

Govt proposes legislation to allow insurance funds in capital market

Star Business Report

The government yesterday moved a couple of bills in the Jatiya Sangsad to pave the way for insurance companies to invest in capital market and to allow ICB to set up subsidiary companies.

Finance Minister SAMS Kibria moved the Investment Corporation of Bangladesh (Amendment) Bill, 2000 while Industries Minister Tofael Ahmed moved the Insurance (Amendment) Bill, 2000. Tofael introduced the bill on behalf of Commerce Minister Abdul Jalil who was absent from the House yesterday.

The Insurance (Amendment) Bill, 2000 sought a provision to

pave the way for the insurance companies to invest in the country's capital market in general and in the government securities in particular.

In his bill, the finance minister sought provisions to enable the Investment Corporation of Bangladesh (ICB) to 'establish and promote subsidiary companies in which the corporation holds all or majority of shares'.

The bill also sought more power for the board of directors in running the financial affairs of the corporation. It also proposed tax benefits for the ICB.

According to the proposed law, the subsidiary companies shall have their own Boards of

Directors, while the corporation would have the authority to review their business objectives and supervise and control their performances.

For the purpose of efficient running of any subsidiary company, the ICB may, on the request by the subsidiary, send on deputation any officer or employee of the corporation to serve in the subsidiary on mutually agreed terms and conditions, the bill said.

Besides, the ICB shall enjoy such tax benefits, rebates and exemptions on its income, profits and gains as are enjoyed by any bank and financial institutions as defined under the

Bank Company Act, 1991 and Financial Institution Act, 1993.

However, the bill also proposed a provision indemnifying 'every director, officer and employee' of the ICB against 'all losses and expenses incurred by him in the discharge of his duties except such as are caused by his own wilful act or default'.

The bill also said that 'no suit, prosecution or other legal proceedings shall lie against the chairman, managing director or other directors, or any officer or employee of the corporation or any other person authorised by the corporation to discharge any function for anything done or intended to be done in good faith,' the bill

said.

The ICB shall prepare annual statement of accounts and balance sheet for every financial year, while the ICB's statement shall include audited financial statements of the subsidiaries.

However, both the bills were sent to the parliamentary standing committees of the concerned ministries for scrutiny. The Investment Corporation of Bangladesh (Amendment) Bill, 2000 is scheduled to return to the House for discussion in two weeks and while the Insurance (Amendment) Bill, 2000 in three weeks from yesterday.

Bangladesh seeks free access to US market

Bangladesh is likely to seek similar treatment given to several sub-Saharan and Caribbean countries by the United States relating to duty and quota free access of goods especially RMG to US market, reports BSS.

The Bangladesh government is going to make an official request to the US government to accord it the facilities being enjoyed by 42 sub-Saharan and Caribbean countries.

The US Congress recently passed the African Growth and Opportunity Act that gives sub-Saharan African, Central American and the Caribbean nations better trading opportunities and has given rise to some concern in Bangladesh.

It is learnt that Commerce Minister Abdul Jalil is going to write a letter to US Commerce Secretary William Daley soon asking for duty and quota-free

access of Bangladeshi goods to the US market.

The US is the most vital market for the country's largest exports earning readymade garment sector.

Business circle thinks that the passage of the African Trade Bill has given an impression that the US administration is perhaps trying to benefit a particular group of LDCs at the cost of others.

This feeling is reinforced by the fact that almost all the countries benefiting from the African Trade Bill are least developed countries, they said. Business leaders especially those engaged in exporting readymade garments to the USA, have expressed apprehension that the African Growth and Opportunity Act would limit their market access in USA.

RMG exporters expressed concern that readymade garment exporters of the African, Caribbean and Central American countries would ultimately displace Bangladesh and some other exporters of this region from the US market.

The consequences of the act would, indeed, be very harmful for Bangladesh's exports, several exporters of RMG said during conversation. RMG is the largest exporting sector of the country fetching around 75 per cent of the total annual export earning.

Bangladesh as the spokesman for the 48 LDC nations in multilateral trade negotiations, has been espousing the cause of quota-free and duty-free entry of all LDC goods and services into developed economy markets.

Syria, Qatar sign free-trade deal

DAMASCUS, June 6: Syria and Qatar have agreed to cut taxes on each others' imports, Syria's ruling party newspaper said Tuesday, reports AP.

The free-trade agreement signed Monday by Syrian Economy Minister Mohammed Imadi and Qatari Minister of Finance and Economy Hussein Kamal provides for immediate tax exemption on agricultural and animal products as well as natural resources of domestic origin.

Taxes on industrial products will be phased out over the next three years.

Al-Baath newspaper also reported a Syrian-Saudi free trade zone would soon be established under a commercial co-operation agreement the two countries signed nearly three decades ago.

Syria has in recent years focused new attention on reforming its once socialist economy, fearing it was falling behind as it neighbours embraced new technologies and entered a global marketplace.

Pressure to catch up has increased with plans for an Arab-wide free trade zone to be in place by 2007.

Clinton, Mori may discuss telecom trade issue this week

TOKYO, June 6: US President Bill Clinton and Prime Minister Yoshio Mori may discuss reducing barriers to Japan's telecommunications market during a meeting this week in Tokyo, the government said Tuesday, reports AP.

Japan has come under heavy pressure from US trade officials to make it easier for foreigners to break into its lucrative telecommunications industry, which is dominated by the Nippon Telegraph and Telephone Corp.

Clinton, who will attend a memorial service on Thursday for former Prime Minister Keizo Obuchi, is scheduled to meet Mori in the morning.

No agenda has been set for the leaders' talk, but they would discuss the telecommunications issue if Clinton brings it up, Foreign Minister Yohsei Kono told reporters in Tuesday.

Pressure to reduce access charges mounted after NTT late last month said group revenue rose by 7.1 per cent in the fiscal year to March 31 to 10.421 trillion yen (\$97.32 billion) from 9.7 trillion yen (\$90.59 billion) the previous year.

Japan's Parliament on May 12 passed a bill to reduce connection fees for leasing urban voice and Internet communications lines from NTT by 22.5 per cent. Still, that's far below the 50 per cent demanded by Washington.

Deputy US Trade Representative Richard Fisher said in March that internet access in Japan costs almost 10 times as much as in his country.



Industries Minister Tofael Ahmed having a look at LG products at Butterfly/LG stall at the Korea Merchandise Exhibition at Sonargaon Hotel in the city. M A Mannan, Chairman and Managing Director of Butterfly Marketing Ltd, was also present.

No great hopes for new world trade talks this year

DARWIN, Australia, June 6: World Trade Organisation chief Mike Moore said today he saw some "mellowing" of position which had last year scuttled plans for new global trade talks, but his hopes remained modest for a launch this year, reports Reuters.

Speaking in Darwin where Asia-Pacific Economic Cooperation (APEC) trade ministers were meeting, Moore also said the WTO backed the trend toward regional and bilateral free trade agreements, but warned weaker economies could be left out.

Moore said last year's Seattle trade talks collapsed "not because of process or protest" but on differences over issues

such as agriculture, labour, competition and the environment.

"I think there's been a mellowing of some positions but I'm not in a position to report to ministers today that they ought to start packing their bags for a relaunch (of a new round of talks)," he told reporters.

"There are still substantial differences on investment, there are still substantial differences on labour, there is still a divide on competition, agriculture is still a difficulty."

"But things have improved," he said. "I can report to ministers that things have moved on in Geneva since Seattle."

Moore said the WTO process had been significantly buoyed

by recent United States decisions to assist developing countries and to pave the way for the accession of China to the trade body.

"All this helps strengthen resolve (for a new round)," he said. "There is a modest opportunity it could still be done this year."

WTO talks in Seattle last December failed to agree on the launch of a wide-ranging new round of trade negotiations, amid violent protests and differences between the US and European Union, and developing and industrialised nations.

Nonetheless Moore said the WTO was moving ahead in Geneva on its mandate to liberalise agriculture and services.

Expats remit Tk 5.44 cr in May

Bangladesh nationals living abroad remitted a sum of 3.14 lakh pound sterling and 6.02 lakh US dollars through 5,269 foreign money orders (FMO) in the month of May, says UNB.

The exchange value of those FMOs is over Tk 5.44 crore in local currency which was paid to the dependents of the remitters, said a press release of Bangladesh Post Office yesterday.

Total remittance received during the current financial year amounts to over Tk 74.13 crore against 37.40 lakh pound sterling and 88.77 lakh USD sent through 80,807 FMOs.

New GM of Agrani Bank

Anish Kumar Sarkar has joined Agrani Bank as General Manager on promotion, says a press release.

Prior to his present assignment he was the Deputy General Manager in Sonali Bank.

He was rewarded and appreciated by the Board of Directors of Sonali Bank in recognition of his services.

He also earned appreciation for his research work on house building loan and on losing branches.

Saudi Arabia, Kuwait lift ban on Danish food

RIYADH, June 6: The trade ministries of Saudi Arabia and Kuwait have lifted a ban on some Danish food products imposed in March after a "mad cow" scare in Denmark, an official source said Monday reports AFP.

The Saudi ministry lifted the ban on Danish dairy products but kept the one on beef, the source said.

Saudi Arabia announced March 13 a ban on Danish meat and milk products after Copenhagen's agriculture ministry reported one case of "mad cow" disease in a farm in the northern Jutland peninsula.

Riyadh urged Denmark to make sure export to the kingdom strictly followed the criteria set.

Kuwait also lifted its March ban on the import of Danish dairy products as well as Danish beef, the official KUNA news agency reported.

The Saudi authorities also lifted the ban on the import of Thai canned tuna, which was taken off the shelves after fears it contained genetically modified soya deemed "harmful to health."

US Internet economy soars 74pc in '99

SAN FRANCISCO, June 6: The number of people employed in Internet-related jobs doubled last year to 2.5 million as the industry enjoyed a 74 per cent jump in annual revenues, according to a new university study that highlights the increasing importance of the digital economy, says AP.

The research, which was funded by Internet equipment provider Cisco Systems Inc. of San Jose, California, is in line with other government and industry surveys that show the Internet has boosted productivity and been one of the key factors in sustaining growth.

The study found that the entire industry generated nearly \$524 billion in revenue in 1999, a jump from \$322 billion a year earlier. Researchers examined 3,000 US companies that generate all or part of their revenues from selling goods online, or creating hardware or software or acting as support or intermediaries for Internet transactions.

They are working all the

Data fit pattern of slowing US booming economy

NEW YORK, June 6: Reports on housing and business outside the manufacturing sector released yesterday fit a pattern showing a slowdown in the booming US economy and kindled hopes that the Federal Reserve's rate hikes may be nearly over, says Reuters.

In the latest example of such data, the National Association of Purchasing Management (NAPM) said business outside the US manufacturing sector expanded in May but at a slower pace, with gains in prices and employment easing.

NAPM's non-manufacturing

Business Activity Index registered 61.5 per cent in May, 3.5 percentage points lower than in April, indicating slower growth in non-manufacturing economic activity.

The price index eased to 65.5 percentage points in May from 71.0 in April.

Economists have been watching price indicators closely for signs of inflationary pressures after the Consumer Price Index jumped 0.7 per cent in March and then was unchanged in April.

Separately, the US Commerce Department said on

Monday that completions of new privately-owned housing units in April fell to a seasonally adjusted annual rate of 1.668 million units from 1.734 million in March; the rate was 1.635 million in April 1999.

The reports are in keeping with other recent signs that the steam is coming out of the fast-paced US economy, now in its tenth year of expansion. April data showed that sales of new homes had slipped to a four month low, orders for big ticket items had tumbled and retail sales fell.

wanted the governor replaced over a separate scandal involving massive central bank loans paid to keep ailing banks afloat at the height of Indonesia's financial crisis in 1998.

The loans left the central bank's finances in a precarious state, and an official audit criticised Bank Indonesia's management. But Sabirin said the central bank had acted in line with regulations and brushed off pressure to resign.

The attorney-general's office said there were no political motives behind the decision to depose Sabirin.

"The way we see it is that it is unfair. The move in aimed at toppling the governor," Iljas said of Monday's announcement.

Iljas said the governor had strong arguments over the case.

Bank Indonesia accuses Wahid of trying to illegally unseat gov

JAKARTA, June 6: Indonesia's central bank today accused President Abdurrahman Wahid of trying to illegally unseat its governor and said its independence and the economy were at stake, reports Reuters.

The Attorney-General on Monday declared Bank Indonesia governor Sjahril Sabirin a suspect in its investigation into the politically-charged scandal surrounding Bank Bali.

But deputy governor Achjar Iljas, in an interview with Reuters, said the announcement was aimed at toppling Sabirin and that the central bank governor would not resign over the issue.

"According to the central bank law, the governor will re-

sign because he wants to. In this case he has been put under pressure. It's not good to resign under pressure," Iljas told Reuters.

The naming of Sabirin as a suspect hit the already weakening rupiah and share prices on Tuesday, with traders worried that the increasingly sour relations with Wahid would further hurt efforts at economic recovery.

Under a law introduced last year, giving the central bank independence from the executive, only parliament can sack the governor. Parliament is expected to discuss the issue of replacing Sabirin soon.

The governor and Wahid have long been at odds. In January, Wahid said he

was not a suspect in the scandal.

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Dhaka wants ESCAP to help LDCs enter WTO

Commerce Minister Abdul Jalil has called upon the world community to take urgent measures to help LDCs face the challenges of globalisation and liberalisation of the world trade, says UNB.

Addressing the 56th session of ESCAP in Bangkok yesterday, Jalil sought technical assistance from the ESCAP to facilitate the accession of least developed countries (LDCs) to the WTO trade regime.

"The role of ESCAP in this critical context may prove to be highly beneficial," he said.

Jalil, who was elected vice chairman of the conference, said the transition phase in world economic order has prompted a wide divergence of problems for emerging

economies to conform to.

"There is a little prospect for them to tide over, unless the international community — precisely the development partners come to their aid," he added.

The Commerce Minister hoped that ESCAP would also help LDCs in the Asia Pacific region to prepare for participating in the third UN conference for LDCs to be held in Brussels next year.

"Many developing countries and the LDCs as a group are becoming more and more marginalised as a result of increasing pressure of globalisation and liberalisation of the world economy," he said.

The reasons behind the marginalisation is mainly the unequal distribution of income

and wealth emerging from unfavourable terms of trade and various inherent structural inadequacies, he added.

Jalil called for working together for the betterment of the toiling masses through raising standard of living in order to make true the saying "the third millennium is the Asia-Pacific millennium."

He mentioned that LDCs are today not only fraught with challenges but also with increasing threat of decline as the share of LDCs in the global trade decreased to only 0.4 per cent.

In this respect he pleaded for enlarged market access through abolition of all tariff and non-tariff barriers.



Managing Director of In-Touch Communication Network Ltd Shabbab Akbar and Grameen Software Ltd Managing Director Sohail Sharif sign an agreement recently to set up Grameen Star Education Centre at Dhanmondi.

— Grameen Software photo

Grameen Star Edn Centre to be set up at Dhanmondi

Grameen Software Ltd (GSL) master franchisee of Grameen Star Education Programme with head office at Grameen Bank Complex at Mirpur, nominated In-Touch Communication Network Ltd for Grameen Star Education Center (GSEC), Dhanmondi Franchise recently, says a press release.

In-Touch will carry licence to commence IT education centre at Dhanmondi.

As a GSEC franchisee In-Touch will provide competent computer education in Software, Network and Web Master Programme.

Sohail Sharif, Managing Director of GSL, and Shabbab Akbar, Managing Director, In-Touch are firmly committed to provide cost effective, top quality programme ensuring the development of professional IT personnel in Bangladesh.

APEC makes progress on tariff reduction

DARWIN, Australia, June 6: Significant numbers of APEC economies have further reduced tariffs and liberalised their investment regimes over the past 12 months, Australian Trade Minister Mark Vaile said today, reports AFP.

Vaile, who is chairing a two-day meeting of Asia-Pacific Economic Cooperation trade ministers which got underway Tuesday, said the atmosphere was positive in the first morning of talks.

He said 13 economies out of 21 members had reported improvement in the past year on reducing tariffs while 16 had further liberalised their investment regimes.

"These are very important

measures on the pathway to our objectives of trade liberalisation by 2010 for developed countries and 2020 for developing countries," he said.

Malaysia had eliminated or reduced tariffs on 641 items while Indonesia was reducing tariffs on 2,000 items during the course of the coming year.

Japan announced it was reducing tariffs on sugar. South Korea was eliminating its present quota system on beef imports while Singapore said it had fully liberalised its telecommunications markets.

Manila, meanwhile, had passed legislation allowing foreign retailers to operate in its domestic market, Vaile said.

Koehler meets Indian finance minister

NEW DELHI, June 6: International Monetary Fund Managing Director Horst Koehler met Finance Minister Yashwant Sinha Tuesday and discussed India's reform programme, the fiscal situation and the Fund's role in globalisation, says AP.

The meeting was attended by top government officials including Economic Affairs Secretary E A S Sarma and Y V Reddy, deputy governor of the Reserve Bank of India.

"We are benefiting from advice of India to develop a concept and understanding for the Fund which makes globalisation a success in all parts of the world, particularly in developing economy," Koehler told reporters after the meeting.

People in developing Asia want more time than money: Study

NEW YORK, June 6: When people are given a choice between having more money or more time, most of the world wants the money, according to a survey released yesterday, says Reuters.

The study by leading New York-based marketing research firm Roper Starch Worldwide found that Eastern Europeans, followed by North Americans and Western Europeans lead the desire for more money than time, Latin America was next.

Developing Asia, which includes relatively poor countries such as India, the Philippines, Thailand and Vietnam, was the only region where people want more time than money by 52 per cent to 43 per cent, the study revealed.

They are working all the

time to get ahead and at the same time, however, there is something about the pace of change in those societies that has been so rapid," Tom Miller, the study's director, said of those Asian countries. "Perhaps there is a kind of nostalgia for the days when people were less affluent but had more time to enjoy themselves."

Russia was the country where money was the most dominant choice by 73 per cent against 13 per cent for time. In India, 66 per cent of respondents said they wanted more time while 31 per cent opted for more money.

The survey was based on 30,000 in-person interviews conducted between November 1999 and February 2000 with

1,000 consumers aged 13 to 65 in each of 29 countries and Hong Kong in China. The sampling error was plus or minus 4 percentage points for each country, and Roper said the study was projectable to represent 1.39 billion people.

Miller said that across the board, there was no difference between the choices of men and women with 52 per cent of each gender choosing money over time.

Teenagers said they wanted more time and older people chose the money, said Roper, which will distribute the information and its analysis to clients seeking to shape communications strategies and evaluate personal preferences in marketing their products.