

Tax collectors in China itching for new law

BEIJING, Feb 15: China's tax collectors are itching for new legislation to allow them to enforce an inheritance tax, a senior Chinese tax consultant said yesterday, reports AFP.

The conditions for China to introduce an inheritance tax are getting more mature by the day as the country's economy is growing rapidly," Liu Zuo, a consultant for the state administration of taxation, told the Xinhua news agency.

"Some Chinese have become millionaires or multi-millionaires as a result of the country's economic reform and opening-up," he added.

China already levies income tax and property tax, but does not have an inheritance tax, largely because the nation lacks an effective property registration system.

The huge increase in properties like real estate, vehicles, deposits and securities have combined to provide considerable resources for inheritance taxes," Liu said.

"It will supplement personal income tax and will not only help ease the widening gap between rich and poor, but also increase the government's fiscal income," he added.

China started to introduce personal taxes when it launched economic reforms in the early eighties but these were not really enforced until the nineties.

Oil dealing scam

Mitsubishi Oil Co chief to resign

TOKYO, Feb 15: Kikuo Yamada, Chairman of Japan's Mitsubishi Oil Co Ltd, is to resign to take responsibility for his company's involvement in an oil dealing scandal, the Asahi Shimbun said Saturday, reports AFP.

The major oil refiner and distributor belonging to the Mitsubishi Group allegedly gave more than 2.4 billion yen (19 million dollars) in illegal funds to Junichi Izu, an Osaka-based oil broker, between 1993 and 1995 in the form of an oil deal, the daily said.

In January police arrested a former senior official of Mitsubishi and raised the headquarters of the company in Tokyo in connection with the scandal, which also involved politicians, bureaucrats and major companies.

Police questioned the 69-year-old chairman and raided his home late last year on suspicion of his involvement in the scandal.

Izu, 60, known as a big donor of political funds, has been charged with tax evasion and bribery.

Bid to attract \$5b foreign funds in Maharashtra

BOMBAY, Feb 15: The Indian state of Maharashtra has made a strong bid to attract five billion dollars of foreign funds, officials said Friday, reports AP.

Beginning Sunday, state capital Bombay will hold a conference—advantage Maharashtra—where investors can bid for projects in sectors like agriculture, bridges, housing, power, ports, roads and tourism.

The response has been very good," State Industry Secretary Vinay Bansal said of India's first investors' conference.

"We had anticipated 500 delegates, but 670 from 27 countries have confirmed attendance," he said.

Bansal said the state government has been working for the past several months to lure investors from Britain, Hong Kong, Singapore, Switzerland and the United States.

The conference will showcase Maharashtra as the most attractive and friendly investment destination in India now," he said.

EC presses Spain to compensate strike-hit foreign hauliers

BRUSSELS, Feb 15: The European Commission yesterday pressed Spain to compensate the foreign hauliers who have been hit by a truckers' strike that has paralysed the north of the country, reports AFP.

Transport Commissioner Neil Kinnock wrote to Spain's Public Works Minister, Rafael Arias Salgado, asking "whether the Spanish government will compensate foreign hauliers for the damage they have suffered as a result of this dispute."

The commission has no power to force Spain to pay compensation. But Kinnock pointed out in his letter that France had established a compensation scheme after a similar strike blocked roads there last year.

Kinnock also expressed concern about the violence associated with the strike and reminded the Madrid government of its obligation to ensure the free movement of goods and people throughout the union.

"Urgent action is needed to find a rapid solution, to allow the non-Spanish lorry drivers to get back home and ensure that free movement is guaranteed," he said.

16 WB-funded projects progressing well

Despite various implementation problems, 16 out of the 25 projects funded by the World Bank in Bangladesh are progressing well, reports UNB.

Officials said there has been tangible progress in recent times as the government took some resolute steps to remove the existing problems for smooth implementation of the foreign-aided projects.

The World Bank's Continuous Reporting of Project Status (CROPS) for January says, both the development objectives and the implementation progress of the 78.10 million US dollar Road Rehabilitation and Maintenance project are highly satisfactory.

It said development objective and rate of implementation

progress of the remaining projects are satisfactory.

These are: 45.01 million US dollars Rural Roads and Markets Improvement and Maintenance Project, 80.92 million dollars General Education Project, 79.60 million dollars Third Rural Electrification Project, 31.3 million dollars Third Inland Water Transport Project, 24.40 million dollars Agricultural Support Services Project, 133.20 million dollars Fourth Population and Health Project.

The 36.4 million dollars Forest Resources Management Project, 49.5 million dollars Female Secondary School Assistance Project, 143.6 million dollars Jamuna Bridge Project, 103.90 million dollars Second Road Rehabilitation and Main-

tenance Project, 83.4 million dollars Gas Infrastructure Development Project, 40.10 million dollars Integrated Nutrition Project, 78.40 million dollars River Bank Protection Project, 33.6 million dollars Agricultural Research Management Project and 7.10 million dollars Non-formal Education Project.

Most of the projects were launched during the past regime, but these could not be implemented on schedule due to dilly-dally in project implementation.

Officials said that despite the current good performance, the World Bank says the country needs to address some generic problems to further improve its performance.

Bid to boost exports

Jakarta gives spl facilities to 6 additional products

JAKARTA, Feb 15: The Indonesian government has decided to grant special facilities to six additional categories of products in a bid to boost the country's flagging exports, a senior official said, reports Xinhua.

Minister of Industry and Trade Tunku Arifwibowo said here Friday the six additional categories of products are food, paper, rubber, fish, vegetable oils and toys.

This brought the number of eligible product categories to ten after four industrial commodities—textile and textile products, leather shoes, wood products and electronics—received export tax and non-tax incentives in January.

Special facilities offered include exemption from a customs post-audit one year after

goods are exported, notification that goods for export can be delivered directly to export officials at embarkation port without passing through foreign exchange bank, and an establishment of special places/services for document inspection.

According to a new decree issued Friday by the industry and trade ministry, companies entitled to the facilities are producer-exporters and non-producer exporters who are free of tax or loan problems, and have paid tax for the last two consecutive years.

The Indonesian government has set an increase of 14.2 per cent in non-oil/gas exports for the 1997/98 fiscal year, while total exports were estimated to rise by 8.6 per cent.

Clinton blocks American Airline pilots' strike

WASHINGTON, Feb 15: President Clinton blocked an American airline pilots strike Saturday morning, ordering a 60-day "cooling off" period just minutes after union leaders ordered a walkout that would have shut down the airline, reports AP.

Clinton took the action immediately after union president James Sovich ordered local strike leaders around the country to shut down the airline, a move that would have stranded up to 40,000 travelers.

Politicians from cities with major American operations joined the airline to urge Clinton's risky eleventh-hour intervention: the union had told him to but out.

This time, the pilots say they aren't interested in binding arbitration, in which a third party makes the final decisions.



Philip Tose, Chairman of Peregrine Group, called on Shoaib Ahmed, Managing Director of Bangladesh Shilpa Rin Sangstha (BSRS), in the city yesterday. During the meeting, they exchanged views on the prospect of capital market in Bangladesh and possibility of equity participation in industrial undertakings specially in joint venture companies.

PC sales growth in Asia may ease to 22 pc

SINGAPORE, Feb 15: Personal computer sales growth in Asia excluding Japan is expected to ease to 22 per cent this year after soaring 33 per cent in 1996, US market research firm Dataquest said yesterday, reports AP.

Sales should grow to 11 million units this year from nine million units in 1996, during which China was the hottest market growing at 53 per cent, it said.

In 1995, 6.8 million personal computer units were sold in the region, up from 5.4 million units the previous year.

For the Asia-Pacific region as a whole, Dataquest said the market grew over 36 per cent in 1996, up from 32 per cent in 1995.



Raphael V Parambi (L), General Manager, Muscat Finance Co Ltd of Oman called on A S M Quasem (C), President of the Dhaka Chamber of Commerce and Industry at the DCCI office yesterday. They discussed various issues relating to financial services and investment opportunities. Ashraf Ibn-Noon, Senior Vice-President, DCCI is also seen.

'Global telecom pact within grasp'

GENEVA, Feb 15: A deal to liberalize the global telecommunications market was within grasp late Friday, trade officials said, reports AP.

That was despite a last minute move by the US to exclude some broadcasting services from the basic trade rule of equal treatment for all.

"We can see the possibility of an agreement," said chief US negotiator Jeffrey Lang. "We are making progress and we can see the way forward."

"It looks like there is a deal," said Canadian delegate Michael Binder as he emerged from a late night meeting of more than 60 negotiators.

Nonetheless, the European Union was irate at the US move, which some of their officials said was illegal under world trade rules.

But a meeting of EU ministers in Geneva late Friday agreed not to let this deflect them for clinching a deal.

A European official close to the talks said the US statement

was "of dubious legality" under World Trade Organisation rules but a deal was still likely. "We understand that Canada and not Europe is the US target but we nonetheless retain the right to challenge this action if necessary within the WTO."

Binder, asked about the legality of the action, said, "check with us tomorrow."

The goal is a global pact would phase out monopolies and restrictions on competition that have allowed telephone companies to overcharge for calls and given them little incentive to upgrade services.

Telecommunications is one of the most dynamic sectors of the world economy. But trade barriers have prevented technological gains being passed on to the consumer.

For instance, it costs an estimated 2 cents per minute to provide a trans-Atlantic phone link—the same as a local call. European consumers pay about two dollars per minute.

Customers could gain by 1

More UK investment in DEPZ

UK is to invest another 2.38 million US dollars in the Dhaka Export Processing Zone, says a press release.

With this, the number of British Industries in the Export Processing Zones of Bangladesh now stands at 12. Of these, six are in DEPZ and the rest in DEPZ.

The total British investment in the EPZs of Bangladesh stands at about 45 million US dollars equivalent to Taka 1935 million.

The latest British investment is in the garments sector.

The factory, known as FCI Limited, will produce rain coat, over coat, blazer, jacket, blouse, suit and dress. This industrial unit will create employment opportunity for 264 Bangladeshi nationals.

The other British investments are in the fields of audio and video tape, grey fabric and

shop towel, cap and hat, metal products, woven fabric, leather shoe and cotton fabric.

Beijing economy grows

BEIJING, Feb 15: The Chinese capital's GDP stood at 160.73 billion yuan in 1996, some 9.1 per cent up over the figure for the previous year, the municipality's statistics bureau announced yesterday, reports Xinhua.

Investment from overseas was one of the major propellants of Beijing's economy and the city received 14.7 per cent more foreign investment last year than in the previous year, said a spokesman for the bureau.

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PEREGRINE BANGLADESH INDEX

Saturday's market comment

The PBI shot up 2.55 per cent for the day to close above the 900 mark at 908.64. Trading was bullish as 19 issues advanced over five losers. One issue was unchanged. Shine Pukur was the top performer of the day with a 9.87 per cent gain followed by Prime Textiles which gained 8.77 per cent on good retail demand. Apex Tannery, Beximco Pharma, and Monno Ceramic performed well as they added 7.28 per cent, 6.39 per cent and 4.59 per cent respectively. Olympic Industries led the losers with a 4.05 per cent drop under retail selling pressure along with Eastern Cables which fell 3.28 per cent. Chittagong Cement did not trade.

Exchange Rates

The following are the Janata Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 13/02/97						
Selling	Buying	T.T.	O.D. Sight	O.D.	Export Bills	Transfer
Name of T.T. & C.B.	O.D.	Clean	Bank	Bank	Bank	Bank
US Dollar	42.9120	42.9650	42.6200	42.4531	42.3438	
GB Pound	69.8215	69.9026	68.7678	68.4852	68.3057	
D.Mark	25.5571	25.5868	25.1319	25.0286	24.9630	
F. Franc	7.5822	7.5910	7.4508	7.4202	7.4007	
JP Yen	0.3492	0.3496	0.3409	0.3395	0.3386	
C. Dollar	31.9644	32.0015	31.4265	31.2973	31.2153	
S. Franc	29.4636	29.4978	28.9587	28.8397	28.7641	
Janata Bank's selling and buying rates in cash currency for public:						
US DLR	42.9000	42.8215	11.6500	11.6500	141.0000	
SELLING	42.3000	66.0715	11.2000	11.1500	135.5000	
BUYING	42.3000	66.0715	11.2000	11.1		