

**Russell Lodge signs MoU with National Housing**

Russell Lodge Holdings Ltd signed a memorandum of understanding (MoU) with National Housing Finance and Investments Limited yesterday, says a press release.

Under the arrangement, the clients of Russell Lodge will receive faster and superior customer service from National Housing Finance and Investments Limited in getting up to 70 per cent housing loans of their apartment and shop prices.

Anas Uddin Ahmed, managing director of National Housing Finance and Investments Limited and Shafiqul Islam, managing director of Russell Lodge Holdings Ltd signed the MoU on behalf of their organisations.

Shabbir Ahmed (DMD), Nizam Ahmed (AVP), of National Housing Finance and Investments Limited, Foyez Ahmed, senior manager (Marketing & Planning) of Russell Lodge Holdings Ltd were present in the signing ceremony.

**CityCell Launches family package**

Cell phone CityCell has come up with a family package offer, says a press release.

Introduced in last February 2003, the package, one2one, allows a person to communicate with another one with CityCell postpaid connection at 50 per cent of the regular tariff.

Under this package, a person who has a CityCell postpaid connection has to buy another CityCell postpaid connection in his/her name. The billing address for both the connections has to be same. Then, it will be possible to communicate between these two connections at half the regular rate in both peak and off-peak hours.

So, for the regular outgoing rate of Tk 4 during peak hour and Tk 3 during off-peak hour, the package allows reduced rates of Tk 2 and Tk 1.5.

One who does not have a CityCell connection can purchase two CityCell postpaid connections in his/her name at a time and obtain a 10 per cent discount on the whole package price. But, it has to be ensured that both the connections have the same billing address.

**EXIM Bank client get-together held in Ctg**

Export Import Bank of Bangladesh Limited (EXIM Bank) held its client get-together of Chittagong region in Chittagong on Saturday, says a press release.

Md. Nazrul Islam Mazumder, chairman of the bank, Mohammed Lakotullah, managing director, and Borhanuddin Ahmed Chowdhury, manager of Agrabad branch spoke on the occasion.

Among the clients, Sufi Mizanur Rahman, chairman of PHP Group, Alhaj Khalilur Rahman, chairman of KDS Group, and SM Nurul Hoque, vice-president of BGMEA, also spoke at the function.

Ekrumul Hoque, deputy managing director, Md. Shahidullah, manager of Khatunjor branch, and many valued clients were present.

In his speech, the chairman of the bank expressed his heartfelt gratitude to the clients for their trust, confidence and ongoing cooperation with EXIM Bank.

In his speech the managing director said bank earned a profit of Tk 10 crore in the year 2000, Tk 28 crore in year 2001 and Tk 40 crore in year 2002.

**Indian air carriers hit hard by Iraq war tensions**

AFP, New Delhi

India's airlines are being hit hard by surging aviation fuel prices and a drastic drop in passengers to highly-profitable Middle Eastern destinations due to the Iraq war, industry analysts said Thursday.

The situation will be exacerbated the longer the war continues, they added.

A 15 per cent hike in fares by domestic carriers Indian Airlines and Jet Airways as well as a five per cent increase by international carrier Air India was already beginning to thin the number of air passengers, and the trend would continue.

# US FDA team postpones visit on Iraq war

MONJUR MAHMUD

The scheduled visit of the US Food and Drug Administration (FDA) inspectors to Bangladesh from April 14 has been postponed due to the ongoing war in Iraq.

Sources said the visit has been put off in view of security alert, which was issued by the US government following the war.

The US inspectors were scheduled to visit some remote areas in Khulna, Chittagong and Cox's Bazar to inspect the entire shrimp production chain.

"Due to the ongoing war and security alert the trip has been postponed until further notice," Cherae P. Frazier, international programme specialist, Division of

Field Investigation of USFDA, wrote to the Director General of Directorate of Fisheries Md Nasir Uddin Ahmed recently.

According to a statement of Bureau of Consular Affairs of US Department of State, Bangladesh continues to experience some anti-American sentiment as a result of US military and other actions "in the war against terrorism" and events in the Middle East.

"Anti-American demonstrations throughout Bangladesh normally occur on Friday afternoons but now they may take place any time at any place," US State Department said.

American citizens residing in or visiting Bangladesh are urged to consider carefully the security risks in deciding whether to attend large

public gatherings.

"The US authority has postponed the visit temporarily as part of security reasons. If the situation improves, the visit will take place at a convenient time," Abdul Haq, secretary of the Ministry of Fisheries & Livestock, told The Daily Star.

The shrimp sector was expecting a team of US FDA inspectors to confirm that its food safety procedures are up to their standard. During a month-long visit, the team was supposed to visit processing plants, farms, hatcheries, depots, quality control labs and landing centres.

The aim of the visit was to check hygiene in the cultivation, transportation, storage and processing of shrimp to ensure that quality

control systems are in place and food safety standards are being met.

According to officials of the Directorate of Fisheries, the department is keen to retain the image of Bangladesh shrimps by strictly following Hazard Analysis Critical Control Point (HACCP) principles. It has already urged growers and exporters to ensure that quality is being maintained throughout the entire production process.

The visit was considered a crucial one for Bangladeshi exporters as the US is the single largest importer of Bangladeshi shrimp and the FDA inspectors were supposed to have endorsed the sector's production process.



Prime Minister Khaleda Zia hands over a crest to Syed Mahmudul Huq, vice chairman of Bangladesh Myanmar Business Promotion Council. The crest was presented by the Union of Myanmar Federation of Chambers of Commerce and Industry in recognition of his contribution to promotion of economic cooperation between Bangladesh and Myanmar during prime minister's meeting with joint Chamber of both the countries in Yangon recently. Commerce Minister Amir Khosru Mahmud Chowdhury was also present.

## Prolonged war to further slow down global recovery: IMF

AFP, Washington

A bogged-down Iraq war would hit a recovering world financial market hard, the International Monetary Fund warned Thursday.

"While markets may have priced in a short and decisive war, any departure from this scenario could weaken confidence further," the IMF said in its twice-yearly Global Financial Stability Report.

"Moreover, markets may not have yet focussed on the possibility that uncertainty could persist for some time."

The IMF report was drawn up several weeks before US and British forces invaded Iraq.

A week after the campaign began, and despite a "shock and awe" blitz of Baghdad, the Iraqi regime still stands as US forces massen route to the capital.

Field reports put the Third Infantry Division less than 100 kilometers (60 miles) south of Baghdad, the US 101st Airborne moving up from the southwest and US Marines to the east.

Financial markets rallied as the opening shots were fired in the Iraqi war, but they have since retreated a little as visions of an immediate collapse of the Iraqi regime vanished.

Even if US and British forces won quickly, hesitancy in financial

markets could last, the IMF said.

"Uncertainty could also persist despite a short and decisive military conflict owing to the potential for continued geopolitical instability and tangible threats of terrorism," it said.

"Prolonged uncertainty could keep risk aversion at a high level, depress financial markets and reinforce the headwinds against global economic recovery."

Financial markets were suffering the hangover of the bursting of the late 1990s technology-driven asset bubble, leading to uneven global growth and businesses' reluctance to invest, the IMF said.

The malaise appeared to be lifting, the IMF said.

Large cash balances had been built up by households and institutions as they resisted investing during the uncertain climate but also benefited from low interest rates.

But interest rates might now present a serious risk, the IMF warned.

"When growth prospects improve and investors shift to higher-risk assets, short- and long-term interest rates will likely rise. This interest rate risk is significant at this juncture."

Many financial institutions had snapped up higher-interest, long-

term treasury bonds, funding the purchases with cheaper, short-term money, it said.

Market sources said many of those investments were unhedged, exposing in particular investors in mortgage-backed securities, the IMF said.

"Consequently, the potential for sizeable losses could exist for some market participants on top of losses experienced since the bursting of the equity price bubble and the ensuing flight from corporate risk."

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Monetary policy in the major economies was appropriate to forestall faltering consumer and business confidence and to give respite to financial markets, the IMF said.

M Taheruddin, managing director, Lutfur Rahman Sarkar, chief advisor, and directors and sponsors of the bank also attended the meeting.

## Mercantile Bank declares 40pc dividend

Mercantile Bank Limited has declared a 40 per cent dividend for the year 2002, says a press release.

The dividend declaration came at the annual general meeting of the bank held at a local hotel in Dhaka on Monday.

Of the dividend, 35 per cent is in the form of cash and 5 per cent bonus share.

The meeting also approved the balanced sheet, profit and loss account, directors' report and auditors' report for the year ended on December 31, 2002.

Chairman of the bank Md Abdul Jalil presided over the meeting.

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## Lanka tea prices drop as war disrupts shipping

REUTERS, Colombo

Sri Lanka tea prices fell at the latest auction Wednesday, with large stocks going unsold because of fears about shipping through the Middle East while the war in Iraq rages.

The anticipated gross sales average was 142 rupees (\$1.47) per kg, compared with 143.79 rupees last week, Forbes and Walker Tea Brokers said in a statement, but brokers said about 35 per cent of tea from low-grown regions went unsold.

"There is no movement through borders and people aren't buying much for stock either," said Dilan Polanawita, a broker at Forbes and Walker.

Exports to the Middle East account for more than 40 per cent of the market, with about six per cent last year going to Iraq.

The Gulf states favour cheaper tea from the low-grown regions while tea from the temperature high-grown zones are generally preferred by the European and Japanese markets.

Among low-growns, brokers said "tippy tea" were "virtually unsellable", with the balance selling 20 rupees below last week's levels. More than 65 per cent of flowery broken orange pekoes went unsold because of a lack of bids.

Leafy varieties sold better, but most declined by five to eight rupees, with pekoes lower by 10 to 15 rupees and more.

"If tea is withdrawn, how are they to find the money to pay the small growers? The industry is facing a real cash-flow crisis," Polanawita said.

Phoenix Leasing Company Ltd has declared a 23 per cent cash dividend for the year 2002, says a press release.

This was disclosed in the annual general meeting of the company held on Monday at a local hotel.

The meeting was presided over by Deen Mohammad, chairman of the company. Vice chairmen M Yunus and Md Shoeb; directors Muzharul Haque, Mobarak Ali, MA Majid, Ali Afzal Khan, Rafiqul Islam Khan, Evana Fahmidha Mohammad and Selina Akter; and Managing Director A Quadir Chowdhury were present in the meeting.

## Senate okays \$2.2t budget Bush's tax cut proposal trimmed by half

AFP, Washington

The US Senate on Wednesday approved a 2.2 trillion dollar budget, which kept in place sharp reductions on a 726 billion dollar tax cut sought by the White House.

The Republican-controlled Senate approved the measure by a vote of 56 to 44, but Republican leaders were less than jubilant in victory, after a protracted and contentious budget battle in which neither side could claim outright victory.

It was "not an easy process," said Don Nickles of Oklahoma, at a press conference immediately following the vote. "It was not the prettiest process in the world."

Republicans suffered a setback in the budget process on Tuesday, when Democrats succeeded in swaying three moderate Republican members to break ranks and vote to slash by half the huge tax cuts proposed by President George W. Bush as part of his economic stimulus program.

The White House submitted its tax cut proposal to Congress in January, as part of its 10-year 2004 budget legislation are reconciled.

"We hope we can get much closer to House levels," in conference talks to be held in the coming

weeks said Judd Gregg, Republican of New Hampshire.

He applauded the just-approved Senate bill as having "the right priorities in many areas."

Democrats, and many Republican moderates, have vowed to continue to fight to limit tax cuts of the magnitude sought by the president, which they say are untenable at a time when the government faces a soaring budget deficit, an escalating bill to finance the Iraq war, and an equally imposing tab for rebuilding the country.

"We now see that with the president's request for additional funding for the war, the budget deficit this year will be over 580 billion dollars," said Democratic Senator Kent Conrad at a press conference early Wednesday.

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Republicans spurned Democrats' assertion that they have been fiscally irresponsible in their budget agenda.

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But for now, Tracy insisted that the world should focus on feeding Iraqi civilians. "I would hope all donations of food from around the world would be welcome," he said.

US Agriculture Secretary Ann Veneman, asked this week whether American wheat should have special entry into Iraq after the war, said: "I wouldn't speculate on that at all. The issue today is to complete the war" and deliver humanitarian aid.

Last week, the Bush administration said it was withdrawing up to 600,000 tonnes of wheat from a government-held reserve to facilitate wheat and rice donations to Iraq.

## US wheat industry eyes regaining Iraqi market

REUTERS, Washington

Prior to Iraq's invasion of Kuwait in 1990, the United States was a major supplier of wheat, rice, poultry and a range of other farm commodities to Iraq. Much of those sales were backed by \$2 billion in Agriculture Department export credit guarantees that Baghdad never paid off.

While US food shipments to Iraq continued for a few years after the Gulf war, they eventually were replaced with other exporting countries enjoying better relations with Saddam Hussein.

The US agriculture sector, however, is looking beyond the war to the possibility of wheat sales once a new regime is installed in Baghdad, a US wheat industry official told Reuters earlier this week.

"Ideally, markets should determine what wheat flows where. Under that scenario, I'm confident that both US and Australian wheat will find its way to Iraq," said Alan Tracy, president of the US Wheat Associates, a Washington-based group that promotes American wheat exports.

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Before the Gulf war, the United States shipped about 1 million

tonnes of wheat to Iraq each year, much of it the hard red winter variety used to bake bread.

A new market in Iraq could not come at a better time, with US wheat exports in the current season down 13 per cent from the prior year. Traditional big customers like Egypt have switched to cheaper wheat from aggressive new exporters like Russia and old rivals like France.

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