

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Tofail told the traders that the government had recently withdrawn all taxes from import of onion to ensure adequate supply of the items in the market.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

They told the minister that they were aware of the delayed production of vegetables due to flood and hence accepted the slightly high prices initially.

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 rolled back 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 utilized from DHL's Guatemala 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 pledged 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 the its actual market price in 1991

Name of the company	Distribution date	Advance value	Distributed amount	Additional withdrawn allowed than limit
M/S Shamsunnahar	30/6/92	1,25,12,000	1,40,41,252	15,29,252
M/S Mohammad Ali	2/11/92	1,23,39,500	1,44,13,534	20,74,034
M/S Ali Noor Real Estate Ltd	30/6/93	1,24,89,000	1,40,06,621	15,17,621
M/S Ali Noor Real Estate Ltd	30/6/93	1,24,89,000	1,64,43,662	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 973 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, Bangladeshu 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, Bangladeshu 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.

Few options for rescuing sagging oil prices

DUBAI, Nov 30: Qatar's oil minister said Sunday that "three or four options" were open to "rescue" rock-bottom oil prices, but that he also wanted to keep the Gulf Emirate's market share, says AFP.

Asked if he 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 Abdullah bin Hamad Al-Attia 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 or four 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.

Regional GM of StanChart due in city today



Star Business Report

The General Manager for Middle East and South Asia region of Standard Chartered Bank, John Fiericidis, is due in the city today on a two-day visit to Bangladesh.

He will be accompanied by the regional head of corporate banking designate for Middle East and South Asia region, Alex Thursby, says a press release issued in Dhaka yesterday.

During their visit, they will meet corporate clients and review bank operations and business growth in the country.

BTMA chairman calls on US ambassador

Mohammed Shajahan, Chairman of Bangladesh Textile Mills Association (BTMA), called on John C. Holzman, US Ambassador in Bangladesh yesterday, says a press release.

During the meeting, they discussed the overall development of the textile sector in Bangladesh.

BTMA Chairman thanked the Ambassador for his assistance and active support in developing the country's textile industry. Mohammed Shajahan also presented a BTMA crest to the ambassador.



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 Mueyed 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

system, the NBR chairman said. "We are ready to extend our hands of cooperation, but the business people have to be more transparent and honest with regard to their import declaration."

Mueyed Chowdhury, also Secretary of the Internal Revenue Division of the Finance Ministry, however, expressed his concern over huge revenue loss from duty-free garments against exports which were sold in local market by some dishonest exporters.

The discussion also covered customs, VAT and income tax-related issues including implementation of the proposed Customs Act, declaration of guidelines for private ICD, repealing the system of investigation against tax payers on the basis of fake letters, withdrawal of VAT from trade services etc.

India cuts export growth target for '98-99

MADRAS, India, Nov 30: Indian Commerce Minister Ramakrishna 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 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 his 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.

Mixed prospects for Asian stocks, currencies

SINGAPORE, Nov 30: Prospects are mixed for Asian currencies and stocks 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-yuening 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 International Monetary Fund said Friday that Japan's economy was expected to sink deeper into recession than forecast this year with no growth expected for 1999.

Meanwhile, profit-taking tempered the recent bull run in Asian shares as most investors locked in gains and took to the sidelines in the later part of the week due to the US thanks giving holiday.

Anticipation of better economic indicators to be unveiled Monday may give Indonesia's bourse fresh impetus while window-dressing activities are expected to push the Philippines market higher.

Tokyo's stock market is ex-

pected to hold firm, but the outlook for the Thai bourse is gloomy and trade in Singapore shares is expected to languish.

Most regional currencies ended the week higher against the US dollar, except for the Singapore dollar which fell to 16,530 from the previous week's close of 16,310 after being tugged down by the lower yen.

The Indonesian rupiah rose to 7,500 against the US unit from 7,550 the week before, the Thai baht to 35.10 from 36.15, the South Korean won to 1,245 from 1,265, the Philippine peso to 39.50 from 39.63, and the Taiwan dollar to 32.40 from 32.413.

Daniel Lian, ANZ investment bank's Singapore-based head of Asian markets research, said there was growing optimism that the peso would really towards the 38 level against the greenback by the year end.

"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-

IDB to provide \$100m loan to Malaysia

KUALA LUMPUR, Nov 30: The Islamic Development Bank (IDB) will provide a loan of 380 million ringgit (about 100 million US dollars) to the Malaysian government to finance the country's economic recovery, says Xinhua.

The loan was approved at a meeting of the Organisation of Islamic Conference (OIC) two weeks ago, the Malaysian national news agency Bernama reported yesterday quoting Malaysian Deputy Finance Minister Affluddin Omar.

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 airports — London Heathrow, London Gatwick and Manchester to Dubai, connecting there to over 40 destinations in the Middle East, Asia, Australia and Africa.

'Fluctuations hurt LDCs' export earnings'

Tofail for stable commodity prices in world market

Commerce and Industries Minister Tofail Ahmed yesterday stressed the need for stabilising commodity prices in world market, saying that frequent fluctuations in prices badly hamper export earnings of the LDCs, reports UNB.

"LDCs are becoming more and more marginalised in the world economic and trading system," he said, partly blaming the falling prices of commodity exports from the least developed countries (LDCs) for the situation.

The minister was addressing the inaugural session of a workshop on "Commodity Development in Asia and the Pacific" at Hotel Sheraton in the morning.

The Netherlands-based Common Fund for Commodities (CFC), International Jute Organisation (IJO) and the Ministry of Commerce jointly organised the workshop.

Representatives from traditional commodities exporting countries from Asia and the Pacific Rim joined the workshop, also associated with a display of various commodities, mainly jute goods and ceramic products.

Addressing the workshop as chief guest, Tofail Ahmed said that following trade liberalisation, exports from the LDCs had been facing hindrances like quantitative restrictions, and tariff and non-tariff barriers.

Shortfall in export earnings creates serious impact on food-grain import and development inputs of LDCs, many of whom are even forced to cut short their development plans, he added.

The minister quoted surveys to justify his observation that real export earnings of the de-

veloping countries fell significantly over the years, by 37 per cent in the 1994-97 period from the 1980-84 index.

Export earnings of the developing countries from agricultural raw materials declined by 9 per cent in 1997, he said, adding that cotton, natural rubber, jute and jute products topped the list of declining prices.

Tofail Ahmed, spokesman in the international forums for protecting commercial interest of 48 LDCs, mentioned that the developing countries' earnings from export of cereals, livestock, dairy products and tropical wood also declined in 1997.

He urged the international agencies and the market experts and promoters to suggest ways and means for coming out of the "vicious circle of fluctuating commodity prices."

Bangladesh's export earnings from jute, the major foreign exchange earner in the agro-sector, fell last year by 22 per cent due to price reduction in the international market.

The minister said frozen food export from Bangladesh also suffered for some months last year due to environmental reasons, although garment export maintained its growth by successfully eliminating child labour, a condition imposed by the apparel importers.

The LDCs have been marginalised by the globalisation and liberalisation, but not yet been given compensatory support and "zero tariff" market access to developed market, for which, Tofail said, he strongly pleaded on behalf of the LDCs in the WTO ministerial conferences in Singapore and Geneva.

He, however, hoped that a comprehensive plan of action

in favour of the LDCs will be taken in the upcoming third ministerial meeting in the USA.

Addressing the inaugural session, Managing Director of the Common Fund for Commodities (CFC) Rolf W. Boehnke said about 800-900 million people in the developing countries are dependent for a significant part of their income from production and export of commodities.

The objectives of the Common Fund that became effective in 1989 include stabilisation of commodity trade and diversification of products, besides improving the real income, market access and competitiveness of the developing countries, he said.

Boehnke informed that by November 1998, the Common Fund approved 72 projects worth about 215 million US dollar covering 26 commodities.

IJO Director and Officer-in-Charge Henri L. Jason said the CFC has become the single largest institutional donor to the IJO, so far funding 3.4 million US dollar for five projects.

Through these projects, he said, the IJO developed a number of new jute products, now almost ready for commercial production.

Recently, the CFC approved two new projects which, if successfully implemented, could herald a real breakthrough in the jute economy, the IJO executive said.

Additional Secretary of the Commerce Ministry GM Mandal gave the address of welcome while joint secretary of the same ministry MN Nabi gave the vote of thanks.