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# The Daily Star BUSINESS

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## LC opening up 7.2 pc

Import LCs worth Tk 12,346.93 crore (US\$ 2501.40 million) were opened by authorised dealer banks during the July-October period of 1999, reports UNB.

The figure reflects an increase of 7.20 per cent in taka terms and 2.57 per cent in terms of US dollar from the level of the same period of the previous year.

The increase was due to rises in LC opening for import of intermediate goods, industrial raw materials, petroleum and petroleum products and machinery for miscellaneous industries, said a Bangladesh Bank press release Tuesday.

## Bangas okays 15 pc dividend

Star Business Report

Bangas Limited has endorsed a cash dividend of Tk 15 for its shareholders, says a press release.

The approval was given in the 19th Annual General Meeting of the company held on Friday at its registered office at Chuadanga. According to the 1998-99 Annual Report, sales rose by 40.32 per cent to Tk 8,05,38,814 and total expenses were kept in control, which resulted in a reduction of material and manufacturing cost from 81.25 per cent in 1997-98 to 80.70% in 1998-99.

As a result, operating and net profit before tax increased to Tk 23,88,311 and Tk 26,86,990 respectively, which is 28.11 per cent and 25.74 per cent higher than that of the previous year.

Chairman of the Board of Directors of the company Md Mozammel Haque, presided over the meeting. Among others present in the meeting were Md Rafiqul Haque, Md Rabul Haque, Md Mahbubul Haque, Directors, Md Atiqul Haque and S M Shahid-Ul Arain, Company Secretary.

## Mithun Knitting, Tallu Spinning hold AGMs

The eighth Annual General Meeting of Mithun Knitting & Dyeing (CEPZ) Limited was held on Friday at its registered office at Uzipur, Chuadanga, presided by the chairman, Md. Mozammel Haque, Chairman and Managing Director of the Company, says a press release.

It was attended by Md. Rafiqul Haque, Md Rabul Haque, and Md Mahbubul Haque, Directors, Md Atiqul Haque, Company Secretary, S M Shahid-Ul Arain and a large number of shareholders.

The shareholders actively participated in the meeting and appreciated the management's outlook in respect of setting up of readymade garments and home textile unit on the existing facilities of the company.

Meanwhile, the 10th Annual General Meeting of Tallu Spinning Mills Limited was held on Friday at its registered office at Uzipur, Chuadanga, Md Mozammel Haque, Chairman and Managing Director of the Company, presided over the meeting.

## ANZ Grindlays arranges loan for ETV

Ekushey Television Limited (ETV), the country's first private terrestrial television network, has signed a syndicated term loan agreement of Tk 410 million, with a syndicate of top financial institutions in Bangladesh, on December 9, says a press release.

ANZ Grindlays Bank was appointed as advisor and lead arranger of the fund-raising programme. The co-arrangers of the fund-raising were IPDC of Bangladesh Limited, National Bank Limited and The City Bank Limited.

The participants in this syndicate are ANZ Grindlays Bank, IPDC of Bangladesh Limited, National Bank Limited, The City Bank Limited, South-east Bank Limited, East Bank Limited and Eastern Bank Limited.

On this occasion, Muhammad A. Ali, General Manager and Country Head of ANZ Grindlays Bank, wished success of this terrestrial TV channel and thanked all the banks concerned for joining hands in financing this ground-breaking project in Bangladesh.

A S Mahmud, Chairman of ETV, and Farhad Mahmud, Simon Dring, Managing Directors, also conveyed their appreciation to the financial institutions for their speed and efficiency in responding to this syndicated proposal for financing the project. CM Alam, Managing Director, IPDC, Rafiqul Islam Khan, MD, National Bank Limited, and Mohammad Faiz, MD, The City Bank Ltd., also spoke on the occasion.

Amongst others, the signing ceremony was represented by M K Alam, MD, Eastern Bank Limited, Shah Md. Nurul Alam, Deputy MD, National Bank Ltd., Lakiul Kabir, Managing Director, EXIM Bank Ltd., KM Sattar, Head of Corporate Financial Services, Abrar A Anwar, Head of Specialist Finance of ANZ Grindlays Bank.

## NBR under fire for collection failure

# Make list of top tax dodgers, JS body asks authorities

By M Shamsur Rahman

As the country's revenue collection suffered a major setback, the Parliamentary Standing Committee on Finance Ministry bitterly criticised the National Board of Revenue (NBR) yesterday for its failure to achieve the target.

The committee members also wanted a list of the top tax dodgers and called for quick implementation of the pre-shipment inspection (PSI).

The members also directed the NBR authorities to bolster its monitoring and supervision activities for increasing revenue collection.

The July-November revenue target of this fiscal was set at Tk 6154.13 crore. But NBR has so

far netted Tk 5430.34 crore. The collection was at its worst in October, falling 24.79 per cent short of the target. In September, the achievement was 94.62 per cent, in August 98.95 per cent while in July it was 95.49 per cent.

NBR Chairman A Mueyed Chowdhury, however, tried to defend the Board by attributing the shortfall to the global economic depression.

He told the meeting that there was an increase in capital machinery imports, many of which were duty-free. The revenue shortfall was mainly due to slow imports.

The meeting also asked the NBR officials to investigate the

alleged license suspension of some 71 export-oriented enterprises by the customs authorities.

NBR has also been asked to submit a report on the alleged corruption by the customs officials in the next committee meeting.

The revenue target cannot be achieved without strengthening the tax administration and making everyone, right from the chairman to the peons, accountable. Chairman of the committee Ali Ashraf, MP told the Daily Star after the meeting.

He said that a large section of the NBR officials were busy more in corruption than in dis-

charging their duties. They squeeze out money from the people without trying to motivate them into paying their taxes," the chairman said.

He said that the rich evade taxes because of corruption in the collection system while the poor labourers working abroad have to pay their dues.

Talking to this correspondent, the other members of the committee said that an over-ambitious revenue target and poor collection forced the government to borrow heavily from the banking system.

They also said that about 4.5 lakh people regularly pay their taxes.

## A gaze at pvt Bangla channels - Part 2

# Innovations, aggression win over capricious marketing strategy

By Inam Ahmed

In advertisement business, whims have little place, if any at all, to secure market share. This is going to prove true both for BTV and the satellite Bangla channels.

The satellite channels are now aggressively hunkering down for their respective ad market shares. When ATN appeared on the scene, it started broadcasting free ads to attract potential advertisers. Once the channel earned the credence of the clientele, it started bargaining for money.

In stark contrast, BTV is taking the market for granted and doesn't bother to go on ad drives.

"It is us who go to them begging for time," said an advertiser. "BTV's commercial people have fixed times during which we must go to them to book spots. If once happens the BTV

drops ads to air programmes at the dictation of the Ministry of Information. This enrages the companies who start hollering at it."

BTV's whimsical advertisement policy is another problem the advertisers always face. Its advertising guidelines are ambiguous, and so are their execution.

For example, a soap company had to censor its advertisement which showed people embracing each other and exchanging greetings on the Eid day. The theme of the advertisement was merely a depiction of the people's culture. But BTV objected to it saying that scenes of religious rituals cannot be shown on it. The soap company had to abide by its policy and had no other option. It had to use the original advertisement.

However, ATN is showing the first version of the advertisement.

In another case, BTV had refused to air an advertisement of a ball-point pen because it showed the actor throwing away a faulty pen and picking up a certain brand. Although the ad did not show which brand of pen the actor threw away, BTV said that this was a certain brand which it couldn't identify. BTV did not allow the ad despite the fact that it failed to substantiate its claims. Finally, the company placed the ad on a satellite channel.

Similarly, BTV often demands certification from the Bangladesh Standard Testing Institute (BSTI) for products to be advertised. Advertisement firms find this demand utterly illogical and sees it as a system which always throws a spanner

into their works.

There are many more discrepancies in the BTV rules that anger companies and harasses ad agencies. Foreign advertisements of exotic goods are allowed on BTV at a 60 per cent premium rate. But why? asks the ad firms. For them, the satellite channels are a great reliever, as they do not levy any such extra charges.

The liberal attitude of the satellite and private channels is also encouraging advertisers. They are finding orders for items which BTV had banned. For example, many agencies are starting to produce cigarette ads. Another likely new item is condom. While BTV has refused to run condom ads, satellite channels have shown their keen interests in ads for this 'taboo product'.

## Potato, onion outlook seen bright

# Farmers rejoice in 15pc more aman output

Star Business Report

The country is witnessing another good aman year with the paddy production expected to increase by 10 to 15 per cent.

This is poised to push the total aman paddy output to over 10 million tons.

The average aman yield ranges between 40 and 45 maunds per acre, much better than that of the last three years, says Nova News, a monthly bulletin of Novartis Bangladesh Ltd. In some places farmers even got as high as 65 maunds per acre.

But farmers are not very happy with the market prices, which ranges between Tk 220 to Tk 250 per maund, the Novartis bulletin said.

"Farmers are now preparing their seed beds for the next boro paddy, which is a little early this year. Water-logging in the fields is to the benefit of boro

farmers.

BR 28 is the peasants' hot favourite because of its good production performance and short duration.

But, according to Nova News field report, BADC is running short of the BR 28 variety. BADC is selling seeds at Tk 15 per kg while private companies sell seeds at Tk 20 to Tk 25 a kg.

Farmers, however, are mostly keeping a distance from hybrid seeds because of their bad experience during the aman season. Hybrid seeds are selling at Tk 160 to Tk 200 a kg.

At the same time, farmers also expect a good potato harvest and high market price this time.

The total area under potato cultivation is likely to increase by 15 per cent, but it seems that the season will be delayed by 15 to 20 days due to water-logging.

Increased, potato seed suppliers are in for a good business. Currently, each maund of seed is being sold at between Tk 600 to Tk 700.

On the other hand, there has been poor sales performance of wheat and mustard seeds. Around 20 per cent drop in the acreage of these two rabi crops is expected. In many areas, fields are still holding water making wheat and mustard cultivation impossible.

The unused wheat and mustard lands are expected to be brought under onion and potato cultivation, Nova News said.

It is expected that the onion cultivation area will increase. As farmers are especially attracted to since it fetches its high price throughout the year. There is also a huge demand for onion seeds and the local variety are being sold at Tk 720 a kg while the Indian ones at Tk 400 a kg.



The Tk 410 million syndicated loan signing ceremony for Ekushey Television Limited held at a local hotel on December 9.

# Asia says it is Y2K-ready

SINGAPORE, Dec 15: Asian nations overwhelmingly say all systems are Y2K-go, but in a region dominated by developing countries, it is paradoxically high-tech Japan that is sending negative signals, reports Reuters.

"I heard the Japanese prime minister is telling people to stockpile food. It's strange that the second largest industrial economy in the world is one of the most ill-prepared," said Daniel Sulzinger, managing director of OTJ Management, a financial management consulting firm.

In a global survey, Reuters asked how ready countries' utilities, aviation, telecoms and water distribution systems were for the potential effects of the millennium bug and Japan, along with most of Asia, said all four key sectors were ready.

A spokesman for Nippon Telegraph and Telephone (NTT) 9432-T said the main companies within the NTT group directly involved in telecom simulations had completed Y2K simulation tests and contingency planning.

"No problems arose from the simulation tests and we think that problems such as the entire communication system halting will not occur," NTT say on their website. "But the Y2K issue has unpredictable characteristics and we cannot say there are no oversights. We will continue to take strengthening measures with the remaining time."

Japanese Prime Minister Keizo Obuchi asked the nation in October to stockpile food and water as a precaution despite repeatedly saying that the country is Y2K-ready.

Japan's Defence Agency said last week it would put tens of thousands of military personnel on alert at year-end to deal with possible Y2K bug-related accidents. The agency said it also plans to put more than 100 aircraft, warships and special vehicles on standby, and deploy several chemical warfare units.

## PLASTINDIA 2000 PRESENTATION AT DHAKA.



PR Singhvi, Chairman of Plastindia Foundation Promotion Committee, speaks at the presentation on Plastindia 2000 at Sonargaon Hotel yesterday. Baiazid Bostami Khan, Vice-President of Bangladesh Corrugated Carton and Accessories Manufacturers and Exporters Association, Haji Md Jamal Uddin, President of Bangladesh Plastic Baboshayee Samity, and KM Alamgir, President of Bangladesh Plastic Goods Manufacturing Association, attended the function.

## Plastindia 2000 starts Feb 19

Star Business Report

The fourth international plastic exhibition and conference - Plastindia 2000 - will be held from February 19 to 24 next year in New Delhi.

Plastindia Foundation, the apex body of Indian plastic industry, will organise the gala event.

"Plastindia 2000 will be the largest plastic trade fair in Asia and the third largest in the world. We are expecting about one million visitors and over 1000 exhibitors at the fair," said PR Singhvi, Chairman of the Promotion Committee of Plastindia Foundation, at a presentation on the event at Sonargaon Hotel in the city yesterday.

A number of major plastic manufacturers from around the world will participate in the fair with their latest technologies, products and services, he added.

The Bangladeshi entrepreneurs will be benefited

from the event as it may offer them the chances to strike deals with global manufacturers and buyers, he added.

They can also explore business prospects, strategic alliances and technology exchange at the fair.

Special focus of the fair will be on areas like raw materials, chemicals, primary processing machinery, ancillary equipment, printing machinery used in the plastic industry, quality control and testing equipment, Singhvi said.

KM Alamgir, President of Bangladesh Plastic Goods Manufacturing Association, Haji Md Jamal Uddin, President of Bangladesh Plastic Baboshayee Samity, and Baiazid Bostami Khan, Vice-President of Bangladesh Corrugated Carton and Accessories Manufacturers and Exporters Association, were also present on the occasion.

## Non-registered merchant bankers allowed till June, 2000

By Monjur Mahmud

The Securities and Exchange Commission (SEC) yesterday extended the tenure of non-registered merchant bankers to June 30, 2000, to underwrite new issues.

The previously-set deadline was December 31, 1999.

Since the enactment of the Merchant Bankers Regulation, the SEC has approved 25 merchant bankers. Of these, 18 companies acted as underwriters for Initial Public Offerings (IPOs), which were found to be insufficient to handle the increased number of new companies going public, an SEC official said.

He said that IPOs worth Tk 32 crore were underwritten in 1999 alone, while the registered merchant bankers handled only Tk 17 crore business. Stock brokers underwrote Tk 1.5 crore IPOs and the rest were guaranteed by financial institutions like banks and insurance companies.

"Even the existing merchant bankers are not bound by laws to underwrite IPOs," the official explained.

He also said that the SEC would not go for further extension of the time as four more merchant bankers were awaiting the Commission's approval, and by June 2000, there would be an adequate number of licensed underwriters to handle the market.

## Dhaka, Manila to sign agricultural co-op accord

Bangladesh and Philippines have decided to sign a bilateral cooperation agreement in agriculture sector, reports UNB.

The decision came when the Agriculture Minister of Philippines Edgardo J. Angara called on Minister for Food and Agriculture Begum Matia Chowdhury at her hotel suite in Manila yesterday morning, said an official report reaching Dhaka.

Matia Chowdhury is now in Philippines to visit the International Rice Research Institute.

During the parley, the two ministers had a fruitful discussion on enhancing bilateral cooperation in agriculture sector between Bangladesh and Philippines.

Achievements in food and agriculture sectors of both the countries also came up for elaborate discussion in the meeting held in a friendly atmosphere.

The Philippines minister highly praised the progress made in agricultural production and achieving self-sufficiency in food in Bangladesh in spite of cataclysmic floods.

He congratulated Prime Minister Sheikh Hasina for winning the prestigious Ceres Medal for her outstanding contribution to the promotion of food security as well as struggle for eradicating hunger and malnutrition.

Sagufa Yasmin MP and Reazul Hossain, Bangladesh Ambassador to Philippines, were present during the meeting.

## Donors working out new aid pledges for Vietnam

HANOI, Dec 15: Foreign donors began talks today over how much fresh aid they would commit to Vietnam, with pledges expected to remain high despite the country's slow progress on economic reforms, reports Reuters.

But participants at an annual meeting of donors under the World Bank Consultative Group said they expected some of that aid would be made conditional on accelerated reform measures in the communist-ruled country.

The two-day gathering opened on Tuesday and has been marked by donor warnings Vietnam needs to open its economy, embrace competition and improve the business climate or fall further behind the country's neighbours.

"Our overall message has been loud and clear, but the response we are getting is that Vietnam will reform at its own pace," said one participant.

Foreign Minister Nguyen Manh Cam even insisted at the meeting on Tuesday that Vietnam was not delaying economic reform despite mounting evidence foreign businessmen no longer rate the country a good investment bet.

Last year donors pledged \$2.7 billion in aid to Vietnam. Of that, \$500 million was conditional on accelerated reform, although none of this money has been disbursed.

Total commitments this decade amount to more than 8 billion, although less than half has been disbursed partly because of government bureaucracy.

Donors said officials at the gathering had so far given no indication on when the government would approve and implement a three-year reform agenda drawn up by ministries that covers the private sector, trade and state firms.

Participants said while the tone of Tuesday's talks was positive, it appeared Hanoi was still grappling over the impact wholesale economic reforms would have on the ruling Communist Party's control and protected state-run companies.

That indicates any quickening of reform is likely to be gradual, cold comfort to foreign investors who say Vietnam is one of the most difficult places in Asia to do business.

## Exchange Rates

Following are yesterday's Standard Chartered Bank rates of major currencies against Taka:

Central Bank USD/BDT Rate: Buying-BDT 50.85/Selling-BDT 51.15

TT/OD	BC	Currency		TT Clean	OD Sight	OD Transfer
		Buying	Selling			
51.2300	51.2700	USD	50.8200	50.6516	50.5631	
0.5102	0.5106	JPY	0.4772	0.4756	0.4748	
32.5063	32.5317	CHF	32.6241	31.5193	31.4057	
31.2131	31.2374	SGD	29.5071	29.4093	29.3579	
35.5468	35.5745	CAD	33.3969	33.2862	33.1627	
6.0355	6.0402	SEK	5.9278	5.9082	5.8958	
33.5864	33.6126	AUD	30.7512	30.6493	30.4441	
13.6268	13.6375	MYR	13.2327	13.1888	13.1555	
6.6412	6.6464	HKD	6.4859	6.4644	6.4506	
13.7767	13.7874	SAR	13.4466	13.4020	13.3680	
14.0634	14.0743	AED	13.7210	13.6756	13.6406	
0.0456	0.0457	KRW	0.0448	0.0447	0.0446	
83.4024	83.4676	GBP	81.1595	80.8906	80.5976	
52.2854	52.3262	EUR	50.3169	50.1501	50.0625	

Usance export bills

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
50.7152	50.4023	49.9846	49.5042	48.9821	47.8126

Exchange rates of some Asian currencies against US dollar

Indian Rupee	Pak Rupee	Thai Baht	Mal Ringgit	Indo. Rupiah	Sing. Dollar
43.45/43.50	51.88/51.90	38.55/38.65	3.7995/4.05	7240/7250	1.6765/575

## Market Commentary

On Wednesday, the demand for US dollar was moderate in the interbank market.

In the call money market, the call rate ranged between 6 and 7 per cent.

In the international markets, dollar enjoyed strength against most currencies as the flexible flow of global funds swung in US dollar favour.

The market-players mentioned several reasons for this inflow-safe haven flows for Y2K, profit-taking on Tokyo equities and a string of soft Japanese economic indicators.

At 1455 hours on Wednesday, USD traded at 1.0043/46 against euro, 103.68/73 against yen and 1.6064/74 against GBP.