

Incorporate more projects in PRSP to spur rural economy

Local NGO urges govt

STAR BUSINESS REPORT

As poverty reduction strategy paper (PRSP) is going to be finalised in May, a local research and development organisation yesterday asked the government to incorporate more projects in the paper focusing on investment flow in rural economy.

Shamunna, a research wing of local NGO Unnayan Shamannay, also asked the government to raise agricultural subsidies to 10 percent of GDP from existing 2 percent. It said public investment in rural areas is declining which may result in missing millennium development goals for the country.

Addressing an opinion-sharing discussion on PRSP with newsmen, Atiur Rahman, chairman of Shamunna, said the coun-

try needs to increase investment growth from current 23.6 percent to 30 percent to add two percent GDP growth to the present rate of over 5 percent.

Shamunna, a research wing of Unnayan Shamannay, in association with Manusher Jonno, a local NGO, organised the discussion in Dhaka.

Presenting an analytical paper on PRSP, Atiur said the country has to achieve at least seven percent GDP growth to halve poverty by 2015. Without investing and generating employment in rural areas the growth target cannot be obtained.

He said the government should chalk out a detailed employment generation target in the next budget, as creating job is vital for reducing

poverty. He said India set up a Rs 11,000 crore job creation fund in this year's budget and also earmarked Rs 32,000 crore for investment in textile sector which will generate huge employment.

"Employment generation should be the first focus in preparing PRSP. The government must draw up specific job creation target in budget. Plans should be made to reduce poor-rich gap as well," said Atiur, also an economist.

He said the government must control inflation. "Inflation is the biggest threat to economy."

The government puts inflation rate at about 6 percent but the price spiral suggests that the rate near 8 percent. If inflation reaches double digit, the macroeconomic stability

will collapse, Atiur forecast.

He asked the government to take measures so that microcredit organisations can join hands with commercial banks to extend the coverage.

The economist said PRSP is likely to avoid many areas including quality of education, technical and vocational education, increased access to information technology and pragmatic plan to reduce economic gap between the rich and the poor.

He asked the policymakers to invite suggestions on PRSP from all stakeholders involved in it and initiate a debate in parliament before finalising.



Atiur Rahman, chairman of Shamunna, a research wing of local NGO Unnayan Shamannay, addresses an opinion-sharing discussion on poverty reduction strategy paper (PRSP) with newsmen in Dhaka yesterday.

Former WorldCom CEO guilty on all counts

AP, New York

Bernard Ebbers, the once-swaggering CEO of WorldCom, was convicted Tuesday of engineering the largest corporate fraud in US history -- an \$11 billion accounting scandal that capsized the big telecoms company three years ago.

The verdict marked a colossal fall for Ebbers, who had turned a humble Mississippi long-distance provider into a global telecommunications power, swallowing up companies along the way and earning the nickname "Telecom Cowboy."

A federal jury in Manhattan returned guilty verdicts on all nine counts, including securities fraud, conspiracy and lying to regulators -- a decision that could send Ebbers, 63, to prison for the rest of his life. Sentencing was set for June 13.

The former chief executive reddened deeply when the jury announced its verdict after eight days of deliberations, and his wife, Kristie, burst into tears in the courtroom's front row. Later, as his lawyer spoke outside, promising an appeal, Ebbers and his wife -- nearly toppled by the enormous crew of cameras and reporters camped outside the federal courthouse -- made their way to a nearby street, hailed a cab and drove away.

Kohinoor Chemical okays 17pc dividend

Kohinoor Chemical Company (Bangladesh) Limited has announced a 17 percent dividend for its shareholders for the year 2003-2004.

The dividend was approved at the 17th annual general meeting of the company held in Dhaka on Friday, says a press release.

Md Obaidul Karim, chairman and managing director of the company, presided over the meeting.

New office bearers of ICMAB Dhaka branch



Chairman

Vice-chairman

Jamal Ahmed Choudhury and Naba Krishna Muni have recently been elected chairman and vice-chairman of the Dhaka Branch Council of the Institute of Cost and Management Accountants of Bangladesh (ICMAB) for the year 2005.

Jamal Ahmed is presently serving as senior manager (Finance & Accounts) in Beximco Pharmaceuticals Ltd while Naba Krishna is an institutional development specialist at Deloitte EMG-NSDP-USAID Partnership Programme, says a press release.

Besides, Mohammad Showkat Nawaz, proprietor of S Nawaz and Associates, and Md Akhteruzzaman, finance manager and company secretary of SGS Bangladesh Ltd, have been elected secretary and treasurer respectively.

Asia needs trillion dollars to boost infrastructure: Study

AFP, Singapore

Asia-Pacific developing economies led by China need to invest more than one trillion US dollars over the next five years to upgrade their infrastructure and sustain growth, a report said Wednesday.

China alone is estimated to account for 80 percent of the total amount needed, the Asian Development Bank (ADB), the World Bank and the Japan Bank for International Cooperation (JBIC) said after a joint study.

The 21 economies covered in the report face a massive funding challenge with more than 200 billion dollars required annually from public and private sources for roads, power plants, communications, water and sanitation systems during the five-year period.

"Governments clearly have significant incentives for improving

their investment climates and making sure that reliable public policies are in place to attract the right kind of investment," ADB Vice president Geert van der Linden said.

"In the past, infrastructure has been a key driver of economic growth and for reducing poverty," van der Linden said in a statement issued by the three lenders.

"Getting the policies right is clearly going to be a priority for countries in the region to attract the private funds needed to promote economic growth and to share the benefits of that growth with poorer groups."

The report noted that some of the poorest economies such as Laos and Cambodia have little or no infrastructure investment while the 1997-98 Asian crisis forced others like Indonesia and the Philippines to spend less in this area.

"The economic crisis is now over,

most countries have resumed high level growth levels and private investment in general is beginning to recover but private investment in infrastructure is returning only very cautiously and governments are sometimes tentative in their response," it said.

The three lending institutions, however, noted important developments since the regional financial meltdown in the late 1990s.

The countries affected now have more open governments, allowing vigorous debate on policy and spending issues, as well as stronger state institutions capable of handling large transactions and investments more efficiently.

"And significantly, while it is hard to say that there is less corruption, there is less tolerance of it and fewer illusions about its hidden costs on business and the poor," they said.

Software, ITES directory launched

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Bangladesh Association of Software and Information Services (BASIS) yesterday published the first-ever software directory titled 'Bangladesh Software & ITES Directory-2005'.

Science, Information and Communication Technology Minister Abdul Moyeen Khan formally inaugurated the directory in Dhaka.

Information about 152 software and ITES (IT enabled services) companies has been included in the directory. Catalyst, a Swiss NGO, financially assisted the publication.

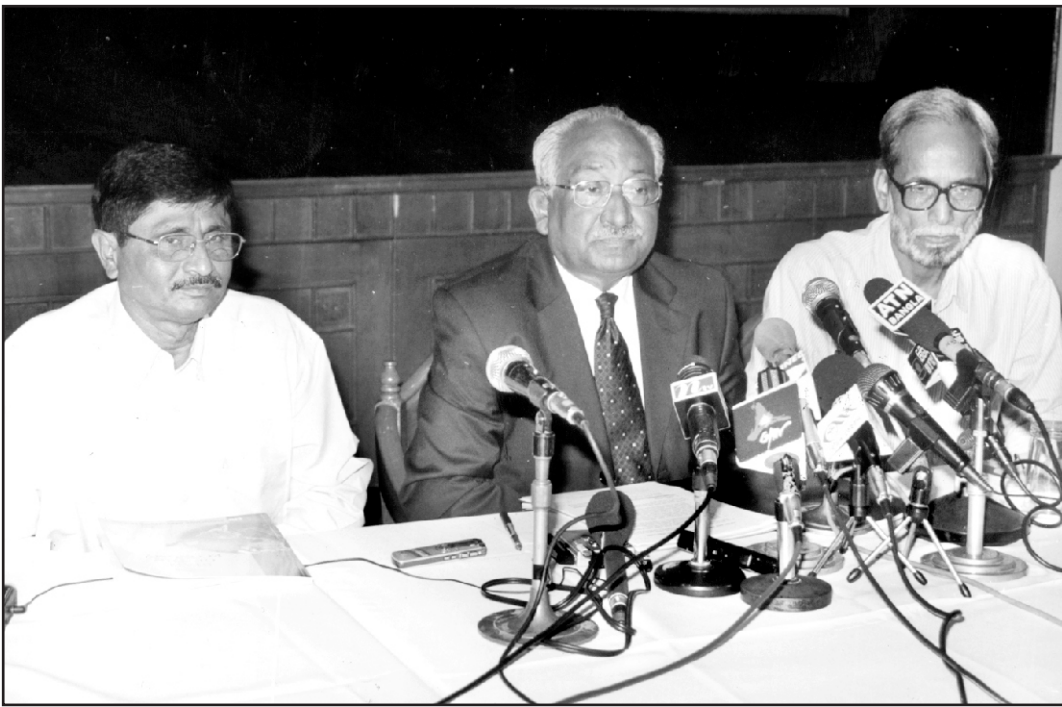
Speaking at the inaugural ceremony as the chief guest, Moyeen Khan said the directory will work as a strong marketing tool for Bangladesh software & ITES industry.

"The directory will help foreign buyers as well as investors to know what we are actually doing here," the minister added.

Sarwar Alam, president of BASIS, termed the publication of the directory a significant step towards creating a vibrant software and ITES market in the country.

The digital version of the directory will also be available along with the book, he added.

T I M Nurul Kabir, vice president of BASIS, and A K M Fahim Mashroor, editor of the directory, also spoke at the function.



Finance Minister M Saifur Rahman speaks at a discussion on 'State of the Economy' with members of the Economic Reporters' Forum (ERF) yesterday in Dhaka. Monowar Hossain (R), president, and Nurul Hasan Khan (L), general secretary of ERF, are also seen.

Japan to give \$112.7m loan for rural infrastructure

STAR BUSINESS REPORT

Japan will give Bangladesh \$112.7 million in soft loans to implement rural infrastructure development projects in the eastern part of the country.

Japanese Ambassador to Bangladesh Matsushiro Horiguchi and Economic Relations Division (ERD) Secretary Ismail Zabiullah yesterday signed an exchange of notes to this effect in Dhaka.

The projects under Local Government Engineering Department (LGED) will be implemented in Sylhet and Chittagong divisions.

The projects include development of 1,189 kilometres of upazila and union roads, plantation of trees by roads, construction of 6,523 metres bridges and culverts and 45 km submergible roads in the haor areas in Sunamganj and Habiganj, 20 boat landing stations and 73 Union Parishad complexes, physical improvement of 67 growth centres (market places) and institutional capacity building in the local government.

"The project is aimed at improving access to economic opportunities and social services in rural areas and providing basis for agricultural development and promoting other economic activities to alleviate poverty," a Japan Embassy press release said.

The projects will be launched 90 days after the loan agreement is signed in Tokyo on March 22 and will be completed in 4 years from its inception. The loan will be extended through the Japan Bank for International Cooperation.

The loan, with an interest rate of 0.9 percent per annum, is to be repaid in 30 years with a grace period of 10 years. The equipment and services under the project will be procured in due course, the release added.

This is the third time the government of Japan is providing loan assistance for rural infrastructure development. The total amount of Japanese loan assistance to Bangladesh since 1971, including this one, is around \$5,730 million.

Rupsha bridge to be handed over to govt April 18

STAFF CORRESPONDENT, Khulna

Rupsha bridge in Khulna is going to be open to traffic soon as the construction firm will hand over the bridge to the government on April 18.

The exact date for inauguration of the bridge over the Rupsha is yet to be fixed. The bridge will be named after saint Khan Jahan Ali.

Officials of Shimizu-ITD, the construction firm, said 97 percent work of the bridge has already been completed.

AKTEL official mobile at Ctg int'l trade fair

AKTEL cellphone is the official mobile phone company of the on-going Chittagong International Trade Fair 2005.

To this effect, AGM (Marketing) of AKTEL Sania Mahmood recently offered ten AKTEL connections to Saifuzzaman Chowdhury Javed, president of Chittagong Chamber of Commerce and Industry (CCCI), in Chittagong, says a press release.

The month-long international trade fair concludes on March 23.

Opec agrees to increase oil supplies

REUTERS, Isfahan, Iran

Opec producers yesterday agreed a two percent increase in oil supplies in an effort to rein in \$55 crude.

Ministers from the Organization of the Petroleum Exporting Countries said they raised production limits by 500,000 barrels a day to 27.5 million bpd.

The agreement gives the cartel president power to trigger an additional 500,000 bpd later in the second quarter should prices stay high. Ministers scheduled their next meeting for June 7.

Saudi Oil Minister Ali al-Naimi said Riyadh was aiming to bring crude down to \$40-\$50 a barrel, the first time the world's biggest oil exporter has advocated support for prices that high. "Current oil price levels of \$55 are high and we want prices to be between \$40 and \$50 a barrel," Naimi told the London-based Arabic-language Al-Hayat newspaper.

"We will increase the ceiling by 500,000 and another 500,000 will

be with the president to authorize if prices remain as they are or rise," said group President Sheikh Ahmad al-Fahd al-Sabah of Kuwait.

Crude eased, U.S. futures trading off 37 cents at \$54.68 a barrel and London Brent slipping 42 cents to \$53.43 a barrel.

"Opec are doing their best but it is a train that is difficult to stop," said Bob Finch, head of trade at independent oil trading house Vitol SA.

Investors from other financial asset classes have plowed into oil and commodities this year, driving U.S. crude to an average \$48.87 in the year to date, up \$7.40 from the 2004 mean.

"This story is not about the fundamentals, it's about the financials," said consultant Gary Ross of PIRA Energy.

"The investment community is looking beyond the short term fundamentals and wondering whether Opec can meet forward demand growth without prices going sharply higher."

Oil traders will be calculating how

much actual extra oil Opec's deal delivers.

Sheikh Sabah said the pact would bring 500,000 bpd of real new supply in April.

Gulf Opec delegates said Saudi Arabia and Kuwait wanted to ensure real volumes were delivered to permit world inventories to build in the spring, when seasonal demand is at its lowest ebb.

The only producers with much spare capacity to tap, the two are ready to pump actual extra volumes of 500,000-700,000 bpd in the second quarter, the delegates said.

They said Gulf producers want to ensure a bigger-than-normal second quarter stockbuild to avoid further upward pressure on oil prices later in the year.

"This deal is about anticipating oil demand next winter," said Glenn Murray of GM oil brokers in Monaco. "But the jury is out on whether they can store enough oil to meet that demand."

Telenor opens cellphone network in Pakistan

STAR BUSINESS REPORT

Telenor, the Norwegian telecoms giant, on Tuesday launched its Pakistan operations.

According to a press release posted on the company web site, Pakistan Telenor officially opened its GSM mobile network for commercial service.

Pakistan President Pervez Musharraf conducted the opening in Islamabad by placing the first call through the network to Norway Prime Minister Kjell Magne Bondevik, who was on a visit to Sydney, Australia.

This is the first time that Telenor as sole owner has launched a mobile operation outside Norway.

The commercial launch of the network took place less than a year after Telenor won its license on 14 April 2004.

"We are pleased to be in operation at this early date, and plan to maintain a high tempo as we remain committed to providing coverage to 70 percent of Pakistan's population three years from now," said Telenor CEO Jon Fredrik Baksaas.

Telenor was one of two bidders to secure a mobile license in Pakistan in April 2004, and with these two new additions, Pakistan now counts six mobile operators.

Nokia and Siemens are cooperating on the rollout of Telenor Pakistan's network. During the initial phase, 400 base stations will provide coverage in the three largest cities: Islamabad, Karachi and Rawalpindi.

Telenor holds majority stakes in Bangladesh's leading cellphone company GrameenPhone.