



Price of onion  
to fall further  
this week

The price of onion is decreasing and will fall further this week as supply is satisfactory with the arrival of new onion in the markets, reports UNB.

Traders informed this when the Commerce and Industries Minister Tofail Ahmed made surprise visit to the city markets Sunday.

The minister was informed that new onion was being sold at Tk 30-35 per kg, old and imported onion Tk 40-44 per kg, potato at Tk 10-10.50 per kg, ginger at Tk 20-22 per kg and garlic at Tk 46-48 per kg, said an official release.

Tofail told the traders that the government had recently withdrawn all taxes from import of onion to ensure adequate supply of the items in the market.

Taking advantage of this importers have started importing sufficient quantity of onion, he said.

He hoped that such imports would be quite effective in keeping the onion price stable during the coming month of Ramadan.

The minister also talked to the buyers in the markets and was informed that prices of winter vegetables were coming down gradually with the rising supply in the markets.

Tofail lauded such a tolerant attitude of the buyers and said Bangladesh would be able to achieve economic freedom in the near future if 'all of us could show more tolerance and restraint in the state and social lives realising the position of each other.'

### Rejoinder

Abdul Monem Limited has sent a rejoinder to a report published in the Daily Star on November 26 under the headline 'Bankers colluded with top businessmen to burden NCBs with Tk 4466 crore in bad loans'.

It said the publication of the report has brought disrepute to the company's goodwill in the business community.

It further said that the bank's information did not reflect any such default case against the company and added that Abdul Monem Limited had paid in excess of over Tk 72,00,000 relating to its payment schedule.

The Daily Star replies: Our report was based on the audit report duly certified and signed by the Comptroller and Auditor General and we stand by our report.

**Lanka turns down proposal to raise salaries of MPs**

COLOMBO, Nov 30: The Sri Lankan cabinet has turned down a proposal to raise salaries of legislators by more than 70 per cent, a state-run weekly said yesterday amid mounting opposition to the plan, says AFP.

The Sunday observer quoted a government spokesman as saying the cabinet of President Chandrika Kumaratunga turned down the proposal because of the stringent policy on government spending.

However, a paper presented in parliament nine days ago showed cabinet approval had been granted to the proposal to revise the salaries of the 225 members of the National Assembly.

It was not immediately clear if the government has subsequently re-bought the proposal because of opposition pressure.

**DHL mobilises to transport relief goods to Honduras**

DHL Worldwide Express, the world's largest international air express network, has mobilised in Central America to donate its transportation services to hurricane Mitch victims throughout the region, says a press release.

DHL is providing a B727-200 airplane to transport 50,000 pounds of medicine and food supplies from the Honduran Consulate in Miami to distribution centres in Honduras.

A second B727 is being utilised from DHL's Guatemalan hub to funnel aid into Honduras.

The rest of the DHL Fleet is flying shuttles in Guatemala and Honduras for domestic distribution of relief supplies in both countries.

Nicaragua aid is being provided via ground transport from Costa Rica.

We have moved quickly to provide the needed uplift to transport donated relief supplies collected by the respective government agencies and consulates. Our aircraft and crews are helping to facilitate the distribution of medicines and food to areas that are not easily accessible by land. We are grateful to our concerned personnel and a very caring public, who have helped us by committing to participation in the relief efforts," said Carlos Gamundi, Regional Aviation Manager, DHL Worldwide Express.

### Comptroller and Auditor General's report to President

# SB loans for 5 projects go against vital conditions

By M Shamsur Rahman

Sonali Bank disbursed money to a borrower for five projects violating some vital loan conditions which resulted in default of the total amount.

The 1996-97 special audit report on SB also revealed that the bank did not take any step for holding its officials responsible, nor did it make any move to realise the loans.

SB okayed five loans totalling Tk 10.60 crore against a security deposit worth Tk 8.21 crore for some projects of a borrower, Noor Hossain.

The report revealed that the bank had disbursed money in excess of loan limits allowed to the borrower by projecting a higher price of the pledged goods and allowing excess drawing power.

#### Details of the five projects

M/S Shamsunnahar Traders and M/S Mohammad Ali (default amount Tk 3.68 crore)

Two companies, M/S Shamsunnahar Traders and M/S Mohammad Ali, were allowed Tk 16.43 cr and Tk 16.92 cr in extra loans. In each of the cases, the company was allowed to take loans in excess of its pledge goods through unfair means.

"In the course of the audit, it was found that the price of per tonne rod kept as pledge was shown to be Tk 23,000 while its actual market price in 1991

Name of the company	Distribution date	Advance value	Distributed amount	Additional withdrawal allowed than limit
M/S Shamsunnahar Traders	30/6/92 2/11/92	1.25,12,000 1.23,39,500	1,40,41,252 1,44,13,534	15,29,252 20,74,034
M/S Mohammad Ali	30/6/93 30/6/93	1,24,89,000 1,24,89,000	1,40,06,621 1,64,43,662	15,17,621 39,54,662

was Tk 19,000," the auditors said. "If the actual price of the pledged goods are taken into account, the excess facilities given for loans would be much higher as the pledge was made at an inflated price of Tk 4,000 for per tonne of rod."

#### The latest position

As the borrowing company defaulted in its repayments, the bank arranged for auctioning off the pledged goods. The highest bidder, M/S Islam Trade International, offered Tk 13,000 per tonne for 97 tonnes of rod amounting to Tk 1,26,49,000. However, the selling process was stayed by a court order as the borrower filed a lawsuit.

#### Loan disbursing officials

AKM Sirajul Haq, current AGM, Regional Office, Manikganj.

Md Masum Mia, Principal Officer and now employed in the Principal Branch, Bangabandhu Avenue.

#### M/S Ali Noor Real Estate Ltd pledge loan 6.71 crore

Sonali Bank's terms and conditions for loans were that the company would have to sell 25 per cent of its apartments before disbursement of loans and that the money would be disbursed in four phases depending on the work progress.

But the audit report said that none of the conditions were met, and yet the bank disbursed the loans.

The auditors commented that SB branch manager had disbursed loans violating the conditions and there no effort was made to realise the money because of the apathy of the higher authorities.

#### Persons responsible for loan disbursement:

1) Md Masud Mia, PO, currently working at SB Principal Office, Bangabandhu Avenue.

#### M/S MNH & Co's defaulted amount Tk 3.3 crore

#### Irregularities

Although SB had sanctioned Tk 50 lakh to the company, the

actual outstanding loan amount stood at Tk 1.37 crore on November 30, 1997, due to excess loan disbursement and accrued interest.

Instead of taking steps to realise this amount, SB extended the company's loan limits to Tk two crore.

Surprisingly, no punitive action had been taken against the concerned persons including the branch manager.

#### M/S Noor Hossain's defaulted amount Tk 2.31 crore

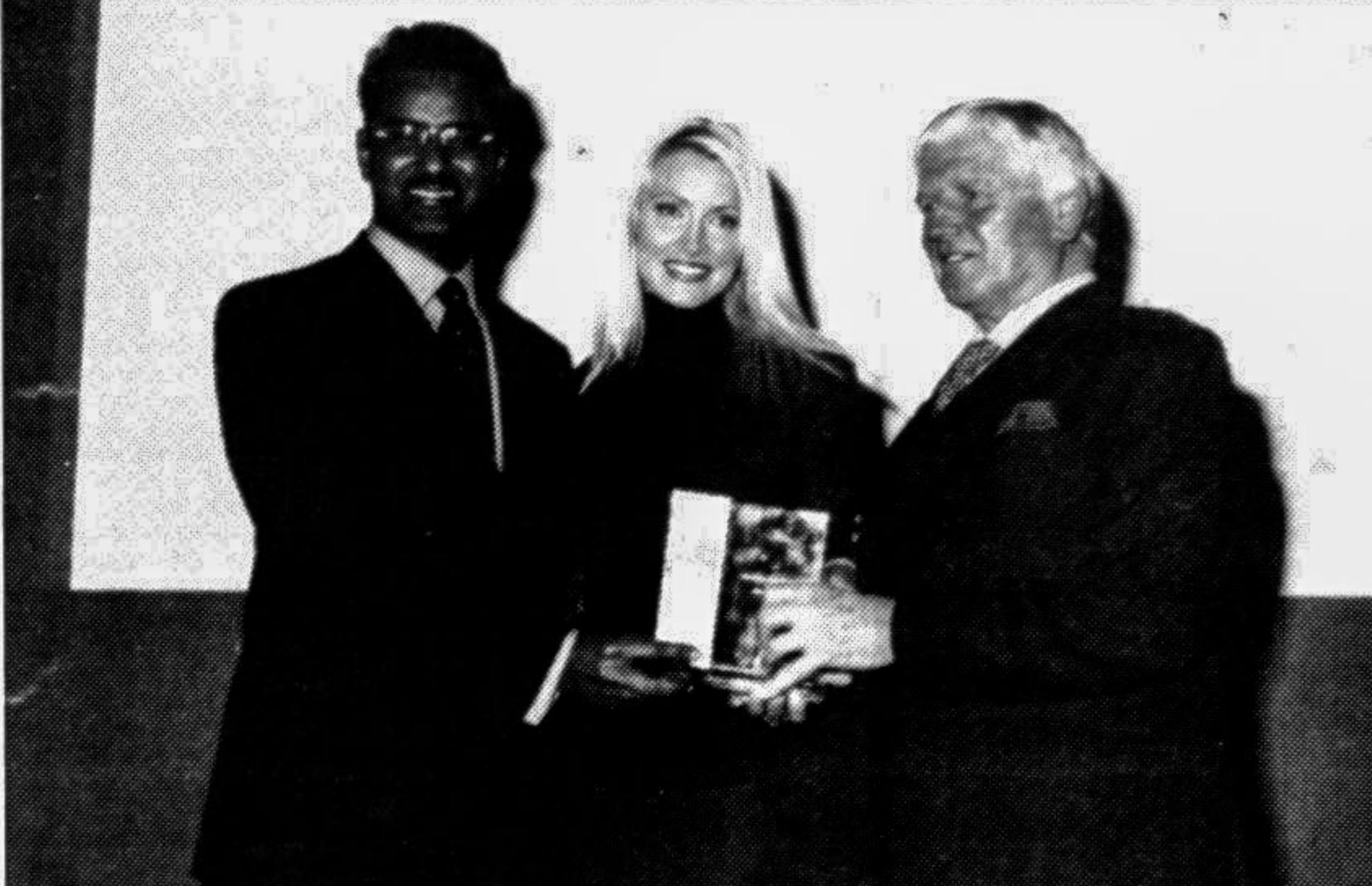
Violating SB loan conditions, the branch manager disbursed Tk three crore within a time span of only 43 days. This he did without even taking into consideration the progress of the project as the conditions stipulated.

The borrower had received Tk 1.21 crore against a work order even before his loan was sanctioned and the bank did not look into the matter.

The audit report further said that the bank accepted properties as mortgage which had already been mortgaged for two previous loans. These two previous loans had also become defaulted, and as a result, the third one is considered as having no collateral.

#### Person who recommended for loan disbursement

Md Masum Mia, SPO, currently at SB Principal Office.



Maurice Flanagan, Emirates' Group Managing Director (Right), and Nabil Sultan, Emirates' General Manager-UK and Ireland (Left), with supermodel and TV presenter Caprice Bourret (Centre) at the Best Int'l Airline awards presentation.

—Emirates photo

## NBR to simplify taxation system

CHITTAGONG, Nov 30: National Board of Revenue (NBR) will simplify the entire taxation system to keep up with the demand of globalised free trade in the next millennium, reports APB.

NBR Chairman Abdul Muyeed Chowdhury said this while exchanging views with business leaders at Chittagong Chamber of Commerce and Industry (CCCI) here yesterday.

The government is giving high importance to expansion of private sector as it is the engine of growth," said Chowdhury pointing out that raising internal resources was the prime objective of NBR activities.

Responding to the CCCI demands for some amendments of Customs rules, extension of VAT and relaxation of export-import documentation policy

## India cuts export growth target for 98-99

MADRAS, India, Nov 30: Indian Commerce Minister Radhakrishna Hegde indicated yesterday that he had cut the export growth target for 1998-99 (April-March) to 15 per cent from 20 per cent because of the depressed global trade scenario, reports Reuters.

"If we would support further cuts in production or extending existing cuts by OPEC members at the organisation's next meeting in March, Energy and Industry Minister Abdulla Ibn Hamad Al-Attiyah said he would not be limited to these two choices.

"Why do you want only two options? Why are you orthodox? There is maybe three of our options," he told reporters after a gas conference here.

When he was asked what Qatar wanted most, a higher price or market share, he replied 'both.'

In an interview earlier this month with AFP, the minister said he wanted crude prices to rise to 18 dollars a barrel. It is a very reasonable price for consumers and producers.

Qatar, OPEC's smallest producer, in June joined other members in cutting oil output by a cumulative total of 2.6 million barrels per day from production levels in February in response to plummeting crude prices.

"If we achieve 15 per cent growth (in exports) I'll be happy because the Asian crisis is still continuing and global trade has shrunk by two per cent this year," Hegde told a gathering of businessmen in the southern city of Madras.

Indian merchandise exports fell 3.28 per cent to 16.27 billion dollars in April-September 1998 from 16.82 billion dollars in the same period 1997.

In September, Hegde told a

conference of economic editors that the country's export target for 1998-99 appeared improbable as the ministry had targeted an export growth of 20 per cent in the current fiscal year ending on March 31, 1999.

Hegde said the growth target set in April through very, very ambitious had been based on two factors — that export performance would perk up after two years of very poor growth, and the hope that the Asian crisis would abate by mid 1998.

"My hope that the Asian crisis would come to an end by middle of this year did not happen unfortunately."

He said there was an overall decline in exports of goods that had been India's mainstay, particularly readymade garments.

## Emirates 'best int'l airline'

Emirates has been voted Best International Airline by readers of the Daily Telegraph, the UK's leading newspaper for travellers with a readership of our million, says a press release.

The success came from a survey of nearly 6,000 readers analysed by independent market research company, NOP, for the first ever Daily Telegraph Travel Awards.

The Daily Telegraph Travel Best International Airline award was presented to Emirates' Group Managing Director Maurice Flanagan and General Manager UK and Ireland Nabil Sultan, by super model and TV travel show presenter Caprice Bourret at a ceremony held at London's Natural History Museum recently.

Speaking in London after the presentation, Flanagan commented, "The Telegraph is read by a large proportion of Britain's frequent travellers so it is especially pleasing that an airline with our short history has been rated above many other distinguished and longer-established carriers. This is the third time this year that we have been honoured with a 'Best Airline' award by British travellers, which is significant for us here in our largest overseas market."

Daily Telegraph Editor Charles More, explaining the introduction of the new Travel Awards, pointed to the two million holidays taken by Telegraph readers, 400,000 of which are to destination beyond Europe.

Other award winners included Virgin Atlantic as Best British Airline, Singapore's Changi International Airport as Best Airport and Australia as Best Holiday Destination.

Emirates operates 28 flights per week out of three different UK airport — London Heathrow, London Gatwick and Manchester to Dubai, connecting there to over 40 destinations in the Middle East, Asia, Australia and Africa.

## Mixed prospects for Asian stocks, currencies

SINGAPORE, Nov 30: Prospects are mixed for Asian stocks and currencies this week, with the yen undergoing fresh weakness and domestic developments weighing on individual markets dealers and analysts said, reports AFP.

News that Japanese Finance Minister Keiichi Miyazawa would resign soon has put immense pressure on the yen, which stood at 123 to the dollar in late New York trading Friday down from 120.33 a week before.

The downward momentum is seen to continue this week despite an assurance from Prime Minister Keizo Obuchi of a revival in Japan's moribund economy.

The dollar may rise towards 124 yen thanks to receding yen-yuan pressure from hedge funds and growing dollar-buying from investment trusts, a dealer said.

"People are negative about the yen given the current political scenario," he said, citing worries that rising discord between Japan's ruling party and its new coalition partner might derail a hoped-for cut in the sales tax.

The seasonal impact of overseas repatriation back to the country would buoy the peso, Lian said in a weekly report.

There are also signs of mar-

ket players positioning for anticipated real investment flows into the country as foreign investors shift their geographical area from Indonesia to the Philippines.

He also sees a bullish trend for the resurgent Thai unit, which broke the 35-to-the-dollar barrier on Friday to hit its highest level since September last year, despite a gloomy economic outlook for the year.

But Lian warned that the persistent strength in the baht has become a double-edged sword to Thailand's export competitiveness.

With laws to overhaul the debilitated financial sector still unresolved, a changing political scenario in Thailand in the near term may pose potential risks to upset the optimism, he said.

The rupiah is seen in a similar predicament, with political instability and fears of further unrest leading players to pull out of a rally which took it to a high of 7,200 to the dollar on Friday, said one currency dealer.

Investors are likely to be cautious about the rupiah, he said.

For the Taiwan dollar, Lian said its strength against the greenback may not hold in the long-term amid increasing signs of cracks in the real economy.

Taiwan is poised for possibly a hard landing if its financial mess is not handled properly, he warned.

Lian said there might be a degree of volatility in the won, as the strong unit may set South Korean