

## Banks roll out Tk 3b loan to hide traders

STAR BUSINESS REPORT

Commercial banks splashed out Tk 3 billion in loans to leather traders from Thursday to procure hide during the Eid-ul-Azha.

Four nationalised commercial banks (NCBs) have sanctioned Tk 1.97 billion this year against Tk 1.72 billion of last year. Each year, the NCBs provide about 70 per cent of the total loans for the purpose.

Private commercial banks and other specialised banks have sanctioned the rest of the amount.

However, hide traders have urged the finance minister to reduce the interest rate on the loan. They also complained to the minister about a plethora of problems to get the loan.

Following the complaint, the finance ministry has sent a letter to all state-owned banks to make

the process easier and hassle-free.

This year, Sonali Bank will disburse Tk 127.5 million at 9 per cent interest rate to purchase hide, according to sources.

Another NCB, Janata Bank, will sanction Tk 500 million at 11 per cent interest rate. The bank provided Tk 410 million at 13 per cent rate last year.

Agrani Bank will disburse Tk 850 million at 12 per cent interest rate this year against Tk 700 million last year.

Rupali Bank will provide Tk 500 million loans to the hide traders at 9 per cent interest rate this year. The amount was Tk 460 million last year.

This year, the NCBs are taking cautionary measures, as the amount of loans defaulted is said to be huge. Earlier, Bangladesh Bank (BB) prepared guidelines for

banks on disbursement of such loans.

A Rupali Bank official said they will provide loans according to the central bank guidelines. He said those who are not 'habitual defaulters' may also avail themselves of the loan facility this year.

There are a few traders who cannot repay loans for understandable reasons, the official added. In that case, the bank takes steps to renew those loans and they have so far renewed such loans worth Tk 400 million.

"This year the bank has decided to disburse loans only to those who cleared their last year's loans," an Agrani Bank official told The Daily Star.

He said amount of loan will depend on the export and production capacity of the clients.

## Lanka to offset price rises with cut in duties

REUTERS, Colombo

Sri Lanka will reduce customs duties on a range of essential goods to offset rising import prices and keep the cost of living in check, Finance Minister KN Choksy said Thursday.

Choksy estimated the cost of absorbing price increases -- mostly due to higher international petroleum and what prices -- at two billion rupees (\$20.38 million), and acknowledged the measures would be difficult for the government.

"This will be a great strain on revenues. I do not want to increase the budget deficit, but we have taken this decision to offset the impact on the common man," Choksy told a news conference.

He said the budget deficit targets of 7.8 per cent of GDP for 2003 and 6.8 per cent 2004 would not be revised, adding he hoped continuing economic expansion would offset the increased spending.

Inflation fell to 6.3 per cent in the year through December, from 6.8 per cent in the year through November, but the central bank has warned the higher petroleum prices and a widespread drought in the island could add to inflationary pressures.

As well as the price reductions for essential food items such as milk powder and dried fish, Choksy announced a value-added tax exemption on consumption of up to 40 units of electricity per month, from 30 units previously.

## Japanese banks make progress in cutting bad loans: FSA

AFP, Tokyo

Japanese banks continued to reduce bad debts in the six months to September last year due to better efforts in corporate restructuring, the government said Friday.

The Financial Services Agency said non-performing loans held by Japanese banks fell to 31.6 trillion yen (298.1 billion dollars), down 3.7 trillion yen from the end of March 2003.

Japanese banks "managed to reduce the amount of healthy debts becoming accounts that require close monitoring. Under this category, better corporate restructuring operations and improving business climate helped some debts to become healthy accounts," the agency said in a statement.

Banks also collectively reduced the amount of debts to firms in danger of collapsing, the agency said, adding many managed to bring these debts off their balance sheets by writing them off.



PHOTO: STAR

Weekend visitors stream into Dhaka International Trade Fair at Sher-e-Bangla Nagar in Dhaka yesterday. Organisers reported a new high in terms of turnout and sale so far during the month-long annual trade exposition ending tomorrow.

## India may import gas from Myanmar

### Says it will sell diesel to its SE Asian neighbour

REUTERS, New Delhi

India will sell diesel to Myanmar by August and is in talks to buy gas from the country, Indian Petroleum Secretary BK Chaturvedi said Thursday.

India, which has a surplus refining capacity and exports refined products, has also offered to revamp Myanmar's refineries and train its technical personnel, he told reporters after a meeting of oil ministers and officials of the two countries.

"The Myanmar government has agreed they will buy diesel from India. Initially it will be small quantities, then it will be increased," he said.

Indian Oil Minister Ram Naik later told reporters Myanmar required five million tonnes of diesel a year and India was willing to give whatever amount its neighbour required.

Chaturvedi said diesel would initially be transported by road from the 60,000 bpd Numaligarh refinery, but later a pipeline would

be built if it was feasible.

The refinery, a subsidiary of Bharat Petroleum Corp Ltd, is located in Assam state bordering Myanmar.

One third of its output is consumed in Assam and adjoining areas and part of the rest, currently sold in other parts of India, can be exported, Chaturvedi said.

He said officials from the Numaligarh refinery would visit Myanmar next month to work out the technical details.

Myanmar's energy minister Lun Thi said the volume of diesel imported from India would "gradually become bigger and bigger."

He said Myanmar was keen to sell natural gas to India.

"Our mission is to find a market for a gas that we have recently discovered. We find India as a big market and also a very important partner for us in the future," Thi said.

Daewoo International Corp said earlier this month it made a major gas discovery of up to six trillion cubic feet in Myanmar and

expected to find another 12 tcf in the same area.

It estimated a daily output of 500 million cubic feet but Myanmar's energy minister said production might be higher.

"The reserve is very big and production could be very huge too. For a reserve of such a scale it could be at least one to 1.5 billion cubic feet a day."

State-run GAIL India Ltd, Daewoo's partner in the A-1 block, is studying the feasibility of building a gas pipeline from Myanmar to India, Chaturvedi said.

India is considering a sub-sea pipeline or an on-land pipe either through northeastern India or across Bangladesh, which is a shorter route to the gas market in northern India.

"We discussed how much and how soon can we take the gas to India," Thi said.

India produces 2.3 billion cubic feet or 65 million cubic metres of gas a day, barely half the demand and imports 70 per cent of its crude oil requirement.

## Mobile phone theft: How to prevent it

You do probably not like what I am saying. Please ask for the warranty of your preferred phone and you will be refused. Now you will go to an authorised dealer and legitimately buy a genuine phone like a good citizen.

You must be wondering about the phone you had lost. Regrettably your that very phone has been traded in the black market. You feel bad. Because what's the use of being a lonesome good guy while

number in their networks. Now nobody will ever be able to use that stolen or lost handset in Bangladesh. If anyone tries, the SIM of that person must be cancelled as a penalty of conniving with the black market. Such measure could be implemented very easily.

But the real problem is somewhere else. The pirates have succeeded to break the IMEI code and re-programme the handsets. In the UK, a law, Mobile Phones Repro-

gramming Act 2002, has been made to prevent the mobile handset reprogramming. France, Germany, Greece, Spain and other European countries are contemplating to introduce very harsh anti-reprogramming of mobile handsets law.

Kenyan mobile phone operators -- Safaricom and Kencell -- have launched a service to block the IMEI serial numbers of stolen handsets. It will be jointly operated by these two firms and the respective police authorities.

The South Asian GSM operators should build a common database of handsets with the Central Equipment Identifying Register (CEIR) at Dublin, Ireland. This would mean that once a customer reports its phone being stolen or lost, that phone would be blocked from using across the globe. This would make the stolen mobile phones unattractive to the black market. Such step should be initiated at the Saarc level to protect the telecoms future of South Asia.

The writer is a telecoms analyst

## New DMDs of NCC Bank



Nurul Amin Shafiqur Rahman

Md Nurul Amin and Kazi Md Shafiqur Rahman have been made deputy managing directors of National Credit and Commerce (NCC) Bank Limited.

Prior to their new assignments, they were serving as senior executive vice-presidents of the bank, says a press release.

Amin started his banking career as senior officer in Janata Bank in 1977 and joined NCC Bank (erstwhile NCL) in 1985.

Rahman also started his banking career as senior officer in 1973. He joined NCC Bank in 1999 as executive vice-president.

## Novartis plans counterbid for Aventis

AFP, Paris

Swiss pharmaceutical giant Novartis is considering making a counterbid for French-German drugs group Aventis, which is the target of a hostile offer from French rival Sanofi Syntelabo, the Wall Street Journal Europe reported Friday.

Citing people familiar with the situation, the newspaper said Novartis had hired investment bankers to see if a deal was worth pursuing. Novartis declined to comment, the paper said.

Aventis rejected Sanofi's 46-billion-euro (57-billion-dollar) hostile bid earlier this week, with Aventis chief executive Igor Landau saying the offer would only be interesting if it were raised 40-50 per cent.

Landau said Friday in an interview in French business newspaper Les Echos that he was constantly "evaluating the interest to Aventis' of possible tie-ups."

But he once again rejected Sanofi's offer, saying it was "dangerous on an industrial level, dangerous for development and dangerous on a social level (for employment)".

## Bird flu onslaught

# Asian travel industry holding out

AFP, Singapore

Asia's travel sector is surviving the initial onslaught of the bird flu epidemic, with bookings remaining solid and airports still bustling with travellers, industry players and analysts said.

As the avian influenza spread across the region, comparisons are being drawn with the pneumonia-like Severe Acute Respiratory Syndrome (Sars) virus, whose rampage in the first half of 2003 emptied airplanes and hotels in East Asia.

But industry players and analysts said travellers were not shunning the region this time because, unlike Sars, it has not been proven that bird flu can be transmitted through human contact.

Lessons learnt from the Sars outbreak, such as more transparen-

cy in disclosing information and closer cooperation among governments, airlines and health authorities, have also helped to prevent panic.

Don Birch, chief executive of Asia's biggest air ticketing and reservation firm, Abacus, said there had been no cancellations among those who have already reserved flights and booking patterns remain robust.

"I've got the numbers... and there is nothing in there to suggest a difference in booking patterns," he told AFP.

"The issue here is to not overreact, not being irrational unlike we were during Sars."

Birch said the absence of scientific evidence that bird flu, which has killed at least 10 people, could be spread between humans had limited its impact.

Humans have so far only caught the deadly H5N1 strain of bird flu through contact with infected birds or their droppings, health authorities have said.

ZUIJ, Asia's most comprehensive online travel portal, also said booking levels had remained steady.

"ZUIJ has not noted any negative impact on the total number flights booked on ZUIJ sites, indicating that while there is a cautious approach to travel, people are still travelling in high numbers," chief executive Scott Blume told AFP.

However, there seemed to be some "geographic realignment of preferred destinations" with a 20 per cent drop in online searches for flights between Singapore and Thailand, one of the countries hit by the avian disease, he said.

## US textile industry presses candidates to restrict China

REUTERS, Washington

US textile industry leaders kicked off a voter registration campaign Thursday aimed at rallying textile workers to support candidates in this year's presidential campaign who would restrict China trade.

The drive to "get every single textile and fiber worker registered to vote" was launched in South Carolina, one of seven states due to vote in primaries and caucuses on Tuesday to select the Democratic Party candidate to battle Republican President George W. Bush in November.

"This industry is prepared to work hard on behalf of any candidate that makes an ironclad commitment on maintaining quotas on imports from China," Allen Gant, president of Glen Raven, a North Carolina textile firm, said in a statement.

The Bush administration has already imposed emergency import restrictions on bras, dressing gowns and knit fabrics from China in response to industry pressure.

It says the one-year quotas are legal under terms of Beijing's entry into the World Trade Organization, which allows countries to restrict Chinese textiles temporarily in response to a surge.

The US textile industry plans to take full advantage of that provision and push for more "safeguard" actions in the months and years ahead.

"Workers in this country are sick and tired of seeing the work formerly done in US plants head out the door and over to China," said Jim Chestnutt, chairman of the American Textile Manufacturers Institute.

**PASSWORD**  
GrameenPhone, AKTEL and Sheba must maintain a database of their subscribers' IMEI code in respective network. Soon after receiving the report of stolen or lost handset, the operators immediately block that handset's IMEI number in their networks. Now nobody will ever be able to use that stolen or lost handset in Bangladesh. If anyone tries, the SIM of that person must be cancelled as a penalty of conniving with the black market. Such measure could be implemented very easily.