

Taka convertibility to help achieve economic growth

By Inam Ahmed

With the liberalisation of the Taka in Bangladesh, the overall level of economic growth should increase and attract further investment.

This feeling was expressed by the Chief Executive of the Standard Chartered Bank, Bangladesh, Stephen M McCarthy in an exclusive interview with The Daily Star.

"To tackle the anticipated increase in the level of business, we have recently undertaken a plan to reposition the bank in Bangladesh and are now undergoing a revitalisation exercise," said the Standard Chartered Bank chief. "We are investing heavily in human resources, computer technology and our overall infrastructure."

As part of the reorganisation programme, the bank is planning to spend over Taka 20 million on branch renovations and its expansion work.

While expressing enthusiasm for the convertibility of the Taka McCarthy also stressed the need for taking extreme care by the banks. "It is essential that dealing operations by the banks are very tightly controlled and they must follow the accepted laid down international guidelines," the British banker said adding, "the banks themselves

must control their operations to avoid any malpractice."

With regard to investment opportunities in Bangladesh, the Standard Chartered Bank chief expressed the opinion that these could only be considered provided the underlying business proposals were viable and at the same time, it was impos-

ible to the extent that the banks should be able to anticipate their customers' needs and also to be in a position to identify possible future difficulties. In this manner it was very often possible to save an ailing business from disaster.

Reflecting on his own bank's operation in Bangladesh, McCarthy said the Standard Chartered Bank is re-establishing its corporate identity. And, with the extensive recruitment of qualified professionals to man its corporate, retail, treasury, financial control and human resources divisions, he is confident of achieving this goal ensuring better services by the branches in Bangladesh.

The bank has a global network of over 700 branches in 30 countries. With this global network, the bank's customers in Bangladesh can benefit by routing their commercial transactions to various markets through the same bank thereby significantly reducing both processing time and associated charges.

In addition to offering more comprehensive services to the Corporate Customer, the Standard Chartered Bank will soon launch a programme of Retail products.

Stephen M McCarthy

tant that bankers became associated with any such proposals at an early stage of their development.

He also stated that it was essential that the banks actively followed the businesses in which their customers were in-

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Announcing this, Energy and Natural Resources Minister Dr Khandaker Mosharraf Hossain told UNB Sunday the three-day "Round Table Conference on Petroleum Investment in Bangladesh", sponsored by the World Bank at Houston, Texas, in the middle of the current month aroused a great deal of interest among renowned oil companies.

At the end of the conference, six oil companies signed five memoranda of understanding (MOU) with Petrobangla.

The oil companies are expected to start negotiation with Petrobangla for production-sharing contract (PSC). If any of the companies fail to sign PSC with Petrobangla within December 1993, its MOU would be considered null and void.

Two operating subsidiaries of the state-owned Petrobangla, currently produce some 635 MMCFD natural-gas, 1000 BPD condensate and about 200 BPD crude from onshore fields.

Gas is being utilised to generate power as a feedstock for the manufacture of fertilizer and for various other industrial, commercial and domestic purposes.

Petroleum policy attracts multi-national companies

The new petroleum policy adopted by the present government to stimulate investment for exploration and production, refining and marketing of oil and gas has succeeded in eliciting encouraging response from multi-national oil companies.

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Japan may cut income tax in current fiscal

TOKYO, Sept 27: The Japanese government may decide by December to cut income tax in the current fiscal year ending next month, the leading economic daily, Nihon Keizai Shimbun, said today, reports AFP.

The likelihood of a tax cut emerged as Finance Minister Hiroshi Fuji said that Tokyo would study tax reform at Saturday's meeting of finance ministers and central bank governors from the Group of Seven (G-7) nations — Britain, Canada, France, Germany, Italy, Japan, and the United States, the daily said.

The government's tax commission, an advisory body to Prime Minister Morihiro Hosokawa, will start studying how to change the progressive rates of income tax and the consumption of tax rate at a general meeting Tuesday, the daily said.

Based on the commission's discussions, the government will study the timing of an income tax cut and the possibility of raising the consumption tax from current three per cent to pay for the tax cut, the daily said.

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In an effort to overcome the differences, Tehran radio reported that Rafsanjani told King Fahd that Iran and Saudi Arabia played key roles in OPEC, and stressed the need for "cooperation to drive prices up to achieve more realistic prices."

King Fahd welcomed cooperation, and said the nations' oil ministers "could meet in Geneva and lay the grounds for further cooperation," according to the report.

Saudi Oil Minister Ihsan Nazer and Gholamreza Aghazadeh, Iran's oil minister, held a breakfast meeting Monday — the third day of the cartel's meeting in this Swiss city.

With demand expected to rise ahead of the winter heating season in the United States and Europe, the ministers hope production restraint will give a lift to prices.

The toughest part of the ministers' work may lie ahead — negotiating individual output quotas that all will accept. In the past, the cartel has had

trouble getting all members to honor commitments to keep a firm hand on pumping.

Iran, Nigeria and others have been producing more oil than they said they would last June. Kuwait, too, has been lifting at high levels, trying to recover revenues lost when its oil industry was damaged during the Gulf War.

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