

StanChart, Siemens sign MoU for jt campaign

Standard Chartered Bank and Siemens Bangladesh Limited signed a memorandum of understanding (MoU) recently to launch a joint promotional campaign for Standard Chartered credit cardholders.

Head of Consumer Banking, Standard Chartered Bank, M Sajidur Rahman and Chief Financial Officer of Siemens Bangladesh Christian Laufer signed the MoU in Dhaka, says a press release.

Under the campaign, Standard Chartered Bank is offering zero percent interest to its Visa and MasterCard credit cardholders through its InstaBuys programme on six to 12 monthly installments for purchasing Siemens consumer products.

InstaBuys is an installment programme which allows the customers to make instant purchases with Standard Chartered credit cards and convert them into easy payment plans of six to 36 monthly installments without any processing fee.

India raises record \$2.3b from ONGC stake sale

REUTERS, New Delhi

India said Monday it would rake in a record \$2.33 billion by selling a 10 percent stake in the country's top oil producer, helping it reach a goal of raising some \$3 billion within three weeks to bridge a gaping fiscal deficit.

Privatisation minister Arun Shourie told a news conference bidders would be offered shares in Oil and Natural Gas Corp Ltd at 750 rupees (\$16.6) each after a successful public share offer that was oversubscribed nearly six times.

Retail investors would receive a five percent discount -- resulting in a price of 712.50 rupees a share -- and would be allotted 17.8 percent of the total of 142.6 million shares offered.

The price is at the top of a band of 680 to 750 rupees announced before the public offer and a 5.3 percent discount to the share's current trading price of 792.15 rupees.

The sale will raise 105.34 billion rupees (\$2.33 billion) for the government.

Oil prices surge as Opec looks set to cut output

AFP, London

Oil prices rose on Monday as Opec looked set to defy calls from oil-importing nations for the cartel to reverse a decision to cut output next month.

The price of reference North Sea crude oil for April delivery rose 64 cents to 32.88 dollars per barrel in late deals.

New York's benchmark light sweet crude April contract surged 71 cents a barrel to 36.90 dollars in early trading.

Several Opec ministers gathering at an energy conference in Cairo insisted that the oil market was well supplied, and that a weak dollar and the recovery of the global economy justified recent prices.

Venezuela's Energy Minister Rafael Ramirez told reporters: "Are you expecting us to change our decision in April? No. We have the consensus to cut in April."

Fed expected to keep rates steady

REUTERS, Washington

Federal Reserve policy-makers were universally expected to keep US interest rates at 46-year lows when they meet on Tuesday with no convincing signs of improvement in the jobs outlook.

The US central bank's rate-setting Federal Open Market Committee was to convene at 9 am EST to mull strategy, and was expected to announce a decision at about 2:15 p.m. EST.

The Fed's bellwether federal funds rate for overnight loans between banks -- which influences borrowing costs throughout the economy -- stands at the 1 percent level hit last June after the 13th in a string of cuts since 2001.

The Fed has since kept rates unchanged despite widespread signs of quickening economic activity.

Jute spinners demand interest rate cut

STAR BUSINESS REPORT

Jute spinners have demanded reduction in the interest rate and bank charges to help them increase export earnings from jute goods.

They said despite a global recession jute yarn export rose significantly in the last fiscal year and the sector now needs a further boost.

The interest rate on running capital should be brought down to 7 percent from existing 14 percent, Ahmed Hossain, chairman of Bangladesh Jute Spinners Association (BJS), said addressing the annual general meeting of the association yesterday.

He said jute spinners have been facing problem due to higher bank

charges and interest rates. "There should be an appropriate policy to stop this hassle."

The association is now planning to discuss the issue with the finance ministry, Bangladesh Bank, other banks and financial institutions.

Export earnings from jute yarn registered a 7.68 percent rise to Tk 584 crore in the fiscal 2002-03 against Tk 558 in the previous fiscal.

In the current fiscal year, jute yarn export rose to 1,18,765 tonnes in the first seven months as against 1,09,136 tonnes in the same period of last year.

Addressing the AGM, the BJS chairman urged the association members to work relentlessly to

further increase the export earnings from jute goods.

"We should be careful about quality of our products, reducing production cost and increasing production," he told the meeting.

Expressing concern over the use of lower quality jute seeds mostly coming from India, Hossain said the quality of jute has fallen due to it.

He called upon the government to establish a "seed bank" to supply better quality seeds to the farmers at a subsidised price.

The BJS chief also demanded the government to reduce income tax rate on jute sector. At present, they pay income tax at the rate of 37.5 percent.

Tripti Industries asked to submit share transfer instruments list

STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) yesterday asked management of Tripti Industries to submit complete list of share transfer applications and transfer instruments for investigation.

SEC suspended share trading of Tripti Industries on March 8 for seven days following unusual rise in trade volume and price hike of the company's shares.

The capital market watchdog, which constituted a four-member committee to investigate the unusual transaction, also extended time limit for submission of inquiry report to the commission up to April 30.

The investigation committee is scrutinising the company's transactions during February on the Dhaka and Chittagong bourses.

The committee is headed by SEC Executive Director Mansur Alam. The other members of the body are directors Shuvra Kanti Choudhury, ATM Tariquzzaman and Sirajul Huq.

DBH, Latif Real Estate sign MoU

Delta Brac Housing Finance Corporation Limited (DBH), a private sector housing finance institution, and Latif Real Estate Limited, a developer, signed a memorandum of understanding (MoU) on Monday in Dhaka.

Under the arrangement, the clients of Latif Real Estate will get faster services from DBH in getting housing loans up to 70 percent of their apartment prices, says a press release.

QM Shariful Ala, managing director of DBH, and Akter Biswas, executive director of Latif Real Estate, signed the MoU on behalf of their organisations.

Microsoft used strong-arm tactics, deceit, says attorney

AFP, Minneapolis, Minnesota

Microsoft Corp. used rumors, sabotage and deceit to establish its monopoly over the world of computer operating systems, an attorney told a jury.

The charges came on the opening day of the nation's first consumer class action lawsuit against the software giant in the Midwestern state of Minnesota.

In opening statements Monday, lawyers for seven Minnesota plaintiffs said Microsoft used its dominance in the operating system market to cow computer manufacturers into not installing competing operating systems in some of their machines.

The tactics drove a company called Digital Research, which had its own operating system, out of business and effectively killed a promising operating system from IBM called OS-2, the plaintiffs' attorney Eugene Crew charged.

HP to sell Linux-based PCs in Asia

AFP, Tokyo

US technology giant Hewlett-Packard Co. (HP) plans to start selling several models of Linux-based desktop personal computers in 12 major Asian countries this June, a Japanese news report said Tuesday.

Shipments could reach one million units in the first year in regional markets including Japan, China, South Korea, Indonesia, Thailand and India, the Nihon Keizai Shimbun newspaper said, citing sources close to the firm.

The operating system and application software, including spreadsheet, word-processing and other business applications, will be procured from Japanese companies, the Nihon Keizai said.

Because the PCs will use Linux instead of the more costly Windows platform, they will likely be priced around 400 dollars to 1,500 dollars -- or 44,000 yen to 165,000 yen -- making them 20,000 yen to 40,000 yen (180 to 360 dollars) cheaper than comparable Windows-based PCs, the newspaper said.

Coca-Cola to bring in new products to local market

President and CEO of Coca-Cola India tells The Daily Star

STAR BUSINESS REPORT

The Coca-Cola is going to make fresh investment in Bangladesh to bring in new products and strengthen its sales and distribution system.

"Within the next three to four months we are going to introduce new products such as Vanilla ice cream and Vanilla coke," said Sanjiv Gupta, president and chief executive officer of Coca-Cola India, in an interview with The Daily Star on Monday.

For further growth and aggressive sales the company intends to bring in new people to Bangladesh to upgrade its sales and distribution network, added Gupta, who arrived in Dhaka on Monday on a three-day visit.

With a huge population of 130 million Bangladesh's market has high potential, felt Gupta. Within a short time, it is possible to turn Tk 600 crore Bangladesh market into Tk 1000 crore one, Gupta observed. "We need to offer right packages at right prices," he said.

Citing examples, Gupta mentioned that Coca-Cola is maintaining double-digit growth in some Asian countries including India and China.

"We want to expand the business of returnable glass bottle (RGB) which is under exploited," he said, adding low-cost and eco-friendly RGB generates more employment and provides best value to consumers.

Scheduled to leave Dhaka today, Gupta hopes to visit Bangladesh every quarter to execute his mission of becoming aggressive to promote the sales here.



Sanjiv Gupta

US boosts production, spurring hope for jobs

AFP, Washington

American manufacturing production soared across a broad front in February, central bank data showed Monday, spurring beaten-down hopes for a jobs boom.

The United States' factories, mines and utilities raised combined output by a higher-than-expected 0.7 percent in February, following a 0.8-percent increase in January, the Federal Reserve said.

Production from factories shot up 1.0 percent, with gains across a swathe of sectors.

"What really stands out is the huge 1.0-percent gain in manufacturing output and the fact that these gains were widespread across manufacturing industries," said BMO Financial Group senior economist Sal Guatieri said.

Factories boosted output of machinery 1.7 percent, computer and electronic products 1.5 percent, semiconductors and related components 3.0 percent and motor vehicles and parts 1.6 percent.

"It certainly indicates the economic recovery is sustainable at a strong pace. It should only be a matter of time before factories start to hire again," Guatieri said.

The economy produced a meager 21,000 jobs in February, government data showed, meaning the nation has gone through a record 44 months without a single month of job creation exceeding 250,000.

The unemployment rate was stuck at 5.6 percent.

Wachovia Securities chief economist John Silvia said the link

between production and employment appeared to have broken down.

"Today's industrial production release is another excellent example of the new US economy of solid growth and output achieved primarily through productivity gains and not employment," he said.

News of rising manufacturing output will be on the table when the policymaking Federal Open Market Committee (FOMC) meets Tuesday to ponder interest rates.

"The disappointing job situation will keep rates from being increased for some time. However, the accelerating industrial component will likely cause the committee to search for additional subtle ways to signal that their patience (before raising rates) cannot last that long," said Joel Naroff, president of Naroff Economic Advisors.

The key federal funds target rate has been lying at a 1958 low of 1.0 percent since June last year.

Overall, manufacturing production was on track to grow at a 6.3 percent annual rate in first quarter of 2004 compared to last year, said Manufacturers Alliance chief economist Daniel Meckstroth.

"Manufacturing will grow faster than the general economy due to strength in capital goods industries and reviving manufactured goods exports, which are being helped by the falling dollar," Meckstroth said.

"Fortunately, the growth in February was widespread across the bulk of the major manufacturing industries. This breadth of the recovery bodes well for future production," he said.

Eurozone public deficit jumps to 2.7pc of output in 2003

AFP, Brussels

The 12 countries in the eurozone increased their overall public deficits to 2.7 percent of output in 2003 from 2.3 percent in 2002, official data showed on Tuesday.

Their overall public debt rose to 70.4 percent of gross domestic product (GDP) from 69.2 percent, data from the EU statistics institute Eurostat showed.

Britain, which is not in the eurozone, breached an EU limit for deficits last year with a doubled deficit of 3.2 percent from 1.6 percent in 2002, the data showed.

Under terms of the 1997 Stability and Growth Pact, EU members are bound to maintain deficits of no more than three percent of GDP.

The Netherlands, which is a eurozone member, reached the 3.0-percent ceiling from a deficit of 1.9 percent in 2002.

EU members are also supposed to be move their public spending accounts into surplus in times of growth.

They must further keep debt below 60 percent of GDP or be reducing their debt steadily to less than this figure.

France, with a deficit of 4.1 percent last year and Germany with 3.9 percent, have both repeatedly breached the deficit ceiling.

Britain is bound by the targets in the pact although it is not at risk from a penalties procedure laid down for eurozone countries.



PHOTO: INTERSPEED

M Sajidur Rahman, head of Consumer Banking of Standard Chartered Bank, and Christian Laufer, chief financial officer of Siemens Bangladesh Limited, sign a memorandum of understanding (MoU) recently in Dhaka to offer zero percent interest for purchasing Siemens consumer products under the bank's InstaBuys programme.

UAE potential market for Bangladeshi agro-based products: ATDP

United Arab Emirates is a potential market for Bangladeshi agro-products.

This has been revealed in a study conducted by Agro-based Industries and Technology Development Project (ATDP) which participated in the Dubai shopping festival recently, says a press release.

Operating under the name 'Bangladesh Bazaar', ATDP represented six of its clients in the festival.

The month-long festival from January 15 to February 15 is considered to be the largest retail event of the Middle East.

By improving image, reducing

freight costs and maintaining quality consistency, Bangladesh should be able to increase its agro-product exports to the UAE significantly. Bangladesh's share of UAE's \$34.2 billion import market is only \$20 million.

Products including fresh and frozen vegetables, white fish, dry fish, chanchur, biscuit, snacks, sweets and pickles have export prospects especially amongst the 400,000 Bangladeshi expatriates, according to the study of the ATDP.

"Bangladesh's exports will increase if the image portrayed by our products in the minds of international consumers improves," said

Tina Salem Manzoor, Trade Promotion consultant of ATDP.

ATDP has initiated dialogue among Bangladeshi and UAE business community to promote trade between the two nations. Business with UAE bears a great importance since Dubai is a major re-export gateway to the Middle East, Africa and Central Asia.

Bangladesh's total export to the UAE during fiscal year 2002-2003 was \$20.7 million. Of this, agricultural products such as processed food and vegetables were \$2.9m, fish and shrimp \$313,000, jute and jute products \$2m, tobacco and tobacco products \$8.7m and tea \$445,000.

Europe looks likely to keep top IMF job

REUTERS, London

Europe looks likely to keep the top job at the International Monetary Fund which has opened up with the departure of Horst Koehler but the process should be more transparent, an IMF source said Monday.

African finance ministers and central bank governors last week called for the IMF to open the selection of its next head to all its members instead of sticking to an unwritten rule of picking a European. But they look likely to be disappointed.

"It seems to be that it will be a European but it would be better if the process would be more transparent," the source told Reuters. He also spelt out the qualities that would be needed by the chief of the IMF, one of the twin pillars of the post-World War II global economic architecture.

"You want somebody who is very smart, is a very good economist and is top notch. They will also have to deal with high quality staff so someone with vision and the right personality is important," the source said.

"You need someone to look into the future and at the larger emerg-

ing trends in the global economy and who is well positioned before crises strike."

However, the source declined to comment on the chances that Rodrigo Rato, who was Spain's economy minister until his party lost power at the weekend, would be nominated as Europe's candidates.

Rato is seen as a leading contender for the nomination and was confirmed as a possible nominee when Luxembourg Prime Minister Jean-Claude Juncker said last week he would support him to spearhead global attempts to head off financial crises.



PHOTO: DBH

Delta Brac Housing Finance Corporation Limited (DBH) Managing Director QM Shariful Ala (2nd from right) and Latif Real Estate Limited Executive Director Akter Biswas (2nd from left) sign a memorandum of understanding on Monday in Dhaka. Under the arrangement, the clients of Latif Real Estate will get facilities from DBH in getting housing loans up to 70 percent of their apartment prices.