 2005.

Emirates' Chairman, Sheikh Ahmed bin Saeed al Maktoum, recently signed the project management contract with Alain le Pajolec (left), managing director of French company ADPI Aeroports de Paris International.

## China's factory output grows 14.5pc in Nov

AFP, Beijing

China's industrial output grew by 14.5 percent in November from the same month last year -- the largest rise so far in 2002 -- amid soaring exports, official data showed Tuesday.

The November figure came on the back of a 25.9 percent gain in exports by industrial enterprises from the same month a year ago, the National Bureau of Statistics said in a press release.

The figures also showed that China's auto sector has been doing surprisingly well, despite dire warnings that it would be under threat after the country's entry into the World Trade Organization a year ago.

Local auto makers produced 325,000 vehicles last month, a rise of 49.3 percent from November last year.

## OECD hails regional trade accords

AFP, Paris

The OECD gave qualified praise to regional trade accords in a study released here Monday, concluding that they can have a positive impact on the global trading system.

But the Organization for Economic Cooperation and Development also warned that a "patchwork" of regional trade agreements can be harmful to countries that are not covered by them.

In addition, the study said, a regional approach has often proved unable to eliminate barriers to free trade in the audiovisual and shipping sectors.

But on balance, according to the OECD, "regional agreements frequently go beyond the provisions established under the World Trade Organization... and may even provide examples of how to improve global trade agreements."

It added that if negotiations to remove global trade barriers under the WTO's current Doha round bog down, many WTO members would be ready to expand regional trade links.

# Saifur blasts planners as natural resources shrink

STAR BUSINESS REPORT

Finance and Planning Minister M Saifur Rahman yesterday came down heavily on the present planning and policy formulation process, saying that the country's natural resources, including fishery and forestry, have been facing ruination but policy planners did not look into the matter seriously.

"Our forestry resources have been destroyed due to unplanned growth of brick fields. Similarly, chemical plants have destroyed fishery resources. These are the areas where our planners should look into seriously," he said.

The finance minister was speaking as chief guest at the opening ceremony of the International Refresher Course on Accounting for Sustainable Economic and Social Development jointly sponsored by the Institute of Social Studies, The Netherlands, and Human Development Unit of the Planning Commission at the NEC auditorium in the city.

Saifur Rahman said the context of establishing the Planning Commission in 1972-73 was different and it should work in the areas like health and education where market forces are less interested.

"Market will invest only for profit but it would not invest in areas like health or education. In the present globalised context, the Planning Commission should work for harmonising these things because we need environment-friendly economic policies and want to develop our country with our own resources," Saifur mentioned.

The minister said the government's priority is to alleviate poverty and generate employment but it would not be possible by achieving higher GDP growth rate.

With Shah M Farid, member (programming and SEI division) of

the Planning Commission, in the chair, the inaugural ceremony was addressed among others by JV Alarcon of the ISS, Badiur Rahman, Secretary of the Planning Division, Anisul Huq Chowdhury, Secretary of Economic Relations Division and Md Shahiduzzaman, Division Chief (SEI) and National Project Director (SHD) of the Planning Commission.

Around 30 participants from different government departments, 18 from nine Asian and Pacific countries, one from Economic Commission for Asia and Pacific (ESCAP) are participating in the 10-day course.



Helal Ahmed Chowdhury, general manager of Pubali Bank Limited, and A Quadir Chowdhury, managing director of Phoenix Leasing Company Limited, exchange documents after signing a Tk 100 million term loan agreement on behalf of their respective sides at a simple ceremony held at the bank's head office in the city on Monday. Khandker Ibrahim Khaled, managing director of Pubali Bank, was also present at the signing ceremony.

# EU dairy policy destroys Third World lives: Oxfam

REUTERS, Brussels

The EU's milk and dairy subsidies destroy the livelihoods of some of the world's poorest farmers, who are undermined by the bloc's large-scale dumping of surplus produce, British-based aid agency Oxfam said Tuesday.

European taxpayers financed their dairy industry to the tune of 16 billion euros each year -- the equivalent of about 40 per cent of output by what was the most important agricultural sector in most EU member states, Oxfam said in a report.

"This is equivalent to more than

\$2 per cow per day -- half the world's people live on less than this amount," the report said, adding that export subsidies accounted for about half of total EU expenditure on the dairy sector in recent years.

"But EU exports come at a high price for poor producers in developing and transition countries, many of whom live in acute poverty, and face unfair competition from cheap subsidised EU produce in their local markets and in export markets," it said.

These exports do not benefit European farmers but dairy processing and trading companies, which

received more than one billion euros in export subsidies each year to bridge the gap between high internal EU prices and lower world prices, it said.

Despite a complex system of member state production quotas to keep supply roughly balanced with demand, the EU still turned out more milk and milk products such as butter and milk powder than it needed to satisfy domestic consumption, Oxfam said.

That resulted in a structural surplus of dairy produce, absorbed internally or dumped externally using subsidies.



The 13th annual general meeting of Mita Textiles Limited was held yesterday at Sreepur in Gazipur. Managing Director of the company Mustafizur Rahman presided over the meeting.

# Singapore extends stimulus measures to offset downturn

AFP, Singapore

The Singapore government, fighting an anaemic economy and market uncertainty, has extended two off-budget stimulus measures offering potential savings of 308 million Singapore dollars (175 million US).

The sweetener was made less than a week after Finance Minister Lee Hsien Loong said he could not hold back on a planned goods and services tax (GST) hike despite pressure to defer the increase because of the economic slump.

A property tax rebate, reduced petrol excise duties and a lowered diesel tax on taxis, introduced when the recession set in last year, will be extended for another six months, the finance ministry said in a statement released Tuesday.

"Overall, the extension of both

measures will result in additional cost savings of about 308 million dollars to businesses and motorists," it said.

The measures were to have expired on December 31, a day before the first phase of a new GST rise takes effect.

Although Singapore emerged from its deepest ever recession in the middle of the year, the recovery has been stilted with a constant threat the economy could slip back into negative growth.

Lee warned last week the outlook for 2003 remained uncertain, and acknowledged the "psychological impact" of the GST increase could result in consumers cutting back on spending and businesses deferring investments.

Although he said it was not possible to put off the increase the

government would soften the impact by phasing it in.

GST will rise from three to four percent on January 1 and will be further increased to the full five percent at the start of 2004.

The increase was announced earlier this year to offset hefty cuts in corporate and personal income taxes designed to make the city-state a more attractive business destination.

The government last month slashed its economic growth forecast for the year by about a third to 2.0-2.5 percent, and gave a broad two-to-five percent growth prospect for next year.

"We cannot yet be certain how things will turn out," said Lee, who is also deputy prime minister and head of the Monetary Authority of Singapore.

## 16th AGM of Janata Ins held

The 16th annual general meeting (AGM) of Janata Insurance Company Limited was held at a city hotel yesterday, says a press release.

Abdul Gaffar Chowdhury, chairman of the Board of Directors of the company, presided over the meeting.

Speaking on the occasion, the chairman of the company appreciated the positive contributions of the shareholders in adopting the resolutions and apprised them of a 10 per cent interim dividend declared by the board earlier.

The managing director of the company, in his winding up statement, assured the shareholders of his positive steps for the company's overall improvement.

The meeting was also attended among others by Vice-Chairman M A Kalam, Directors M A Hashem, MP, M A Sabur, Hasina Begum, Qamrun Nahar, Aklima Begum, Md Jahangir Alam Khan, Md Nazrul Islam Khan, Md Naseem Kalam, Shahidul Kadir, Md Ruhul Amin, Adviser Aziz Al-Kaiser and Managing Director Md Jainul Abedin.

Shareholders, senior executives and concerned officers also attended the meeting.

## British trade deficit hits new record

AFP, London

The British trade deficit soared to a record 3.56 billion pounds (5.6 billion dollars, euros) in October from a revised shortfall of 2.74 billion pounds the previous month, official figures showed Tuesday.

The National Statistics office also reported a trade deficit with non-EU countries of 2.36 billion pounds in October, up from a revised shortfall of 1.85 billion in September.

Britain, like the United States, has been running up large trade deficits in recent months, as a vibrant domestic economy sucks in imports, while a combination of sluggish economic growth in its main European trading partners and a strong pound crimps demand for British exports.

Analysts had been expecting a global trade deficit of 2.8 billion pounds and a non-EU trade shortfall of 2.0 billion.

## US exports to Saudi Arabia plunge 25.6pc

AFP, Riyadh

US exports to Saudi Arabia plunged 25.6 percent in the first nine months of 2002 over the same period last year, as fallout from the September 11 attacks continued to trouble ties, according to a report Tuesday.

The value of US exports to the kingdom reached 3.457 billion dollars on September 30 this year compared to 4.648 billion in the first three quarters of 2001, official statistics released by the United States showed.

The figure is the lowest for US exports to Saudi Arabia since 1990, when they reached only 2.629 billion dollars for the first nine months of the year.

Washington's exports to Riyadh in the third quarter of 2002 remained unchanged from the second quarter, but were 15 per cent less than exports in the third quarter of 2001.

US exports to the oil-rich kingdom dropped 30.5 percent in the first half of 2002 compared to the same period last year.

Saudi exports to its main western ally also dropped 16.6 percent during the first three quarters to 9.126 billion dollars compared to 10.94 billion dollars last year.

# Revenue earnings cross five-month target

23.47 per cent growth registered

UNB, Dhaka

Revenue collection in the first five months of the current fiscal year has exceeded the target and also showed a 23.47 per cent growth over the previous year.

During July-November period of fiscal year 2002-03, Tk 8652.72 crore revenue was collected which was Tk 151.64 crore more than the target of Tk 8501.08 crore.

The amount was Tk 1644.57 crore higher than the collection of the corresponding period of the previous fiscal year.

Revenue collection exceeded the target in November by Tk 11.57 crore.

Revenue collection marked a 3.62 per cent rise in customs duty while 6.72 per cent in VAT against their respective targets in first five months of the fiscal year.

The growth was measured 24.56 per cent in customs duty while 27.29 per cent in VAT from the collection of the same period of previous fiscal year.

Though income tax collection could not achieve its target, the

amount was 12.06 per cent higher than the collection of the previous year in this sector.

The National Board of Revenue (NBR) achieved the success following the government's thrusts on mobilising more domestic resources to finance development efforts.

"This success will definitely accelerate the government's development efforts," NBR chairman Dr Shobeh Ahmed said, hoping that the revenue growth would continue till the end of the fiscal year.



Chairman of Janata Insurance Company Ltd Abdul Gaffar Chowdhury addresses the 16th annual general meeting of the company in the city yesterday. Vice-Chairman M A Kalam, directors, advisor and managing director of the company were also present.

# India seeks way to lower rates

REUTERS, New Delhi

India said Tuesday domestic interest rates must match falling global rates, but assured the aged that the government would protect their income by offering them higher-than-market rates.

The comments by Finance Minister Jaswant Singh addressed concern in the ruling coalition that falling rates are alienating middle-class voters, and persuaded analysts that the government had found a way to remove a roadblock to lower rates.

"We have to continuously match the international decline in interest rates so as to make our trade, industry and commerce competitive," Singh told the upper house of parliament.

"But at the same time, we have to take care of the interest of those invested at a higher rate and (those who) could suffer if the interest continued to decline."

Singh said his ministry was therefore considering offering senior citizens interest rates that were higher than market rates.

"I hope ... to correct it very soon ... with a differential interest rate for both pensioners and senior citizens and widowers so that this kind of decline in interest rate does not affect them," he said, but did not provide details.

Indian interest rates have gradually fallen over the past few years, with the key bank rate now at a 29-year low of 6.25 per cent after the

central bank cut it by a quarter percentage point in October.

Some members of Singh's Bharatiya Janata Party, which heads the federal ruling coalition, are worried that falling rates are alienating middle-class voters, the party's main support base.

Financial markets cheered the finance minister's comments, boosting prices on interest-rate sensitive government bonds.

The yield on the benchmark 10-year bond, which moves inversely to its price, fell to just below 6.40 per cent from a morning peak of almost 6.41 per cent.

Analysts said offering a different interest rate just to pensioners meant that the remaining rates could be market-driven and on a downward path.

"A major structural hurdle for lower interest rates has been removed," said Jayesh Mehta, head of debt capital markets at DSP Merrill Lynch.

"They move to give pensioners higher rates is a good move as it will now be easier to offer market-related returns on state-run savings instruments."

A reduction in the returns on small-savings schemes could lead to a drop in banks' deposit rates, and a possible fall in lending rates, analysts said.

Banks compete directly with government schemes for savings.

# Kazakhstan sees \$51b oil sector investment by 2015

AFP, Astana

Kazakhstan expects 5 Kazakhstan expects 51 billion dollars will be invested into the development of the country's oil sector by 2015, the top energy official said Monday.

"By 2005 eleven billion dollars will be invested (in the oil sector), plus 20 billion dollars by 2010 and plus 20 billion dollars by 2015," said Vladimir Shkolnik, Kazakhstan's Energy Minister.

He also said his country wants to increase annual oil output to 150 million tonnes by year 2015.

"In 2015 we are going to reach the level of 150 million tonnes of oil, or three million barrels per day," he told parliament.

Kazakhstan hopes to match Saudi Arabia by producing eight million barrels of oil per day by 2020.

Last year this former Soviet state produced 40 million tonnes of oil, and expects to produce 47 million tonnes by the end of this year, Shkolnik said.

Kazakhstan's Caspian sea oil field, the Kashagan, is estimated to hold seven to nine billion barrels of recoverable reserves, and is thought to be one of the largest oil discoveries in the world in the last 30 years.

The production of oil at the Kashagan field is expected to begin in 2005.

Kazakhstan is already home to a massive Tengiz oil field, which contains from six to nine billion barrels of oil, and is one of the 10 largest oil fields in the world.

# Japan introduces tougher rules for banking sector

AFP, Tokyo

Japan's financial watchdog introduced tougher rules for the troubled banking sector Tuesday as part of a major drive to halve the ratio of bad loans at banks by March 2005.

The measures are in line with a timetable unveiled on November 29, which could result in some lenders being nationalised by the government or receiving a public fund injection.

If a bank's capital adequacy ratio falls below a certain level -- eight percent for those with international operations -- it will have just one year instead of three to correct the imbalance, the Financial Services Agency (FSA) said.

The agency, headed by Financial Services and Economy Minister Heizo Takenaka, will also make aggressive use of an early-warning system to take pre-emptive action against banks at risk of deteriorating management health.

Under the new rules, hearings will be conducted into banks' health and lenders must submit reports about corrective measures.

If necessary, the agency can issue an order for improved operations under existing banking laws. Penalties will also be strengthened for banks that fail to comply with the FSA's correction orders.

The financial revitalisation plan, first announced by

Takenaka at the end of October, involves tougher inspections of banks' assets and the possible conversion of preferential shares held by Tokyo into ordinary shares.

Major banks issued preference shares to the government in return for public fund injections in 1998 and 1999, and conversion to ordinary shares could amount to effective nationalisation.

But the initiative has been heavily criticised by analysts as lacking any real sense of urgency.

Old-guard politicians and banking bosses with vested interests appeared to be blocking the more radical measures originally promised by the reformist minister, they said.