

Global business leaders fret about growth

REUTERS, Davos, Switzerland

Tepid optimism and gnawing concerns. This is the state of mind of a number of global business leaders and policy-makers gathering at this ski resort for the annual World Economic Forum meeting of the rich and powerful.

While noting that a recovery is slowly underway, they remain concerned about Europe's struggling economy, a spendthrift United States and a burgeoning Chinese economy. But most of all, what concerns many of them is the possibility of the dollar crashing. All these factors, they say, darkens the global economic outlook and could upset recovery in 2004.

"I am optimistic but I am worried. I am concerned," said Stephan Newhouse, president of investment banking giant Morgan Stanley USA.

For several years, the United States has driven recovery world-

wide. "That is not sustainable. That is a big question for me," he said.

If the United States stumbles, the global engine sputters.

The global economy is expected to expand by 3.5 percent in 2004 -- its fastest pace in several years, according to United Nations' forecasts. But it is very lopsided.

The United States is sucking in imports from all over the world, driving up the U.S. current account deficit as Americans borrow heavily. This, combined with the huge U.S. budget deficit, is forcing down the value of the US dollar in currency markets. The euro is bearing the brunt of the dollar's fall, rising 20 percent last year.

Meanwhile, Asian countries, especially Japan and China, are keeping their currencies artificially weak to compete in global export markets, fueling concerns of a dollar crash.

Europe already is feeling the pain, said French Finance Minister Francis Mer.

"The value of the currency for some corporations presently starts to be endangering the potential growth of results. It is a fact," Mer told Reuters.

Mutual fund companies are worried too. "What do I say to investors with their assets, their savings, in U.S. dollars? How can they protect themselves?" said Prakash Hinduja, European president of Hinduja Group of Companies, a financial services company with clients in India, Germany and Switzerland.

It's a question of how to get more balanced global growth -- a challenge that confronts finance ministers and central bankers from the Group of Seven rich nations when they meet in Florida in two weeks.

Deputy German Finance Minister Caio Koch-Weser told Reuters these issues are firmly on the G7 agenda. "Clearly the euro should not bear the burden of external imbalances," he said.

Tyco ready to dismiss PwC as auditor

REUTERS, Boston

Tyco International Ltd said on Friday it wants to dismiss longtime outside auditor PricewaterhouseCoopers LLP, whose work was tarnished by accounting restatements, and claims it failed to flag elements of potential fraud by former Tyco executives.

Bermuda-based Tyco said its board and audit committee will recommend changing auditors to Deloitte & Touche LLP for fiscal 2004. PwC, which collected \$119 million in fees from Tyco over the past two years, has agreed to submit its resignation as independent auditor, Tyco said in a statement.

"We're disappointed by the decision," PwC spokesman David Nestor said. "But we do look forward to providing them with non-audit services."

Tyco's board determined that changing auditors was consistent with good corporate governance standards, Tyco spokesman David Polk said. He did not elaborate.

Greg Kinczewski of the Marco Consulting Group in Chicago, which represents investors holding several million Tyco shares, criticized Tyco for taking too long to change auditors.

"If they had acted quicker, it would have sent an immediate and positive message to Tyco shareholders and the market," Kinczewski said. "Now that Deloitte & Touche has been hired, the immediate concern for shareholders will be to find out what type of non-audit services Tyco's 'independent' auditor will be allowed to perform for the company."

"If Deloitte & Touche are allowed to perform non-audit services ... that will generate substantial fees, Tyco and its auditors will continue to operate under suspicion," he said.

PwC's work underwent intense scrutiny in 2002 amid a criminal investigation against former Tyco Chairman Dennis Kozlowski and ex-finance chief Mark Swartz. The men are on trial in Manhattan on charges they looted Tyco through unauthorized pay and illicit stock sales.

No accounting fraud has been found at Tyco, but the company last year was forced by the US Securities and Exchange Commission to restate 5-1/2 years of financial results. It was a setback for PwC because it had given those statements a clean bill of health.



PHOTO: MUTUAL TRUST BANK  
Mosharraf Hossain, managing director of Mutual Trust Bank Limited, and BR Shetty, managing director of UAE Exchange Centre LLC of Abu Dhabi, UAE, recently sign an agreement on remittance from the Bangladeshi expatriates working in the UAE.



PHOTO: ARENA INDUSTRIES  
M Amanullah, chairman of Arena Industries Ltd Bangladesh, receives a certificate from Jais Valeur, executive director of Aria Foods Ingredients of Denmark, in Dhaka recently. The certificate has been given in appreciation of Arena's support and commitment to quality in packaging Dano brand powdered milk.

Japan, Mexico still far apart in FTA talks

AFP, Tokyo

Japan and Mexico remained far apart Friday after two days of informal free trade agreement talks among vice ministers, a Japanese official said.

Officials failed to bridge the gap over trade of orange juice, oranges, pork, chicken and beef, the official said.

"But this is not the end. We will continue to meet," he said.

"This time, we were able to exchange views and information.

That has allowed us to have deeper understanding of each other," he said.

Angel Villalobos, the vice minister of the economy ministry in charge of international commerce, headed the Mexican side.

The Japanese side was led by Hiroyuki Kinoshita, the vice minister for international affairs at the Ministry of Agriculture, Forestry and Fisheries.

The two-day meeting will be followed by five-day working-level talks in the coming week, the foreign ministry official said.



PHOTO: GLAXOSMITHKLINE  
(From left) Fariduddin Ahmed, general manager (Procurement, Planning and Supply) of GlaxoSmithKline Bangladesh Limited, AHM Zaker, technical director, M Azizul Huq, managing director, Shamim Rabbani, general manager (Marketing), Sanwar A Khan, finance director, and AKM Firoz Alam, general manager (Human Resources), pose for a photograph at the company's marketing conference 2004 recently.



PHOTO: KALLOL GROUP  
Managing Director of Etcetera Bangladesh Syed Meher Morshed inaugurates a 'Watch Korner' of Kallol Group of Companies at a showroom of Etcetera at Gulshan in Dhaka as Managing Director of Kallol Group Ghulam Mostafa looks on. Kallol Group is the sole importer and distributor of world-renowned watches including Rado, Romanson, Tissot, Titan, Westar, Citizen, Credence, Charles Jourdan and Polo.

CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank

Sell		Currency	Buy		
TT/OD	BC		TT Clean	OD Sight Doc	OD Transfer
59.1500	59.2000	USD	58.2550	58.0839	58.0144
75.4340	75.4978	EUR	72.4284	72.2157	72.1293
109.0075	109.0997	GBP	105.6105	105.3003	105.1742
46.5037	46.5430	AUD	43.2855	44.1554	44.2128
0.5601	0.5606	JPY	0.5404	0.5388	0.5382
48.9997	48.0402	CHF	46.4442	46.3078	46.2524
8.1277	8.1345	SEK	7.6324	7.6100	7.6009
45.3987	45.4371	CAD	43.9694	43.8402	43.7877
7.6242	7.6306	HKD	7.4905	7.4685	7.4695
35.0893	35.1189	SGD	34.1932	34.0928	34.0520
16.2357	16.2495	AED	15.7327	15.6865	15.6677
15.8984	15.9118	SAR	15.4110	15.3657	15.3473
10.4282	10.4371	DKK	9.4461	9.4183	9.4071

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai bath	Nor kroner	NZ dollar	Malaysian ringit
45.315	57.365	98.4	39.136	6.8420	0.7225	3.80

Local Interbank FX Trading:

Local interbank market was subdued on Saturday as the international market was closed. US dollar was unchanged against Bangladeshi taka.

Local Money Market:

Money market was active. Call money rate was upish and ranged between 4.25 and 4.50 compared with 4.00-4.50 per cent previously.

International Market:

International market was closed on Saturday. Euro fell 1 per cent against the dollar on Friday on the rumor that Eurozone ministers attending a Group of Seven a Group of Seven meeting

next month will say that further strength in the euro could cause the European Central Bank to cut interest rates. Traders said the euro's fall accelerated as stop-loss orders were triggered around the \$1.2600 level, which helped spark a round of dollar buying against other major currencies. Against the yen, dollar rose 0.46 per cent to 106.48 yen on the day and recovered from a near three-year low of 105.76 yen. At the closing of New York on Friday, euro was at 1.2583/88, GBP was at 1.8269/74, yen was at 106.60/63 against US dollar.

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ReadyCash Raffle Draw Winners

The latest ReadyCash Raffle draw was held at ReadyCash Bangladesh office at Dhanmondi in Dhaka yesterday., says a press release.

Prizes	Name of Winners	Card No
China Junction Chinese Free Lunch for Two	Jamal Uddin	5047980000050808
TOMBOY Chinese Free Lunch Package	Md Shaha Alom Bhuiyan	5047980010010038
Meal in the Box free Lunch	Sento Ahmed	5047980000050689
Sentosa Chinese free Lunch/Dinner Package	Dr Mohammed Hafiz	5047980000050721
Everyday Everything FEDS free Gift Box	Enamul Haq	5047980000050788
Pabna Cloth Store free Gift Box	Humayun Kabir	5047980000050867
Desh Karupannyra free Gift Box	B M Masud Ali	5047980000050652
Aziz Furniture free Gift Box	Md Shipilu	5047980000050651
Kamal General Store free Gift Box	Jashim Uddin	5047980010027728
Swiss free Meal for Three	AK Shamsuddin	5047980010027737

Winner can collect their prizes from the Executive, Promotion of ReadyCash within 30 days of this news circulation by producing their ReadyCash card transaction vouchers. ReadyCash encourages its cardholders to read The Daily Star and The Daily Prothom Alo on every Sunday or call our Customer Service at: 8123294-7, 8130497, and 8123850.

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