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Local internet exchange on the cards

Move to speed up internet service

STAR BUSINESS REPORT

The private internet service providers (ISPs) have teamed up to establish an internet exchange for direct traffic of mails within the country in a bid to provide faster internet services.

"We are working to establish a local internet exchange so that users can work speedily and efficiently," Akhtaruzzaman Manju, president of Internet Service Providers Association (ISPA), told The Daily Star.

The exchange, expected to be set up in six months, will speed up access to the World Wide Web as well as the domestic routing system of web hosting, chatting, file transfer and web-based games, Manju said.

Currently, all internet traffic need to go to Singapore, Hong Kong, the UK or the US due to absence of a local exchange. Even if one sends an

email to another at the same office, the mail first goes to a server abroad and then comes back to Bangladesh.

"We often cannot download files or email promptly," said one internet user, frustrated with the amount of time it takes to write or checkmail.

Manju said once the exchange is commissioned local mails will be handled here and it will reduce pressure on bandwidth. "If everything goes well, we are hopeful of completing the task within next six months," he added.

Prospective businessmen or organisations planning to host website will also be able to hire bandwidth locally. "It will help save hard-earned foreign currency," Manju said. He said local incoming and outgoing email traffic accounts for 30 percent of the total mail usage in Bangladesh.

Sources said all the 46 ISPs in

Bangladesh have started working together to establish the internet exchange at their own fund, with a token grant from the United Nations Development Programme (UNDP).

Sustainable Development Networking Programme (SDNP) has been working to establish the network for the exchange. Two towers will be erected at Panthapath and Gulshan to provide the service initially in Dhaka.

"We plan to spread the network all over the country, but it requires huge funds," the ISPA chief said.

"As the private ISPs are funding the project, the government can assist us (ISPs) by reducing the value added tax (Vat) we have to pay now," he said. The ISPs on average pay Tk 10 crore in Vat a year.

Gillette's new razor to be available by next month

STAR BUSINESS REPORT

Gillette Bangladesh Pvt Ltd is going to introduce a new razor -- Mach3 Turbo -- in local market by the middle of next month.

Company officials disclosed this at a pre-launching ceremony in Dhaka yesterday.

Speaking at the function, Sandeep Sangwan, area director of Gillette South Asia, said, "We hope this shaving system will be a leading one in the world market."

The retail price of new Gillette Mach3 Turbo has been fixed at Tk 555 for a pack of razor with two blades while only two blades will be available at Tk 225 and four at Tk 405.

Describing its specialties KM Dubey, country manager of Gillette Bangladesh Pvt Ltd, said the next generation triple-blade provides men with the closest and most comfortable shave with minimum irritation.

Mach3 Turbo is the best ever performing shaving system that significantly outperforms Gillette's own Mach3, the world's leading razor, he said.

He said Mach3 Turbo is designed with some special features including new anti-friction blades, an ultra soft protective skin guard, a new patented lubrication system and an improved razor handle.

Three anti-friction blades glide through the beard hair with very less resistance for comfortable shave, Dubey said.

Suresh Sundaram, trade-marketing officer of Gillette South Asia, and Anis Ahmed, director (operation) of Gillette Bangladesh Pvt Ltd, also spoke at the function.

Mexico, Japan to iron out free trade wrinkles by January

AFP, Mexico City

Mexico and Japan plan to wind up free trade talks in time for the deal to take effect January 2005, Mexico's economy ministry said Friday.

The two countries announced the pact Wednesday, despite lingering disagreements over several Mexican farm products tariffs, a Japanese source close to the negotiations said Friday.

The pact is Japan's first with Latin America, and Mexico's first in Asia.

"Based on what we have done so far, both sides are determined to finish the agreement's legal text as soon as possible," the Mexican economy ministry said in the statement.

Negotiations lasted more than a year.

Japan repeatedly rejected Mexican demands that it eliminate tariffs on farm products. Japan was willing only to reduce tariffs on pork, poultry, beef, oranges and orange juice.

Mexico agreed to phase out tariffs on Japanese cars, steel and other industrial products.

Officials from both countries talked Friday via video conference.

"The goal of the agreement is to promote a freer flow of goods, services and capital, as well as the mobility of people between Mexico and Japan," the Mexican ministry said.

US current account deficit explodes to record in 2003

AFP, Washington

The American current account deficit exploded to a record 541.8 billion dollars in 2003, government data showed Friday, adding heat to a searing debate in the war for the White House.

The voracious US appetite for foreign-made goods also piled pressure on the weakening dollar.

The current account -- tracking trade, income from investments and overseas workers, and one-way transfers such as foreign aid -- swelled from a gap of 480.9 billion dollars the previous year.

The balance was tipped further into the red by a 127.5-billion-dollar gap in the final quarter, the Commerce Department said.

"While export growth remains quite strong, we are also seeing imports rise at a rapid pace and that is limiting any improvement in the current account deficit for the quarter," said BMO Financial Group analyst Sal Guatieri.

Extension of account trade deal with Myanmar sought

UNB, Dhaka

An inter-ministerial meeting here yesterday decided to seek cabinet approval to extend Bangladesh-Myanmar agreement on account trade by one year.

The meeting observed that the bilateral trade under the "convenient" mode of payment-settlement system remained unutilised during the initial period.

The Bangladesh-Myanmar agreement, which expires March 18, on the special trading arrangement hardly yielded any benefit to augment the paltry bilateral trade in the first quarter of its tenure.

The account trade became effective in January this year under a memorandum of understanding

(MoU) signed in March last year for a year to boost the two-way trade.

As per the resolution, the two sides have agreed to review the progress of account trade quarterly.

"The trade did not take place at a level where a review can be made," a meeting source told the news agency.

Forty-four Bangladeshi products are entitled to enjoy the facilities of account trade against Myanmar's 24 items. Sonali Bank of Bangladesh and Myanmar Investment and Commercial Bank have been assigned to facilitate the trade under the system that allows payments after certain agreed period of two-way trading instead of payment settlement on consignment basis.

Commerce Minister Amir

Khosru Mahmud Chowdhury, who chaired the meeting at his ministry, told newsmen that the recommendation would be submitted to the cabinet for approval.

He said the meeting also decided to set up a duty-free sales and display centre at Teknaf in a bid to boost the country's exports to Myanmar.

The minister expected that the centre would be operational within a year.

Bangladesh suffers a trade deficit of \$34.78 million with the next-door neighbour, importing goods worth \$35.90 million against its exports worth \$1.12 million only, officials said.

US sees business as usual in South Korea after crisis

REUTERS, Seoul

South Korea's political system is robust enough to cope with the shock waves resulting from the impeachment of President Roh Moo-hyun, US Homeland Security chief Tom Ridge said on Saturday.

"One of the interesting stories within the story of your domestic political scene is that there's a constitutional process and a rule of law that follows and that it remains business as usual both domestically and internationally," Ridge said.

He made the comments during a meeting with acting president Goh Kun, who will run South Korea until the Constitutional Court rules on the validity of Friday's vote in parliament to impeach Roh for breaking election law.

"There's a stability built into the system of government and I'm sure that's of great comfort to the citizens," Ridge added.

Some 12,000 Roh supporters, many holding candles and chanting slogans, protested peacefully near parliament on Friday night over a crisis that has unnerved a country already trying to tackle a standoff over North Korea's nuclear ambitions, revive a fragile economy and hold a parliamentary election next month.

Further pro-Roh rallies were being held on Saturday evening, although the mood in the country has been calm despite the political upheaval.

Defense Minister Cho Young-kil met the command of U.S. forces in South Korea, General LaPorte, on Saturday and agreed that the impeachment had not prompted any unusual North Korean military activity but Seoul asked U.S. forces to be vigilant.

The United States has 37,000 troops in South Korea, a legacy of the 1950-53 Korean War that ended in a truce and left the peninsula in a state of war.

WB chief treads new ground in US

REUTERS, Washington

The United States is the World Bank's biggest shareholder, and bank President James Wolfensohn wants Americans to know where their dollars are going.

For the first time in his nine years as head of the international institution that gives development money to poor countries, Wolfensohn is touring college campuses and school auditoriums to explain why American money is so crucial in alleviating global poverty in the post Sept. 11 environment.

In an interview with Reuters, Wolfensohn said what he found was that Americans were focused on domestic issues and have little knowledge of global development matters.

"I'm overawed by the extent of the challenge because the ignorance in many parts of the country is enormous," said the Australian-born Wolfensohn, who is a US citizen.

"On the other hand, I'm encouraged by the interest in the places we went."

Wolfensohn said the Sept 11 attackers, blamed on the al Qaeda group harboured by Afghanistan's former Taliban rulers, forced Americans to learn about issues and places they rarely glanced at. In the process, he said, they became exposed to the need for the development work by the bank.

Sri Lanka's risks to economic outlook considerable: IMF

AFP, Washington

Sri Lanka's economy is expected to expand by six percent this year but a prolonged impasse in the country's peace process could hold back investment and delay donor financing, the International Monetary Fund (IMF) said Friday.

Sri Lanka is facing elections on April 2 after a crisis precipitated by disagreement between President Chandrika Kumaratunga and Prime Minister Ranil Wickremesinghe on how to carry forward peace talks with the Tamil Tiger rebels.

The Washington-based IMF said in a statement after annual consultations with the Sri Lankan government that the six percent growth outlook was based on expectations of increased investment, higher tourism and exports and normal monsoon conditions.

"However the risks to the outlook are considerable," it warned.

Aside from holding back private investment and delaying donor financing, a prolonged impasse in the peace talks could slow reforms and depress growth, raise fiscal deficit and domestic financing and keep reserves at a vulnerable level, the IMF said.



A vendor weighs plum at Badamtali wholesale market in Dhaka. The traditional fruit sells between Tk 80 and Tk 100 for 5 kg at the end of season.

Opec divided on dealing with price surge

REUTERS, Cairo

Opec ministers on Saturday differed over how to deal with oil's price surge, as the UAE said Opec may have to rethink a deal to reduce production but Iran said it was sticking to the cuts.

Opec's agreement last month to cut supply quotas by 4 percent from April has helped push oil prices to the highest level since just before last March's US-led invasion of Iraq. Opec meets on March 31 to review policy.

"We have no difficulty with the situation," Iranian oil minister Bijan Namdar Zanganeh said on Saturday ahead of a gas producers conference.

"We have committed ourselves to the Opec decision," he added. Iran is Opec's second biggest producer behind Saudi Arabia.

By contrast, the United Arab Emirates' Oil Minister Obaid al-Nasser said Opec could defer the decision to cut quotas if prices are too high and stockpiles too low.

US crude is bubbling around a dollar below last week's post-Iraq war highs above \$37.50 a barrel as rapid growth in Chinese demand and low US fuel stocks spurs buying from speculative hedge funds.

"Opec could review its decision if there are new developments at the time of the meeting and the ministers consider that they necessitate or justify reviewing the decision," Nasser said.

"If there is a review, it will be to delay applying the decision and not to cancel it," Nasser said.

Most Opec ministers have said the cartel will go through with the April reductions despite oil's price strength. Saudi Arabia, Iran, and Nigeria have scheduled lower April crude sales to their customers to comply with the agreement.

"We have announced to our customers that we are going to reduce our allocation," said Zanganeh.

The UAE has also informed customers of cutbacks in crude oil supplies for April. In the UAE's case, the reduction coincides with scheduled maintenance at some of their oil producing facilities.

Opec, which controls around half the world's crude exports, has said it is worried prices could fall heavily in the second quarter when demand declines after the northern winter.

"It's our main concern," said Zanganeh, when asked if he was still concerned about the second quarter. Opec's decision to cut provoked

an angry response from the U.S. government, worried about the impact of rising energy costs on economic growth in an election year.

International prices have risen as political unrest in Venezuela, a big regional supplier of crude and gasoline to the United States sharpens fears of a U.S. gasoline supply crunch as new environmental regulations kick in.

"Some other things out of our control have happened in the market and we cannot do, we believe, anything more to control the market," said Zanganeh.

Opec's President Purnomo Yusgiantoro of Indonesia has said the cartel will continue leaking over formal quotas to stop prices getting out of hand.

The 10 Opec members with quotas, excluding Iraq, supplied around 1.7 million barrels per day (bpd) above their existing 24.5 million bpd ceiling in February. Opec agreed to cut the official ceiling to 23.5 million bpd for April.

"We have unofficially overproduction in the market and it seems we haven't any shortage," said Zanganeh.



(From left to right) Suresh Sundaram, trade-marketing officer of Gillette South Asia, Anis Ahmed, director (operation) of Gillette Bangladesh Pvt Ltd, Sandeep Sangwan, area director of Gillette South Asia, and KM Dubey, country manager of Gillette Bangladesh Pvt Ltd, pose at the pre-launching ceremony of Mach3 Turbo, a new razor, at a hotel in Dhaka yesterday.