

## PHP starts exporting CR coil, CI sheet

PHP Group started exporting CR coil and CI sheet recently, says a press release.

To mark the launch of the export to Myanmar, a function was held on Chittagong Export Processing Zone (EPZ) on Monday. Commerce Minister Amir Khosru Mahmud Chowdhury was present as the chief guest in the launching programme.

State Minister for Communications Salahuddin Ahmed and Vice-chairman of Bangladesh Myanmar Business Council Syed Mahmudul Haque were present as special guests.

Mohammad Mohsin, managing director, and Golam Mostafa, general manager of PHP Group, were also present.

## Repo auction held

UNB, Dhaka

The repurchase agreement (Repo) auction of Bangladesh Bank for commercial banks and financial institutions was held here yesterday.

Four bids of one-day tenor amounting to Tk 76.00 crore were received and accepted.

The rate of interest against the accepted bids ranged from 8.25 per cent to 8.10 per cent per annum, said a Bangladesh Bank press release.

## New MD of Sadharan Bima



Akhtar Ahmed joined Sadharan Bima Corporation as its managing director with effect from March 1, says a press release.

Prior to his new assignment, Ahmed was serving as chief executive officer of Hong Kong Regional Office of Arab Insurance Group (ARIG), the leading re-insurance organisation in the Middle East.

Ahmed started his career in insurance in 1970 after obtaining MA from Dhaka University.

Ahmed is a chartered insurer and associate of the Chartered Insurance Institute, UK.

## Uttara Motors opens new showroom

Uttara Motors Limited, a leading automobile marketing company in Bangladesh, inaugurated their third showroom in Dhaka recently, says a press release.

Habibullah Khan, a former minister, inaugurated the new showroom as chief guest.

Hideo Ueno, general manager of Itochu Corporation, Dhaka, Shah Md Nurul Alam, managing director of Prime Bank Ltd., and Anne Ella Momin, vice-president of AB Bank Ltd, among others, were present.

At the new showroom, cars and jeeps of different models ranging from 800cc to 2000cc of Suzuki (Japan) and Maruti Suzuki (India), are displayed.

## US employers announce 138,177 job cuts in Feb

AFP, New York

US employers picked up a heavier job-cutting axe and announced 138,177 cuts in February, up 4.5 per cent from January, an industry survey showed Tuesday.

The size of the reduction was also up 7.9 per cent from February 2002, said the survey by outplacement firm Challenger, Gray and Christmas Inc.

"It looked as if job cuts were beginning to come back down to earth in the spring of 2002, after several months of heavy post-terrorist attacks downsizing," said the firm's chief executive, John Challenger.

"However, it now appears that economic uncertainties and war talk have put the brakes on business spending plans and companies are once again in a serious cost-cutting mode," he said in a statement.

# Development of Korean EPZ Cabinet body comes up with 12 recommendations

UNB, Dhaka

The Cabinet Committee on Korean Export Processing Zone in Chittagong yesterday finalised its report with a set of 12 recommendations and asked the foreign company to take step for quick industrialisation in the KEPZ area.

It recommended establishment of 250 industries investing \$50 crore in next six years and thus providing employment to 40,000 people.

In the original project proposal of the KEPZ authorities there had a target to invest \$100 crore by 2013

and create employment opportunities for one lakh people by setting up 500 industrial units.

The cabinet committee, constituted for reviewing the development plan for the 2,492 acres of land allotted for the KEPZ, finalised the report in its sixth meeting with convenor of the committee and Industries Minister MK Anwar in the chair.

Law, Justice and Parliamentary Affairs Minister Moudud Ahmed, Land Minister M Shamsul Islam, Shipping Minister Akbar Hossain and secretaries and high officials concerned were also present.

The committee also recommended ensuring establishment of 14 main categories of industries and proper utilisation of KEPZ area as per provision of the Bangladesh Private Export Processing Zones Act 1996.

It suggested establishing waste-treatment plant "centrally or in every industrial unit so that industrial waste cannot pollute the land or water of the area". The company would have to keep the KEPZ Board of Governors posted on the kind of industries going to be set up in the area.

The committee emphasised maintaining the ecological balance

during infrastructure or land development. Since much time has already gone by at planning stages, the committee laid emphasis on encouraging quick establishment of industries.

South Korean Youngone Corporation took initiative to set up an EPZ in Chittagong in 1995. In 1999, the government allowed them to acquire 2,492 acres of land on the south bank of river Karnaphuli, spreading over Bandar, Potia and Anawra thana areas.

The KEPZ authorities are now working for site development.

## One-stop service at BSB Dhaka Commercial Branch Office

Bangladesh Shilpa Bank (BSB) has introduced computerised one-stop service in the banking activities of Dhaka Commercial Branch Office of the bank, says a press release.

Professor Abu Ahmed, chairman of BSB Board of Directors, formally inaugurated the one-stop service at the office yesterday.

Md Abdul Hamid Miah, managing director of the bank, attended the function as the special guest.

General managers and high officials of the bank were also present.

## US slaps 3.94pc duty on Canadian wheat imports

AFP, Washington

The United States slapped a preliminary duty of 3.94 per cent Tuesday on what is said were unfairly subsidized Canadian wheat imports, a move likely to increase trade frictions between the North American neighbors.

The Department of Commerce said its countervailing duty would be imposed on durum wheat and hard red spring wheat from Canada pending a final determination of US farmers' complaints about unfair subsidies by Ottawa.

The decision was quickly praised by US growers but denounced north of the border.

The action was taken in response to a complaint filed by North Dakota farmers and affects US imports of some 300 million dollars a year, the Commerce Department said.

The new dispute is the second over wheat and the latest in a series of trade spats between the two members of the North American Free Trade Agreement.

In December, the United States said it was filing a complaint with the World Trade Organization alleging "monopolistic" practices by the Canadian Wheat Board that harmed US exporters.

Washington and Ottawa have been at loggerheads in recent months over softwood exports from Canada, which US officials contend are unfairly subsidized.

# New shrimp assoc soon

STAR BUSINESS REPORT

A new association involving all stakeholders of shrimp industry in Bangladesh is in the offing.

The decision was announced at a press conference yesterday in Dhaka. The conference was organised by Quality Feeds Limited, Shrimp Hatchery Association of Bangladesh and Bagerhat District Shrimp Farmers Cooperation Committee Ltd.

Organisers said the association will act as an apex body, which will also set up a laboratory for testing the shrimp quality.

Bill More, vice president of the Aquaculture Certification Council

(ACC), was also present at the press conference.

ACC is the organisation that formulates codes of conduct for shrimp industries, gives certification and acts as watchdog to maintain quality of shrimp products.

Bill More said the shrimp industry in Bangladesh has tremendous potential but there is absence of an integrated approach.

Terming Bangladesh shrimp industry as a 'sleeping giant', he said a window of opportunity has opened up for Bangladeshi exporters as the shrimps of the Western Hemisphere are infected with whitespots.

He said Bangladesh shrimp

export does not face any significant complaints from major buyers.

Maj Monjoor Ahmed (ret'd), owner of a shrimp processing plant, said Bangladesh accounts for only one per cent share of the world shrimp market.

He added the setting up of the planned laboratory will reduce the cost incurred by the shrimp industry.

Surendranath Sikder of Bagerhat District Shrimp Farmer's Co-operative Society Ltd and Nizam A Selim, president of Shrimp Hatchery Association of Bangladesh, were present.

## Discussion on corporate governance

A discussion titled 'Corporate Governance-The Role of Accountants' organised by the Institute of Chartered Accountants of Bangladesh (ICAB) was held Monday in Dhaka, says a press release.

Minister for Industries MK Anwar attended the meeting as chief guest. Fayezul H. Choudhury, VP and controller of The World Bank, Iqbal Sobhan Chowdhury, editor of The Bangladesh Observer, Wendy Werner, senior research associate of Bangladesh Enterprise Institute, also attended the meeting.

The minister said the government has already initiated some steps for proper functioning of the corporate sector.

AK Gulam Kibria, president of ICAB, also spoke.

## Oil prices rise by 3pc in New York

REUTERS, New York

Oil prices rose nearly 3 per cent Tuesday as the United States stepped up its military build-up in the Gulf and dealers speculated Turkey would ultimately agree to allow US troops to use its territory as a launchpad in any attack on Iraq.

US light crude rose \$1.01, or 2.8 per cent, to \$36.89 a barrel, about three dollars below 12-year highs hit late last week. In London, Brent crude settled 61 cents higher at \$33.09.

The gains marked a rebound from sharp losses on Monday after the Turkish parliament voted against allowing US troops to use Turkish bases for a possible attack on Iraq, the world's eighth biggest oil exporter.

Turkish Foreign Minister Yasar Yakis indicated on Tuesday the government was considering a new parliamentary motion to approve the deployment of US troops.

Oil prices have risen 20 per cent since the start of the year on fears that war in Iraq could upset supplies from the Middle East which pumps a third of the world's oil.

Washington wants UN Security Council support for possible military action, but France, Russia and China -- three of the council's five veto holders -- say UN arms inspectors in Iraq should be given more time.

## Malaysia's trade surplus surges 39 per cent

AFP, Kuala Lumpur

Malaysia's trade surplus jumped 39.9 per cent in January to 6.3 billion ringgit (1.7 million dollars), the largest monthly surplus since March 2000, the government said Wednesday.

The Ministry of International Trade and Industry (MITI) said exports increased 6.4 per cent to 30.4 billion ringgit while imports rose marginally by 0.4 per cent to 24.1 billion ringgit.

Exports of most products rose in January, with electrical and electronic goods accounting for 15.2 billion ringgit or 49.9 per cent of the total, it said.

Economists said the sharp rise in exports was above expectation.

"Prior to that there were two straight months of monthly decline in exports and imports," an economist with a local bank said.

It reflects the turnaround in global demand for electrical and electronic goods along with a steady demand for palm oil despite a higher price.

But another economist said the coming months may see a decline in exports due to external geopolitical uncertainties, in particular the looming war in Iraq.

Other products that contributed to the jump in exports included machinery, chemicals, refined petroleum products and palm oil.

# Quality apparels can win Japanese market: Expert

STAR BUSINESS REPORT

Against the backdrop of meagre textile exports to Japanese market, a Japanese textile-dyeing expert yesterday advised entrepreneurs here to strictly maintain quality to get a big share in the apparel market of the world's second largest economy.

"Japanese customers want good finishing and perfect colour. As dyeing process in Bangladesh is done in untreated water, it is not getting attention of Japanese importers," Yutaka Yoshioka, a dyeing expert and a board member of Japan Textile Consultant Centre, said.

He was addressing a seminar on "Present Japanese garments industry and latest dyeing technology of Japan" organised jointly by Japan External Trade Organisation (JETRO) and Bangladesh Garments Manufacturers and Exporters Association (BGMEA).

He said though Bangladeshi manufacturers bring high technology from Japan by spending millions of dollars, they could not convince Japanese apparel import-

ers because of absence of impeccable dyeing.

"I have visited eight factories so far where engineers complain that they cannot fully meet the perfect shade demand of importers due to widespread use of untreated water straight from the deep tube wells," he said.

"Contrary to the common perception, they say it is easy to create a deep colour in the dyeing process but it is hard to develop a light shade which the importers insist for," he added. He said dyeing enhances value of the fabrics significantly.

In Japan, he said, it is the highly treated water that accounts for 98 per cent of a quality coloured fabric.

He instructed the manufacturers to develop water treatment plant beside their factories to ensure good shade of dyed fabrics.

Other factors that hinder Bangladesh's entry into Japanese apparel market are failure to meet the delivery deadline and competitive price.

Takao Kobayashi, general

manager of Marubeni Corporation-Bangladesh, informed the seminar Bangladesh holds a 0.1 per cent share of Japanese apparel market which could be improved through compliance of strict Japanese standards.

BGMEA President Kutubuddin Ahmed said as Japan has awarded Bangladesh duty-free access, local exporters should make use of this opportunity.

He urged JETRO to support Bangladesh garments industry in improving its quality.

"JETRO can organise exclusive trade fair for apparels in Japan which would help attract attention of Japanese customers," he said. Mentioning the success of Canada with 25 per cent value addition for Bangladeshi garments, he urged the government to initiate further economic diplomacy to earn such facilities in other countries.

Sotaro Nishikawa, representative of JETRO, and Alamgir Rahman, director of BGMEA, were also present at the seminar.



PHOTO: UTTARA MOTORS

Former minister Habibullah Khan inaugurates a new showroom of Uttara Motors in Dhaka recently.

# China targets ambitious growth with heavy public spending

AFP, Beijing

With a record budget deficit expected this year, China Wednesday said it planned to take on more debt, boosting public spending to help it reach ambitious growth targets of seven per cent.

China is expected to announce a 319.8 billion yuan (38.6 billion dollar) budget deficit this year, with government officials citing the need to address ongoing difficulties in raising incomes and spurring domestic demand.

It will mark a 3.2 per cent increase over 2002's record 309.8 billion yuan deficit, which itself was 25 per cent higher than in 2001.

Chris Leung, an economist at DBS Bank in Hong Kong, said that given the current uncertainty of the global economy, fiscal deficit spending was always a concern.

"But I believe it is quite necessary," Leung said. "It clearly works in China in terms of developing a headline GDP (Gross Domestic Product) figure."

China is targeting an economic growth rate of seven per cent in 2003, down from eight per cent in

2002, but still ambitious in an uncertain global climate.

"Based on our overall analysis of the situation at home and abroad, we set the target for 2003 economic growth at around seven per cent," Premier Zhu Rongji said in his last speech to lawmakers at the opening of the National People's Congress.

Zhu is expected to step down when the annual parliamentary session ends in two weeks' time and be replaced by current Vice Premier Wen Jiabao.

"This growth rate is both necessary and achievable through hard work," he said.

Economists have attributed China's fast growth to increasing exports and large-scale government spending.

China has been the world's fastest growing major economy for the past several years and is likely to remain so in 2003.

Seven per cent growth will be quite attainable considering China has set similar targets over the past few years and consistently surpassed them, Leung said.

In his speech, Zhu outlined

policies that had helped keep China's surging growth on track, most importantly moving away from inflation-curling measures to a "proactive fiscal policy and prudent monetary policy to expand domestic demand and curb deflation."

But he also urged that China strengthen and improve its macro-economic regulation.

"We must focus on ensuring a sustained and rapid growth of the economy, be alert to changes in the international and domestic economic situations, and improve our ability to predict and cope with them effectively."

In order to finance this growth rate, China will issue 140 billion yuan (16.9 billion dollars) through special long-term bonds, Zhu said.

The figure is a slight retreat from the 150 billion yuan in special T-bills allotted in each of the last five years as the government pumped funds into the economy.

Analysts said it was largely a symbolic move, a sign by Beijing that it is aware of the dangers of undisciplined fiscal policy.

Priority will likely be given to

construction projects that can help lift economic growth in China's destitute western areas, according to Zhu's speech.

China's rural economy continues to lag far behind its booming coastal cities, with a widening gap between rich and poor threatening to lead to serious social unrest.

"It is one of China's core problems, because the interior is substantially lacking behind the coastal provinces," said Leung.

The mainland has relied on infrastructure investments, financed via large-scale bond issuances, as a means to promote economic growth since the late 1990s.

But Zhu warned that China should be careful to choose the projects financed by the massive bond issuances, picking only those that are "wholly necessary".

STAR BUSINESS REPORT

A fair aiming to create scope for job seekers to get suitable jobs began yesterday at Lagoon Convention Centre, Rifles Square in Dhaka.

North South University Young Entrepreneurs Society has organised the two-day fair to bring together job seekers and employers.

Commerce Minister Amir Khosru Mahmud Chowdhury inaugurated the 'Autoline-NSU National Entrepreneurs Fair 2003'.

Commerce minister urged young generation to come forward in business, as Bangladesh needs an educated business community to compete in the global business.

"In the new era of globalisation, we must have a business community which is aware of the future

challenges," he said.

The fair consists of 40 stalls showcasing cosmetics, perfumes, CD, VCD, boutique, garments, handicrafts and food.

Students from Dhaka University, Independent University of Bangladesh, East West University, BRAC University, South East University, Rajshahi University, Chittagong University and NIIT are participating in the fair. The participants also include representatives from Women's Entrepreneurs Association of Bangladesh and Women's Voluntary Association.

Among others, NSU Vice Chancellor Hafiz GA Siddiqi and ABM Kamal Uddin Khan, chairman of the board of directors of NSU, were present.

# WTO chief sees gridlock in Doha round

REUTERS, Geneva

World Trade Organisation (WTO) chief Supachai Panitchpakdi warned the body's 145 member countries Tuesday the year-old Doha Round of free trade talks was running into gridlock.

Supachai, a former deputy prime minister of Thailand, told a meeting of the round's supervising trade negotiations committee (TNC) that although agriculture was the main problem wide differences on other issues also had to be overcome.

"We are facing imminent gridlock unless negotiators move urgently to avoid it," he told the gathering, called to assess progress in the round due to be completed by the end of 2004.

He said negative tactics and an "all-or-nothing approach" by delegations insisting their issues had to be resolved before they would seriously negotiate on others were holding up any real advance.

Trade sources said although many ambassadors voiced agreement with Supachai's assessment, there was no sign of any change in positions.

"It looked bad before today, and it doesn't look any better now," said one source.

Last week negotiators failed to achieve a breakthrough on what shape reforms in global trade in

agricultural produce, and especially reductions in farm subsidies, should take under a final agreement.

Under the timetable, that agreement has to be completed by the end of this month. But the chairman of the farm talks, Stuart Harbinson, told the meeting they were in "continued inertia".

Success on agriculture is central to success in the overall round which also aims to slash tariffs on industrial goods, further open service markets for international competition, and ensure better treatment for developing countries.

In September, trade ministers from all WTO states are due to meet in Cancun, Mexico, to clear the way for the final stages of the round -- whose success, the World Bank says, would pump hundreds of billions of dollars into the global economy.

But already many envoys and analysts are predicting "doom in Cancun".

"Without progress here, we are heading for a disaster scenario over there," Brazil's outspoken ambassador Luiz Felipe de Seixas Correa told the TNC.

Brazil is among WTO members seeking commitments from European countries and the United States on radical cuts in subsidies to farmers.