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Tk 1cr project to boost sugarcane output in N dists

PABNA, Apr 12: A Tk 1 crore project has been taken up under the government's Agricultural Rehabilitation Programme to increase sugarcane production in 12 northern districts, says APB.

Growers will be given land free of cost, financial assistance to compensate their losses for last year's flood and to revive their interest in sugarcane cultivation, sources in the Agricultural Extension Directorate here said.

Under the programme, 13,685 sugarcane growers each will be given half a bigha (about 16 decimals) of land and Tk 730 in addition to funds for buying seeds.

Some 270 'contract growers' in eight thanas of Pabna district have already been given Tk 1,98,460 for producing hybrid sugarcane seeds. These seeds will be distributed among the growers.

BB T-bill auctions held

The 31st auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held here on Sunday, says UNB.

A total of Tk 234.50 crore, Tk 33 crore, Tk 11 crore, Tk 107 crore and Tk 79.70 crore were offered respectively for the 28-day, 91-day, 182-day, 364-day and 2-year bills, said a Bangladesh Bank press release yesterday.

Of these, Tk 173 crore, Tk 1 crore, Tk 7.50 crore, Tk 12 crore and Tk 19 crore of 28-day, 91-day, 182-day, 364-day and 2-year bills were accepted respectively.

Range of the implicit yields of the bills were 7.50%-7.75%, 8.46%, 9.10%-10.25%, 9.75%-9.85% and 10.15%-10.26% per annum respectively.

No bid was offered for the 5-year bill.

Expatriates remit Tk 7.67 cr in Mar

The expatriate Bangladeshis remitted over Tk 7.67 crore through foreign money orders last month, said an official handout here yesterday, reports UNB.

A total of over Tk 60.92 crore has been sent by the expatriates through money orders till March of this fiscal year.

Rapport course on management today

Dr Ranjan Das, Professor of Strategic Management of the Indian Institute of Management in Calcutta, will visit Bangladesh from today, says a press release.

He will conduct a top management training course on Managing Change at Sonargaon Hotel tomorrow.

The course is organised by Rapport Bangladesh Ltd.

It will be participated by the Chairmen, Managing Director and Directors of a large number of multinational and private sector companies and NGOs.

The course will be inaugurated by A M A Muhith, former Finance Minister, in the afternoon.

Dr Das has 20 years of industry experience in the fields of strategic planning, marketing, corporate restructuring, profit centre management and organisational transformation. He is also author of two books and published a number of articles as well as case studies. He is a corporate advisor to many organisations in India and currently the chairman of the Marketing Committee (Eastern Region) of the Confederation of Indian Industry (CII).

China man seeks 1,001 ways to boost exports

BEIJING, Apr 12: China's leading grains and foodstuffs exporter has exhorted its employees to try "a thousand and one ways" to expand exports in 1999, state media reported yesterday, says AFP.

Anticipating that difficulties with exports in 1999 would be more serious than anticipated, Zhou Mingchen, Chairman of China National Cereals, Oils and Foodstuffs Import and Export Corporation, said the firm would explore every possible means to "maintain export growth," the Xinhua news agency reported.

"I'm not optimistic in spit of last year's good results," said Zhou, who is also the President of the firm, one of China's leading foreign trading firms.

"The financial crisis has reduced the purchase capacity of Southeast Asian nations, and has at the same time increased the competitiveness of their export products. This year's difficulties related to export will be much more serious than we anticipated," Xinhua said employees were urged to try "a thousand and one ways" to improve the situation.

Zhou said Cofco will attempt to increase exports by actively engaging in processing, barter, counter and border trade, as well as various other traditional trade forms.

Pre-budget suggestions to govt

MCCI for withdrawing income tax on export earnings

Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka has proposed total withdrawal of income tax on export earnings to facilitate Bangladeshi exporters to compete with their counterparts in the neighbouring countries, reports UNB.

In view of the full exemption of export earnings in the neighbouring countries, Bangladeshi exporters are in a disadvantageous position, the Chamber viewed in its budget suggestions presented to the government.

Though revenue will suffer to some extent, full exemption on export earnings will ultimately well compensate the loss of revenue by higher earnings of foreign exchange from increased exports, it argued.

In its 28-page suggestions for the coming budget, the MCCI repeated many of its unmet proposals made last year.

It said the existing provision of tax audit in the case of self-assessment is by itself a threat and makes the tax-payers reluctant or scared to file self-assessment returns.

The provision of tax audit does not match the spirit of the self-assessment scheme, the Chamber felt, suggesting withdrawal of the provision.

It requested the government to fix a six-month time limit for disposal of an application for recognition of Gratuity Fund. In spite of categorical assurance of accepting the suggestion, the government has not yet fixed the time limit, it noted.

The MCCI further proposed fixing of a time limit for disposal of waiver application, both by the National Board of Revenue and the Commissioner of Taxes, to free the business people from hardship.

It argued that the garment buying houses, which work as liaison offices for foreign buyers, should be given exemption of tax.

It urged the government to amend the provision of taxing shareholder directors to exclude them from "mischief wrongly invoked by assessing officers."

Justifying the suggestion, the MCCI explained that a shareholder may be director of more than one company, but he or she may work for and receive remuneration and perquisites from one company. But such a director is denied exemption of perquisites from tax due to wrong interpretation of the provision by assessing officers.

The MCCI felt that the practice of obtaining signature on blank order sheets by the assessing officer causes harassment to tax-payers and should be stopped. In response to their appeal last year, it said the NBR assured Chamber of stopping the practice, but nothing has been done so far.

It also suggested that there should be a ceiling on the number of hearings, and if the limit is exceeded, the assessing officer should be made answerable to his superior authority.

To facilitate largescale production and export of computer software, MCCI proposed a complete tax exemption on software exports.

It suggested tax-holiday for the telecommunication sector.

The Chamber also urged the government to abolish "tax on tax" scheme to free employers from additional taxes.

Considering the rise in living cost due to the devaluation of taka, it recommended raising the income tax ceiling to Tk 84,000 from the present Tk 60,000.

The present system of uniform tax rate for all sizes of companies goes against the principle: "higher the income, higher the tax incidence," the Chamber pointed out and recommended introduction of slab systems of tax also in the case of corporate tax.

BCI chief on new Industrial Policy

Proper implementation to boost market economy

Star Business Report

The President of Bangladesh Chamber of Industries (BCI), Sharif M Afzal Hussain, has said if the new Industrial Policy is properly implemented, it would stimulate local and foreign investment and strengthen market economy.

In a statement welcoming the policy yesterday, he hailed the government for presenting a sound and timely industrial policy in order to meet the challenges of the next millennium, says a BCI press release.

It is the first time an industrial policy was formulated with a long-term vision.

He said the policy emphasised the need for a vibrant and dynamic private sector as the main engine of industrial development and turning the government's role into a supportive one.

Analysing the policy, the BCI president said the size of our economy is quite modest. It had a GDP of Tk 154,000 crore in 1997-98. The per capita income stands at Tk 12,700. It is noted that 30 per cent of the GDP comes from the agriculture sector while the contribution of the industrial sector stands at Tk 10 per cent.

Over the decades, the contribution of the industrial sector has been hovering around a particular point with no mentionable change. The industrial base of the country remains weak due to violent politics and bureaucratic complicacies, lack of infrastructural facilities and absence of institutional support, he added.

Under this situation, the country's new industrial policy has projected the share of industrial sector in the gross domestic product (GDP) to rise to 25 per cent from the present 10 per cent. This very sector would also employ 20 per cent of the country's total workforce by the next 10 years.

He also appreciated other features of the policy such as tax rebates for agro-based as well as small and medium enterprises, accelerated depreciation allowance for industries not entitled to a 5 to 7 year tax-holiday, incentives for expatriate Bangladeshis to invest in the country.

Praising the special fiscal and tax incentives for the export-oriented industries and investment in less-developed parts of the country, he said these would definitely encourage investment.

The BCI president also praised the new policy for proposing tax exemption on export income of handicrafts and cottage industries as well as for identifying 16 thrust sectors for industrial development.

He also appreciated the provision for setting up a National Council for Industrial Development to be headed by Prime Minister Sheikh Hasina and other policy related committees to oversee and ensure implementation of the suggested policy.

Malaysia doubles its funding to tackle Y2K glitch

KUALA LUMPUR, Apr 12: Finance Minister Daim Zainuddin said Monday Malaysia had earmarked 850 million ringgit ($224 million) to help fix its so-called "millennium bug" computer glitches, reports AP.

"The government recognises the importance of Y2K and is giving full attention to complete Year 2000 preparations," Daim said in a speech to a conference on the readiness of Malaysia's capital markets to face the new millennium.

The funding includes a $100 million loan from the World Bank and the remaining 470 million ringgit ($124 million) will come from "government sources," Daim said.

The government has apparently doubled its funding for the millennium bug. Telecommunications Minister Leo Moggie said last month that some 200 million ringgit ($52.6 million) had been set aside for Y2K problems.

The Y2K bug is expected to cause computer shutdowns at the turn of the new millennium because older computers will be unable to distinguish between the digits 1900 and 2000.

Malaysia's Central Bank manager Abdul Rahim Harun, who also spoke at the conference, said the central bank was confident that computer systems of the country's financial institutions would be Y2K ready by the end of June.

Abdul cautioned, however, that several of Malaysia's other so-called critical sectors had not released sufficient information about the status of their computer systems, namely the telecommunications and power industries.

Malaysia has identified nine critical sectors, including transportation and hospitals, to be debugged first of computer glitches. In the most recent status report of the 113 government agencies within the critical sectors, only 54 had even reported to the government on their Y2K status.

Despite a contingency plan expected to be put in place by end-June, Abdul Rahim said bank holidays should be declared for Dec 31 and Jan 3, 2000 to ensure a smooth transition.

Meanwhile, deputy chairman of the Kuala Lumpur Stock Exchange Chan Guan Seng said that publicly listed companies were lagging behind financial institutions in millennium bug preparations.

He said that only 19 per cent of the 457 "main board", or largest listed companies, and only 31 per cent of some 282 smaller companies on the second board were Y2K compliant.

Stockbroking companies were better prepared, he said, adding that 78 per cent were already Y2K ready.

13-day Dhaka Bank course on foreign exchange begins

A 13-day training course on international trade and foreign exchange for the officers of Dhaka Bank Limited started at the bank's head office Saturday.

Khondkar Ibrahim Khaled, Deputy Governor of Bangladesh Bank, inaugurated the course as chief guest, says a press release issued in city yesterday.

In his inaugural speech, Khaled said that their was no alternative to experience and emphasised the need for honesty, dedication and sincerity of a banker.

Referring to the one-point customer service of Dhaka Bank Limited, Khaled said that a banker should acquire specialisation in banking in order to meet customers' demand.

AIM Iftikar Rahman, Managing Director of Dhaka Bank Limited, in his welcome address said nobody can be a successful banker without receiving proper training. He said that all officers should spend their time in the pursuit of knowledge.

The vote of thanks was given by Md Mokhlesur Rahman, Deputy Managing Director of Dhaka Bank Limited. On behalf of the bank, he expressed his gratitude to the central bank for their co-operation for successful implementation of different activities of Dhaka Bank since its inception.

Khondokar Ibrahim Khaled, Deputy Governor of Bangladesh Bank, delivers his inaugural speech at a Dhaka Bank training course on international trade and foreign exchange Saturday. AIM Iftikar Rahman, Managing Director, and Md Mokhlesur Rahman, Deputy Managing Director, are also seen. — Dhaka Bank photo

Italy offers five textile tech scholarships

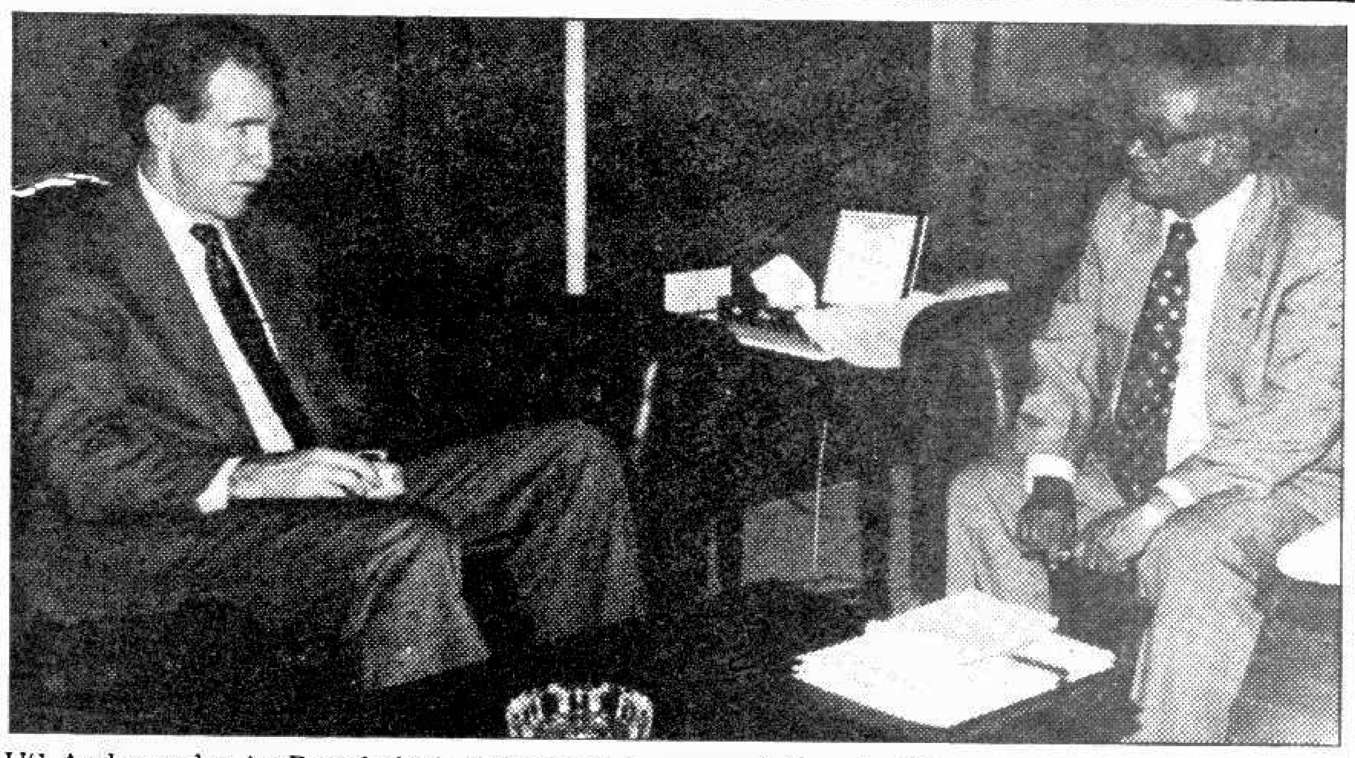
The Italian Trade Commission, a public agency with worldwide offices in collaboration with ACIMIT (Italian Association of Textile Machinery Producers) and Italian Embassy will award scholarships to 5 professionals from the College of Textile Technology, Dhaka.

The candidates will be given a special orientation on the Italian technology and expertise in the textile machinery sector.

During their stay in Italy, special visits will be organised to various machinery producers and end-users.

"This mission will be organised during October 1999 and all expenses of the candidates including return air-fare and local hospitality will be offered by us," says a press release of the Italian Trade Commission.

In consideration of the fact that the Italian textile industry is a leader in the world market, it can play an important role in developing Bangladeshi textile industry.



US Ambassador in Bangladesh John C Holzman and Board of Investment Executive Chairman Sirajuddin Ahmed discuss investment-related issues including US investment proposals on power generation at the BOI office in the city yesterday. —BOI photo

Govt launches wheat buying drive in Pabna

ISWARDI, Apr 12: The government has launched its wheat procurement programme in Pabna district fixing a target of 3,800 tonnes, reports APB.

Ten centres, two in Pabna Sadar and one each in eight thanas, have been opened to purchase wheat during the current season, official sources said.

The thana-wise procurement target is: 880 tonnes in Pabna Sadar, 250 in Iswardi, 680 in Chatmohar, 220 in Atghoria, 350 in Bhangura, 390 in Bera, 400 in Santhia, 460 in Sujanagar and 170 tonnes in Faridpur.

The drive will continue till June 30, the sources said.

IMF unhappy with Russian currency restrictions

MOSCOW, Apr 12: A visiting International Monetary Fund team has expressed concern about restrictions on hard currency transactions introduced recently by the Russian Central Bank, a news report said Monday, reports AP.

The IMF team is preparing to make a recommendation on a new loan for Russia, and the latest development could complicate the deal, the Interfax news agency reported.

Prime Minister Yevgeny Primakov and IMF Managing Director Michel Camdessus agreed in principle last month that the fund would resume its lending to Russia, but the size of the loan and other details have yet to be negotiated.

Russian officials have sounded upbeat, saying that only "technical" details remain to be settled with the fund's team assessing Russia.

But a government official speaking on condition of anonymity said the talks weren't that easy and a new hurdle has appeared, the Interfax news agency reported.

In particular, the IMF has been taken aback by a recent order from the Russian Central Bank that imposed new restrictions on hard currency purchases by Russian and foreign banks. The measure is intended to help the Russian rouble, which has been falling steadily since the Russian economic crisis hit in mid-August.

Most Russians have little confidence in the rouble, and want to buy US dollars as away to protect their savings.

The Central Bank order, which went into effect earlier this month, bans foreign banks from using roubles in their Russian bank accounts to buy hard currency. It also bans Russian banks from purchasing hard currency for their clients at a special currency trading session heavily controlled by the Central Bank.

The official, speaking to the Interfax news agency, said the IMF experts believe that the Central Bank's move violates the fund charter that requires free convertibility of a national currency.

Political uncertainty fuels doubts

Two UK companies put India investment plans on hold

By Sanjay Suri

LONDON, Apr 12: It is once again a story of one step forward and two steps back for investment into India in the wake of the present political crisis.

At least two British companies have put their plans for investment in infrastructure projects on hold following the political threat to the Bharatiya Janata Party (BJP)-led government from one of its main coalition partners. One of these projects concerns investment in a port project while the other is a roads project.

"This whole thing is timed particularly badly for us because we were expecting the budget to be passed later this month and to go ahead after that," a senior executive with a giant British company told IANS.

"We don't know what will happen to the budget if the government changes," he said.

The budget this year was seen as promising and investors had believed assurances that there would be "no more of those rollbacks everyone was talking about last year."

A year of the BJP government had also allayed the earlier fears about "some 'swadeshi' (pro-Indian industry) ideas" for managing the economy, he said.

Potential investors seem to have slipped back into their wait-and-watch mode.

The idea that economic policies will remain the same irrespective of the party forming the government does not seem to move investors.

"There is a clear sense among investors now of a need for political stability to have economic stability," Gauri Advani, solicitor with investment advisers Denton Hall, told IANS.

"Several of our clients have been expressing concern about the political situation in India," she said. "They are asking us what is going to happen next, but it's all so uncertain."

The political uncertainty in New Delhi is likely to have an immediate effect on British projects, worth close to half a billion pounds, which are already in the pipeline.

All the effort at promoting foreign investment in India, through roadshows and visits from ministers and industry leaders, have been "negated in just a few days," an Indian official said.

"We were trying to build on our advantages in relation to Southeast Asian countries," the official said.

"But slowly the tiger economies have begun to look promising again and we are looking bad as a safe place to invest in," he said.

The British executive said the situation had not been great before the present crisis. "There never was anything like a single window clearance," he said.

"But now that a party is engaged in this kind of political game for survival, they won't have time to look at you."

The last conference on investment into India included a paper on the political framework of the Indian economy.

"That itself says something about the extent that investors think politics can inhibit investment," said Advani.

A consultant who has advised British power companies in the past on power projects says power firms have been particularly affected. Policy statements by the present government on power have been "a bit inconsistent," he said.

"We don't know if the government wanted to promote small-scale projects or mega power projects," he said. "But the question has come up again, with the next government what next?"

The coming elections in a few states will also retard any interest in new power investments, he said. "Payments for new projects are payable through state electricity boards, and no one knows now where the Centre stands or where some states stand," he said.

Once the government changes, all that has gone so far might also change, he said.

One delegation of British industrialists is due to visit Gujarat at the end of this month. The visit is going ahead but no one knows what kind of government and what kind of policy they will deal with.

"This can hardly encourage anyone who wants to put significant sums of money into that country," the consultant said.

"There has been increasing decision-making contact at the state level but on large infrastructure projects the states cannot take decisions without Central government policies," he said.

"Now everyone is even less certain than before what these will be."

— *India Abroad News Service*

Gold blips higher in Europe

LONDON, Apr 12: Gold prices rose further in early European business today, boosted by overnight short covering out of Asia.

Dealers expected bullion to continue higher while the market watched developments in the Kosovo conflict.

Gold was last quoted at 282.90 dollars/283.30 dollars a troy ounce, up from Friday's close in New York at 280.80 dollars/281.30 dollars. It fixed in London this morning at 282.70 dollars against the previous 280.80 dollars/281.30 dollars London fix.

Traders said gold was unable to hold the 282.00 dollars level towards Friday's New York close but the later release of CFTC commitment of traders report figures, which showed a huge net short position of around 9.16 million ounces, boosted the price.

"Overnight in Tokyo, the market has gone through 282 dollars, with the release of the CFTC figures showing that the gold market on Comex is seriously short," one dealer said.

Dealers and analysts said some of the comex short positions might already have been covered, but they expected further short covering to push the gold price higher.

"We expect higher towards 285 dollars but we're wary that the rest of the market will be thinking the same, and also that there should be some decent selling above," a dealer said.

Dealers expected selling to emerge around 284 dollars towards the 285 dollars area.

Analysts expected the bullion market to continue to monitor developments over NATO air strikes in Kosovo and Yugoslavia.

Gold blipped higher late last week after Russia's warning to NATO not to draw it into the conflict.

"The (Comex) short position, in tandem with possible further dramatic Russian statement should provide some short term upside for gold," Maquarie Equities Ltd precious metals analyst Kamal Naqvi said.

Silver was last quoted just higher at 4.96 dollars/4.98 dollars up for Friday's New York close at 4.94 dollars/4.96 dollars.

Dealers said silver looked positive on the charts and a break-through 5 dollars could see it head even higher.

"A close above 4.96 dollars will now signal a directional change in momentum while a move through 5.00 dollars would confirm a break to the upside," leading metals traders Standard Bank London said in a report.

Standard Bank said the platinum group metals were vulnerable to supply disruptions from major supplier, Russia, and platinum and palladium would be vulnerable to any heightened tensions between Russia and NATO over Kosovo.

New MD of Janata Bank

Md. Aminul Islam, Deputy Managing Director of Janata Bank, took over as Managing Director (Current Charge) of the same bank on Sunday, says a press release.

Before joining Janata Bank, he was the General Manager of Agrani Bank. He also worked in Bangladesh Krishi Bank in different capacities.

He joined CDIRDP as Project Officer in 1976 and Agricultural Development Bank of Pakistan as Assistant Controller in 1970 and promoted to the post of General Manager in Bangladesh Krishi Bank in 1993.

Islam, a Fellow of Economic Development Institute of the World Bank, worked as one of the resource persons at an international training programme on "Production Credit for the Rural Poor" at the College of Agricultural Banking in Poona, India, in 1984.