

Eastland declares 18 pc dividend

Eastland Insurance Company Limited has declared an 18 per cent dividend for its shareholders for the year 1996, says a press release.

The dividend was announced at the 10th annual general meeting of the company held at a city hotel on Thursday.

The chairman of the company Mahbubur Rahman presided over the meeting.

About 348 shareholders of the company attended the meeting.

The company has earned a premium income of Taka 14.33 crore in 1996.

Eastland made a total investment of Taka 20.66 crore by end 1996.

During the year, the company settled 335 claims for a total amount of Taka 1.63 crore.

Total assets of the company as at December 1996 stood at Taka 34.33 crore. It paid a total of Tk. 1.74 crore to the national exchequer as income-tax and VAT for 1996.

Environment for foreign investment excellent: Speaker

Speaker Humayun Rasheed Chowdhury said Thursday that an excellent environment for foreign investment was existing in Bangladesh and any foreign investor could make profit by investing here, reports BSS.

The Speaker was addressing the inaugural function of a new textile industry of Fashion Club International (UK) Limited as chief guest in the Savar EPZ area.

He said the present industry policy of the country embodies a number of facilities including tax holiday at the primary stage for the foreign investors. Any foreigner can directly or in collaboration with local entrepreneurs set up industry. In this context he mentioned the facilities rendered in the EPZ area.

He said, not only special facilities are provided to the investors but also industrial labourers are available here in low cost.

The Speaker greeted the Fashion Club for setting up their industry here and wished success of the newly-established unit.

The function was addressed, among others, by former Finance Minister M Saifur Rahman, MP, former Minister Shamsul Islam Khan, MP, Executive Director of BRAC, Fazle Hasan Abed, Chairman of EPZ, Moazzem Hossain and Chairman of the Fashion Club M A Matin.

British Deputy High Commissioner Mrs M R Makints was also present on the occasion.

Branch managers' confce of IFIC Bank held

The half-yearly conference of the branch managers of IFIC Bank Limited was held at the bank's academy at Head Office in the city yesterday, says a press release.

Performance of the branches was reviewed during the conference and business goals were re-fixed for the year 1997.

The conference was inaugurated by the Chairman of the Bank, ASF Rahman.

Congratulating the managers and management for performance during the last six months, Rahman emphasised the need for business mobilisation.

He advised the managers to be cautious in selecting credit clients.

Earlier Abbas Uddin Ahmed, Managing Director of the Bank, in his speech as Chairman of the inaugural session highlighted the business performance of the bank vis-a-vis growth in the banking sector.

Appreciating the sluggish deposit growth in the banking sector, he pointed out that the bank's performance was satisfactory though he felt that there are areas which need improvement.

US Congress okays largest tax cut in 16 years

WASHINGTON, Aug 1: The US Congress voted Thursday to approve the largest tax cuts in 16 years as part of a deal that will also balance the budget by the year 2002, reports AFP.

The House of Representatives overwhelmingly approved the spending portion of the budget on Wednesday, and the Senate followed suit on Thursday.

Both houses approved Thursday the 95.2 billion dollar tax cut over five years. The House approved the Republican-sponsored tax cuts by a vote of 389-43 while the Senate did so by a ballot of 92 to 8.

President Bill Clinton did get one victory — higher tobacco taxes will bring in 24 billion dollars to fund health care for about half of the nation's 10 million uninsured children.

Clinton and Congressional Republicans had laboured for eight months to get a budget that would bring federal spending into balance for the first time since 1969.

DSE business doubles in three years

By Rafiq Hasan

Business at Dhaka Stock Exchange (DSE) almost doubled in the past three years, the annual general meeting (AGM) was told Thursday.

The 1995-96 annual report said during the period since 1993-94 market capitalisation surged to Tk 67.73 billion from Tk 32.72 billion, a change that reflected the enormous growth in investors' interest in the share market.

During the last three years, companies' confidence in the market grew to the extent that as many as 19 of them made initial public offerings (IPOs) in 1995-96 alone.

As the market diversified, it displayed capability of handling big floatations. In 1995-96, public offerings were made for raising funds in the form of shares and debentures valued at Tk 170.42 crore against which the public came up with Tk 385.34 crore.

In most cases, funds offered by the public response against offerings were much more than expected, with inflows ranging between five and record-breaking 60 times.

The number of listed companies rose to 201 with a paid-up capital of Tk 2175.40 crore on June 30, 1996, adding 19 new one with a paid-up capital of Tk 284.84 crore in the year 1995-96.

Trading in terms of volume grew by 72 per cent and by 76 per cent in terms of value. In 1995-96, the number of shares and debentures traded on DSE floors stood at 44,799,060 as against 25,947,042 in 1994-95.

In 1994-95, shares and debentures worth Tk 466.08 crore changed hands. The value of transaction rose to Tk 819.90 crore the following year.

The price index, a barometer for price movement of all listed securities, also marked a faster growth in 1995-96. High share prices, increased number of IPOs and issuance of right shares contributed to this upward movement of the index, from 776.88 points in mid-1995 to 959.05 points in mid-1996.

DSE's growth was achieved despite political turmoil during most period of 1995-96.

The year was a year of great concern to the investing public

due to the abnormal law and order situation and uncertain political and economic activities which affected the investors' confidence both locally and internationally. Otherwise DSE turnover would have been more than double," DSE chairman Abdul Haq Howlader told the AGM.

Some positive steps announced through the annual budget in 1996 made it all possible. The government withdrew lock-in and exempted bonus shares from capital gains tax, foreign and local investors naturally showed more interest in portfolio investment. The daily turnover at the Dhaka bourse was a record Tk 106 crores on November 13, 1996 against the average turnover of Tk 3.49 crore during the year.

On that day, market capitalisation and index stood at Tk 245.73 billion and 3448.88 points respectively.

In 1995-96, a total of 153 DSE-listed companies held their AGMs. As many as 93 of them declared dividends, 17 gave bonus shares and eight offered right shares.

Noor Uddin pledges power for remote regions

Energy and Mineral Resources Minister Lt General Muhammad Noor Uddin Khan (Retd) has said the present government was pledge-bound to reach electricity to all the remote corners of the country, reports BSS.

The Rural Electrification Board (REB) has been working tirelessly to materialise plans and programmes of the government in this respect, he said.

Khan said this while inaugurating the first national conference of the Rural Electricity Diploma Engineers Association at the REB auditorium here on Thursday, an official handout said.

The conference was addressed, among others, by REB Chairman Brig Mohammad Enamul Huq, President of the Institute of Diploma Engineers' Rafiqul Islam Bhuiyan.

The Energy Minister said the pragmatic and timely plans and policies of the present government made it possible to attract huge foreign investment in the energy sector now.

He expressed the hope that this trend of present investment and development would make the country self-reliant soon.

EU ban surprises shrimp exporters

By Staff Correspondent

The Bangladesh Frozen Foods Exporters Association (BFFEA) has expressed its surprise at the European Union's unilateral decision to ban shrimp exports to its member states.

BFFEA said it hoped the government would be successful to solve the problem and resume the export of frozen foods to EU member countries.

A BFFEA press release Thursday said that during the visit during June 22-27, an EU delegation inspected two of the government testing laboratories and six of the fish processing plants.

At the end of their visit, the delegates in a meeting with government officials asked them to upgrade the laboratories and improve facilities of the fish processing plants.

Government officials assured EU delegates that they would improve the facilities by December this year.

The government also decided that it would welcome a EU team for further inspection sometime in December.

Talking to The Daily Star, BFFEA's Secretary General Dr Afabuzzaman said a huge amount of capital has been invested to upgrade EU's health criteria in the processing plants. About 50 crore Taka was invested in last two years to modernise and upgrade fish processing plants, he added.

Bangladesh earned about 1,366 crore Taka by exporting frozen foods in 1996-97 fiscal year.

India, Madagascar also come under embargo

BRUSSELS, Aug 1: The European Union is to ban imports of fisheries products from India and Madagascar from Friday for fear that they may harbour potentially lethal bacteria, European Commission officials said yesterday, reports AFP.

The bans, which will come into force from Friday at 1400 GMT, follows the discovery by several EU states of salmonella and vibrio bacteria in imports of frozen and conserved fish or seafood.

Commission inspectors who visited the two countries also reported widespread hygiene problems in their production and processing facilities.

A ban on imports from Bangladesh, based on similar grounds, came into force on Wednesday. Imports from sea master trading in Penang, Malaysia are also to be banned after customs inspectors in Italy found salmonella in a batch of frozen squid.

Consignments currently en route to Europe will be allowed access to EU markets up to August 15, at which point member states will be obliged to prevent any further imports. The Commission will review the ban by the end of November.

India, Madagascar and Bangladesh are major providers of frozen shrimp, squid and cuttlefish to the European market.

Last year, India exported frozen shrimp worth 96 million dollars and 74 million dollars worth of squid and cuttlefish to the EU.

Bangladesh exported 92 million dollars worth of frozen shrimp, Madagascar supplied 45 million dollars of shrimp and conserved tuna worth 39.5 million dollars.

2 trade accords with Poland

Two accords have been signed between Bangladesh and Poland to bolster trade relations between the two countries, reports UNB.

The agreements are reciprocal promotion and protection of investments between Bangladesh and Poland, and convention for avoiding double taxation and prevention of fiscal evasion with respect to taxes on income between Bangladesh and Poland.

Bangladesh Ambassador to Poland Nazem Ahmed Chowdhury and Deputy Minister of the Ministry of Economy of Poland Chaladaj signed the agreements on July 8, 1997.

SAPTA: India, Lanka, Pakistan eager to give concessions

KATMANDU, July 31: India, Pakistan and Sri Lanka decided to provide substantial tariff concessions to four smaller neighbours, officials said Thursday, reports AP.

Bangladesh, Nepal, Bhutan and the Maldives will benefit from the concessions announced as part of the strategy to create a free trade zone in South Asia by the year 2001.

Officials from the South Asian Association for Regional Cooperation (SAARC), also decided to expand substantially the list of 2,000 products identified for preferential tariff concessions, said Ashok Attari, an Indian official.

"The three-day meeting carried out negotiations on sectoral as well as across-the-

board basis. The number of products could be enlarged to several thousands," he said.

A statement said the group would meet two more times in Kathmandu for further negotiations either in September or late October and in December.

The delegates also held bilateral negotiations to cover products actively traded among the member states.

"The group also felt that it should be possible to complete the deliberations in the third round by January 1998," it said.

It urged that studies into non-tariff barriers, discriminatory practices should be completed soon by an inter-governmental expert group (IPEG).

BR introduces Srimangal-Feni inter-city train from today

Bangladesh Railway will introduce a pair of trains between Srimangal and Feni from today to facilitate the journey of passengers till restoration of direct rail-link with Sylhet, reports BSS.

"The Srimangal-Feni Intercity Express" will leave Srimangal at 5.50 pm and arrive at Feni by 10.15 pm. The train will leave Feni at 10.45 pm and arrive at Srimangal by 3.50 am.

The trains will stop at Laksham, Comilla, Akhaura, Noyapara and Shayerstaganj, a press release of the railway said here Thursday.

The trains will run everyday excepting Tuesdays till direct railway communication with Sylhet is restored, the press release said.

BRAC, Pathfinder, BCCP sign \$35m accord with USAID

A 35.34 million US dollar cooperative agreement with USAID Dhaka was signed here Thursday by a partnership of BRAC, Bangladesh Centre for Communication Programme (BCCP) and Pathfinder International under the National Integrated Population and Health Programme (NIPHP), reports BSS.

A press release of Pathfinder International said the agreement for five years will be effective from next month.

Under the agreement, the Rural Service Delivery Partnership (RSDP) will work to increase accessibility and utilization of high-quality, high impact family health services to rural families in Bangladesh. The partnership will focus on low-performing under-served rural areas and on low performing pockets in high-performing rural areas.

It will also strengthen government, NGOs and private sector capabilities and generate community support for family health services.

Over the period of five years, RSDP will extend its services to 258 thanas through 21 NGOs including its partner BRAC. It will also facilitate government in delivering health and family planning services to better cover the rural population.



Malaysian Prime Minister Mahathir Mohamad (L) shows the way to his Pakistani counterpart Nawaz Sharif (R) during a welcoming ceremony at Parliament Square in Kuala Lumpur on Thursday. Sharif arrived here the same day to begin a three-day visit aimed at consolidating economic ties between the two nations. At back is Mahathir's wife Siti Hazma (L) and Nawaz's wife Begum Kulsoom. — AFP/UNB photo

Computer glitch halts trading on Tokyo exchange

TOKYO, Aug 1: A computer glitch Friday paralyzed much of Japan's main stock exchange, halting trading in most shares for half the day, says AP.

Brokers were unable to buy or sell stocks of 1,702 companies traded via a computerised system that connects the exchange to member brokerages. The problem disabled computers for the entire two-hour morning trading session.

While the computer system was down, activity was frenzied on the main floor of the exchange. Traders still use old-fashioned hand signals and paper order slips to trade 150 major stocks, such as Sony Corp. and Nippon Telegraph and Telephone Corp.

Hitachi Ltd., which made the computers and software, sent about 50 engineers to the exchange to fix the problem. The system had been repaired by the time the afternoon session started, though it was still not known late Friday what had caused the failure, a stock exchange official said.

It was the first time a computer problem caused trading to be halted on the exchange since it installed the automated system in 1982, according to the exchange official.

Sales of new homes rise 6 pc in US

WASHINGTON, Aug 1: Sales of new homes in the United States rose 6.1 per cent in June to a seasonally adjusted annual rate of 819,000 units, the Commerce Department reported, says AFP.

Wall Street analysts had foreseen sales to fall 1.5 per cent to 813,000 units.

The June increase is the largest gain since November 1996, when new home sales rose 11.6 per cent. June also marked the 18th consecutive month that the sales level had been above 700,000.

Sales in May rose a revised one per cent to 772,000 units, sharply lower than the initial estimate of a 7.1 per cent rise to 825,000 units.



ASF Rahman, Chairman of IFIC Bank Ltd, inaugurating the half-yearly managers' conference '97 at the bank's academy yesterday. Abbas Uddin Ahmed, Managing Director, all branch managers and senior executives of the bank, were also present.

New American budget to restore benefits to legal immigrants

NEW YORK, Aug 1: A new budget deal, announced Tuesday by the White House leaders of the US Congress, has pleased many groups, including legal immigrants living in the country, says UNB.

The new deal provides broad agreement on restoring some benefits to the legal immigrants reversing a course initiated last year with the passage of a new welfare bill, this was reported Thursday by the New York Times and Congressional sources.

Under the new budget agreement, supplementary security income benefits will be restored to those immigrants

who were receiving them prior to the enactment of the 1996 law. These are cash benefits used by the recipients to pay rent, purchase food and meet other expenses. Disability benefits will also be restored to some groups of legal immigrants.

However, future immigrants will be denied such benefits even though they may become severely handicapped in future. President Clinton had urged that such benefits be extended to future legal immigrants.

The budget will also partially restore food stamps benefits to legal immigrants. President Clinton had sought 4.8 billion US dollars over five years to re-

verse cuts in food stamps benefits made under the 1996 law.

In response, the Congress agreed to restore only 1.5 billion dollars. Of this amount, one billion dollars would be used to help create jobs for the welfare recipients. The rest would go to those who would otherwise suffer hardship due to loss of benefits.

Under last year's law, able-bodied adults will get food stamps, which are as good as cash and are used to purchase daily necessities, for only three months in any 36-month period unless they are working.

Though South Asian immigrants prefer not to talk about welfare, many of them are delighted at this new reform measures. The severity of the welfare law had sent a shock wave throughout the community. Many elderly and disabled immigrants were reported to have committed suicide.

However, such events were generally limited to East European and East Asian immigrants. For Bangladeshis living in the US, the Welfare Law and the proposed changes will have minimal repercussions, the editor of a Bangla weekly in New York told UNB.

Only a handful of them are welfare recipients. Many of them are still in the process of finalizing their legal status in the US. "Nevertheless, this is important to us. This validates the rights of all immigrants and creates positive ground for mobilisation against any future budgetary slashes," he said.

Asian stock markets close mixed

HONG KONG, Aug 1: Asian stock markets ended the week generally mixed Friday, with share prices tumbling in Tokyo on worries about Japan's economy, reports AP.

Tokyo's Nikkei Stock Average lost 527.05 points, or 2.59 per cent, closing the week at 19804.38 points. On Thursday, the average had closed up 118.61 points, or 0.59 per cent.

It was the Nikkei's first closing below the 20,000-point mark since July 11, when the average closed at 19,875.49.

The Tokyo Stock Price Index of all issues listed on the first section was down 31.25 points, or 2.02 per cent, to 1,512.79 points. The TOPIX closed up 7.12 points, or 0.46 per cent Thursday.

Traders said the market was shaken by an afternoon report showing a sharp 10.1 per cent decline in sales of new cars, trucks and buses in July. Sales of imported cars fell 25.6 per cent.

A computer glitch halted almost all stock trading in the morning, and sell orders flooded in as soon as the system was restored in the afternoon.

A widening payoff scandal also continued to discourage many investors. Prosecutors are investigating Yamachi Securities, a major brokerage, in connection with alleged illegal payoffs to a racketeer.

Meanwhile, the US dollar was quoted at 119.02 yen at late afternoon, up 1.28 yen from late Thursday in Tokyo and also above its late New York rate of 118.59 yen overnight.

In Hong Kong, share prices in Hong Kong closed generally mixed, with the key index edging up to a record high for the fourth consecutive session.

The Hang Seng Index, the Hong Kong market's key indicator of blue chips, rose 13.51 points, or 0.08 per cent, closing at 16,379.22. On Thursday, the index had surged 382.53 points.

TAIPEI: Share prices closed lower on profit-taking. The market's key Taiwan Stock Exchange fell 64.79 points to 10001.56 points, after 123.56-point surge.

MANILA: Share prices closed higher as investors continued to react positively to recent moves by the central bank to hold currency speculators at bay the Philippine Stock Exchange Index of 30 selected issues rose 19.24 points to 2,635.64.

SINGAPORE: Share prices closed mostly lower in light trading. The Straits Times Industrials Index fell 11.89 points to 1,955.25.

KUALA LUMPUR: Malaysian share prices closed mostly lower. The key Composite Index fell 10.21 points to 1,002.63.

BANGKOK: Thai share prices closed lower in this trading. The Stock Exchange of Thailand (SET) index fell 13.50 points to 652.04.

JAKARTA: The stock exchange's composite index edged up 0.502 point, closing at 721.772.

LEADS completes 5 yrs as exclusive distributor of NCR

LEADS Corporation Limited has successfully completed five years of its business as the exclusive distributor of NCR Corporation in Bangladesh, says a press release. The company has drawn up a month-long elaborate programme to mark the occasion.

NCR Corporation of Dayton, Ohio, USA established their own branch in Bangladesh in 1971. It was closed down in 1992 when LEADS Corporation Limited was appointed as the exclusive distributor and took over NCR business in Bangladesh as of 1 August 1992.

LEADS has invited all their customers to visit their office during the first week of this month to share this moment of joy with them.

A cultural evening has been earmarked towards the end of the month when the company will distribute long service awards to its qualifying staff members.

Strong dollar helps boost EU exports

BRUSSELS, Aug 1: A strong US dollar helped exports from the 15 European Union nations jump 9.9 per cent in the first three months of 1997 compared to the same period last year, the EU said Thursday, says AP.

The EU's trade surplus with the rest of the world rose to 3.5 billion European currency units (3.75 billion dollars) from 1.2 billion ecu (1.28 billion dollars) in the first quarter of 1996, according to figures from the EU's statistics service, Eurostat.

"The strength of the dollar is very important," said Eurostat's Joaquin Ayuso. "I have no doubt that it's influenced this growth, but I can't say that that's the only factor."

Imports into the EU were also up, registering a first quarter rise of 8.43 per cent. However, the Eurostat report noted that the EU has now registered a trade surplus over 12 successive quarters.

Leading the export growth was Britain with a first-quarter rise of 26.2 per cent, followed by Ireland with 17.5 per cent.

Dollar rises against yen

TOKYO, Aug 1: The dollar rose against the yen on Friday, reports AP.

The dollar cost 119.02 yen at late afternoon, up 1.28 yen from late Thursday in Tokyo and also above its late New York rate of 118.59 yen overnight. It ranged between 118.28 yen and 119.18 yen.

Traders said the Nikkei's fall below 20,000 points prompted yen selling in the afternoon.

The dollar's advance comes ahead of the release later Friday of US jobless data for July. The report was expected to show a continuation of steady and non-inflationary growth in the US economy.

The yield on the benchmark No 10-year Japanese government bond fell to 2.105 per cent from 2.110 per cent, driving its price up to 106.20 yen from 106.17.



Prof Muzaffar Ahmed giving certificate to a participant of a management training course organised by Rapport Bangladesh Ltd at Dhaka Club recently.