

**SANYO**  
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 Transfin Trading Ltd.  
 Tel: 815306-9, 819625-9

# The Daily Star BUSINESS

**SANYO**  
 Microwave Oven  
 Sole Distributor in Bangladesh  
**Transfin Trading Limited**  
 100, Kazi Nazrul Islam Avenue, Dhaka-1215  
 Telephone : 815306-09, 819625-29, Fax: 813062

DHAKA FRIDAY, JUNE 12, 1998

## 7-point rise in DSE index

Week's trading at the Dhaka Stock Exchange closed yesterday with a remarkable rise in its benchmark as the losers outnumbered the gainers, reports UNB.

The All Share Price Index at the country's main bourse rose by 7.28 points or 1.06 per cent to 692.67 points from Wednesday's 685.39 points.

It gained 4.53 points during the week as it started trading on Saturday from 692.67 points and concluded at 697.20 points.

Shares and debentures of 133 listed securities were traded, of which 75 gained, 51 incurred loss and six remained unchanged.

Some 468,757 shares and debentures valued at Tk 4.50 crore changed hands against 430,304 shares worth Tk 3.70 crore on the previous day.

Beximco Pharma (74,600), Chic Tex (60,500), Quasem Drycells (56,430) and RH Ball Pen (50,500) were among the volume leaders.

Major gainers included Amam Sea Food (+Tk 35.85), IDLC (+Tk 26.77), Square Pharma (+Tk 25.51) and Apex Foods (+Tk 22.92).

Beximco Denims (-Tk 120.00), Islami Bank (-Tk 110.40), BD Zipper (-Tk 35.38), National Tubes (-Tk 24.00) and Singer Bangladesh (-Tk 22.57) were among the major losers.

Market capitalisation stood at Tk 62.29 billion equivalent to US \$ 1.46 billion.

## Indian to head StanChart

LONDON, Jun 11: An Indian-born executive is to take over at the helm of Standard Chartered, a once-colonial British bank, becoming the first Asian to head one of Britain's top 100 companies, the Independent reported today, says AFP.

Rana Talwar, a 50-year-old banker born and brought up in New Delhi, has spent most of his life with US international bank Citibank. He is to take over as chief executive of Standard Chartered next February, the London Daily said.

Talwar told the paper that to be the bank's first Asian head was "very pleasing", adding: "It also increases enormously my own sense of responsibility, to succeed in this new job."

Standard Chartered has offices in all parts of the globe formerly part of the British empire, and is especially strong in the Far East and Africa.

Talwar said he was keen to continue the bank's policy, introduced over the last 10 years, of "decolonising" its structure by replacing British management with local recruits.

## New chairman of Green Delta Ins

Star Business Report



Azam J Chowdhury has been elected Chairman of Green Delta Insurance Company Ltd.

The election was held at a meeting of the Board of Directors of the company held recently, says a press release.

Chowdhury is the Managing Director of East Coast Group of Companies. He has also significant interests in oil and gas sector.

Chowdhury is also Chairman of Bangladesh-Norway Chamber of Commerce & Industry.

## London welcomes move to lift beef ban

LONDON, Jun 11: British Agriculture Minister, Jack Cunningham, yesterday welcomed moves to lift the European embargo on British beef and urged European officials to seek a speedy end to the ban, reports AFP.

"We shall certainly try to conclude the rest of the process as quickly as we can," the minister said.

He told the BBC, "This is very good news but it's not the end of the story and there could well be some tough negotiations yet."

Cunningham reassured beleaguered British farmers: "We shall be doing everything we can to minimise the time between this announcement and the final agreement for beef to flow into Europe again."

His comments followed a recommendation by the European Commission for a total lifting of the two-year-old ban.

EU veterinarians and other officials must ratify the EC recommendation, which could see British beef back on the international market late this year.

## Proposed budget for 1998-99

# Capital market gets incentives

Star Business Report

The proposed budget for the 1998-99 gave a number of incentives to the country's ailing capital market.

The minister suggested steps to raise investment for primary and secondary markets. "No question would be raised for an untaxed investment in primary and secondary markets. If the investor pays a seven and half per cent tax, he would be allowed to enter the market."

To encourage floatation of private mutual funds the minister said "In order to stimulate the capital market, the minister proposed exemption of income tax from mutual funds. So far the Investment Corporation of Bangladesh (ICB) had been enjoying such exemption. The minister hoped the private mutual funds would be encouraged following the move."

Presently there exists two rates for corporate income tax for companies which traded publicly at the rate of 35 per cent. The ones which are not trading publicly were subjected to a tax of 40 per cent.

The banks, insurance companies and financial institutions, despite their public trading presently pay up taxes at rate of 40 per cent. With the

view to removing the discrimination in tax rates between publicly trading companies, the minister proposed 35 per cent taxes for banks, insurance and other financial institutions listed with exchanges and are incorporated with Bangladeshi interest.

Industries enjoying tax holiday are statutory required to invest 30 per cent of tax exempt income in government securities or in the same industry. To stimulate the capital market I propose the dividend declared by companies enjoying tax holiday will count towards the statutory requirement of investment. In addition, I also propose that the statutory investment be made either from the expiry of the tax holiday period.

In respect of dividend income derived by individual tax payers the Minister proposed that the taxes be deducted at sources at the rate of 10 per cent on the amount of dividend and this would be treated as the final settlement of tax liability. This will encourage the companies to declare dividend and is expected also to have a positive impact on the share market.



Finance Minister Shah AMS Kibria entering the House to present national budget for 1998-99 fiscal.

## Two-pronged strategy on SOEs

To free the national economy from the burden of losses by the state-owned enterprises (SOEs), the government will continue its two-pronged strategy — closure of losing concerns and speedy privatisation, reports UNB.

In his budget speech, Finance Minister SAMS Kibria said losses of the SOEs have turned out to be a huge burden on the State and the country's banking system.

He said total loss of 18 non-financial state-owned corporations was estimated at Tk 1039.13 crore for fiscal 1997-98. Total accumulated loss of all SOEs, excluding the financial sector, stands at Tk 12357.1 crore.

The finance minister said operations in 11 mills of BTMC and four state-owned newspapers and periodicals have been suspended by paying due compensation to employees and workers.

About Tk 200 crore was spent for voluntary separation programme in FY 1997-98, he informed.

He said as the privatisation programme is very important for the future of the nation, new guidelines are being prepared for privatisation. Surplus land of SOEs will be sold separately.

The Privatisation Board has finalised arrangements for transfer of nine enterprises to the private sector this year, Kibria said.

The net loss of the SOEs will, however, come down to Tk 686 crore by the end of 1997-98 from Tk 1412 crore in the previous fiscal year, according to the Economic Survey 1998 released today.

Six corporations under manufacturing sector (BTMC, BSEC, BSFC, BCIC, BFIDC, BJMC) incurred a net loss of Tk 823 crore in FY 1996-97, which is estimated to come down to Tk 543 crore in 1997-98.

The net loss of five utility sectors (BOGMC, BPDB, DESA, Chittagong WASA and Dhaka WASA) was Tk 346 crore in 1996-97, which will decline to Tk 176 crore by the end of the current fiscal (1997-98), the survey said.

## Economic survey '98

# Money circulation increases

Money circulation marked a rising trend in the first eight months of the current fiscal year (1997-98), according to the economic survey 1998, reports UNB.

The survey shows that the money circulation increased to Tk 53207.30 crore from Tk 50627.50 crore during the eight months from June 1997 to February 1998, registering an increase of 5.10 per cent.

The increase was 5.92 per cent in the same period of fiscal 1996-97.

In 12 months from March 1997 to February 1998, the increase of money circulation was 9.95 per cent against 9.92 per cent in the corresponding period from March 1996.

During the first eight months of fiscal 1997-98, domestic borrowings from banks rose to Tk 52,422.40 crore from Tk 49,396.60 crore, according to the survey placed in parliament yesterday.

The increase was 6.13 per cent. In the current fiscal, the increase of net domestic borrow-

ings was 5.54 per cent against 18.70 per cent in the previous year.

The survey says that the government has taken some important reform programs to restore discipline in the economic sector in a bid to increase savings and investment, maintain balance in foreign trade, control inflation and keep it in a tolerable limit and create investment opportunities.

About the capital market or stock market development, the report says that steps have been taken to create facility for foreign participation and increase the quota for expatriate Bangladeshi investors from five to ten per cent.

The survey says that steps have been taken to increase the limit of loans against share/debenture from the commercial banks from 50 per cent to 60 per cent and introduce the Securities and Exchange Commission (Mutual Fund) Regulation 1997 to attract small investors.

The other measures include allowing different institutions to operate as merchant banks under the SEC rules 1996, allowing floating of shares of the government listed companies and privatisation through the stock market.

The survey also referred to the introduction of Netting System in Dhaka and Chittagong bourses and recording of audit of the stock brokers and dealers through SEC.

The number of securities of Dhaka Stock Exchange increased to 223 in 1998 (February) from 82 in 1986. The amount of issued capital and debenture of these securities in February 1998 was Tk 3014.55 against 2488.27 in February, 1997, the increase being 21.15 per cent.

In Chittagong Stock Exchange, the number of securities was 30 in 1995 which rose to 142 in February 1998. During this time, the amount of issued capital and debentures stood at Tk 2290.08 crore while it was Tk 1984.80 crore in February 1997. The increase is 15.38 per cent.

## Barge-mounted power plant at Baghabari Westmont to invest Tk500cr

Star Business Report

Westmont Power (Bangladesh) Pvt Ltd will invest about Taka 500 crore in setting up a barge-mounted power plant (BMPP) at Baghabari in Sirajganj.

The Ministry of Energy and Mineral Resources yesterday signed an Implementation Agreement (IA) with the company, an associate of Westmont Offshore (Malaysia), for establishing the BMPP.

Joint Secretary, Ministry of Energy and Mineral Resources, Mirza Tasadduq Hussain Beg, and Managing Director of Westmont Power, Sio Kai Sing, signed the agreement on behalf of their respective sides, according to an official handout.

An amount of about Taka 500 crores will be invested for the construction of the BMPP having capacity of approximately 130 MW power generation in combined cycle," it said.

The plant will be commissioned within three months from the date of signing the accord.

The signing ceremony was attended, among others, by the chairman of Westmont Power Kazi Tajul Islam Faruque and officers concerned of the ministry.

Earlier, Bangladesh Power Development Board signed an agreement with the company on Wednesday to purchase power from the would be plant.

This is the fourth accord to set up such power plant in Bangladesh.

## Titanic items sold for \$ 79,500

NEW YORK, Jun 11: A metal raft and a plaque from a life raft, both from the Titanic, sold for 79,500 dollars during an art auction at Christie's, the auction house said yesterday, reports AFP.

The items from the doomed ocean liner were bought in 1912 by an employee of the White Star Line, the Titanic's owner. They had an estimated price of 50,000 to 70,000 dollars.

The identity of the buyer in Tuesday auction was not revealed.

## Asian stock markets tumble further

HONG KONG, Jun 11: Most Asian stocks tumbled further early Thursday as investors became increasingly worried about the weak yen, which fell to a new seven-year low against the US dollar, reports AP.

The Japanese currency fell on the absence of yen-supportive comments at a meeting of finance officials from the Group of Seven industrialized nations, which ended Wednesday in Paris.

Most Asian currencies were also dragged down by the Indonesian rupiah's plunge below the psychologically important level of 14,000 against the US dollar early Thursday.

Sharp falls in share prices in Taiwan, Hong Kong, and Japan early Thursday also hit investors confidence in the region's financial markets, traders said.

A lot of the direction in the market hinges on the dollar yen direction," said Andy Tan, a Singapore market specialist for Standard and Poor's. In Tokyo, the dollar bought 141.76 yen, up 0.92 yen from late Wednesday in Tokyo, to a level not seen since early June, 1991. In New York overnight, the currency settled at 141.43 yen.

Traders said the dollar's rise was spurred by sharp falls in share prices in Japan and Taiwan, leading to safe-haven dollar-buying on rekindled fears of further financial turmoil in Asia.

Tokyo's benchmark 225-issue Nikkei Stock Average lost 274.77 points, or 1.79 per cent, moving to 15,064.49 at the close of morning trading, adding to Wednesday's 1.23 per cent loss.

In Taiwan, shares ended at a five-month low as selling pressure from margin maintenance calls and concerns over the weak local currency dragged the stocks down, analysts and traders said.

The Weighted Price Index of the Taiwan Stock Exchange closed 12.39 points lower at 7,210.74.

In Hong Kong, share prices fell to new lows Thursday

morning as the benchmark index lost 3.1 per cent just minutes after the opening bell, hitting its lowest level since Feb. 1995.

But the Hang Seng Index later recovered on bargain hunting, closing the morning session just 1.1 per cent lower at 7,890.13 points. The index had lost 7.1 per cent over the last two days.

In Jakarta, the rupiah hit an early low of 14,850 to the dollar, a four-month low, but rose to 13,750 to the dollar in late morning. Jakarta share prices also fell.

The key Philippines Stock Exchange Index dropped 4.6 per cent to 1,829.02, its lowest level since January. The index has now lost 128.74 points over the past four sessions.

In Singapore, the key Straits Times Industrials Index dived 18.84 points, or 1.7 per cent, within 15 minutes of opening Thursday, continuing Wednesday's plunge.

But correction buying took over and the index shifted up and down through the afternoon, and was 0.25 per cent up in the early afternoon.

The Singapore dollar weakened further, hitting 1.74 to the US dollar.

In Kuala Lumpur, shares closed lower at midday on a weaker Malaysian ringgit and slumps in other regional stock markets.

The key Composite Index was at 479.80 points, down 2.1 per cent.

In Bangkok, the key stock index was down 2.1 per cent to 286.05 points in moderate trading at midday on investors' worries over Thailand's deepening recession and the health of its financial institutions. The baht also fell against the US dollar.

New Zealand shares also fell for the 11th straight session, with the key index falling nearly 59 points, or 2.8 per cent, closing at 2,008.78 points.

## 'Bangladesh to get duty-free access as LDC very soon'

Commerce and Industries Minister Tofael Ahmed said government has given emphasis on investment and modern refrigeration technology to help rapid industrialisation, reports UNB.

He was inaugurating the seminar on Industrial Refrigeration Technology at a city hotel here yesterday jointly organised by the Landmark Bangladesh Ltd and Grasso (Thailand) Company Ltd.

The Minister said that Bangladesh as LDC will get duty-free market access to the developed and developing countries very soon. He called upon the entrepreneurs to produce quality and diversified products based on markets' demand.

The Minister said that Bangladesh is maintaining the highest export growth rate in the region which is at present 16.75 per cent.

He mentioned that refrigeration of optimum temperature plays a key role in preserving food items as well as ensuring safety of the industrial machinery and equipment.

He also said that application of modern refrigeration technology is growing with the increase of production of fish, potato and other agro-products in the country.

Referring to the problem faced in exporting frozen foods of Bangladesh in recent years, the Minister said, the present government has taken prompt action including sanction of loans to the fish processing plants to fulfil the requirements of the importing countries about quality control including the freezing system.

He said that acquisition of ISO certification is another growing conditionality to export and the government has taken necessary steps to create awareness among the entrepreneurs about ISO certification.

The inaugural function of

## Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to clients.

Currency	Selling TT & OD	Buying TT Clean	Selling FC	Buying OD Sight	Buying TT & OD
USD	46.5050	46.1100	46.5450	45.9570	45.8850
GBP	75.9550	74.8135	76.0313	74.5552	74.4484
DEM	25.9557	25.5811	26.0610	25.4963	25.4563
JPY	0.3295	0.3243	0.3298	0.3232	0.3227
FRF	7.7550	7.5745	7.8017	7.5494	7.5378
SAR	12.4235	12.2604	12.4432	12.2197	12.2005
MYR	11.7126	11.6131	11.7227	11.5746	11.5565
AED	12.6969	12.5193	12.7078	12.4778	12.4583
KWD	156.8730	145.6642	157.0079	145.1809	144.9534
QAR	12.8113	12.6294	12.8223	12.5875	12.5678

## Bill Buying Rates:

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
46.0112	45.7258	45.9415	44.9573	44.5730	43.8045

US dollar London Interbank Offered Rate (LIBOR) as of June 11, 1998

Buying	Selling	Currency	1 Month	3 Months	6 Months	9 Months	12 Months	
Cash	45.8850	46.5050	USD	5.6925	5.6875	5.75	5.8125	5.84375
TC	45.8850	46.5050	GBP	7.5625	7.6875	7.8875	7.71875	7.71875

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Baht	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
42.20/42.42	44.42	43.00/43.00	3.9705/3.9705	13500/13500	1391/1391
42.50	44.45	43.20	3.9800/3.9800	13590/13590	1395

## Amex notes on Thursday's market

The local interbank foreign exchange market was stable with strong dollar demand in the market. USD/BDT traded mostly within a range of 46.4700 to 46.4750.

The call money market was slightly up. The call rates touched 13.50%, Thursday's highest. The average call rates ranged between 11.50% and 13.50%.

In the international market, US dollar increased its gain against the yen and briefly reached above 142 yen in the late Tokyo trade on Thursday. The yen was pressured by the fall in the Nikkei index and JGB (Japanese Government Bond) prices. Intensified selling pressure pushed the yen to reach 142.10 a seven-year high helped by speculative buying of dollars by overseas operators in view of depressed yen's undertone.

Lingering concerns about the Japanese economy and problems with the banking system encouraged dollar buying. The dollar maintained its overnight upward bias against the mark and reached a six-week high level. Renewed worries for Russia wounded the mark, as Germany being one of the biggest investor in Russia.

At 1900 local time in the international market the USD traded at 1.8025/35 DEM, 141.65/69 JPY, 6.0449/59 FRF, 1.4908/18 CHF, and GBP at 1.6306/17 USD.

## Chittagong Stock Prices

### Thursday's trading performance

Company	Avg Rate	Prv Rate	Change	Shares Traded
Quasem Drycells	26.89	26.96	-0.07	44350
Anwar Galvanizing	180.00	180.00	0.00	50
Aftab Auto	221.60	221.71	-0.11	225
Olympic Industries	257.39	266.88	-9.49	600
BD Luggage	80.00	70.00	+10.00	50
BD Lamps Ltd	1300.00	1278.00	+22.00	10
Eastern Cables Ltd	183.50	180.00	+3.50	50
Apex Food	1000.00	1017.50	-17.50	10
Bengal Biscuit	80.66	80.86	-0.20	1720
Beximco Fisheries	145.00	142.25	+2.75	100
AMCL (Pran)	489.33	486.33	+3.00	60
Cig Vegetable	83.75	83.94	-0.19	140
Tripti Industries	140.49	140.02	+0.47	425
Mona Food Industrie	75.00	84.00	-9.00	50
BOC (BD) Ltd	113.08	115.70	-2.62	300
Prime Textile	93.00	83.67	+9.33	50
Apex Weaving	58.30	62.00	-3.70	1150
Beximco Synthetics	200.18	195.47	+4.71	400
Beximco Denims	252.50	253.00	-0.50	