

Banks set to arrange new loans for flood-hit industrial units

REJAUL KARIM BYRON

Nationalised and private commercial banks are set to draw up new loan facilities for flood-hit industrial units after assessing the damage.

Branches of all nationalised commercial banks (NCBs) and private commercial banks (PCBs) have been instructed to assess the damage incurred by their borrowers from the devastating floods.

It is learnt that some PCBs like the NCBs have deferred loan repayments for borrowers for a period of time with additional steps for post-flood rehabilitation facilities.

NCBs have already sent circulars to branches to postpone farm loan recover-

ery drive and asked them not to file any new certificate cases.

All branches have been instructed to send details of damage the industrial units have incurred, said Tahmilar Rahman, acting managing director of Sonali Bank.

The head office of Sonali Bank will then conduct a case to case assessment of the damage to offer special loan facilities, Rahman added.

The factories in Narayanganj are the worst sufferers followed by units in Tongi and Savar, he said.

On post-flood rehabilitation programme on the agricultural front, Rahman said Sonali Bank will disburse Tk 700 crore loans, including Tk 400 crore crop credits.

Khandakar Ibrahim Khaled, managing director of Pubali Bank Ltd, said loans will be given to factories to replace damaged machinery.

He also said ready-made garment exporters have already been given additional loans to recover from the floods.

Pubali Bank will also postpone loan recovery programme for three to six months in the agriculture sector, Khaled added.

Agrani Bank and Janata Bank have also made similar plans for post-flood rehabilitation for agriculture sector. A high official of Janata Bank said the bank will disburse Tk 400 crore farm loans until Boro paddy season and the bank's 35 mobile teams will monitor the

programme.

National Credit and Commerce Bank Ltd (NCCBL) has also chalked out an alternative scheme to take a village as a model for introducing post-flood rehabilitation programme where all flood-affected farmers will be extended support.

NCCBL Board of Directors has already approved Tk 10 lakh for the scheme.

"We will select a remote village which fails to receive any support," said Nurul Amin, deputy managing director of NCCBL.

"Flood-hit farmers in the village will be given all sorts of farming needs until next harvest," Amin said.

Deal on leasing out Dhaka-Ctg optical fibre cable network

The Infrastructure Investment Facilitation Centre (IIFC) will assist Power Grid Company of Bangladesh (PGCB) in leasing out Dhaka-Chittagong optical fibre cable network.

An agreement to this effect was signed between the two organisations in Dhaka on Wednesday, says a press release.

Mohammed Salim, secretary of PGCB, and Md Golam Mostafa, secretary of IIFC, signed the deal on behalf of their sides.

PGCB Managing Director ANM Rizwan and IIFC Executive Director and CEO Nazrul Islam were also present at the signing ceremony.

The project will increase availability of network resources of all the existing and new cellular and fixed line operators.

Thai bourse eyes joint listing with CSE

Stock Exchange of Thailand chief tells *The Daily Star*

STAFF CORRESPONDENT, Ctg

Stock Exchange of Thailand (SET) has set its sight on cross-border trading and joint listing with Chittagong Stock Exchange (CSE), SET President Kittirat Na-Ranong said.

"But it is not possible just now as both the bourses have some differences in their operations and practices. For instance, all the companies listed with SET are required to be registered in Thailand," chief of the Thai bourse told *The Daily Star* in an exclusive interview yesterday.



Kittirat Na-Ranong

"However, cross-border trading and joint listing must take place in the course of time," said an optimistic Na-Ranong, who is leading a three-member team of the stock exchange to Bangladesh to explore ways for enhancing cooperation with CSE in line with a memorandum of understanding (MoU) signed in 2002.

The two bourses signed the MoU on December 13, 2002 in the Thai city of Chiang Mai during the visit of Prime Minister Khaleda Zia at a function attended by prime ministers of the two countries.

Purpose of the deal was to develop capital markets of both the countries by utilising all possible means under the umbrella of a long-term friendly relation between Bangladesh and Thailand.

CSE has 196 listed companies as against 430 of SET. However, 113 of CSE listed companies offer around 10 percent dividend while 430 companies listed with SET on average offer three percent dividend.

The SET with \$100 billion capital contributes around 80 percent to the Thai GDP while CSE with a capital of \$ 2 billion contributes some 4 percent to the GDP of Bangladesh.

SET president said the visit of SET delegation is the first step for working towards the goal of MoU to foster the ties between the two bourses. "We had meeting with CSE leaders and high officials to identify areas of closer cooperation and to exchange information, knowledge, experiences and technologies," he said.

"To start with we have agreed to exchange executives to work closely," said the SET president.

"Two of our officials -- Sarin Kliewpaisal and Suraphon Buphakosum -- arrived here earlier and closely observed the operation and activities of CSE," he added.

US-Australia free trade deal appears to be in danger

AFP, Washington

The United States chose not to intervene in Australia "at this point," he said.

"We have stated that it is Australia's obligation to implement the FTA in a manner consistent with both the terms of the FTA and international intellectual property agreements," Mills warned.

"We've made clear that the United States must certify that the implementation language fulfills the obligations under the FTA before the FTA can come into force. We reserve all our rights in this process."

Washington had given no support to the Australian legal amendments, Mills said.

"At no point have we expressed acceptance of the proposed legislation and/or amendments," he said.

US President George W. Bush last week signed the agreement into law, describing the deal as "a milestone in the history of our alliance."

The agreement, seen by some politicians in Washington as a payoff for Canberra's strong support for the US-led Iraq war, is scheduled to come into force next year.

With an election imminent, politicking has bogged down the free trade agreement for months, even though both sides in Canberra support the deal



Visitors enquire about products at the three-day education fair and exhibition of various products titled 'Edim Expo 2004 and Mid-Mix 2004' organised by Conference and Exhibition Management Services (Cems) at Sheraton Hotel in Dhaka. The exposition concluded yesterday.

UPVC pipe factory launched in Narayanganj

UNB, Dhaka

Bestec Corporation launched its UPVC pipe factory at Vaila in Rupganj, Narayanganj yesterday.

Speaker Jamiruddin Sircar was the chief guest at the launching ceremony.

Bestec Corporation Chairman Enayet Kabir told the function that the local customers would get sewerage UPVC pipes to be produced at the factory at lower costs, "but the standard will be equivalent to the imported ones."

Bestec Managing Director Tariqul Islam also spoke at the function.

Slower economic growth looms for India

AFP, New Delhi

India, the second-fastest expanding economy last year, is facing slower growth after being hit by a patchy monsoon, soaring oil prices and inflation at 42-month highs.

Add to that rising expectations for higher interest rates to rein in prices and the new Congress government, elected in May on a platform of spreading prosperity to India's poor, is faced with significant financial hurdles in the coming months.

Analysts have already trimmed growth forecasts for the Asian giant to 5.5 percent to 6.5 percent from seven to eight percent for the financial year ending in March 2005.

Economists say the "dream team" of Prime Minister Manmohan Singh and Finance Minister Palaniappan Chidambaram, seen as staunch economic reformers, will have their work cut out for them to ensure the damage does not worsen.

The eurozone economy grew by 0.5 percent in the second quarter and is likely to keep up the recovery momentum through the second half of the year, a first estimate by the EU statistics office Eurostat showed Friday.

On a 12-month comparison, second quarter growth was 2.0 percent in the eurozone compared to 1.3 percent in the previous quarter, Eurostat said.

Economists had been expecting the estimate to show the area's economy maintaining the 0.6 percent growth rate set in the first quarter.

In all 25 countries in the European Union growth in the second quarter was 0.6 percent from the first-quarter figure and 2.2 percent on a 12-month basis.

That compared to a 0.6 percent quarter rate and a 1.7 percent 12-month rate in for the whole EU in the first quarter.

Meanwhile the European Commission said it expected the eurozone economy to keep recovering from several lean years in the second half of the year.

After announcing their portfolios, Barroso said they would help Europe face its most pressing challenges.

"I want to put the commission in the

crop-growing areas in India's northwest but may be too late to rescue harvests and are still below normal. Healthy rural incomes are key to industrial, consumer and other demand.

"We still don't know how badly agriculture has been hit," said Samirita Choudhury, economic adviser to credit rating agency ICRA.

India's economy was the second fastest growing last year after China's, expanding by a scorching 8.2 percent, on the back of the best monsoon rains in a decade which fuelled demand in the farm-dependent nation.

This year has been a different story.

Economists say the effect of the stop-go monsoon, a lifeline for India where more than 600 million out of its billion plus people rely on agriculture for their livelihood, is still unclear.

The rains are at last soaking vital

driving seat of Europe, a Europe that really benefits our citizens," the polyglot former Portuguese prime minister told a news conference.

"My task was made easier by the high quality of commissioners," he added, noting also an unprecedented number of female members - eight -- and claiming a fair distribution of jobs to the bloc's 10 newest members states.

"There will be no first- and second-class commissioners," Barroso said.

Provided it is endorsed by the European Parliament in October, considered a formality, the new commission will take office on November 1.

A succession of bruising defeats in battles with member states suffered by the outgoing commission, led by the ineffectual Romano Prodi, has under-

Bankruptcies in Japan fall

Reuters, Tokyo

The number of Japanese firms that tipped over into bankruptcy in July fell for the 19th straight month on a yearly basis as corporate health improved in line with a recovering economy, a research firm said Friday.

Teikoku Databank said bankruptcies in July fell 16.8 percent from a year earlier to 1,151, while the debt of failed firms was down 13.6 percent at 605.34 billion yen (\$5.46 billion), below 1 trillion yen for the fourth straight month.

With Japan's economy recovering thanks to strong exports and rising domestic demand, the number of corporate bankruptcies was likely to fall further this year, economists said.

Analysts expect inflation, which is also being driven by higher food prices due to the erratic rains, to breach eight percent in coming weeks.

The government knows inflation can be a political landmine.

In 1998, soaring prices of onions, an Indian cooking staple, resulted in the Hindu nationalist Bharatiya Janata Party losing office in the state of Delhi.

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But Barroso, a Maoist turned conservative, paid credit to EU countries for giving him a free hand in naming his line-up.

"There is not a strong commission with a weak president," he said, pointing to the experience he can muster from the clutch of ex-prime ministers, foreign ministers and finance ministers on his team.

Barroso named five vice presidents, up from two in the outgoing commission, including one each from the twin motors of European integration -- France and Germany.

Rumours swirled that the minimum

would be anywhere from 50 percent to 70 percent. That's big money in a fast-growing, multi-billion-dollar industry in which government purchases are estimated to account for up to a quarter of the total.

But officials drafting the software-buying policy have decided to back off from the original, patriotic version.

China has axed a software buying policy that would have discriminated against Western firms such as Microsoft after bowing to international pressure and internal critics, government and industry sources said Thursday.

The State Council, or cabinet, had been widely expected to announce a new policy this summer requiring a percentage of software bought by ministries and state-owned companies to be made by Chinese firms.

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New EU commission chief unveils big-hitting team

AFP, Brussels

The incoming head of the EU executive unveiled on Thursday what he boasted would be a hard-hitting team to push through economic reform and balance the interests of big and small, old and new EU members.

Among the 24 commissioners who will serve under Jose Manuel Durao Barroso, president-elect of the European Commission, are Britain's Peter Mandelson, a close ally of Prime Minister Tony Blair but a controversial character who has twice had to resign cabinet posts.

After announcing their portfolios, Barroso said they would help Europe face its most pressing challenges.

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driving seat of Europe, a Europe that really benefits our citizens," the polyglot former Portuguese prime minister told a news conference.

"My task was made easier by the high quality of commissioners," he added, noting also an unprecedented number of female members - eight -- and claiming a fair distribution of jobs to the bloc's 10 newest members states.

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