

Taxpayers requested to submit returns by October 15

The National Board of Revenue (NBR) has extended the time-limit for submission of income tax return by one month, reports APB.

The extended time-limit will, however, not be applicable to companies.

The last date for submission of the return was September 15, but now the date has been extended till October 15 in view of the devastating floods raging across the country, said a PID handout.

The extended time-limit will also apply to the tax payers who want to submit their income tax return through self-assessment system.

All concerned tax payers have been requested to submit their returns before the deadline expires.

Bankruptcies in Japan rise

TOKYO, Sept 14: Debts left behind by Japanese companies that went bankrupt in August reached a post-war high for the month, a private financial information company said Monday, reports AP.

In August 1,534 Japanese corporations failed, 15.4 per cent more than a year earlier, leaving debts of 1.01 trillion yen (7.6 billion dollar), a 49 per cent increase, Teikoku Data-bank Ltd. said.

Bankruptcies in most industries rose on the month. The number of manufacturers going belly up jumped 31.1 per cent, the report said. The one bright spot was that bankruptcies in the construction industry fell for the first time in 15 months, dropping 2.7 per cent.

Teikoku said failures would likely keep rising sharply. In making its gloomy forecast, the company cited problems in the manufacturing sector and a slump in the stock market which would likely wipe out investment profits for many companies.

"Business failures are still on track to go up rapidly," it said.

The previous record for the amount of debts left by failed companies in August, was 957.24 billion yen (7.2 billion dollars) in 1991.

Property Development hands over 20th project apartments
Star Business Report

Property Development Limited on Tuesday organised a day-long 'open house' programme to mark the successful completion and handover of apartments of their 20th project - the fifteen-storey residential/business building at city's Mouchak, says a press release of the company issued yesterday.

The handover ceremony was attended by the owners of newly-completed Property Development apartment and business units, its Chief Executive Maj Gen (Retd) Amzad Khan, Deputy Managing Director Ahsan Khan Chowdhury, company directors and many interested buyers.

Racketeer sentenced to eight months in prison in Japan

TOKYO, Sept 14: A Japanese court sentenced a corporate racketeer to eight months in prison Monday for illegally receiving about 50 million yen (381,000 dollars) from four companies in the powerful Mitsubishi group, a court official said, reports AP.

The Tokyo District Court handed down the verdict to Taichiro Otake, 56, a corporate racketeer, or "sokaiya," said the official, who spoke on the customary condition of anonymity.

Otake had pleaded guilty to charges of accepting the illegal money from the four companies - Mitsubishi Estate, Mitsubishi Electric, Mitsubishi Motors and Asahi Glass. He has worked as a sokaiya for over 30 years, local news media have reported.

Long a fixture in Japanese business circles, sokaiya threaten to disrupt shareholders' meetings with embarrassing questions unless company officials pay them off.

In February, Otake and his wife, Misao, were arrested on suspicion they received the money from the four companies between February 1995 and August 1997, according to the indictment.

The money - in the form of fees for advertisements for publications issued by Otake's wife - was paid to make sure annual shareholders' meetings went smoothly in 1995, 1996 and 1997, the indictment said.

Israeli cabinet okays \$ 53.4b budget for '99

JERUSALEM, Sept 14: The Israeli cabinet approved on Sunday the Treasury's 206.3 billion shekel (53.4 billion US dollars) 1999 draft budget, Treasury officials said, reports Reuters.

The cabinet voted 14-2 to pass the spending package.

"Tonight we passed the budget by a massive majority with 14 voting in favour and two opposing, it is the greatest majority that I recall," Prime Minister Benjamin Netanyahu told a news conference following the cabinet vote.

HK appeals to governments

Unite against speculative activities of hedge funds

HONG KONG, Sept 14: Hong Kong's financial secretary appealed to other governments to unite against the speculative activities of hedge funds in an interview published Monday, reports AP.

The funds, which typically wager huge sums in global currency, bond and stock markets in search of quick profits, have been blamed for dragging Asia into the protracted financial turmoil.

In an interview with the mass-circulation Apple Daily, Donald Tsang said international cooperation is needed to battle with hedge funds because their power dwarfs individual economies.

Tsang said although Hong Kong's foreign exchange reserves, at \$ 96.5 billion at the end of July, are among the top 10 in the world, the total size of hedge funds is still much bigger.

"Which economy can stand

with the weaponry of hedge funds, which amounted to \$30.0 trillion?" Tsang told Apple Daily.

Only massive economies like the United States or Europe - which is set to introduce a common currency, the Euro - can weather such speculative activities.

Other smaller economies can only be vigilant, or close their doors until international market order is restored.

"We can no longer stick to old rules because there's no international regulation," he said. "A single country can't solve negative international problems, such as terrorism or drugs."

The Hong Kong government battled it out with currency and stock speculators in the second half of August, ultimately intervening and changing market rules to close the door on what it called market manipulation.

Commenting on Hong Kong's beleaguered property sector, Tsang said housing prices were unlikely to fall any more dramatically than they already have. He also dismissed predictions of a recent research report by Morgan Stanley Asia.

The US investment bank is predicting Hong Kong property prices will slide by another 40 per cent to 50 per cent if Hong Kong maintains its 14-year currency peg with the US dollar.

The Hong Kong economy is closely tied to the real estate sector, which has seen home prices fall by 50 per cent during the past year. But several brokerages still estimate that prices will fall up to 25 per cent further.

On Sunday, a developer managed to sell only 13 per cent of apartments in a new development, even after slashing prices by 20 per cent.

Primakov vows to keep Russia on reform path

MOSCOW, Sept 14: New Russian Premier Yevgeny Primakov promised to continue economic reforms Sunday but said they must take into account the "social needs" of the Russian people, reports AP.

"This government must do all it can to continue with reforms to correct the mistakes of the past, but within the framework of creating a socially oriented economy," he told the NTV television station.

This economy must take account of social needs and it must be efficient and serve the people he said.

After his nomination was approved by deputies Friday Primakov moved to out a

communist stamp on his new government by making communist Yuri Maslyukov Deputy Premier and nominating Viktor Gerashchenko another left wing figure as head of Russia's central bank.

However, he stressed that reform was "guaranteed" under his administration.

He also insisted that it would be a different style of reform.

"Everything must be done to develop the national economy and industry so that people get their wages," he said. "We cannot allow a large section of the population to live in poverty, and there must be corrections."

China, Japan seek ways to handle Asian crisis

BEIJING, Sept 14: Attempting to find constructive ways to deal with the Asian financial crisis and ease tensions over Tokyo's ailing economy, high-level Chinese and Japanese officials met Monday in Beijing, reports AP.

The day-long talks at China's Ministry of Foreign Trade and Economic Cooperation cap months of acrimony over Tokyo's inability to turn its economy around.

The agenda for the talks was unclear. Chinese trade ministry and Japanese Embassy officials confirmed the talks had begun Monday morning, but had no further comment.

Japanese Deputy Foreign Minister Koichi Haraguchi and Chinese Vice Foreign Trade Minister Sun Zhenyi headed delegations of senior trade and finance officials attending the talks.

For months, China has harangued Japan, its biggest trading partner and one of its largest investors, accusing Tokyo of not doing its part to help ease the Asian crisis.

Japan's slack demand for Chinese exports has hit China's economy just as growth was flagging and its industries lay off millions of workers to adjust to market-style reforms.

China's export to Japan fell 4.3 per cent in the first half of the year from the same period last year to 13.7 billion dollars, according to Chinese customs statistics.

CIC declares 20pc dividend
Star Business Report

Central Insurance Company (CIC) declared a dividend of 20 per cent at its 10th annual general meeting held at Pan Pacific Sonargaon Hotel recently.

Md Yousuf Chowdhury, Chairman of the Board of Directors of the company presided over the meeting, which was attended by a large number of shareholders, said CIC in a press statement issued yesterday.

The meeting adopted the directors report auditors report and accounts of the company for the year 1997.

During the year 1997, the company earned a gross premium amounting to Tk 14.13 crore which represents an increase of 12 per cent over the year 1996 and settle gross claims of Tk 5.20 crore.

The pre-tax profit in 1997 rose to Tk 2.16 crore from Tk 1.93 crore.

Total assets of the company increased Tk 32.00 crore at the end of 1997 which was Tk 30.88 crore in the previous year.

At the AGM, Md Shafi, Abul Kalam, Md Tayabur Rahman, Mohammed Masud Hossain, Sofia Kabir, MA Malek, Alhaj Md Abdul Maleque and Nabab Siraj-Ud-Dowla were re-elected directors from Group A shareholders while Shahena Islam, Nasreen Ali, Tofazal Hossain, and Farhana Alam were elected directors from 'Group B'.

Asian economic recovery depends on free market

MANILA, Sept 14: The Philippines and other Asian countries should resist calls for market controls and instead push ahead with economic reforms to recover from the regional financial crisis, a British official said Monday, reports AP.

"Recovery depends crucially on continued access to free markets," said Patricia Hewitt, Britain's economic secretary to the treasury.

Some business groups in the Philippines are lobbying for the imposition of a limited form of the currency controls instituted by Malaysia earlier this month. They say the controls are needed to support the Philippines' beleaguered peso, but the government insists controls would do more harm than good by encouraging corruption and black markets.

Ms Hewitt expressed support for Philippine economic policies, saying the country has been better able to withstand the regional crisis than many of its neighbours because it introduced reforms early in the 1990s that other countries are only now beginning to implement.

Such clear and open policies help investors distinguish among different countries in the region and judge each by its merits, she said.

"It is essential that the Philippines continue to distinguish itself from other emerging markets if confidence is to be sustained. This means transparent and credible policies and the effective and consistent implementation of these policies," she said in a speech to European businessmen.

Clear, long-term economic policies also help reduce the capriciousness of financial flows, she said.

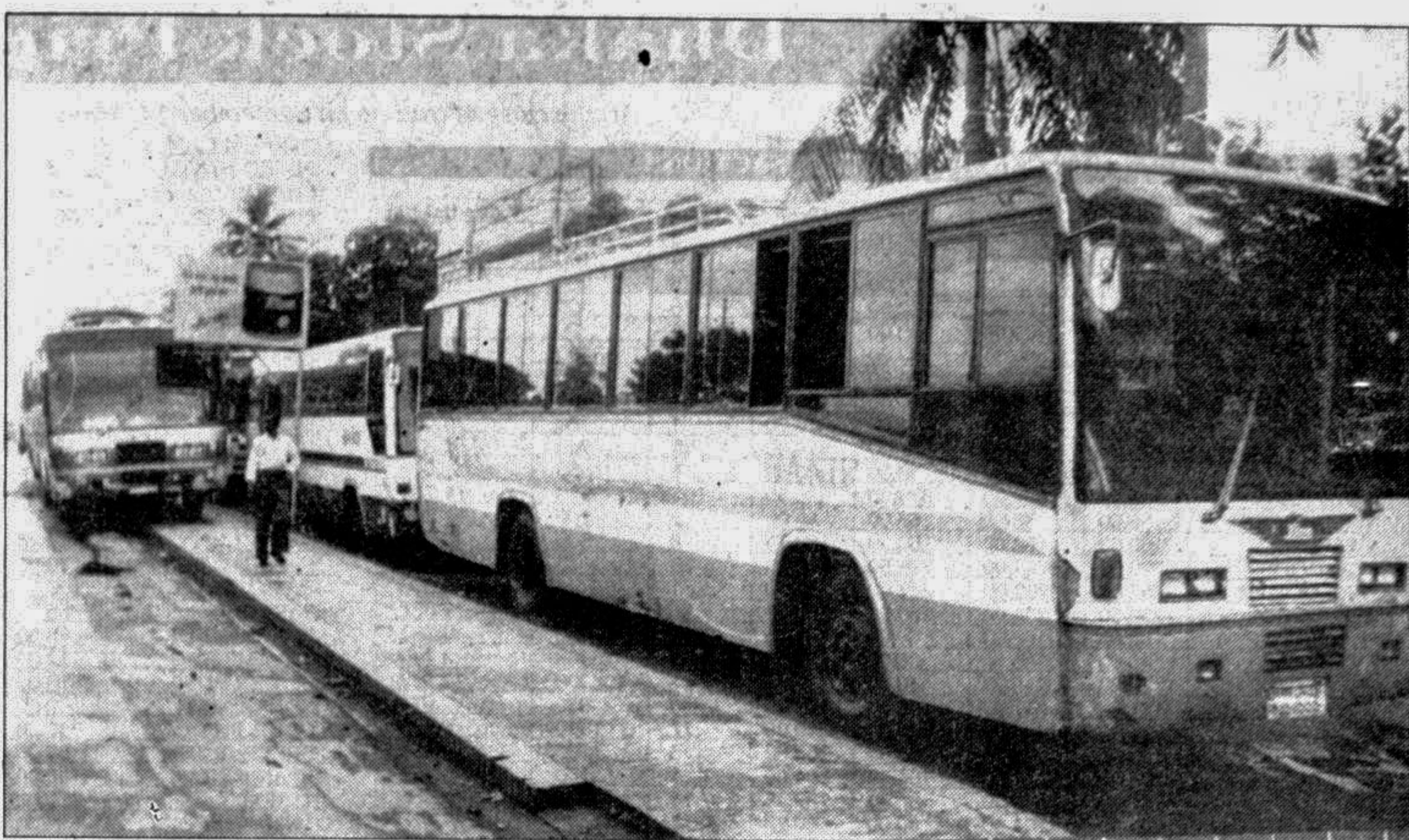
Those who blame the current situation on the private sector and global investors are mistaken, she said. "We all need to work together as partners, not rivals, benefiting from a global economy kept open to investment and trade."

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BUSINESS CRASHES TO A HALT: The history-making flood across the country has taken a sizeable amount of toll on many small and big businesses. This picture, taken in the city recently, shows a queue of luxury coaches, which have also fallen prey to it, remaining off the road for quite some time now and incurring huge financial losses. —Star photo by Sk Enamul Haq

Pakistan to lodge complaint on Basmati rice patent

by Muhammad Najeeb

ISLAMABAD, Sept 14: Pakistan will formally complain to the United States Patents Office against a patent given to American firm RiceTec Inc. on a premium rice brand originating in the Indian subcontinent.

The Commerce Ministry had already lodged a verbal protest with the patents department and is in the process of submitting a formal complaint in writing against Texas-based RiceTec for using the name Basmati, Commerce Secretary M. Iqbal Fareed told IANS.

Initially the Pakistan government wanted to fight the RiceTec patent jointly with India at either the World Trade Organisation (WTO) level or an American court, Fareed said. But later Islamabad decided to go it alone as the Indians claimed real Basmati was Indian, he alleged. "This forced us to contest the case independently," said Fareed, adding that the rice has been grown in the Pakistani part of undivided Punjab for many years.

Asked if Pakistan would contest the case jointly with Thailand, which claims RiceTec has surreptitiously patented its traditional Jasmine rice, Fareed said, "We have prepared our case and would be filing it in a couple of days...So anyone who wants to support us is welcome."

RiceTec was granted a patent on September 2, 1997, for a newly developed strain of rice which has properties of Basmati -- it is long-grained

and aromatic. The company has apparently been touting its product as Basmati rice. The patent was a slap in the face of the Convention on Biodiversity which stipulates the protection of indigenous plants and its varieties, experts here say. Basmati, a Sanskrit word meaning 'queen of aroma', has been grown in Pakistan and India for centuries. By granting the patent to RiceTec, the U.S. has also violated the geographical clause under the Trade Related Intellectual Property Rights (TRIPS), experts say.

India and Pakistan have a similar stand on the issue. They say that in no way can the word Basmati be used to sell rice grown in any other country. Pakistan is going by India's impressive record of successfully contesting in U.S. courts American patents given to neem and turmeric products by pointing out that they have been part of traditional healing in India for centuries.

The ministries of Commerce, Food and Agriculture and the Rice Exporters' Association of Pakistan (REAP) have jointly collected details relating to the origin of Basmati and its historical background that, experts say, will strengthen Pakistan's case. The government has also sought seedlings of the so-called Basmati developed by RiceTec to find out whether or not it is genetically like the Pakistani variety.

The patent to RiceTec evoked

nationwide protest with agricultural experts, rice growers and exporters feeling cheated because the U.S. company seemed set to exploit the market potential of Basmati, famous worldwide for its aroma and taste.

The U.S. National Agricultural Statistics Service in its Rice Year Book 1997 states that "almost 75 per cent of U.S. rice imports are the Jasmine rice from Thailand and most of the remaining from Pakistan and India, varieties that currently cannot be grown in the U.S." RiceTec is already selling rice brands by the name of Texamati, Jasmati and Kasmati in Britain, Greece and other overseas markets.

RiceTec is using Basmati as a generic term to counter India and Pakistan's efforts to contest the patent. Using Basmati as generic term over a period of time could mean that India and Pakistan cannot obtain a trademark that would set their rice varieties apart on the basis of geographical origin, Fareed pointed out.

But the controversy over the patent to RiceTec seems, in a way, to have helped Pakistani exporters with their earnings increasing by nine million dollars in the month of August, an increase of 24 per cent. According to the Statistics Division's foreign trade figures, Pakistan exported 61,433 tonnes of rice in August whereas in the corresponding month last year total rice export was 52,060 tonnes.

—India Abroad News Service

Crises in Asia, Russia strain IMF resources

WASHINGTON, Sept 14: Crises in Asia and Russia prompted record lending from the International Monetary Fund last year, and the fund needs a new cash injection to cope, the IMF said in its annual report yesterday, says AP.

Because of the emergency lending the IMF's resources have been brought to a new low, the annual report says.

During fiscal 1997-98 which ended in April, the fund loaned 25.6 billion dollars, or four times the amount spent the previous year. Since April 1997 the IMF has shelled out another 11 billion dollars.

Total engagements to April are some 43 billion dollars, not counting 10 billion promised to Russia in July, said IMF Director General Stanley Fischer.

"The situation in the global economy is becoming extremely difficult and the funds are limited," Fischer told a press conference.

Asia's financial crisis broke out in Thailand in July 1997, and has spread to the rest of Asia and other emerging markets.

The largest beneficiaries of IMF resources in fiscal 1997-98 were South Korea, Indonesia, Thailand and Argentina — not counting Russia, whose aid arrived later in the year.

The level of available funds has fallen from some 59 billion dollars in April 1997 to 28 billion dollars one year later, Fischer said.

The ratio of liquidity has fallen to 45 per cent and is now at 36 per cent, after commitments to Russia, he said.

The IMF could still lend between five billion and nine billion dollars before reaching the limit of 30 per cent of liquidity, Fischer said. But the IMF needs the US Congress to approve Washington's grant of 18 billion dollars.

"The fund needs to strengthen its financial resources," he said. "We very much hope the Congress will move rapidly."

If US lawmakers don't approve the cash, he said, "it would be a big change in the system... that has served the world well."

Metal prices hit by plunging stock markets in London

LONDON, Sept 14: Metal prices hit by plunging stock markets and poor sentiment in connection with the possibility of US President Bill Clinton facing impeachment proceedings, says AP.

Copper took another blow in that London Metal Exchange warehouse stock rose 7,975 tonnes to 361,250 tonnes, including 6,500 tonnes at Singapore warehouses.

Three-month copper fell two dollars to 1.696 dollars a tonne. Another 30,000 tonnes of copper was rumored to be ready for entering warehouse shortly and up to 60,000 tonnes over the month.

Investors said that Chinese plans to increase copper exports had also hurt sentiment. However, copper like other base metals, found some support in the strength of the yen against the dollars due to Clinton's political troubles.

Copper was helped by figures from the International Copper Study Group showing a much lower than expected 3.2 per cent rise in world refined copper production.

Three-month nickel traded at 4,065 dollars a tonne, down 175 dollars.

Three-month lead traded at 530 dollars a tonne, down nine dollars.

Three-month zinc traded at 1,037 dollars a tonne, down one dollar. Three-month tin traded at 5,430 dollars a tonne, up 35 dollars. Three-month aluminium traded at 1,372.5 dollars a tonne, up 0.5 dollars.

Most Asian stocks rebound on Wall Street rally

HONG KONG, Sept 14: Most Asian stock markets rebounded early Monday on bargain hunting and on the back of Wall Street's rally Friday. But analysts discounted the gains as a temporary reprieve as bigger problems in overseas markets still loomed, reports AP.

Share prices in Japan, Hong Kong and Singapore were slightly higher, buoyed by Wall Street's 179.96-point gain Friday. Most Asian markets had plunged Friday, with the key index in Japan retreating 5.12 per cent and Hong Kong 3.5 per cent.

Eugene Chung, Asia strategist for Warburg Dillon Read in Hong Kong, said financial worries in Japan continued to be the region's focus. Problems in Russia and Brazil added to a world liquidity crunch, he said.

"Japan will be lifting or sinking all boats around the world," he said. "Concern hanging over markets is whether the dollar-yen will sustain its recent strength. For the rest of the world, dollar-yen stability is paramount."

The US dollar was higher against the Japanese yen after a volatile morning session amid speculation over whether the United States would abandon its strong dollar policy, and worries over possible declines on Wall Street Monday.

The dollar bought 132.32 yen at mid-morning, up 1.54 yen from late Friday in Tokyo and also above its late New York level of 130.82 yen Friday.

Most stock markets managed marginal gains. The key index in the Philippines closed 1.7 per cent higher, and shares in Taiwan also closed a touch stronger.

In Japan, the benchmark 225-issue Nikkei Stock Average rose 0.22 per cent to close the morning session at 13,947.10.

On Friday, the Nikkei closed down 749.05 points, its largest drop this year in both points and percentage.

In Hong Kong, the Hang Seng Index was 0.48 per cent higher at 7,614.86 at midday, on new government moves to jump

start the ailing property market.

The government on Saturday lifted anti-speculative regulation, a move that would reduce down payments for home buyers.

Singapore's Straits Times Index was up one per cent on light bargain hunting in selected blue chips.

But not all markets rose. Malaysia's key index skidded 2.1 per cent at mid-morning after Prime Minister Mahathir Mohamad raised the possibility of imposing a capital gains tax on share transactions, dealers said. The Kospi index in South Korea also lost 1.3 per cent on worries over world financial stability.

Uncertainty lingered over the fate of Malaysian shares traded on the over-the-counter market, dealers said.

Trading of Malaysian shares on Singapore's over-the-counter market will cease permanently Tuesday in line with a Malaysian ban on overseas trading of its currency and equities.

In Indonesia, cement shares led the 0.54 per cent advance in the key JSE Composite index. State-owned cement maker PT Semen Gresik jumped 8.3 per cent on continued speculation that Mexico's Cemex SA, expected to buy a 14 per cent stake in Semen Gresik from the government, is going to buy even more shares in the company through the open market.

But prices eased off Tuesday as the explosive prosecution report into his sex and lies scandal, possible leading to the president's impeachment.

Stocks got a boost on Monday, rocketing 3.48 per cent to 5,347 points on comments Friday by US Federal Reserve Chairman Alan Greenspan that interest rates might come down.

With the US stock market closed Monday, European traders got in early in anticipation of the following Wall Street boom on Tuesday.

But prices eased off Tuesday and by Wednesday the Footsie was in decline, down 0.61 per cent on the day. Traders ignored Wall Street's record overnight performance and eyed new upsides in the Japanese economy and the start of the Bank of England's monthly rates meeting.

Shares fell 3.29 per cent on Thursday in disappointment at the central bank's decision to hold interest rates steady.

London stocks lose slight ground over week

LONDON, Sept 14: The London stock market lost slight ground over the week amid jitters over US President Bill Clinton's possible impeachment and the Bank of England's interest rate policy, reports AP.

The FT-SE 100 index closed on Friday at 5,118.6 points, 48.4 points lower.

The flat result did not fully reflect the up-and-down course of the five sessions, as financial markets turned their nervous eyes from Russia to growing worries over Clinton.

In Moscow, President Boris Yeltsin resolved the dangerous political impasse with parliament by successfully nominating compromise candidate Yevgeny Primakov for Prime Minister.

That increased hopes that Russia would pull itself together and not plunge a string of other emerging markets into chaos. But investors had a new worry that Clinton will not be able to survive now that



Md. Yousuf Chowdhury, Chairman of the Board of Directors of Central Insurance Company Ltd, addresses the shareholders at the 10th Annual General Meeting. A K M Azizur Rahman, ex-chairman, M A Malek, Md. Shafi, Md. Abdul Maleque, Shah Alam Chowdhury, directors & ex-chairmen, and Md. Hashmat Ali, Managing Director of the company, are also seen. —CIC photo