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FBCCI signs
MOUs with
Uzbek chambers

TASHKENT, May 2: The Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) has signed an agreement of cooperation and a memorandum of understanding with two apex level chambers of Uzbekistan to promote future trade and business between the two countries, says BSS.

Abdul Awal Mintoo, now leading a high-profile 36-member FBCCI delegation here, and Chairman of the Uzbek Chamber of Commodity Producers and Entrepreneurs Muzaffarbek Sabirov signed the agreement here yesterday on cooperation following a discussion on the matters related to enhancing trade and business between the two countries.

Earlier in the day, deputy leader of the FBCCI delegation, Dewan Sultan Ahmed and Chairman of Bokhara region Chamber of Commodity Producers and Entrepreneurs U E Gafurovich signed a memorandum of understanding at Bokhara for the same purpose.

According to the agreement on cooperation, the two sides agreed to give a new impulse to the bilateral economic, scientific and technical cooperation. Both sides will promote development of direct contacts with more emphasis upon development of bilateral cooperation with wide range of participation particularly in medium and small enterprises.

Samad Azad
urges expats to
invest at home

LONDON, May 2: Foreign Minister Abdus Samad Azad who came here for the Commonwealth Ministerial group meeting met with Bangladesh expatriates on Monday and asked them to make productive investment in the country, reports UNB.

He told them that foreign investments of US \$4,500 million were made in the country since Awami League took over power about four years ago.

Local Awami League organised the meeting at Brady Centre in East London that was presided over by Alhaj Shamsuddin Khan.

Azad listed various incentives and facilities extended to the expatriates for productive investment in Bangladesh. He noted with satisfaction that the Bangladeshi expatriates were now enjoying no visa fee and dual citizenship.

The Foreign Minister was highly critical of the opposition and said their MPs were taking all the financial benefits although boycotting Parliament. They were also deliberately creating obstacles to development activities.

New GM of
Janata Bank

The government has promoted Nazrul Islam as general manager of Janata Bank, says a press release.

Prior to his promotion, he was serving in the Bangladesh Krishibank as deputy general manager.

During his long banking service in Bangladesh Krishibank, he was posted in different important division of the bank.

He also worked with the Gramene Bank Prokpalpa.

Altaf Hussain
made chairman
of Pragati Life

Syed Altaf Hussain unanimously elected the first chairman of Pragati Life Insurance Limited at a recently held board meeting of the company, says a press release.

Hussain has been associated with insurance industry for a long time and was the first vice chairman of Pragati Insurance Limited.

He is the Chief Executive of W & W Grains Corporation, a major importer and distributor of foodgrains, various agricultural products and chemical fertilisers.

He is also the director of Ronson Dairy Ltd. and director of Jamuna Resort Limited, a first private sector tourism industry in the country.

Altaf Hussain studied engineering at the University of Texas and grains marketing at the University of North Dakota, USA.

The Daily Star BUSINESS

DHAKA WEDNESDAY MAY 3, 2000

Trial operation of personal handyphone next month

BBTT to go for commercial launching in Sept

By Monjur Mahmud

kbps from one computer to another and send e-mails.

A person will have to pay Tk 12,000 to Tk 15,000 for a complete PHS package including the phone set, security money and connection fee.

"We are now working for installing an exchange (cell station) at Sher-e-Bangla Nagar for trial operation on June 23. Initially, 252 PHS sets will be distributed on a trial basis," said MR Bazlur Rahman, President and CEO of BBTT.

"After the trial operation at Sher-e-Bangla Nagar, we will go for commercial operation by September this year with 20,000 sets under Gulshan, Moghbazar, Chowkbazar and Mirpur exchanges," he said.

Talking to The Daily Star, Kenji Fujiki, a cell station expert of Japan Multimedia Engineering Co Ltd, said: "Separate cable is being installed for Sher-e-Bangla Nagar station. PHS initially faced some problems, but the weak points

"At present, PHS mobile

have been covered, he said. "Now around half-a-million subscribers are using this phone in Japan."

A seven-member high-powered team representing officials of the Bangladesh Telegraph and Telephone Board (BTTB) and the Telecommunication Ministry recently visited Japan and Thailand to see PHS operation.

Ministry of Post and Telephone (MOTP) of Japan invited the team and BBTT arranged the visit. PHS was launched in Bangkok in November last year.

Bazlur Rahman said PHS is a new concept in telecommunication to meet the growing demand for telephone, especially mobile phones at relatively cheaper price and lower tariff rates.

A number of Japanese companies have formed a consortium to provide financial and technical assistance to BBTT for the project with an investment of Tk 805 crore (US\$ 190.68 million).



Khondkar Ibrahim Khaled, Deputy Governor of Bangladesh Bank, is seen with the first batch of officers from the nationalised commercial banks, who successfully completed seconday at Grindlays Bank. Muhammad A Ali, General Manager and Country Head, and Zakir H Joarder, Head of Human Resources of Grindlays Bank, are also seen in the picture.

— ANZ Grindlays photo

Pakistan to seek easier fiscal targets at aid talks with IMF

KARACHI, May 2: Pakistan will seek easier fiscal targets in aid talks with the International Monetary Fund in order to spend more on development and poverty reduction in a new three-year programme, financial sources said Monday, reports Reuters.

They said the programme would include familiar IMF recipes for macroeconomic stability, but added Pakistan would seek more relaxed targets on such items as budget deficit goals to allow it to focus more on development spending.

Development spending and poverty reduction are two areas that have been traditionally lagging in Pakistan's budgets, which allot 65 per cent of total spending to defence or to service debt.

The IMF said last week it would send a mission to Islamabad "in the near future" for

talks on funding the new programme due to replace at \$1.56 billion funding package suspended last summer.

"It is going to be basically very similar to the previous programmes in terms of focus on austerity and stiff targets," a source close to the Finance Ministry told Reuters.

"But I think there will be a much stronger focus on development spending, which will be taken to the extent of how we are going to use the money," he said.

Economists said the budget deficit, which may hit 5.3 per cent for the current fiscal year, would be a major issue in the talks.

A more relaxed target would allow Pakistan to spend more on development and fighting poverty.

The target for the deficit is the million dollar question... if

we were to push for poverty reduction or spending on development then you have a bit of a conflict with austerity," said one Finance Ministry official.

The budget deficit target has been a contentious issue for Pakistan and the IMF, with the nation's military-led government admitting the previous government had misreported budget deficit figures for the last two fiscal years.

In the last fiscal year the budget deficit was pegged at 3.4 per cent of gross domestic product instead of six per cent, which encouraged the IMF to lend money it might otherwise have withheld, and the new talks with the IMF came only after Pakistan agreed to repay \$55 million to the Fund.

The IMF has been pushing Pakistan to raise revenues by broadening the tax net, and to control the budget deficit.

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Thai ministry-central bank row highlights debt fears

BANGKOK, May 2: A dispute between Thailand's Finance Ministry and central bank over funding a bailout of the financial sector shows increasing government concern over rising public debt, says AP.

With an election looming, the ministry wants to push a large part of further losses from the collapse of the finance sector in 1997 on to the central bank, rather than pass the burden to the taxpayer.

Already, public debt is likely to reach 43 per cent of gross domestic product in the coming fiscal year, due to large budget deficits to help pull the country out of recession from the 1997 Asian crisis.

Debt could balloon to nearly 60 per cent if the government is forced to pay all remaining losses on the books of the central bank's Financial Institutions Development Fund, the body established during the crisis to rescue the financial system.

For a government careful not to give the impression of using taxpayer money to help the financial elite, such a large ad-

dition to the public debt so close to an election is unpalatable, economists told Dow Jones Newswires last week.

Such a bond issue would need to be approved by Parliament, which would create negative publicity for the government in an election year," said Supayud Saichua, Merrill Lynch's chief economist in Bangkok. "The government would need to admit to greater losses on the financial sector bailout."

Prime Minister Chuan Leekpai's coalition, which has staked its reputation on reviving the financial sector after more than a decade of reckless lending, must call an election by November.

In the past two years, the Finance Ministry has issued 500 billion baht (\$13 billion) in bonds to pay some of the costs from closing down 56 finance companies that failed in the Bangkok Post.

Tarin seemed to offer an olive branch, saying the ministry could issue a small number of bonds to pay for part of the FIDF losses.

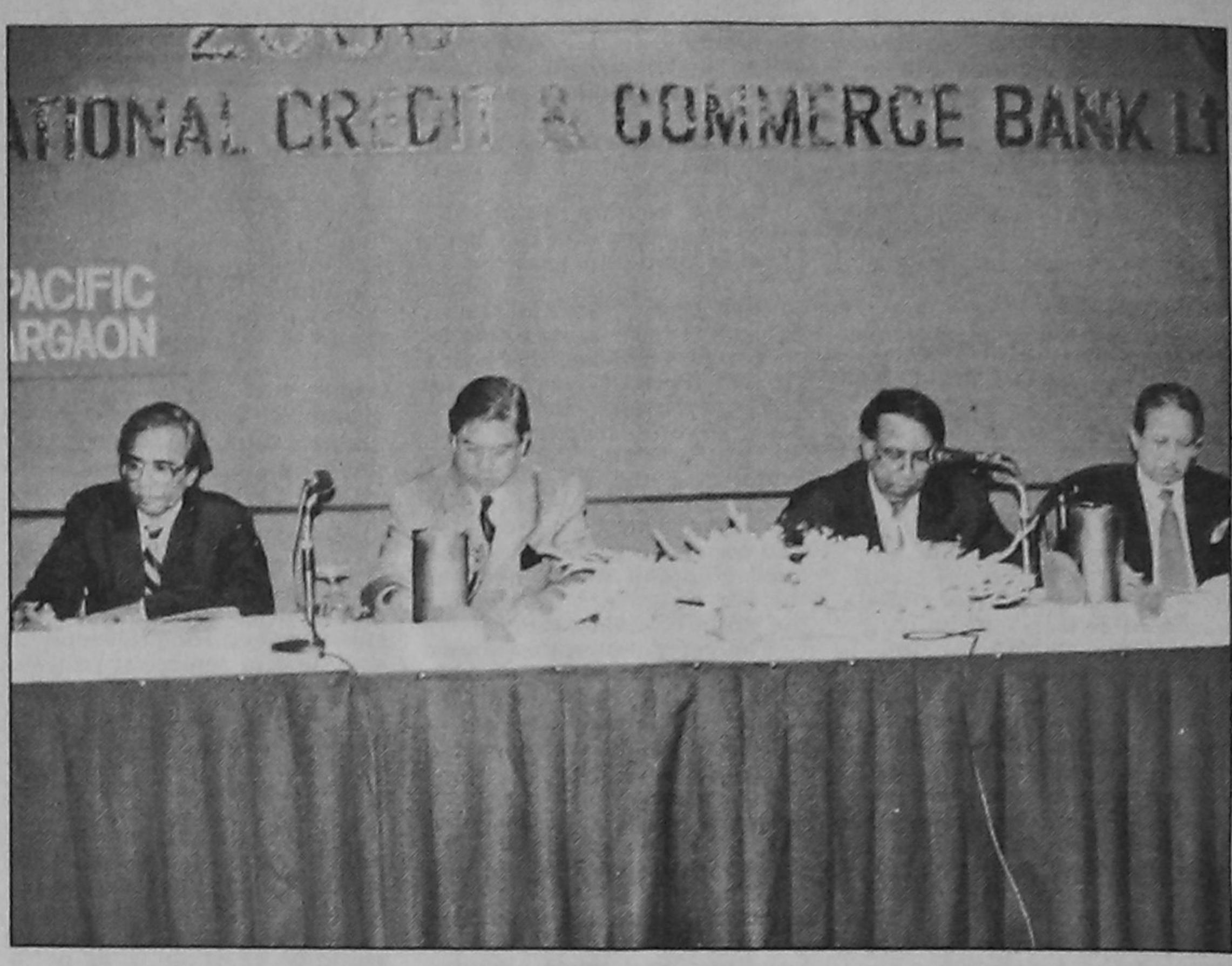
Now, Chatu Mongol Sonakul, the bank's governor, wants the ministry to issue a further 900 billion baht (\$24 billion) in bonds to cover

phone service is used by around 100 million subscribers in 22 countries including Australia, South Africa, New Zealand and Singapore," said Rahman.

About a confusion on whether PHS would function while travelling, Rahman categorically said that PHS would work at speeds of upto 60 km per hour.

Under a joint operation with BBTT, the PHS service will work only within its network in the capital city, he said adding that BBTT would get 51 per cent of the total revenue without making any investment.

A number of Japanese companies have formed a consortium to provide financial and technical assistance to BBTT for the project with an investment of Tk 805 crore (US\$ 190.68 million).



Mir Zahir Hossain, Chairman of the Board of Directors of National Credit and Commerce Bank Limited, addresses the bank's 15th annual general meeting at a local hotel yesterday. Yakub Ali, Vice Chairman, Mohd Sajidul Haq, Managing Director, and Md Tarikul Alam, Secretary of the Bank, are also seen.

— NCCBL photo

Industrialisation plan for N region unveiled

NAOGAON, May 2: Industries Minister Tofail Ahmed has unveiled government's industrialisation plan for the country's northern region to reap the fruits of improved transportation after the opening of the Bangabandhu Bridge, reports UNB.

All these initiatives are being taken to reach the fruits of Bangabandhu Bridge, constructed speedily under personal initiative of Prime Minister Sheikh Hasina, Tofail Ahmed told his party colleagues at a special extended meeting of district Awami League.

Besides, a urea plant of 1750-ton capacity will be built and a feasibility study for site selection is going on at Baghabari and Sirajganj.

The massive plan also includes setting up of an EPZ at Iswurdi and conversion of all BSCIC industrial estates in North Bengal into industrial parks with all facilities needed for cottage, software and manufacturing industries, the minister told a function here.

Chairman Mir Zahir Hossain in his speech informed the shareholders that the paid up capital of the bank was raised from Tk 19.50 crore to Tk 39.00 crore by issuing 15.90 lakh ordinary shares of Tk 100 each during December 1999 and January 2000 through IPO.

Mr Hossain said that NCC Bank could reduce its classified loans to a tolerable level thereby increasing profitability during the year. He also assured the shareholders that the bank will be careful to improve quality service to ensure continued growth. He appreciated and thanked the Management Team for their efforts for the growth of the bank.

Yakub Ali, Vice Chairman of the bank, welcomed the new shareholders of the bank and assured them of all necessary co-operation and help in the future.

Mr Mohd. Sajidul Haq, Managing Director said that the bank made a satisfactory progress during the year 1999.

The bank made an operating profit of Tk 29.07 crore in 1999, which was Tk 21.09 crore in 1998. The deposit of the bank stood at Tk 866 crore in December 1999, which was Tk 682 crore in 1998. The loans and advances stood at Tk 610.84 crore in 1999, as against Tk 467.82 crore of 1998. The bank has handled export and import business to the tune of Tk 1,236 crore in 1999, which is Tk 200 crore more than that of 1998.

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