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DHAKA, MONDAY, NOVEMBER 15, 1999

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Bangladesh to get Tk 80cr from UK for fisheries project

Britain's Department for International Development (DFID) has approved a grant of 9.76 million pounds sterling (approximately Tk 80 crore) over a five-year period towards the Fourth Fisheries Project of the Government of Bangladesh, says BSS.

Economic Relations Division Secretary Dr. A.K.M. Mashtur Rahman signed the Exchange of Letters to this effect on behalf of the Government of Bangladesh with the British High Commissioner David C. Walker at the Economic Relations Division (ERD) office in the city yesterday.

The project will contribute to the reduction of poverty in the country by improving the livelihoods of poor people dependent on fisheries resources.

The purpose of the project is to support sustainable and equitable growth in the benefits generated from increased fish production.

The project will work with government, non-governmental and community based organisations to facilitate improved aquatic resource management of inland waters, improved institutional arrangements for the management and development of production from coastal polders and increased freshwater aquaculture production.

The project will be implemented through the Department of Fisheries but also involve the Bangladesh Water Development Board (BWDB) and Local Government Engineering Department (LGED).

Vetch still sells in Jamalpur

JAMALPUR, Nov 14: Despite strong concern by physicians and restriction by the government, a section of traders at Nandina Bazaar in sadar thana are openly selling Australian vetch in the name of lentil, says UNB.

The government imported the vetch from Australia as fodder and later imposed a ban on its selling as doctors said that human consumption of vetch was very harmful to health.

Local people urged the authorities concerned to take necessary steps in this regard.

Austrade regional chief in city

Star Business Report
The regional chief of Australian Trade Commission (Austrade), Gerard Lanzarone, arrived in Dhaka on a five-day official visit to Bangladesh said an Austrade press release yesterday.

During his stay, he will represent Austrade at the Asian Trade Promotion Forum meeting organised by the Export Promotion Bureau (EPB).

He will also meet the minister for commerce and industries, the president of FBCCI and other business leaders. Lanzarone heads Austrade operation in 19 countries of the region including the South Asian countries.

Agrani Bank to disburse Tk 7 cr farm loans in Netrakona

NETRAKONA, Nov 14: Agrani Bank will disburse farm loan totalling Tk seven crore in 10 thanas of the district in the current Rabi season, reports UNB.

Officials said a total of Tk 1.50 crore has already been distributed among farmers in Isar, Atpara, Mahan, Kendua, Mohanganj, Khallazuri, Kalmakanda, Barhatta, Purbadhala and Durgapur thanas.

Of the total amount, Tk 1.65 lakh came from the bank's own fund while Tk 4.30 crore from IFAD and Tk 1.40 crore from a Norway-based NGO, SFDP.

The farmers are being encouraged to utilise the loans in cultivating onion, potato and IRRI-boro and cattle rearing, the officials said.

Indonesia's trade with Israel protested

JAKARTA, Nov 14: About 2,000 demonstrators rallied in front of the presidential palace Sunday to protest plans to establish trade links between Indonesia and Israel, says AP.

Demonstrators led by the Indonesian Muslim Student Association carried banners reading "Israel colonizes the Muslim world" and "Reject ties with Israel" as they marched through downtown Jakarta.

"We are against relations with Israel, because they are still colonizing the Palestinian people," shouted Idris Badarudin, a protest organiser.

Since his inauguration last month, President Abdurrahman Wahid has repeatedly said he would like to set up trade links with Israel, a move that has met strong resistance in a country where 90 per cent of the 210-million people are Muslim.

Volume rises to a hefty 50 lakh from 24.89 lakh Rupon Oil floods market with fake shares

By M Shamsur Rahman

A company which once raised crores of taka by selling its shares in the country's stock market now seems to have found a better way of making quick gains by illegally printing shares and selling the same in the bourses.

When investors deposit shares for verification, the share department of a company affixes a 'cancelled' seal to the fake scrips dubbing them 'forged' and saying that the company did not issue the shares and that those had come from other sources.

Rupon Oil and Feed's sponsors purchased 7.50 lakh shares, but the stock market regulators found that they used 17.49 lakh shares as collateral when they applied for loans from Dhaka Bank and National Bank.

Rupon Oil and Feed went public in mid-1989, issuing just over 24.89 lakh shares worth Tk 10 each. The sponsors subscribed 7.50 lakh shares, while institutions like the Investment Corporation of Bangladesh (ICB) and Bangladesh Shilpa Rin Sangstha (BSRS) purchased 11.27 lakh. The general public

purchased the remaining 6.12 lakh shares.

The ICB and BSRS still hold the shares they purchased at the time of the initial public offering (IPO), so there's no room for duplication.

Shahidul Islam Hawlader, a stock broker of Chittagong Stock Exchange (CSE), submitted almost 6.59 lakh shares to the company for ownership transfers, while a third party used another 2.168 lakh shares as collateral against loans it received from the Rupali Bank.

Recently, the regulators have halted ownership transfers with a view to authenticating the shares. The general shareholders deposited 15 lakh shares, which means there were over 50 lakh shares of the company in the market compared with the initial public offering of 24.89 lakh.

The ICB, CSE and SEC filed several cases against the company on different occasions since it went public. SEC sued the company following the 1996 stock market scam while ICB filed a money suit and won a court decree. Currently the ICB is moving a execution case

against the company.

The ICB case claimed that Rupon owed it Tk 25.54 lakh in refunds which it deposited for subscribing shares on its investors' account. ICB applied for 6,80,700 shares and were allotted shares worth Tk 42,53,000 shares while the balance amount of Tk 25,54,000 shares were never paid back.

ICB also claims Rupon owes it Tk 18.50 lakh in dividends declared by the company on different occasions.

The most recent case was filed by CSE after it submitted 10,600 shares to the company for verification. Rupon claimed that 10,000 of the shares were fake and subsequently dubbed them cancelled.

When companies discover fake shares, they affix a special 'cancelled' seal to the certificates and returns them to the investor so that he or she can claim good shares from the seller.

The CSE claims the company kept the shares in its possession for two days for their verification, since the volume of shares was large. They became suspicious after the com-

pany issued new scrips rather than returning the cancelled ones.

The CSE officials said that the company must be involved in the forging of shares or else it wouldn't have sought to replace the scrips even if those were forged.

The CSE then filed a case with the Motijheel Thana on October 27, 1999, which was handed over to CID the same day.

The CID has already three arrested company officials in connection with the forgery case, while the Managing Director of Rupon Oil and Feeds, Md Nuran Nabi, is absconding.

A team of CID visited the company's head office at Motijheel and reportedly seized "certain" documents in this connection.

Abdul Kahar Akhand, Assistant Police Superintendent, said the three arrested officials admitted that Nuran Nabi had pumped fake shares into the market.

"We are now trying to get hold of the banks and other documents from different institutions," said Akhand.

Jessore Poura area arrear water bills Tk 50 lakh

JESSORE, Nov 14: Arrear water bills in Jessore Poura-sava now stands at Tk 50 lakh and Public Health Engineering Department (PHED) is blamed for it, says UNB.

Official sources said water worth Tk 82.95 were supplied to 5,450 consumers in the last fiscal (1998-1999) and the authorities could realise bills of Tk 32.67 lakh only.

There are 16 pump houses and six overhead tanks in the town supplying 4,000 gallons water to the town-dwellers everyday.

GMG, SIA sign interline deal

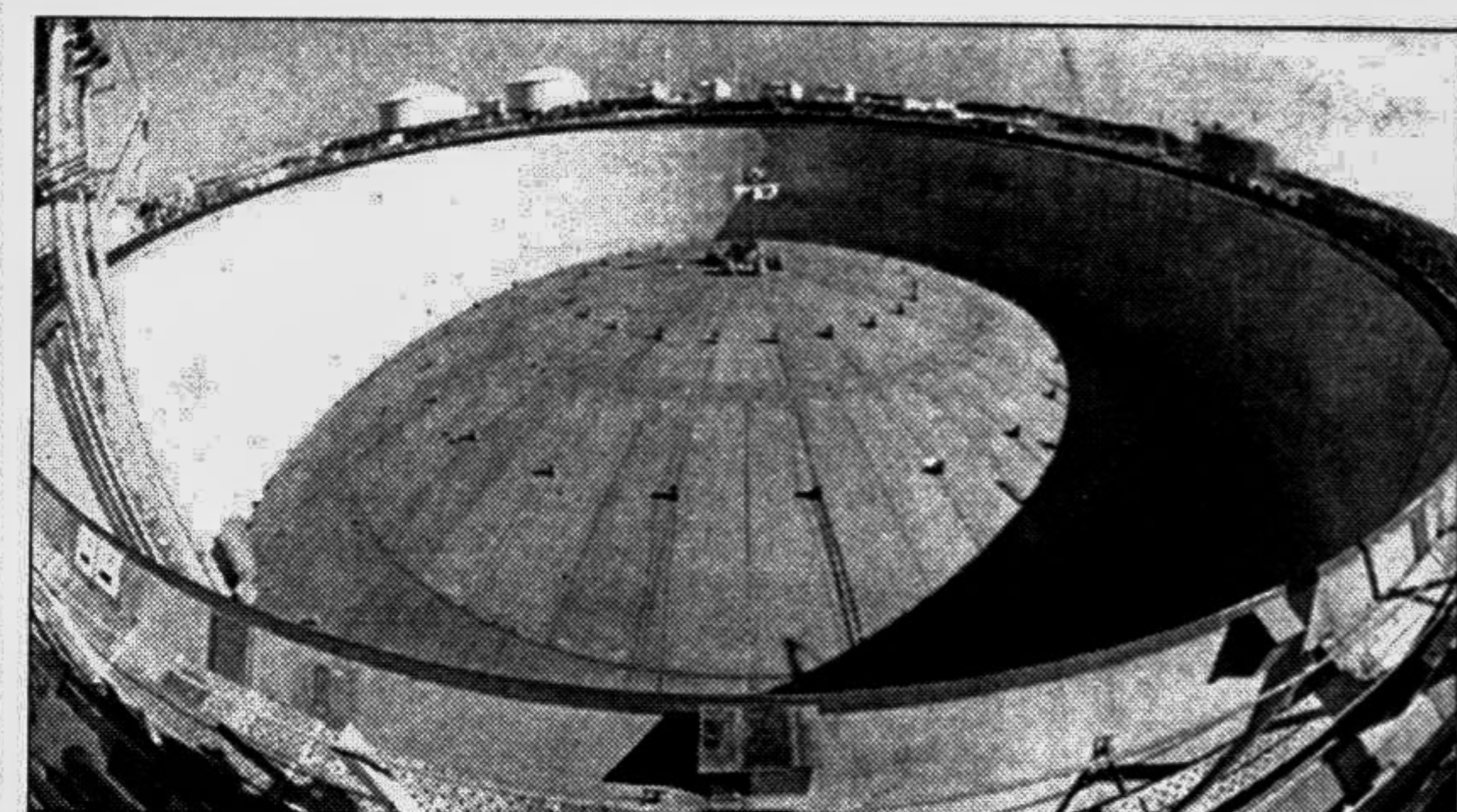
GMG Airlines, a leading private domestic airline in Bangladesh, has signed an interline agreement with Singapore Airlines (SIA).

The agreement allows GMG to provide its passengers on-time connecting flights with Singapore Airlines to destinations worldwide, says a press release.

For the passengers leaving from any destination within Bangladesh, GMG Airlines will arrange immigration and customs clearance and check the luggage of the passengers right through to the destinations abroad.

GMG will also take care of the transfer from the domestic terminal to the international lounge in Dhaka. All the Singapore Airlines passengers have to arrive for check-in and leave the rest to GMG Airlines.

GMG Airlines has already signed interline agreements with other leading airlines. The agreement with Singapore Airlines marks a further extension to GMG's efforts to provide the utmost convenience to passengers.



An overview of the roof setting up work of one of the world's biggest underground LNG (Liquefied Natural Gas) storage tank at a plant of Toho Gas Co., Ltd. in Chita, central Japan, on Sunday. The dome roof, with a diameter of 74 meters and 700 tons, is floated at 47 meters high from the tank's bottom by air pressure. The capacity of the underground tank is 200,000 kiloliters that 300,000 households can use for one year. —AFP photo

Canadians keen to invest in Bangladesh

Canadian investors are interested to invest in Bangladesh in projects like gas extraction, power generation, telecommunications and monorail in the capital, says UNB.

The offer came from Canadian High Commissioner David Preston during a meeting with Commerce and Industries Minister Tofail Ahmed at the latter's office in the city yesterday.

Canada is interested to expand bilateral trade and investment links with Bangladesh," said the envoy

further showing his country's interest to participate in the BMRE of the Kamaphuli Paper Mills.

He also exchanged views about the stands of the two countries on WTO issues concerning global trade.

Appreciating highly the willingness of the Canadian investors, the Commerce Minister said Bangladesh highly valued Canadian investment and welcomed their participation in the development efforts, including export-expansion drive.

Preparations for Irri-Boro season Govt in bid to ensure urea supply

The government has made sufficient arrangement to ensure abundant supply of urea throughout the country in the coming Irri-Boro season starting from late December and continues up to March, says BSS.

This was revealed at a review meeting on stock, production, imports and supply position here yesterday with Commerce and Industries Minister Tofail Ahmed in the chair.

Chairman and Directors of

BCIC and other officials attended the meeting.

It was informed at the meeting that total availability of urea in November would be 5,61,095 tons against the month's demand of 1,59,627 tons. So, December will start with a ready stock of 4,01,468 tons, it added.

The availability would be raised to 6,27,056 tons by local production and imports against the month's demand of 2,22,654 tons, the meeting was told.

Gold Leaf ship arrives at Ctg port Nov 21

From Staff Correspondent

CHITTAGONG, Nov 14: The Gold Leaf ship — Voyage of Discovery — that sailed from London on June 19, is scheduled to arrive at Chittagong port, the last leg of its journey, on November 21.

This was disclosed here today by Mahmudur Rahman, head of Corporate and Regulatory Affairs, British American Tobacco Bangladesh, while talking to local pressmen.

Rahman said the ship, with six crew members on board and a plan to cover 17 countries including Bangladesh in 170 days, is now in Sri Lanka.

He informed that all preparations were underway to re-

ceive the ship amid colourful programmes.

The ship will be kept under tight security after its arrival at the port city, he also informed.

Renowned artistes of the country are expected to be invited here to take part in cultural extravaganza after the inaugural function on arrival of the ship, Rahman said.

The ship started its voyage on a publicity mission of the company. Rahman further informed that his company would offer 4,000 tickets, Tk 100 each, for people to attend the programmes on November 24 and 25.

BB T-bill auction held

The 62nd auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year Treasury Bills were held yesterday, says a Bangladesh Bank press release.

According to the release, Tk 1543.00 crore, Tk 2.00 crore, Tk 73.00 crore, Tk 86.00 crore and Tk 58.00 crore were offered respectively for the 28-day, 91-day, 182-day, 364-day and 2-year bills.

Of these, Tk 1470.20 crore, Tk 63.00 crore, Tk 60.00 crore and Tk 21.00 crore of 28-day, 182-day, 364-day and 2-year bills were accepted respectively, whose range of the implicit yields were 6.53 per cent-6.80 per cent, 7.50 per cent-7.80 per cent, 8.00 per cent-8.17 per cent and 8.84 per cent-8.90 per cent per annum respectively.

The bids offered for the 91-day bill were not accepted and no bid was offered for the 5-year bill.

DHL Asia-Pacific CEO due on Nov 19



Charles Longley, Chief Executive Officer for DHL Worldwide Express Asia-Pacific/Middle East, accompanied by Marc Duale, Chief Operating Officer, Glenn Heidenreich, Human Resources Director, and Ross Nicholson, Area Director, will be in Dhaka on November 19 to participate in the 20th anniversary celebrations of DHL operation in Bangladesh, says a press release.

Longley, an American, has been a resident of Hong Kong for over 14 years having held senior positions with Quaker Oates, Beatrice International and Getz Corporation prior to taking on his current role with DHL in 1995.

Duale, a native of France, moved to Hong Kong in September 1999 from DHL's European headquarters in Brussels where he was the Area Director for Western Europe and North Africa.

An MBA from Harvard University, Duale is responsible for the planning and implementation of DHL's strategies as well as the development of customer-focused initiatives that support long-term objectives of the company.

During their stay here in Dhaka, the DHL executives will meet customers and also hold talks with industry leaders.

Poor reforms WB may delay \$100m credit for Russia

MOSCOW, Nov 14: World Bank executives in Moscow said yesterday that 100 million dollars of credit sought by Russia was unlikely to be paid before April because of slow progress on structural reforms, the Interfax news agency reported, reports AFP.

World Bank Vice-President Johannes Linn, quoted by the agency, said the money would not be paid until Russia had carried out several economic restructuring measures, particularly as regarded banking and monopolies.

The 100 million dollars under discussion is the first instalment of a major aid package to be paid over the next 13 months and aimed at breaking down monopolies, improving competitiveness and developing Russia's private sector.

Pak military rulers publish 320 names Sharif family on loan defaulters' list

ISLAMABAD, Nov 14: Pakistan's army rulers on Sunday published a list of more than 320 names of the country's largest loan defaulters, says AP.

On the list was family members of deposed prime minister Nawaz Sharif. The list published in national newspapers comes two days ahead of a deadline set by the new military chief for Pakistanis to repay their outstanding debts to the country's banks.

It's estimated that bad debts total 211 billion rupees or \$ 4 billion. Most of that money is owed by the more than 300 published names.

The top priority of the man who overthrew Sharif on Oct 12, Gen. Pervez Musharraf is to recover unpaid loans, pursue the corrupt and recoup illicit wealth. Then he says he will set about to clean up Pakistan's deeply corrupt political system before returning the poor nation of 140 million people to democracy.

The deadline for repayment is Tuesday.

The deadline is to usher the start of accountability process," Musharraf had told The Associated Press in an interview Friday.

Among those identified as

defaulters are Sharif's family-owned Ittefaq Foundries, which owes 1,065 million rupees (\$ 19.7 million). His brother Shahbaz Sharif owes 2,146 million rupees (\$ 39.74 million).

The younger Sharif served as the chief minister of Pakistan's most populous Punjab province during his brother's abbreviated term in power.

Former interior minister Shujaat Hussain owes 110 million rupees (\$ 2 million) and former chief of the Accountability Bureau Saifur Rahman owes 826.43 million rupees (\$ 15.30 million).



Assistant Vice President of American City Bank Lenore K Khan addresses a special seminar on 'Y2K' at PDB boardroom in the city Thursday. PDB members, Chief Engineer and convener of PDB's Y2K committee Dr MAK Azad and other officials of the organisation were present. — PDB photo

In the essence of economics, the yardstick of development is based on the rate of growth which in its own turn depends on investment. The parameter of investment in all sectors of an economy changes the edifice of the society and even makes the mainstay for its sustenance.

Therefore, there is a quest for massive investment everywhere in the world, particularly in the developing and the least developed countries (LDCs).

Most of these countries largely look forward to foreign direct investment (FDI) as it plays a dominating role in supplementing their own domestic capital and resources to achieve a faster economic growth. They also encourage the flow of FDI with a view to energise their strength in domestic economy by developing infrastructure, enhancing export potentials and building industrial and technical capabilities.

The LDCs including Bangladesh face enormous problems in activating their strengths and potentials for sustainable economic growth and development. The crux of these problems is in the lack of investment, more particularly the foreign direct investment. To give a per-picture of this situation, the statistics of global FDI flow will be of immense help. In the recent years, while 37 per cent of global FDI went to the developing countries and emerging economies, the LDCs received only around one per cent of the total share. It has also been noticed that inbound foreign investments were made in economies which already showed trend of growth in volume and velocity.

LDCs need bigger FDI share

By Mahbubur Rahman

According to the UNCTAD report in 1995, the average per capita income of the G7 countries was 20 times that of the world's poorest seven nations. By 1995, it was 39 times as much. This shows that the major flow of investment was going to the developed world, thus widening the gap between the North and the South.

Bangladesh has been making continued efforts in making itself an attractive location for foreign investment. Besides initiating economic reforms, it has been continually improving the regulatory frameworks for investment, incorporating a number of incentives which may even outstrip those provided by many countries in the region. The country has attached a significant priority to promoting investment for establishing a strong industrial base to generate employment opportunities, utilise natural resources, increase export potential, expand and improve infrastructure in areas such as telecommunications, energy and transportation. Though there have been remarkable improvements in the development of infrastructure in the eighties and nineties with the GDP marking a steady growth, the flow of foreign investment has not been significant, thus keeping alive the spectre of poverty and socio-economic deprivation.

Recent trends in world economic scenario also confirm that FDI is a driving force in the process of globalisation. It is heartening to note that policy changes are taking place at both national and international levels to stipulate a congenial global economic order. Likewise, international laws are also being required to be adjusted to bring about harmony in this regard.

It has also been observed that there is a deep relationship between trade and investment. Increased investment will lead to greater trade and thereby to better economic development. It is imperative to note here that despite initiating major trade liberalisation, Bangladesh has not been able to attract substantial foreign investment.

Therefore the effects of its trade liberalisation measures have been hurting the economy and not convenient to its economic aspirations. By opening up its market, it has only become the dumping ground of others for almost all commodities, starting from simple cosmetics, luxuries to unnecessary consumer goods. This is not only depriving the nation of the benefits of exploiting its own potentials but raising fears and concerns about the comparative disadvantages of economic liberalisation.

In the words of UN Secretary General Kofi Annan, "Millions

in this planet still live on the margin of the world economy. Millions more see globalisation not as a great new opportunity, but as a profoundly disruptive force, which attacks both their living standards and culture."

Therefore, unless the trend in the investment scenario is drastically reversed and directed to the desired end, the world economy would be characterised by rising inequality and discontent instead of the desired balanced distribution of wealth and resources.

Bangladesh has already been making sincere efforts to create conducive conditions for a favourable investment climate. These efforts incorporate measures for promoting the private sector development and public-private partnership to ensure proper functioning of markets and to stipulate a prudent macroeconomic management.

Weighing both the positive and negative factors, investors have historically allocated most of their funds to countries within geographic proximity or to countries with which they had social and cultural bonds or affinities. Thus, the companies in the United States and Europe have invested mostly in each other. The newly-industrialised economies also mirror the same fact. The net result is that foreign investment kept on rolling in the developed world

and not in the region where it should have been pegged well.

The foremost criteria for the flow of investment is the profitability and risk factor, which, of course, is of prime interest to any investor. However, another major factor could be the lack of information on opportunities and perception. This was evident in Africa. Too often Africa was projected as a place with starvation, disease and socio-economic disorder. While such a situation cannot be ruled out, those who made investment ventures in such locations have enjoyed lucrative returns attracting many others. The case is similar for Bangladesh. The country is very often projected in the outside world as a poor one prone to natural disasters and political disorder. No doubt there are some elements of truth in it but never ever the positive sides of this country are highlighted. Therefore, there has to be a serious image-building effort to wash off the wrong perception of the intending investors.

While some special sectors may become the main investment determinants to many front-running investors, it should be made sure that other assets are also created which could be appealing for further investments too. Take the example of Bangladesh where there is significant interest among many investors to ex-

plot the natural resources like gas and oil. The opportunities are abundant and the interest of the investors is enormous. However, revenue from this sector should be used to recycle for more value addition in order to benefit the economy from such investments.

Dissemination of correct information on investment opportunities make all the difference. As mentioned earlier, potential investors very often do not find reliable information on investment opportunities in many Asian and African countries. That is why, UNCTAD and ICC launched a joint project to prepare Investment Guides and Capacity Building for LDCs. The project brings together the expertise of UNCTAD and the international business perspective of ICC.

In its pilot phase, UNCTAD and the ICC are producing investment guides that are intended to provide an objective and up-to-date overview of investment conditions and opportunities in these countries and also to serve as an opportunity to launch a policy dialogue between policy makers in their respective governments and investors in the six LDCs. At the same time, the project intends to familiarise investment promoters and agencies in the concerned countries with best practices in investment promotion activities.

Once it is published, it will be the first-ever authoritative and independent international publication on Investment Guide to Bangladesh.

The writer is the president of ICC, Bangladesh, and ex-president of FBCCI and DCCI.