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The Daily Star BUSINESS

DHAKA, MONDAY, APRIL 6, 1998



HYUNDAI
CARS THAT MAKE SENSE

Bank holiday

Bangladesh Bank and all scheduled banks will remain closed on April 14 (Tuesday) on the occasion of the Bengali New Year, said a Bangladesh Bank press release yesterday. reports UNB.

No liquidity crisis at JB

Janata Bank lent Tk 131 crore as call money to different banks at the average rate of interest 19.5 per cent yesterday. The bank has enough surplus fund to meet the liquidity crisis, says a JB press release.

BB bill auction results

The 88th auction of the 90-Day treasury bill, the 79th auction of the 30-day and the 180-Day treasury bills and the 53rd auction of the one year treasury bill were held yesterday. reports BSS.

Twenty-seven bids for a total of Tk 515.50 crore of 30-day bill, two bids for a total of Tk 5.50 crore of 90-Day bill, three bids for a total of Tk 15.00 crore of 180-Day bill and thirty-four bids for a total of Tk 230.00 crore of one-year bill were offered.

Of these, two bids for a total of Tk 77.00 crore of 30-Day Bill and six bids for a total of Tk 50.00 crore of one-year bill were accepted.

The bids offered for the 90-Day and 180-Day bills were not accepted. Day and one-year bills were Tk 99-30 and Tk 90-59 per 100 taka respectively.

The corresponding yields are 8-46 per cent and 10-39 per cent per annum. Bangladesh Bank said here.

Asia-Pacific nations lose 12m tourists in '97

MANILA, Apr 5: Because of the region's financial turmoil, Asia-Pacific nations lost 12 million tourists in 1997 — a loss likely to be repeated in each of the next two years, the World Tourism Organisation reports AP.

Among the worst hit by last year's plunge in tourist arrivals was Hong Kong, which also was hurt by a health scare over the spread of bird flu, said David de Villiers, deputy secretary-general of the World Tourism Organisation.

"This is one of the worst periods for tourism in decades," de Villiers told reporters.

He said tourism in the Asia-Pacific region took a sharp plunge after the financial crisis began last year because about 80 per cent of its tourists come from within the region.

"If you don't have the money, you don't go for a holiday even in your country, so tourism takes a knock domestically as well," said de Villiers, who is attending a conference of the Pacific Asia Travel Association in Manila.

Many of the region's currencies began depreciating last July because of speculative attacks.

De Villiers said tourist arrivals in Asia-Pacific countries would grow by only 5.5 per cent over the next three years to 104 million, down from an initial WTO growth forecast of between 9 and 12 per cent.

De Villiers said Hong Kong suffered an 11 per cent drop in tourist arrivals, or about 100,000 tourists, last year. Singapore lost one per cent, while Malaysia, Indonesia, Macau and Taiwan showed no tourism growth.

Despite last year's downturn, Japan posted 10 per cent growth and China 4.4 per cent, mainly because of their sturdy currencies, de Villiers said.

More than 90 million tourists visited Asia-Pacific countries last year, representing about 15 per cent of the some 613 million tourist arrivals worldwide. The region earned 83.2 billion dollars last year, or 18.6 per cent of the world's tourism revenue of 444 billion dollar. He had no comparative figures for 1996.

Arab states pay \$13b a year to service debt

ABU DHABI, Apr 5: Arab states are paying nearly 13 billion dollars a year to service their foreign debt of more than 160 billion dollars, a top monetary official said, reports AFP.

Saudi debt has exceeded 160 billion dollars and servicing is now around 13 billion dollars a year, said Jassim al-Manal, Chairman of the Abu Dhabi-based Arab Monetary Fund (AMF), the Arab League's main financial institution.

"All countries borrow, and there is no problem in having debts. But the problem is the extent of the debt that could be shouldered by a country," he told local journalists here after opening a seminar on Arab debts.

Manal, a Bahraini, gave no breakdown for Arab debts. But an AMF report shows that Egypt, Morocco, Algeria, Sudan, Tunisia and Jordan are saddled with more than two-thirds of the debts of the 22-member Arab League.

Budget proposal to NBR

DSE wants tax incentives to stabilise share market

Dhaka Stock Exchange (DSE) has proposed the authorities to completely withdraw tax on dividend income to attract the investors, reports UNB.

"This will also help avoid double taxation," DSE Chairman Md Rakibur Rahman said in his pre-budget proposal to the National Board of Revenue (NBR).

He put forward the suggestion for inclusion in the forthcoming national budget to bring stability in the capital market, now passing through a serious crisis, and industrial sector and eventually in the national economy.

DSE also recommended to

reduce Corporate Tax from existing 35 per cent to 25-15 per cent under certain slabs. The tax, however, should be linked to the dividend declared.

It said minimum tax should be imposed on maximum dividend declaring companies while maximum on minimum dividend declares.

The DSE proposed 15 per cent corporate tax against those who will declare above 30 per cent dividend while 20 per cent against declared dividend of 20 per cent plus and 25 per cent against 10 per cent plus dividend.

"The companies who will fail to declare dividend for consecutive two years will not be eli-

gible for the tax incentive," it said adding that to avail the tax slab a minimum of 10 per cent dividend has to be declared.

The DSE proposed that the difference of corporate tax between listed and non-listed companies should be a minimum of 20 per cent to bring a good number of non-listed public companies for enlistment with the stock exchanges.

The non-listed companies will be encouraged to join the capital market because of huge difference of the proposed corporate tax, DSE said.

According to the DSE proposal, the companies will have to declare dividends to avail the advantage of the tax slabs and

its benefit will ultimately go to the shareholders accounts.

Referring to the study of accounts of different companies, it said a substantial amount is set aside as reserve under unallocated or undistributed profit which otherwise could have been utilised for declaring cash or stock dividend.

The unallocated or undistributed profit is utilised neither for the benefit of the company nor the shareholders, DSE said and proposed to impose appropriate tax rate on unallocated or undistributed profits.

It also suggested to declare certain non-industrial sectors as industrial ones to give them some benefits.

'Reduce VAT on medicine'

Bangladesh Association of Pharmaceutical Industries (BPIA) has proposed slashing the value added tax (VAT) on medicine to 7.5 per cent from 15 per cent to reach medicine to the poor at a lower price.

VAT should be withdrawn from those pharmaceutical raw materials, which are already tax free, to encourage local manufacturers which gives Tk 450 crore to the exchequer as VAT every year.

Imported spare parts for pharmaceutical machinery should be exempted from VAT, proposed BPIA, which represents some 110 local and multinational pharmaceutical industries in the country.

The proposals were made in a budget preparatory meeting with Board of Revenue officials late last month.

Association Secretary General Dr Momenul Haq told UNB that reduction of VAT will lower the price of medicine and bring it within the buying capacity of commonman.

If the VAT on finished products is reduced by 7.5 per cent, people will get medicine at a lower price, he said.

Dr Haq said the government is fixing the price of medicine, although, under the present market policy, it has no control over prices of rice, salt and so on.

"Anyway, we accept this, because medicine is different from all other products," he said. Want of domestic raw materials forces pharmaceutical industries depend on import, leading to rise in production cost and imposition of VAT further adds to it.

"And it's the poor who're the ultimate sufferers," Haq said, justifying the proposal for reduction of VAT on finished pharmaceutical products.

He, however, admitted that medicine are cheap in Bangladesh compared to other countries in the world.

VAT on the C&F price of imported raw and packing materials should be slashed to 7.5 per cent from 15 per cent to reduce production cost of medicine, the Association proposed.

BPIA also suggested collection of VAT on pharmaceutical products from sales depots. Currently, VAT is collected in advance on finished products from factory gates, which cre-

ates an immense pressure on the company's cash flow, it pointed out.

It also proposed formation of a specific policy fixing annual bonus items and exemption of VAT from them as they are given free of cost. Product literature which are distributed free of cost among the doctors, should be exempted from VAT, it pleaded.

For promotion of research on medicines and improvement of quality, there should be a guideline withdrawing VAT from raw materials used in trial production, the Association said.

Travel tax for pharmaceutical officials should be reduced to Tk 200 for airway and Tk 50 for land route for SAARC countries and Tk 600 for traveling to other countries.

Pharmaceutical officials have to travel abroad frequently for importing raw materials, machinery and package components. So, the Association argued, present travel tax — Tk 600 for air route and Tk 250 for land route for SAARC countries and Tk 1800 for other countries are found to be much higher.

Training on selling skill

Quality Institute of America (QIA) organized a two-day training programme on "Developing Selling Skills" for Olympic Industries Ltd (OIL).

The programme was aimed at enhancing the professional skills of sales people to meet the demands of the competitive market situation, says a press release.

Speaking on the occasion, Mubarak Ali, Managing Director of OIL emphasized the need for such training programmes and using the modern techniques to excel in the market place.

Among others, K D Ghosal, Marketing Manager, Zafar Siddiqui, Sales Planning Manager of OIL and Wazir Alam, Executive Vice President of QIA spoke on the occasion.



Clients wait in a long queue to withdraw cash at the principal branch, Sonali Bank, in the city yesterday. — Star photo

Exchange Rates

The following are the Janata Bank's dealing rate (BD Tk for one unit of Foreign Currency) to public as on 05/4/98:

Name of Currency	Buying		
	TT Clean	OD Sight	OD Transfer
US Dir	46.1450	45.9562	45.8434
GB Poun	76.1555	75.8354	75.6491
D Mark	24.8296	24.7253	24.6645
FR Franc	7.4102	7.3791	7.3609
JP Yen	0.3394	0.3379	0.3371
C Dir	32.3287	32.1928	32.1137
S Franc	30.0600	29.9352	29.8616

Name of Currency	Selling	
	T.T & O.D.	B.C.
US Dollar	46.5104	46.5488
GB Pound	77.3633	77.4297
D Mark	25.2760	25.2976
Fr. Franc	7.5418	7.5482
JP Yen	0.3476	0.3479
C Dollar	32.9036	32.9318
S Franc	30.6054	30.6316

Name of Currency	Selling		Buying	
	US DLR	GBP	US DLR	GBP
S Royal	12.5000	12.0500	12.5000	12.0500
UAE Dh	12.5000	12.0500	12.5000	12.0500
KUW Di	150.5000	145.5000	150.5000	145.5000

Exchange Rates

Following is the Sunday's forex trading statement by Standard Chartered Bank, Dhaka.

TT/OD	BC	Currency	Buying		
			TT Clean	OD Sight	OD Transfer
46.5100	46.5500	USD	46.1100	45.9350	45.8366
77.5694	77.6361	GBP	76.1184	75.8295	75.6671
25.2813	25.3030	DEM	24.7877	24.6936	24.6010
0.3483	0.3486	JPY	0.3410	0.3388	0.3381
30.6794	30.7058	CHF	30.0000	29.8861	29.7400
22.4458	22.4651	NLG	22.0348	21.9512	21.8728
28.7720	28.7968	SGD	27.9709	27.8647	27.7545
7.5338	7.5403	FRF	7.4186	7.3904	7.3710
32.9508	32.9791	CAD	32.1997	32.0775	31.9419
5.8218	5.8268	SEK	5.7358	5.7140	5.6997
31.0036	31.0302	AUD	29.7917	29.6766	29.4775
12.6558	12.6667	MYR	11.8687	11.8237	11.8075
6.0102	6.0154	HKD	5.9424	5.9198	5.9094
12.4692	12.4799	SAR	12.1984	12.1521	12.1357

TT/DOC	30 Days	60 Days	90 Days	120 Days	180 Days

Cash Notes	US Dollar		Libor			
	Buying	Selling	1 Month	3 Months	6 Months	12 Months
46.05	46.60	USD	5.65625	5.68750	5.71875	5.81250

Exchange Rates of Some Asian Currencies Against US Dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
39.46/39.56	44.3550	40.800/41.20	3.7750/3.7850	8550/8850	1445/1449

Market Commentary

On Sunday, in the local money market the players expected money market to be slightly easier than previous week's closing because of maturity of treasury bills valued Taka 521 crore. But instead the major market players became short in funds due to huge cash withdrawals before the Eid-ul-Azha festival. In the interbank market USD traded actively because of import payments ahead of long Eid vacation. The dollar was traded between BDT 46.45 and BDT 46.4546. Although call money rate was expected to come down from Thursday's high of 16 and 17 pc. The call money market remained range bound at 16 pc. The market may remain steady despite acceptance of bid for treasury bills worth only BDT 137 crore.

In the international markets US dollar closed with a firm lone in New York on Friday last. Dollar closed above 135 Yen amid doubts about Japanese governments ability to revive its fragile economy. The dollar was slightly lower against the DEM after US employment report indicated a setback in the booming US labour market. At New York trading on Friday US dollar close at 1.8486/91 DEM, 135.18/28 Yen and GBP at 1.6588/1.6598 USD.

The defaulting borrowers

Responding to a query from Jinal Abedin Hajari, MP of the Awami League, Finance Minister S A M S Kibria placed in parliament on March 4 a list of defaulting borrowers as provided by the Credit Information Bureau, Bangladesh Bank. The list contains names of 2117 businesses having an overdue amount of at least one crore taka or above. Considering the reader interest, The Daily Star is publishing the list in phases.

- 1548. M/s G.M. Establishment (Pvt) Ltd, Khatol Bagan, Dhaka
- 1549. Bangladesh Commodities Ltd Ullah Mansion, 17, Kakral Road, Dhaka
- 1550. M/s Anila Enterprises 6/C, Amad Avenue, Mohammadpur, Dhaka
- 1551. Banichitra Pratishan Ltd 14, South Commercial Area, (2nd Floor) Gulshan Dhaka
- 1552. M/s Universal Garments & Fashion Ltd Plot-2, Road 4, Block-B, Section-2, Mirpur Housing Estate, Dhaka, Dhaka
- 1553. M/s Mahub & Brothers 415, Sobhan Sowdagar Road, Chaktai, Chittagong
- 1554. M/s Kanchan Paper and Board Mills Pvt Ltd Balubhar, Dinajpur
- 1555. Kobbad Ahmed Yakub Nagar, Ferinjee Bazar, Chittagong
- 1556. Sun Textile Mills Ltd Nesa Kalyan Bhaban, 195, Motijheel C/A, Dhaka
- 1557. M/s Friends Fashion 156/A, Sultanganj, Rayerbazar, Dhaka, Dhaka
- 1558. M/s Hagee & Co Sponger Building Agrabad C/A, Chittagong
- 1559. M/s Habib Vegetable Products Ltd Al-Amin House, Collage Road, Majhddee, Noakhali
- 1560. M/s Afaz Navigation (Pvt) Ltd 444/1 Bara Moghbazar, Romna, Dhaka
- 1561. M/s Shurovi Textile Mills Limited Hatemkhan, Goramara, Rajshahi
- 1562. M/s Ahamed Food Industries Ltd Nazirpur, Begumgonj, Noakhali
- 1563. M/s Paper Processing and Packaging Ltd 30/31, Dilkusha, BCIC Bhavan, Dhaka
- 1564. M/s S. Zaman & Co, 40/1, BCS Lane, Labagh, Dhaka
- 1565. M/s Mondal Textile Mills (Pvt) Ltd, Shahardichi, Kahaloo Road, Bogra
- 1566. Sheikh Abdul Latif (G) Sec-10, Block-A, Line-13, Camp, Mirpur, Dhaka
- 1567. M/s Neptune Spinning Mills Ltd, Barui Para, Savar, Dhaka
- 1568. M/s Sarkar Fabrics (BD) Ltd, Sayadhanora, Serajgonj
- 1569. M/s Associated Industries, 170/171 (N) Govt. I/A, P.O. Bizioid Bostami, Chittagong
- 1570. M/s Sintila Leather Products, House No 51, Road No. 8/A, Dhanmondi R/A, Dhaka
- 1571. Uttam Masala BSCIC Shipa Nagar, Konabari, Gazipur
- 1572. M/s Wata Chemicals Ltd, Dhaka Chamber Building, 65-66, Motijheel C/A, Dhaka
- 1573. M/s Basic Trade Ltd, Bhandari Manzil, Borogola, Bogra
- 1574. Adarsha Lahan Karbhana, 12, Old Bank Road, Narayanganj
- 1575. M/s Liberty Enterprise, 1020, Malibagh Bazar Road, Dhaka
- 1576. M/s Zuma Garments Ltd, 107, Nawabpur Road, Dhaka
- 1577. M/s KDI Agency, 184, Satmasjid Road, Mohammadpur, Dhaka
- 1578. Wayne Apparels Ltd, 2/C, Darus Salam Road, Mirpur, Dhaka
- 1579. Coast Marine Lines Ltd, 39, Dilkusha Commercial Area, Dhaka
- 1580. M/s Gazi Amir Ali (Jute), 17 No. Daulat Khan Road, Daulatpur, Khulna
- 1581. Trio Associates, 70/B, Road No 21, Banani Dhaka
- 1582. M/s Emerald Industries (BD) Ltd, Prantic, I-F, Paribugh Police Station, Ramna, Dhaka
- 1583. M/s Tamanna Fabrics Ltd, 770, Satmasjid Road, Dhanmondi, Dhaka
- 1584. Kiko Polymers Limited, 119/A, Segunbagicha, Dhaka
- 1585. M/s Rahil Knitters Ltd, Plot No. 144(SA), Mirashpara, Arichpur, Pagar, Tongi, Gazipur
- 1586. M/s Country Knitted Garments, 34, North Chasara, Narayanganj
- 1587. M/s Associated Engineering Cons Ltd, Akhter Chamber (1st Floor), Sir Iqbal Road, Khulna
- 1588. M/s Bancharampur Textile Mills Ltd, Bancharampur, Brahmanbaria
- 1589. Lalaji Bread and Biscuit Factory Ltd, Bazrapur, Comilla
- 1590. M/s Nipa Pharmaceuticals Ltd, 10/16, Iqbal Road, Block-A, Mohammadpur, Dhaka
- 1591. Farmland Engineering Ltd, Farmland House, 58/1 Purana Paltan, Dhaka

To be continued



Managing Director of Air Parabat, Nadira Alam, with passengers and local agent of the airline on arrival of the maiden flight at Cox's Bazar on Thursday.

Commodity market: Gold up; oil, cotton down

LONDON, Apr 5: Grains and vegetable oils slid this week after the US Department of Agriculture's report on Tuesday predicting size of areas to be planted next season, reports AFP.

The USDA figures showed that farmers are turning to vegetable oils from grains, which did badly this year, that sent the soy market downwards.

However, wheat prices also fell sharply because wheat growing area is expected totally a sizeable 6,608 hectares, although this was lower than expected.

The market was also depressed by a strong rise in grain stocks of the 1998/99 season.

Elsewhere on the commodities markets, oil prices fell back sharply after investors were left unsatisfied with production cuts agreed to by OPEC and non-OPEC members aiming to push prices back out of their month-long slump.

GOLD: Shining. Gold prices rose sharply amid strongly bullish investor sentiment, ending the week at about 305.95 dollars an ounce, up 2.95 dollars.

Investors appear to have shrugged off fears that European central banks will sell off their gold reserves when the Euro single currency is launched in January. Instead, traders hope the future European central bank will still give gold an important role. France and Germany and Italy have major gold reserves of their own.

SILVER: Sparkling. Silver prices kept rising despite the strength of the dollar, which tends to draw investors away to the currency market. It traded at about 6.54 dollars an ounce, up from 6.34 dollars. China was rumoured to have sold 150 tonnes and is to export

a further 100 tonnes in coming weeks.

The total, about 4.3 million ounces, would still not be enough to shake the market, traders said.

COPPER: Dull. Copper prices fell over the week due to the strength of the dollar against currencies in Asia, a major consumer region, and fears of a big drop in demand.

Three-month copper fell 34.30 dollars a tonne to 1.697 dollars a tonne.

LEAD: Stuck. Lead prices barely moved this week as the commodity stabilised after the previous week's strong gains.

Three-month lead rose five dollars to 585.25 dollars a tonne, and LME stocks fell 90,875 tonnes from 96,425 tonnes.

ZINC: Quiet. Three-month zinc was quiet this week, with investor sentiment dampened by Chinese operator selling. Zinc traded at 1,125.80 dollars a tonne, up 10.50 dollars.

The market was depressed by news that the Bougrine plant in Tunisia owned by Canada's Breakwater Resources, to recommence production of zinc and lead, producing 40,000 tonnes of concentrate in 1998. LME stocks rose slightly to 472,400 tonnes from 472,200 tonnes.

PLATINUM AND PALLADIUM: Heavy. Prices fell in the two metals. The week passed without news regarding Russian deliveries.

Russia is the main palladium producer and second biggest platinum producer, but has still not authorised exports to Japan.

ALUMINIUM: Flimsy. Aluminium prices dropped sharply over the week due to investor fears over growing global production capacity. Three-month aluminium

ended at 1,379 dollars a tonne, down 50.30 dollars.

LME reserves fell sharply from 545,050 tonnes to 540,7