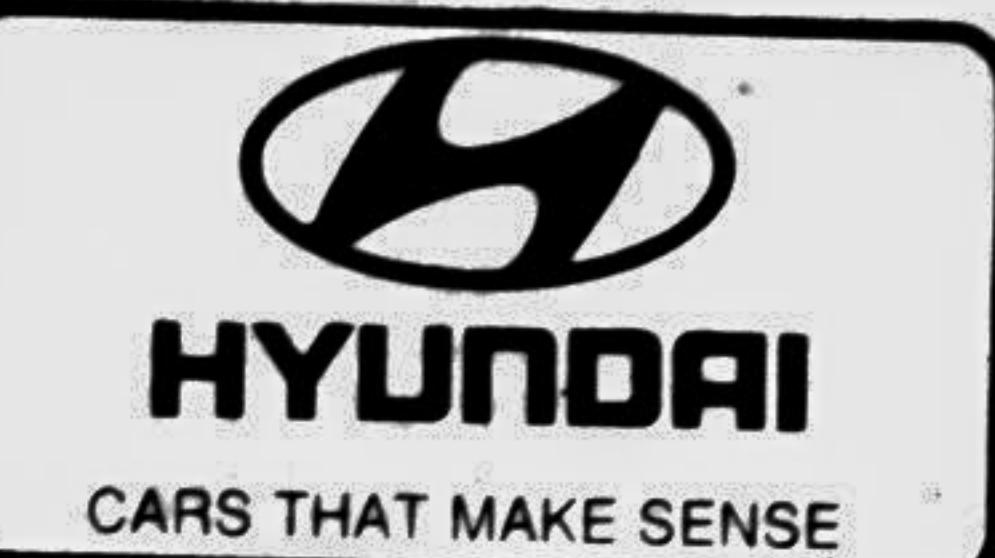


# The Daily Star BUSINESS

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Seminar on International accounting standard

## Govt to go for financial reforms on priority basis : Kibria

Finance Minister Shah A M Kibria said yesterday that the present government would go for reforms in the financial sector on priority basis to ensure growth and development of the country's economy, reports BSS.

He was speaking as the chief guest at a seminar on "International accounting standard relating to disclosures in the financial statements of banks and similar financial institutions" jointly sponsored by the World Bank Resident Mission in Bangladesh and the Institute of Chartered Accountants of Bangladesh (ICAB) at ICAB Bhawan here.

The finance minister said the healthy growth of economy depends on sound financial sector, adding that reforms in the financial sector would be made on an urgent basis.

Describing the subject mat-

ter of the seminar as part of the whole reform programmes, Kibria said that disclosures in the financial statements of banks and similar financial institutions were essential to ensure transparency, accountability and financial discipline in the country.

Reminding the chartered accountants of their significant role in ensuring transparency in the financial sector, the minister urged them to maintain the quality of accounting as well as their professional standards.

Referring to the imposition of VAT (Value Added Tax) on the members of the profession of chartered accountancy Kibria said VAT would be extended to other professions gradually.

The Finance Minister expressed hope that the seminar would formulate well-conceived recommendations, assuring the members of ICAB to look into

the suggestions.

Presided over by President of ICAB Anil Chandra Nath, the inaugural function was also addressed by former deputy prime minister and chairman of ICAB seminar committee Jamaluddin Ahmed, acting chief of World Bank Resident Mission Owaisa Saadat and Vice-President of ICAB, Anisur Rahman.

In his speech Anil Chandra Nath underlined the need for ensuring intensive audit of accounts of the banks to keep the public properly informed and aware of the banks' performances.

He said detailed audit of financial statements would protect the interests of the depositors and help create a strong banking system.

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said banking laws and practices are constantly changing throughout the world.

Ahmed suggested to change the laws for the protection of the auditors. He also said that the professional chartered accountants should have protection and freedom.

In his speech Saadat highlighted the importance of timely and accurate financial accounting and disclosure in ensuring the credibility of the banking system.

He said that the aspect of revising the inadequate and misleading rules on accounting and disclosure had become inevitable in view of the globalisation of the financial markets.

Saadat expressed the hope that steps would be taken by which Bangladesh could harmonise its accounting and auditing practices with the international accounting standard.



Deen Mohammad, Chairman, Phoenix Leasing Company Limited, presiding over the second annual general meeting of the company for the year 1996. Among those present were M Yunus, Vice Chairman, Major General (retd) Abdul Mannan Siddiqui, Nashiruddin Ahmed, Dr (Prof) Ali Afzal Khan, Rafiqul Islam Khan, MA Majid, SA Mansur Mohammad Shoeb, Evana Fahmida Mohammad, Directors, and A Quadir Chaudhury, Managing Director.

## Phoenix Leasing declares 5 pc dividend

Phoenix Leasing Co Ltd declared five per cent dividend at its second annual general meeting held at its head office yesterday, says press release.

Deen Mohammad, Chairman of the company, presided over the meeting which was attended by all directors.

The meeting also disclosed that the company earned a net profit of Taka 34.14 lakh out of which five per cent dividend was declared after keeping required statutory reserve. The meeting also elected M A Quadir Chaudhury as a director of the company.

## Prime Bank raises interest rates on deposits

Prime Bank Limited has increased their interest rates on different types of deposits, says a press release.

The interest rates offered by Prime-Bank on short term and savings deposit are highest compared to all other commercial banks of the country. The new rates have been made effective from 1st July, 1997.

Type of Deposit Rate of Interest  
Short Term Deposit - 6.50%  
Savings Deposit - 8.50%  
Fixed Deposit - 9.00%  
3 Months term - 9.25%  
6 Months term - 9.50%  
1 Year term - 10.00%  
2 Years term - 10.00%  
3 Years term and above - 10.50%.

Besides, interest rates on different types of loan and advances have also been revised.

## BB bill auction results

The 51st auction of the 90-day Treasury Bill, the 42nd auction of the 30-day and 180-day Treasury Bills and the 16th auction of the one-Year Treasury Bill were held Wednesday, reports UNB.

Eighty-four bids for a total of Tk 461 crore, 16 bids for a total of Tk 42.50 crore five bids for a total of Tk 24 crore and five bids for a total of Tk 5 crore were offered respectively against the 30-day, 90-day, 180-day and one-year Bills.

Of these, all the bids against the 30-day Bill, one bid for Tk 5 crore of 90-day Bill and four bids for a total of Tk 20 crore of 180-day Bill were accepted. No bid was accepted against the one-year Bill.

The weighted average prices of the accepted bids against 30-day, 90-day and 180-day Bills were Tk 99.28, Tk 97.88 and Tk 95.80 respectively.

The corresponding yields are 8.65 per cent, 8.66 per cent and 8.77 per cent per annum, said a press release.

## India approves \$300m foreign proposals

NEW DELHI, July 10: India yesterday approved 62 foreign investment proposals worth 300 million dollars with projects ranging from breakfast cereals to power to entertainment, reports AFP.

A government release said the projects were cleared by Industry Minister Murasoli Maran in New Delhi.

The biggest venture was a 100-million-dollar scheme by the world recreation centre for a club and a recreation facility. The others include an expansion plan by US Cereal Maker Kellogg and another by German firm Henkel KgaA.

Hindustan Lever, a local subsidiary of Unilever, was allowed to set up a yeast plant while two power projects and a plan to set up an oil refinery were given the go-ahead.

The release said 6,034 foreign projects were approved since August 1991, the year India launched sweeping market reforms ending more than four decades of socialist-style protection.

## Major sectors show dismal performance

## Export earnings for '96-97 may fall short of target

By Govinda Shil

The export earnings for fiscal 1996-97 are likely to fall short of the Tk 18,396 crore target as the major exporting sectors showed dismal performance, Export Promotion Bureau (EPB) sources said.

The major exporting sectors — readymade garments, frozen foods, jute and leather — showed a total of Tk 1,573 crore deficit during July-May period of fiscal '96-97.

However, performance of other sectors like, raw jute, knitwear and hosiery products, chemical and engineering products surpassed their targets and helped minimise the overall deficit.

The total export earnings during July-May period stood at Tk 16,811.88 crore against its estimated projection of Tk 16,863 crore showing a Tk 51 crore deficit, EPB statistics showed.

"May be we will not be able to achieve the Tk 18,396 crore exports this financial year," said EPB Vice Chairman Faisal Ahmad Chowdhury at though

ing the country's export income.

The EPB Vice Chairman said he was sceptical about the performance of leather and frozen foods during the current 1997-98 fiscal because these two sectors need huge investments for technical and capacity improvement.

Bangladesh Garment Manufacturers and Exporters Association President Mostafa Golam Quddus said past political stalemate, frequent power failure and banks' reluctance to open Letter of Credits (LCs) are responsible for the export shortfall in RMG sector.

The export targets for jute and leather were Tk 1,540 crore and Tk 1,058.40 crore respectively. But the income from these sectors were Tk 1,212 and Tk 732 crore respectively.

"If the country can achieve 99 per cent of its export target, this would be an excellent performance," said Finance Secretary Akbar Ali Khan.

He said the Finance Ministry would consider sincerely any suggestion proposed by the officials Commerce and Industry ministries on July 14 to pinpoint the problems of the sector.

## Major Asia-Pacific stock markets fall

SINGAPORE: Singapore's blue-chip stocks ended 1.2 per cent lower on profit-taking after three days of handsome gains, dealers said.

The stock exchange of Singapore's blue chip indicator, the Straits Times Industrial Index, fell 24.26 points to end at 1,982.97 while the broader All-Singapore index was down 7.14 points to 494.24.

Philippine share prices plunged 4.1 per cent on concern over the Central Bank of the Philippines' ability to defend the peso from speculators.

The Philippine Stock Exchange Index fell 109.46 points to 2,589.20, its lowest level since May 22 when the bourse hit 2,586.69 points.

Elsewhere in the Asia Pacific region:

TOKYO: Share prices fell on the Tokyo Stock Exchange on selling by foreign investors and insurers coupled with futures declines, brokers said.

"Foreign investors maintained their sell positions which started last week," a broker with Kokusai Securities Co Ltd said.

The 225-issue Nikkei Stock Average dropped 156.72 points or 0.8 per cent, to end the session at 19,697.17 points.

HONG KONG: Hong Kong share prices dropped 0.6 per cent to late selling pressure on stocks of China-owned enterprises dealers said.

The stock exchange of Hong Kong's Hang Seng Index lost 88.44 points to finish at 14,703.73.

buy blue chips, as the extension of the provisioning period improved sentiment ahead of the disclosure of non-performing loans in second quarter company reports, they said.

The Taiwan Stock Exchange weighted price index rose 57.41 points to 9,362.68.

JAKARTA: Jakarta share prices closed 0.4 per cent lower on late profit-taking led by cigarette stocks with investors concerned about volatility in regional currencies, dealers said.

An institutional dealer with a regional brokerage said that "Basically, we are happy with this correction. This is something that we expected following recent strong rallies."

The Jakarta Stock Exchange Composite Index fell 2,695 points to 2,381.13.

AUCKLAND: New Zealand share prices closed 0.6 per cent higher, with paper stocks providing the focus, traders said.

The key New Zealand stock exchange-40 capita index rose 14.96 points to 2,522.30.

SEOUL: Share prices on the Korea Stock Exchange inched up 0.6 per cent in thin trading.

Last-minute foreign buying of some large-capitalisation shares added to the upward momentum of the index, the dealers said.

The composite index closed the session up 4.25 points at 771.99.

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## Exemption of duty on textile machinery demanded

By Staff Correspondent

Two different trade associations have reiterated their demands for complete exemption of import duties on textile machinery and raw cotton which was fixed at 2.5 per cent.

Bangladesh Textile Mills Association Secretary General Enam H Chowdhury in a statement yesterday said due to fresh imposition of 2.5 per cent duty on imported raw cotton and textile machinery, manufacturers would have to pay an additional Tk 18.8 million.

He said the government's ongoing denationalisation programme for textile mills might be affected by this extradu-

re because these mills need to replace their obsolete machinery.

"This 2.5 per cent duty on textile machinery and infrastructure surcharge will discourage the prospective buyers of weaving and spinning mills."

Quoting the Textile Policy of 1995, he said Bangladesh would need 242 spinning mills, 475 weaving mills and another 475 dyeing finishing mills by the year 2005 to attain self-sufficiency in textiles.

President of MCCI Samson H Chowdhury, Dr S Y Farooq member of BoI, Director General of Singapore Dti and Singapore High Commissioner to Bangladesh Ridzwan Dzafir, and Bangladesh High Commissioner to Singapore Ashfaque Rahman, also spoke.

Tofael Ahmed said Bangladesh allows full transfer and repatriation of profit and capital gains. He said, Bangladesh has huge reserve of gas and so many internationally reputed oil companies are now working in exploration of gas and electricity generation.

The minister said, Singaporean investors are relocating their investment in more cost effective locations. He said, many promising Singaporean entrepreneurs are looking for free location and open field for initial success.

He said, "we from Bangladesh have come here to offer you all the best investment location in Asia."

Referring to the privatisation policy, the minister said, Bangladesh adopted a comprehensive privatisation policy to meet national economic goal.

He said, "we welcome foreign investors to our privatisation programme as 63 State Owned Enterprises (SOEs) have already identified for privatisation in the second phase.

With the enactment of private EPZ law, foreign investors are now establishing EPZ. He said, red-tapism and bureaucratic bottlenecks have been removed.

Bangladesh has bilateral agreements for promotion and protection of investment with 15 countries. He said, all foreign investments are guaranteed by law.

Listing out the fiscal incentives offered to the investors,

Tofael addresses investment seminar in Singapore

## Dhaka sacrificing financial benefits to lure FDI

SINGAPORE, July 10: Com-

merce and Industries Minister Tofael Ahmed today said.

Bangladesh have taken a challenging task to attract Foreign Direct Investment (FDI) sacrificing most of expected financial benefits and profits from FDI for creating millions of jobs, reports BSS.

He was addressing a seminar on "Investment opportunities in Bangladesh" as the keynote speaker here at Shangri-la Hotel.

Jointly organised by Singapore Trade Development Board, the day-long seminar was par-

ticipated by about 200 entrepre-

neurs and business per-

sonnel of various reputed and

potential international compa-

nies based in Singapore and

Singaporean investors.

President of MCCI Samson H Chowdhury, Dr S Y Farooq member of BoI, Director General of Singapore Dti and Singapore High Commissioner to Bangladesh Ridzwan Dzafir, and Bangladesh High Commissioner to Singapore Ashfaque Rahman, also spoke.

Tofael Ahmed said