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DHAKA, FRIDAY, AUGUST 8, 1997

Pragati Insurance declares dividend

Pragati Insurance Limited has declared a 30 per cent cash and a 20 per cent stock dividend for its shareholders for the year 1996, says a press release.

The dividend was announced at the 11th annual general meeting (AGM) of the Company held at a city hotel on Wednesday.

The Chairman of the company, Abdul Monem, presided over the meeting.

A large number of shareholders including directors attended the meeting.

During the year, the company earned a gross premium of Taka 22.77 crore, an increase of 8.30 per cent over the previous year and settled net claim of Taka 3.54 crore.

Company's income from investment and other sources was Taka 6.29 crore.

Underwriting income was Taka 3.51 crore. Net profit before tax was Taka 8.30 crore which was 86.32 per cent higher than previous year.

Company's total assets and reserve as on 31st December, 1996 stood at Taka 68.02 crore and 28.41 crore respectively.

The shareholders expressed their satisfaction at the performance of the Company and adopted Directors' Report and the Audited Accounts of the Company for 1996.

The meeting also elected 10 directors from B-Group shareholders. They are: A.M. Enamul Islam, M. Abul Hashem, Syed Shamsul Alam, Mahub Anam, Dr. Abdul Kalam, Monir Ahammed, Md. Moazzem Hossain, ASM Mohiuddin Monem, AKM Sanuallah (Bappli) and Farzana Ahmed.

The meeting also adopted a resolution favouring splitting of present market lot of company shares from fifty to ten subject to the approval of the Securities and Exchange Commission and consent of the Dhaka Stock Exchange and Chittagong Stock Exchange.

EU ban: Govt officials and growers blame each other for the crisis

2 lakh people start feeling the pinch

By Rafiq Hasan and Monaem Khan in Cox's Bazar

More than two lakh people directly involved in shrimp cultivation in Cox's Bazar district will be the worst sufferers of the recent import ban on Bangladesh by European Union (EU), growers said.

As local businessmen and owners of fish freezing plants are reluctant to buy shrimp after the news of the ban, prices are plummeting at the rate of 10 per cent everyday, they said.

Since early this month, prices of all kinds have gone

down by at least Tk 3,000 per maund, according to Iqbal Mohsin of Mohehshkhal Fish-eries Ltd at Cox's Bazar town.

Mohsin said the ban has affected all involved in the business. The price will decline further during the coming spring tide of the lunar face when shrimps are collected in a large scale, he said. He feared that the price might go down to Tk 1,000 per maund within a few days.

Local fisheries officials

blamed the owners of fish processing plants for the crisis.

"The EU had been warning the government and frozen food exporters for long and asking to develop the plants and improve hygienic conditions around the factory, but they failed to comply with the criteria given by the EU, said a local official of the Department of Fisheries.

Despite being trained several times, he said, owners and technicians of seven processing

plants in this coastal district could not properly follow the EU criteria which pushed them into this miserable condition.

However, an owner of a local shrimp processing plant gave a different view, saying that the EU conditions were very strict and complicated for which government help didn't come.

At least Tk 25-30 lakh is needed to renovate a processing plant for developing it up to the EU standards, according to Ziaul Hasan, owner of Cox's Bazar

Sea Foods Limited.

The government and banks did not provide necessary funds for developing the processing plants, he said.

Shrimp is cultivated in a total of 30 thousand hectares of land spread over five thanas of the district. Chokoria and Mohehshkhal are two key places where more than 70 per cent of the total shrimp farms are located.

There are 12 fish processing units out of which only six are



Pragati Insurance Ltd held its 11th AGM at a local hotel Wednesday. Chairman M A Monem presided over the meeting.

India's plan to open up insurance suffers setback

NEW DELHI, Aug 7: India's ruling coalition government suffered a major setback Wednesday when its communist partners and the main opposition teamed up to defeat proposals to open up insurance sector to foreign competition, reports AFP.

The Communist Party of India (Marxist) and the opposition Hindu nationalist Bharatiya Janata Party (BJP) voted to the government's insurance regulatory authority bill.

The bill would have set up a body to oversee the eventual privatisation of the industry.

The BJP, arguing that liberalisation would lead to Indian premiums being invested abroad by multi-nationals, moved an amendment to the bill to bar foreign companies.

The amendment was supported by the communists, forcing Finance Minister Palaniappan Chidambaram to withdraw the bill.

India's insurance sector, which was nationalised 24 years ago, is currently dominated by two state-run monopolies, Life Insurance Corp and General Insurance Corp.

Chidambaram had earlier told parliament that he had no immediate plans to open the giant insurance sector, although he favoured restructuring the industry.

"There is... no decision by this government to open up life

insurance or any other part of the general insurance, and no proposal to allow any foreign multinational into the insurance business," he said during a heated debate.

He added his proposal in February to permit Indian-managed private insurers to enter the health insurance market would only take effect after the passing of several preparatory bills.

India's state-run Life Insurance Corp and General Insurance Corp have been recording annual average business growth of more than 20 per cent in recent years.

The insurance market is currently worth about 5.7 billion dollars. Foreign firms argue, however, that there is massive potential for further expansion, but that there is no private-sector expertise in India to capitalise on it.

British insurer Commercial Union Plc said last month that Indians on average spent 1.7 dollars each year on insurance, while the average in Thailand was 29.7 dollars.

Govt authorises import of wheat up to 2m tons

Xinhua report says: The Indian government has authorised the import of up to two million tons of wheat in 1997-98 to augment its availability in the country, the Daily Hindu reported yesterday, says Xinhua.

Replying to a question in the Lok Sabha (the lower house of parliament) Tuesday, Minister of State for Food and Consumer Affairs Raghuvansh Prasad Singh said the state trading corporation had contracted for the import of one million tons of wheat from Australia.

He said as of July 1 this year, the stock of wheat in the pool controlled by the central government was 10.99 million tons.

Target set to produce 14.8m bales of cotton

Another report says, The Indian government has set a target of 14.8 million bales (176 kilograms of bale) for cotton production in the country during the 1997-98 season. The Daily Pioneer reported, according to Xinhua.

The government also allocated 166 million rupees (about 4.74 million US dollars) for improving production, Indian Minister of State for Agriculture S Venugopalachari was quoted as saying in a letter written to the Lok Sabha (the lower house of parliament).

Cotton production and yield per hectare will be increased through an intensive cotton development programme to be implemented in 11 cotton-growing states in the country, the minister said.

No loadshedding in Sylhet from Sept'

Officials at a meeting yesterday assured that there will be no loadshedding in Sylhet from the first week of September, reports BSS.

The meeting was told that, a project to establish three new sub-stations in Chhatak, Sylhet and Srimangal at a cost of taka 100 crore, was approved in 1993, but the nominated company failed to complete work within the stipulated time.

The officials said if the project work could be given to more than one company, the loadshedding would not be so acute.

Speaker Humayun Rasheed Chowdhury chaired the meeting at his office in the Jatiya Sangsad Bhavan to find out ways to solve recent power crisis in the Sylhet town.

Parliament members from Sylhet region and high officials of the Ministry of Power, Energy and Mineral Resources attended the meeting.

StanChart shows strong growth

Standard Chartered Bank continued its strong growth in the first half of current year, says a press release.

Its trading profit was up by 84 per cent, reaching GBP 434 million at actual exchange rates; up 16 per cent at constant exchange rates. The profit was GBP 402 million last year.

Cost to income ratio was slightly down, to 54 per cent from 55 per cent in 1996. Dividend was up by 24 per cent, from 4.25 per cent to 5.25 per cent.

Headline earnings per share rose by 1.5 per cent to 28.8 per cent. Return on ordinary share holders' funds was 25 per cent.

The Group Chairman, Patrick J Gillam said, "Standard Chartered's results for the first half are good and reflect yet another consistently strong performance. They demonstrate the continuing success of our strategy."

Commenting on the results, Geoff Williams, Chief Executive of the Bank in Bangladesh, said, "These are excellent results for the Group, reflecting increasing efficiency and investment in our key businesses."

UN yet to okay Iraq's pricing formula for oil export

BAGHDAD, Aug 7: Iraq is to resume crude exports between August 15 and 20 under the UN oil-for-food accord, after a suspension since early June, Oil Minister Mohammad Rashid announced yesterday, says AFP.

Rashid told a press conference that a new pricing formula for the oil exports was submitted to the United Nations on Tuesday. "We are waiting for approval very soon," he said.

Several foreign oil companies have set representatives to Baghdad and are waiting to sign new contracts, the minister said. "We are ready and we have a lot of requests."

Under the UN accord, Iraq resumed limited exports of crude in December to finance imports of humanitarian supplies. The deal allows two billion dollars worth of oil exports every six months and was renewed in June.

Iraq has otherwise been under strict UN sanctions, including an embargo on its lifeline oil sales, since its August 1990 invasion of Kuwait.

Baghdad suspended the oil exports in early June to wait for a new distribution plan after protesting of delays in UN approval of its food and medicine contracts struck with foreign companies.

UN Secretary General Kofi Annan approved a new distribution plan for the humanitarian imports on Monday, clearing the way for the resumption of Iraqi oil exports.

Because the two billion dollars allocation is split into two 90-day periods, Iraq will be left with less than a month, up until early September, to export one billion dollars worth of oil.

Taha Hammud Mussa, Under Secretary of State at the Oil Ministry, said Sunday that Iraq was ready to pump oil at an increased rate of 2.5 million barrels a day (b/d) in a bid to avoid losses.

The UN Security Council ruled out an Iraqi bid to postpone implementation of the second six-month term until the new distribution plan was approved.

Baghdad would have to export as much as two million b/d at current market prices to meet the one-billion-dollar sales target. But international experts say its export capacity is far lower.

Iraq exported 750,000 b/d during the first six-month term of the UN accord, said Mussa. Some 400,000 b/d was pumped through Iraq's pipeline to Turkey and the other 350,000 b/d through its Gulf terminal of Mina Al-Bakr.

Iraq's suspension of exports in June curbed a slide in crude prices, keeping them at above 18 dollars a barrel.

IMF calls for cut in Thai budget

BANGKOK, Aug 7: The International Monetary Fund (IMF) has called for 60 billion baht (two billion dollars) in cuts from the Thai budget next year. Prime Minister Chaovalit Yongchaitudh was quoted today as saying, reports AFP.

The IMF had cautioned Thailand, however, against cutting funds for education, health and infrastructure, sectors which would strengthen the country's long-term competitiveness, the Bangkok Post reported.

The massive cuts would be needed despite plans to raise value-added tax from seven per cent to 10 per cent as of August 16.

Chaovalit said there were no plans to cut expenses in fiscal 1997 as the government could balance the budget, the newspaper reported. Spending in fiscal 1998 was likely to exceed the 907 billion baht budget by 75 billion baht.

Britain's bid to boost business

The British Foreign and Commonwealth Office (FCO) is creating, for the first time, short-term attachments for businessmen and women at diplomatic posts overseas to boost British exports and jobs, says BSS.

The British Foreign Secretary, Robin Cook MP, made this announcement in London recently, British High Commission said here yesterday.

The first attachments will start this autumn. Each at-

tachment will have a specific focus such as privatisation, inward investment, management of commercial promotions, marketing of UK financial services, or identifying market opportunities in specific sectors.

Cook said, "We made a commitment in our business manifesto to improve the focus of our efforts to back British business selling abroad, to enhance the coordination of government trade and investment promotion, and to promote business

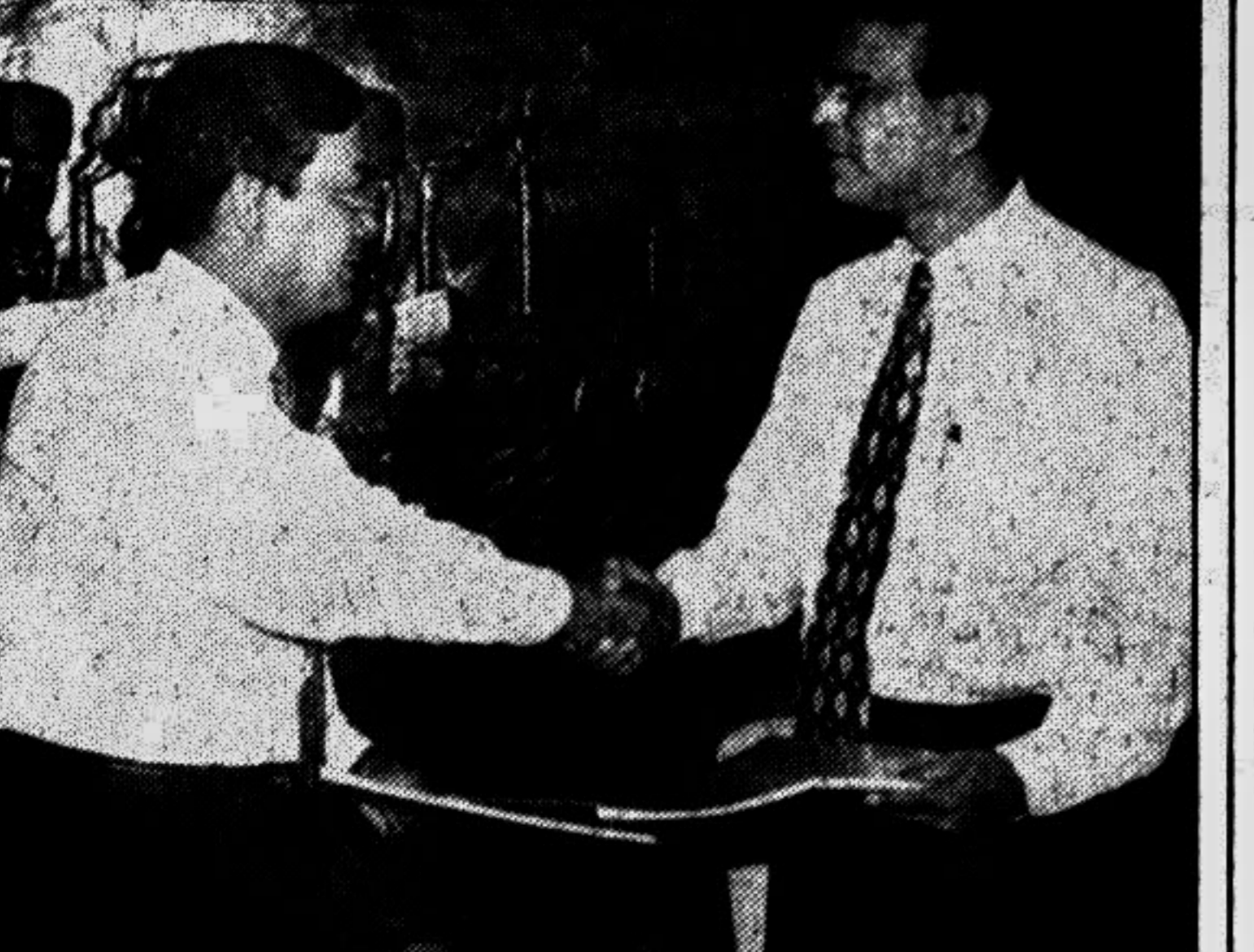
secondments with the FCO. This rolling programme of attachments is a practical first step towards strengthening our partnership with business."

He went on to say, "I am delighted that we now have commitments from a number of leading companies to loan members of their staff to the FCO to work on specific promotions or projects overseas for periods of a few months, bringing their valuable expertise to support our commercial work overseas."

The Foreign Secretary welcomed the wholehearted support of the Confederation of British Industries (CBI) for this initiative.

Sir Colin Marshall, President of the CBI, said, "It is essential for business and government to work together if we are to win in overseas markets and continue to attract high levels of inward investment. I am delighted to support this imaginative scheme to bring more direct business expertise into the trade and investment promotion activities of British missions overseas."

The foreign office has 218 British diplomatic posts in 140 markets, including Bangladesh, which have commercial sections working to support British Commerce and Industry.



C M Alam, Managing Director, Industrial Promotion and Development Company of Bangladesh Limited, and M A Bari, Managing Director of Harvest Rich Limited, signed term loan agreement on Tuesday to finance the expansion programme of HRL's composite textile plant. IPDC has also confirmed to participate in the equity of the project.

British Airways, BOC (British Oxygen), ICL, Wimpey, British Aerospace, British Telecom (BT), British Steel, British Nuclear Fuel Ltd (BNFL), Bupa, Hong Kong Shanghai Banking Corporation (HSBC) and Glaxo Wellcome have agreed to participate. Other companies have expressed a strong interest.

Soho sends Egypt's PC sales soaring

CAIRO, Aug 7: Egypt's personal computer market has grown at the world's fastest rate for the second year in a row, according to a leading industry monitor and consultant, says Xinhua.

New figures from the International Data Corp. (IDC) show that Egypt saw shipment of nearly 84,000 units worth 150 million US dollars in 1996, registering growth rates of 43 per cent and 49 per cent in shipments and value respectively.

The nation's installed base reached 311,886 units in 1996, up by 34 per cent over the previous year, according to the figures published by the latest issue of business monthly, the journal of the American Chamber of Commerce in Egypt.

"The growth rate is phenomenal," says Abdel Aziz Ismail, Managing Director of IDC Egypt. Momentum thus far has come from an explosion in the individual and "Soho" (Small Office, Home-Office) segments, he said.

Despite widespread skepticism about the sustainability of such advances, the IDC is forecasting continued strong growth for the near future.

The firm expects to see five-year average annual growth of 38 per cent in shipments, 43 per cent in value and 37 per cent in installation through the year 2000, at which point the firm predicts the value of personal computers shipments for Egypt will top 6 billion dollars, an estimate it calls conservative.

By that time, the IDC said, Egypt will have installed more than one million computers.

In 1992, Egypt recorded shipment of just 24,000 units, and had an installed base of just 100,000.

SE Asian currencies end steady in S'pore trade

SINGAPORE, Aug 7: South East Asian currencies ended steady in Singapore trade as the market waited for fresh factors to emerge while trying to digest an IMF rescue plan for the Thai economy, dealers said, reports AFP.

The US dollar ended lower at 30.80 Thai baht compared to 31.70 at yesterday's close after the Thai cabinet approved painful measures stipulated by the International Monetary Fund (IMF).

The Malaysian ringgit ended off its lows against the greenback while the Indonesian rupiah strengthened.

"The baht appreciated a bit because at this stage, nobody would like to be caught short on baht while they wait for the package to be implemented," said a dealer with a European finance house.

Analyst David Cohen at MMS International, a unit of US credit-rating agency Standard and Poor's, said the market continued to evaluate the implications of the IMF package.

He said the announcement of cabinet approval for the package, including a credit line of 12-to-15 billion dollars aimed at reviving Thailand's ailing economy, had no immediate impact on the foreign-exchange market.

But analysts have predicted that the baht, which has fallen by as much as 29 per cent against the greenback since its de facto devaluation on July 2, could weaken by another 10 per cent as the measures prescribed by the IMF take effect.

The operations of another 42 finance companies have been suspended on top of 16 closed at the end of June, the Thai government announced Tuesday, at the same time as it announced

higher taxes and promised to curb spending as part of the IMF deal.

Regional currencies have been under pressure from speculators since the Thai baht's devaluation raised the exchange-rate risk profile of all of South-East Asia.

The baht's weakness has been setting the lead for other regional currencies.

"The market is playing within a range. It is awaiting fresh factors," said Ishak Ismail, a market intelligence analyst at British finance house IDEA.

He said the dollar's "topside" against the baht was for the moment limited at 31.50 and the "downside" at 30.70.

Ismail said the foreign exchange market had failed to react immediately to the IMF announcement mainly because it had already factored in the conditions that accompanied the rescue plan.

Against other South East Asian currencies, the dollar rose to around 2.6410 Malaysian ringgit in intra-day trading here from 2.6330 at the previous day's close, and fell a shade to 2.5895 Indonesian rupiah from 2.5995, dealers said.

It ended the day at 2.6345 Malaysian ringgit, which benefited from dollar-selling by British houses, and 2.5855 Indonesian rupiah, they said.

The greenback ended at 1.4710 Singapore dollars from Tuesday's finish of 1.4665.

Ismail said the ringgit was initially under pressure following news that Malaysia had posted a trade deficit of 2.8 billion ringgit in June, reversing a surplus in the previous month.

Market talk that Indonesia may follow a Malaysian example and impose capital controls strengthened the rupiah.

Treasury bill auction held

The 55th auction of the 90-day treasury bill, the 46th auction of the 30-day and 180 day treasury bills and the 20th auction of the 1-year treasury bill were held here Wednesday, says BSS.

Seventy-five bids for a total of Tk 822.00 crore, 12 bids for a total of Tk 36.50 crore, five bids for a total of Tk 6.50 crore and three bids for a total of Tk 1.50 crore were offered respectively against 30-day, 90-day, 180-day and one year bills.

Of these, 35 bids for a total of Tk 505.50 (five hundred five crore fifty lakh) crore of 30-day bill and three bids for a total of Tk 5.50 (five crore fifty lakh) crores of 180-day bill were accepted.

No bid was accepted against the 90-day and one year bills.

The weighted average prices of the accepted bids against the 30-day and 180-day bills were Tk 99.29 and Tk 95.88 respectively.

The corresponding yield are 8.59 per cent and 8.60 per cent annum, Bangladesh Bank said here Wednesday.

Dollar lower against yen

TOKYO, Aug 7: US dollar edged lower against the yen on Thursday, reports AP.

The dollar cost 118.58 yen from late Tokyo Wednesday and also below its late New York level of 118.68 yen overnight.

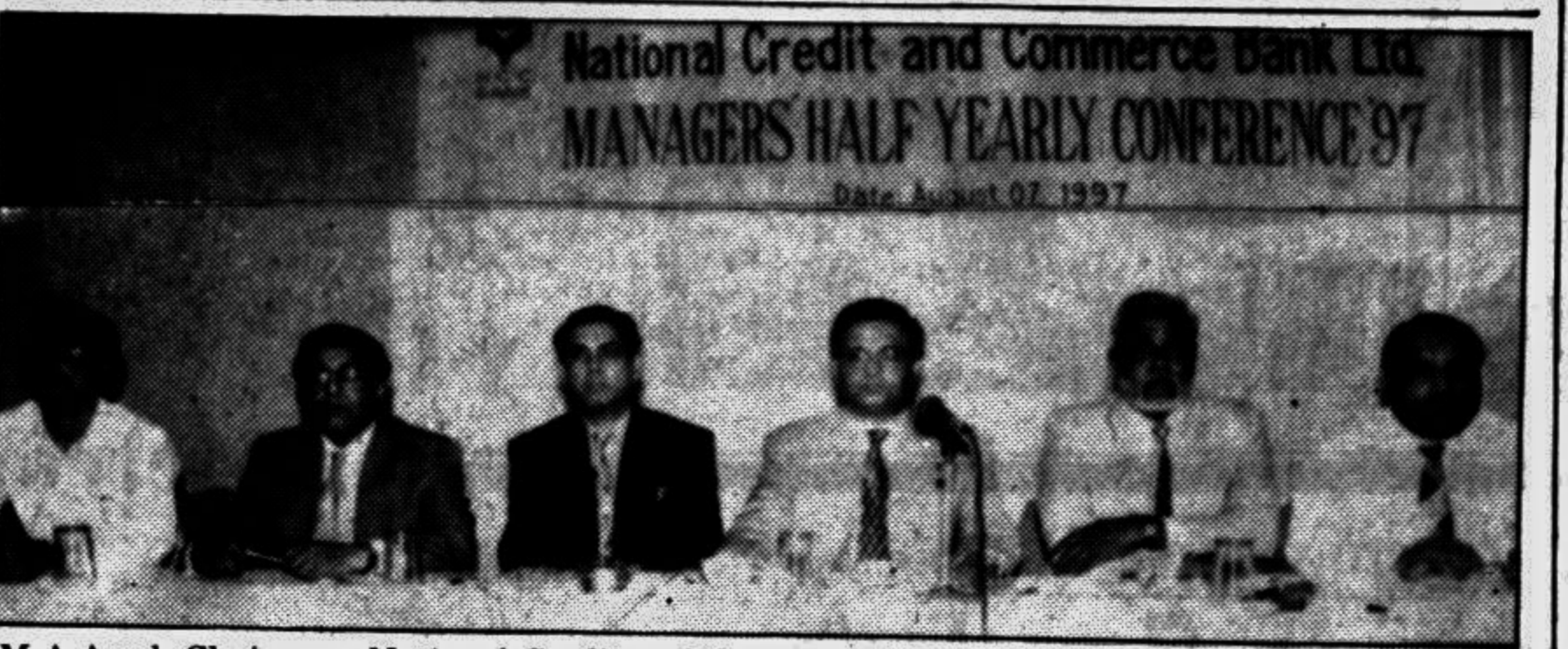
Traders said comments by US officials expressing concern about Japan's rising trade surplus pushed the dollar lower.

US Trade Representative Charlene Barshefsky said Wednesday in Washington that Japan shouldn't export its way into an economic recovery. A US official in Tokyo also expressed concern about Japan's rising trade surplus.

Traders are reluctant to aggressively buy dollars with all these concerns about trade friction," said Hisanori Kuroda, Manager of foreign exchange at Nippon Credit Bank. "But the long-term trend for the dollar to move higher remains intact."

Trade frictions between Japan and the United States tend to push the dollar lower against the yen since market players believe Washington might seek a stronger yen as a way to fight Japan's trade surplus.

On Wednesday, Japan reported that its broadest measure of trade for the first 20 days of July more than doubled from the year-earlier level.



M A Awal, Chairman, National Credit and Commerce Bank Limited, delivering his inaugural speech in the half yearly conference of the branch managers at a city hotel. Picture shows Mahubul Alam Tara, Vice-Chairman, Mohd Sajidul Haq, Managing Director, Mir Zahir Hossain, Principal M Wazhiullah Bhuiyan, and M A Quasem, directors of the bank.

BIBM course for AB Bank officials ends

A three-week long course for the probationary officers of Arab Bangladesh Bank Ltd concluded yesterday, says a press release.

The Bangladesh Institute of Bank Management (BIBM) conducted this specially designed course with a view to developing the AB Bank Officials with the rapid changes that have been taking place in the banking and financial environment.

The course also aimed to create awareness of the potentials of modern global banking and financial marketing with requisite knowledge of the process of sound banking services.

A.H.M. Nurul Islam Choudhury, Director General, BIBM, chaired the concluding session of the course, while A Rahim Chowdhury, Managing Director, AB Bank Ltd, attended the function as chief guest.

Speaking on the occasion the DG of BIBM said that in a competitive global economy development of professionalism was a must for survival.

The MD of AB Bank expressed the hope that the course would help officers to be knowledgeable and efficient in solving various financial and operational problems and thus ensure better banker-customer relationship. The function was marked by distribution of certificates.

ATM Abdus Shahid and Md Nurul Islam, BIBM faculty members and coordinators of the course also spoke on the occasion.