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National Housing signs MoU with ABC Real Estates

National Housing Finance and Investments Limited and ABC Real Estates Limited have signed a memorandum of understanding (MoU) in Dhaka, says a press release.

Under the arrangement, clients of ABC Real Estates Limited will receive housing loans up to 70 per cent of their apartment price from National Housing.

Shabbir Ahmed, managing director (current charge) of National Housing, and Nashid Islam, director of ABC Real Estates Limited, signed the MoU on behalf of their organisations. Senior officials of both the institutions were present at the signing ceremony.

National Housing Finance and Investments Limited is one of the leading non-bank financial institutions engaged in the core business of offering housing loans and different deposit schemes.

Iran opposes any OPEC output hike

AFP, *Assalouyeh, Iran*

Iranian President Mohammad Khatami said Saturday he was opposed to any output hike by the Organization of Petroleum Exporting Countries, but gave assurances OPEC would meet all its obligations.

"We are against any increase in production or exports," he said during a ceremony at the natural gas processing works here.

He added that OPEC "will fulfill all its obligations on production and on supplying the market."

Meanwhile, Khatami reaffirmed Iran's opposition to any military strike on neighboring Iraq, while adding "that does not mean we support the Iraqi regime."

World oil prices marched to their highest level in more than two years Friday as traders bet on a war in Iraq despite diplomatic machinations in the United Nations.

New York's the reference light sweet crude contract for March delivery rose 44 cents to 36.80 dollars a barrel, the highest level since September 2000.

Japan warns of tariff hike on beef imports

AFP, *Tokyo*

Japan warned Sunday it would raise tariffs on beef imports to 50 per cent if they reach a ceiling set under World Trade Organisation (WTO) regulations, an official said.

Japanese beef imports from other nations are expected to jump this year, compared with 2002, when domestic beef consumption was hit seriously by mad cow disease.

Japanese Foreign Minister Yoriko Kawaguchi met Australian trade minister Mark Vaile on the sidelines of a three-day WTO mini-ministerial in Tokyo.

During the meeting, Vaile asked Japan to take special consideration on a tariff increase because expected imports of beef did not signal an export drive from beef shipping countries.

"The Australian minister said it is unfair," the official said.

US blasts Japan protectionism

AFP, *Tokyo*

US Trade Representative Robert Zoellick on Sunday lashed out at the way Japan protects its rice farmers with sky high import tariffs, saying the nation's agriculture industry is "a leftover."

"In a sense Japan has had its economic vision of trade negotiations taken hostage by two per cent of its economy and 1.8 per cent of its population," Zoellick told a news conference after a three-day mini-ministerial WTO meeting in Tokyo.

"They are very small farms and in most cases one member of the family has a separate job ... It's a leftover," he exclaimed.

Japan imposes import tariffs of some 490 per cent on rice to protect the competitiveness of domestic rice farmers.

Tokyo has rejected a draft WTO proposal that calls for drastic reductions on import tariffs as "biased" in favour of exporting countries.

Agriculture is traditionally one of the thorniest issues for the 145 members of the WTO, pitting the European Union and Japan against the United States and Cairns Group of exporting nations.

A reduction on import tariffs on rice in Japan would enable other countries to sell the food more competitively here, in the same way Japan is already able to flood overseas markets with its cars and electronic goods, noted Zoellick.

Sacrificial animal skins smuggled to India

STAFF CORRESPONDENT, KHULNA

A large quantity of hides and skins of sacrificial animals has reportedly been smuggled out of country through Satkhira and Jessore borders.

Local traders with fund shortage have faced stiff competition from the agents of Indian leather traders in purchasing the hides and skins in this Eid season, which has led to the smuggling, sources said.

According to tanners, over 50,000 animals have been in nine upazilas of the district and metropolitan city on the occasion of Eid-ul-Azha this year.

In Satkhira and Bagerhat districts, the number of animals sacrificed was expected to be more than one lakh, said tanners Mohiuddin Biswas and Anwar Mandol of Khulna and Satkhira.

Leather traders of the three districts blamed tanners for creating problems in their business this year. "We paid money in advance to purchase hides and skins of cow, goat, sheep and buffalo. But most of the tanners have misappropriated our money," said leather trader Delwar of Moilapota, Khulna.

There is also an allegation of not tanning hides and skins in due time despite advanced payments.

"We failed to collect even 20 per cent of our requirements this year due to financial crisis. Leather traders from across the border have taken advantage of our failure. Agents of Indian leather traders have purchased skins at double rate," said a leather trader of Khulna.

Leather traders of Khulna said a huge quantity of hides and skins of different sacrificial animals was stockpiled in border areas with a view to smuggling them to India. These hides and skins have been bought from different places at higher prices, they said.

Leather traders of Satkhira Golam Rasul, Mantu Mia, Anil Das and Shaikh Mohsin said they purchased big size cow hides at the rate of Tk 2000, small size at 1200 and medium size at Tk 17,00. On the other hand, agents intending to smuggle the item paid much higher price for purchasing the same.

Nazrul Islam of Bagerhat said he and many other leather traders could not buy skin due to financial problem. "We are failing to cope with the soaring prices," Nazrul Islam said.

Emergence of middlemen in the trade has also given a rise to the prices, said all the tanners of Khulna city.

Three trade deals with Myanmar likely

Bangladesh fair begins in Yangon March 20

UNB, *Dhaka*

Signing of three bilateral trade promotion agreements, including account trade and coastal shipping arrangement, will feature the second Bangladesh's single country fair beginning in Yangon on March 20.

An agreement on joint business council will also be signed during the five-day show planned in the Myanmar capital to project Bangladesh's export potentials.

"We expect Prime Minister Begum Khaleda Zia to inaugurate the fair," Bangladesh-Myanmar Business Promotion Council Chairman R Maksud Khan said.

Commerce Minister Amir Khosru Mahmud Chowdhury, who inaugurated the first country fair in Yangon in March last year, yesterday reviewed the preparations for the second show at a meeting with Export Promotion Bureau and private sector people.

The success of the first fair encouraged both the EPB and the private sector to organise the second fair. "The weeklong fair last year was a success. Responses have also been very encouraging," Khan said.

However, the vast potentials, generated from the first fair could not be explored fully due to some bottlenecks regarding shipping and banking. Myanmar businesspeople have limitations in opening L/Cs there due to strict foreign currency regulations.

To overcome the problem, both the sides last year agreed on introducing account trade, now being practised between Myanmar and Thailand.

The Myanmar Premier, General Than Shwe, during his visit to Dhaka in December last year, also agreed with the proposals of account trade system and direct shipping link between Chittagong and Yangon.

Trade officials and businesspeople here hoped that the two arrangements would bolster bilateral trade between the two next-door neighbours and help reduce trade gap.

The Bangladesh Fair 2002 had some 60 stalls, apart from display of a gala cultural show. This time, the target is to have 100 stalls.

Bangladesh has good prospect, specially in pharmaceuticals, jute and jute goods, ceramic, steel products and cosmetics, in Myanmar which enjoys a trade in bilateral trade.

In 2000-01, Bangladesh imports from Myanmar amounted to US$ 24.69 million while the country's export was only $ 1.09 million.

The two countries entered into a border trade agreement in 1994.

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StanChart Reward Programme for credit card users

Standard Chartered Bank has launched Rewards Programme for its credit cards users, says a press release.

Md Aminul Islam, first winner of the Rewards Programme, received the award from David Fletcher, chief executive of Standard Chartered Bank Bangladesh, last week.

Islam won the reward for accumulating 1200 points by using his Standard Chartered credit card.

The Rewards Programme allows Standard Chartered Bank's Credit Card users to earn points against their retail purchases, which can be accumulated over a period of time.

The user of the card will be able to redeem gifts matching the accumulated points as and when he wants.

Copies of the catalogue of rewards for the Rewards Programme has been sent to all Standard Chartered credit card users, and is available at the branches.

AEA Muhaimen, head of Consumer Banking, S I Dastagir, managing director of Excelsior Home Appliance Limited, Mizanur Rahman, executive director of Excelsior Home Appliance Limited, and officials of Standard Chartered Bank were present at the ceremony.

Falling production may lead to tea import

AFP, *Sylhet*

Trouble is brewing in the tea industry of Bangladesh, which may have to start importing the crop unless it can halt falling production, officials warn.

The northeastern Sylhet tea-growing area, a picturesque part of this densely populated country, has been famous for its tea since 1857, when the Indian sub-continent was under British rule.

Tea leaves were initially distributed free to popularise the drink and draw people into cultivation.

The move was successful as Bangladesh became one of the biggest producers and exporters of tea in the world.

But in the last few years production has stalled and exports have fallen.

"Production has only increased by one million kilograms since 1997 on average, when the production was about 51 million kilograms," said an official of the state-owned Bangladesh Tea Board (BTB) in this scenic hilly region on condition of anonymity.

"Unless we can increase both the number of gardens and production we might turn into a tea-importing country from an exporting country by 2015."

Bangladesh produced 52 million kilograms of tea in 2002 and nine million kilograms, or 16.33 million dollars, was exported, compared with 35 million dollars in the 1997-1998 fiscal year.

Tea market sources and growers said "unfavourable weather" was hitting production and exports were dropping because foreign buyers were opting for cheaper and better quality products from Kenya or Sri Lanka.

Additionally land formerly used to grow tea is now being used for other crops which are more profitable.

"Some growers are opting for rubber plantations for quick returns, thus further shrinking tea-growing areas," said Sajedur Rahman, an official at a private garden, as he drove a jeep along the bumpy roads criss-crossing the plantation.

Tribeswomen in colourful indigenous dresses dot the gardens during the peak plucking season in April.

But another problem is that the tribespeople are giving up tea-picking for more lucrative work such as betel leaf cultivation.

Commerce Minister Amir Khosru Mahmud Chowdhury recently called for spare land to be used for tea-growing.

"With an increasing population, decreasing tea-cultivable land and increasing demand for tea as a popular drink globally, unutilised land should be used for the new cultivation of tea," he said.

"Tea plantation will usher in a new horizon and bring about a positive impact on the economy," he added.

BTB chairman Brigadier General A.H.M. Touhid said Bangladesh could produce 130 million kilograms more tea through cultivating 46,875 hectares (115,781 acres) of disused land in the southeastern Chittagong hill region, bordering India and Myanmar.

Officials said tea was currently being cultivated on 50,000 hectares (123,500 acres) in the Sylhet district and southeastern Chittagong district.

New gardens are being set up in Chittagong Hill Tracts area along with some in the northern Panchagarh district, where production was expected by 2010.

The BTB has also started experimental tea cultivation in the northwestern Mymensingh district's Garo Hills and nearby Natore district.

There are some 160 tea gardens in Bangladesh, of which 35 are labelled "sick" -- or on the verge of closing down -- while another five have closed for various reasons, including financial losses due to poor output, growers said.

As well as local owners, James Finlay Plc. and Duncan Brothers of Britain have large gardens in Bangladesh.

Oil majors gearing up for post-Saddam battle

AFP, *Paris*

As the growing beat of war drums sounds the threat of war in Iraq, international oil majors and their governments are preparing for the battle to stake claims on Iraq's vast oil reserves, the second-biggest in the world.

Iraq has promised mainly French, Russian and Chinese companies, led by TotalFinaElf and LUKoil, the prime choice of developing the country's massive but neglected oil resources, although questions are being raised whether such arrangements would be honoured in a post-Saddam Iraq.

UN sanctions have starved the Iraqi oil sector of the 30 billion to 40 billion dollars in investment calculated to be necessary to rebuild and develop the country's oil deposits, stirring oil companies' appetites for a piece of the expected action.

Analysts at Deutsche Bank said in a research report: "We doubt that the Russian, French and Chinese governments would completely surrender their economic interests, and that support (or lack of opposition) to US military action may well come at the price of a proviso that they would have a post-Saddam economic role."

Royal Institute of International Affairs researcher Valerie Marcel agreed, saying in a recent study: "A key issue for all the companies that have invested time to negotiate these contracts has been whether the agreements currently in place will survive a change of regime in Iraq."

"In the event of an invasion, the future of these agreements may hinge on the result of negotiations with the United States and their countries' support for US policy in Iraq," Marcel said.

French oil giant TotalFinaElf, which had been active in Iraq for decades even before the current sanctions, is in the pole position to lead the scramble into a post-Saddam Iraq, having initialled potentially lucrative agreements for two of Iraq's most promising fields.

TotalFinaElf head of exploration and production, Pierre de Margerie, said recently: "Once the situation is clarified, we hope to have a chance to defend our position."

The biggest Russian oil company, LUKoil, had signed a contract to develop the vast West Qurna field although last week Iraq said it had made a "final decision" to cancel the contract because "over the past three years the Russian firm has not invested one dollar in the project," interim Iraq oil minister Samir Abdul al-Nejm said February 10.

However, Iraq has engaged numerous other group's from Russia and elsewhere about developing its oil resources.

But US oil firms have been notably absent, having been excluded from Iraq's huge oil reserves since the end of the 1980s when Washington-Baghdad relations deteriorated.

A recent report by the Council on Foreign Relations, a US think-tank, and the James A. Baker III Institute for Public Policy at Rice University warned against legal haggling between companies that have agreements with Iraq and those that are likely to want to get in on the game.

"Prolonged legal conflicts over contracts could delay the development of important fields in Iraq and hamper a new government's ability to expand production.

"It may be advisable to pre-establish a legitimate (preferably UN mandated) legal framework for vetting pre-hostility exploration agreements," it recommended.

The stakes in a legal battle for shares in Iraq's oil sector are huge given the country's vast reserves.

SingTel regional expedition shows returns

AFP, *Singapore*

Singapore Telecommunications Ltd.'s (SingTel) foray into overseas markets is beginning to yield dividends but it is still premature to uncork the champagne, industry analysts said.

The island's biggest telecom carrier reported an annual two per cent rise in net profit of 296 million Singapore dollars (171 million US) for the quarter ending December, boosted by a strong showing from overseas associates.

Despite tough competition, its Asian associates and European investment in Belgacom turned in profits but Philippine affiliate Globe Telecom suffered a loss as the peso currency declined.

Overseas markets now account for nearly 70 per cent of SingTel's total revenue and 54 per cent of earnings before interest, tax, depreciation and amortisation, which rose 22 per cent to 1.23 billion dollars.

Particularly gratifying for SingTel was the performance of its Australian unit Optus, which had been in the red for two years and a burden on the Singapore telco's bottomline.

For the December quarter, Optus turned in a net profit of 22 million Australian dollars (13 million US).

SingTel paid 13 billion Singapore dollars two years ago for Australia's number two telco operator but analysts deemed the price too expensive.

"Our results in Australia and the strong performance of our overseas investments mean that we have significantly reduced our dependency on our Singapore operations to maintain earnings growth," said SingTel chief executive Lee Hsien Yang.

"They show that we are on track to meet our targets and remain well positioned for above-average growth, despite a slower than expected economic recovery in Singapore," he said.

He added the results "demonstrate the success of our regional expansion strategy."

PHOTO: INTERSPEED

David Fletcher, chief executive of Standard Chartered Bank, Bangladesh, hands over an award to Md Aminul Islam, the first winner of the bank's Rewards Programme for credit card users, in Dhaka recently.

Iraq war to impact Indian economy mildly: Survey

AFP, *New Delhi*

More than 60 per cent of Indian industrialists say a US-led attack on Iraq would have only a moderate negative impact on India's economy, a survey found Sunday.

Only 23 per cent believed there would be a significant negative impact, said the Confederation of Indian Industry poll.

Seventy-nine per cent of industrialists felt inflation would increase "moderately" as a result of a war.

Thirteen per cent said the impact on inflation would be "significant" and eight per cent felt war would have no effect on inflation, according to the survey which was quoted by the United News of India agency.

However, industrialists agreed the extent of impact on India's economy would depend on the duration and intensity of a war.

India imports a majority of its oil requirements, mostly from the Gulf, and also depends on remittances from some three million workers in the Middle East.

The Indian government has come out against any unilateral US attack on Iraq.

Separately, 87 per cent of industrialists wanted the Indian government, in its budget to be presented before parliament February 28, to implement a value-added tax to "streamline the taxation system" and enhance competitiveness.

On growth prospects, close to 90 per cent of respondents said they expected the economy to grow by five to six per cent in the fiscal year ending March 31.

India's official Central Statistical Organisation has estimated growth would slump to 4.4 per cent this year from 5.6 in 2001-2002.

For the 2003-2004 fiscal year, 51 per cent of industrialists said the economy would clock more than six per cent growth, while 41 per cent said it would be between five and six per cent.

S'pore port operator to cut jobs amid competition

AFP, *Singapore*

For the first time in more than 20 years, Singapore's state-linked port operator PSA Corp. will lay off workers amid intensifying competition from Malaysia and other rivals, local media reported Sunday.

Deputy Prime Minister Lee Hsien Loong, who is also finance minister, delivered the grim news to PSA union members on Saturday, and retrenchment notices are expected to be handed out as early as Monday.

The lay offs follow an announcement by PSA on Friday that it will shed its non-core business to focus on its main strengths. No estimates of the workers to be laid off were released.

PSA, which operates one of the world's busiest ports, has some 6,000 employees. The last time it retrenched staff was in 1980, when 300 employees were laid off, the Sunday Times said.

A 43-year-old operations assistant who has been working for PSA Corp. for 25 years could not believe the news.

"The port is the backbone of Singapore," he told the Sunday Times. "They still need manpower. I don't think they will let us go."

Minister Lee was quoted by TV station Channel News Asia's website as saying that "you cannot carry any surplus baggage and you have to run as trim a ship as possible."

"Particularly, at PSA, with competition, tariffs will have to come down and they have to make sure that their costs are kept to the lowest possible extent," the minister said.

PSA Corp. announced last Friday that it was transferring its airport handling, cruise terminal and exhibitions businesses, and its interest in a cable car operator, to its parent Temasek Holdings.

The transfer, subject to regulatory and other approvals, is targeted to take effect at the end of March. Temasek is a state investment arm which holds key stakes in several strategic companies in Singapore.

The PSA Corp. trimming exercise is being carried out despite positive recent developments.

PSA said container volumes handled by its domestic and international terminals in January rose 28 per cent.