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The Daily Star BUSINESS

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Exim Bank holds managers' confce

A business and motivational conference of executives and branch managers of Export Import Bank of Bangladesh Limited was held at the bank's Head Office Tuesday, says a press statement.

Md Nazrul Islam Mazumder, Chairman (Acting), chaired the conference.

Mazumder conducted a one-minute silence in honour of late Shahjahan Kabir, founder Chairman of the bank.

In the business and motivational session, the chairman lauded the success the bank achieved during the last 10 months of its operation and credited the employees for the success. He urged them to continue their efforts for better success in the coming days.

In his speech, the managing director highlighted the operational performance of the bank. Exim Bank mobilised a deposit of Tk 206 crore and disbursed credit of Tk 110 crore. It opened 904 L/Cs for a total of Tk 124 crore and handled export worth Tk 53 crore. The bank also earned Tk 0.87 crore profit till May 31, 2000 which resulted from its core operations.

The meeting reviewed the progress of the branches.

Advisor of the bank Alamgir Kabir spoke about the future action plans for the bank's growth and progress.

The bank is poised to expand its network by opening 7 more branches within a couple of months, said the press release.

DHL expands its Osaka operations

DHL Worldwide Express opened a new service centre in Kita-ku, northern area of Osaka City, Japan, and expanded another in Naniyoke of the city to meet the growing demands for fast and reliable international express logistics services by Osaka City and the western part of Japan, says a press release.

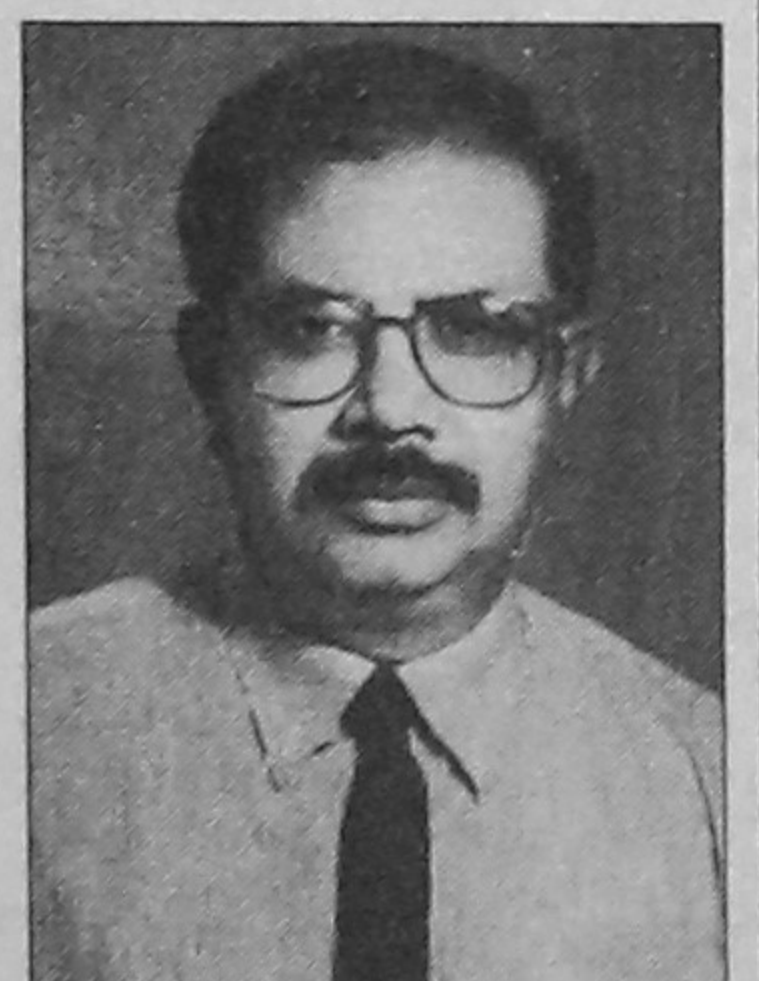
With the opening and expansion of these two service centres, DHL now serves 19 of Osaka's 24 wards, and covers the majority of the city's business districts. The expanded facilities allow DHL to provide fast and customised services for customers in these areas where demand for air express services is concentrated.

With the enhanced facilities, customers, particularly those in the northern areas, enjoy marked improvements in pick-up and delivery times. Customers also enjoy significant improvements in transit times of shipments for overseas destinations by up to one day. Shipments for New York, for example, will be delivered on the following business day.

Shipments to Seoul, Taipei, Hong Kong and Singapore will be delivered the next morning on the back of the highly-efficient collaboration between DHL and Cathay Pacific Airways.

The service centre developments are part of DHL's US \$125 million expansion plan in Japan in four years. The plan seeks to tremendously raise service levels by boosting the infrastructure network, vehicle fleet and workforce in Japan in four years.

Since the expansion programme started in summer of 1999, three new service centres have been opened and expanded for greater benefits of customers. DHL currently operates 20 service stations throughout Japan, and plans to open 7 to 12 centres by the end of 2000.



Karmasangsthan Bank's new MD

Md Nurul Islam Khan has taken over the charge of the Managing Director of Karmasangsthan Bank on Wednesday.

Prior to his present assignment, he was the General Manager of Rajshahi Krishi Unayan Bank (RAKUB), says a press release.

With a 26-year banking experience Khan held many important positions in Bangladesh Krishi Bank.

He got training in banking and agriculture both at home and abroad. He received a special training on project loan sponsored by the Asian Development Bank. Khan visited Malaysia and Philippines in 1994 as member of a Bangladesh government delegation and gathered experience on rural employment creation projects.

Govt to be harsh on black money after June 30, 2001 deadline

Kibria says at FICCI post-budget dinner meet

Star Business Report

Finance Minister SAMS Kibria has said that the government would clamp down on black money with every rigidity after June 30, 2001, and wouldn't like to hear more about untaxed money after that.

"In reality, there is huge untaxed money and we had to take some steps so that this money can be whitened by investing in productive areas," the minister said at a post-budget dinner meeting sponsored by the Foreign Investors' Chamber of Commerce and Industry (FICCI) at Sonargaon Hotel in the city on Thursday.

He admitted the immoral side of offering the scopes to whiten the black money and said that taxpayers experience unjust treatment for this. "But life is not always just, sometimes there are unjust situations."

Responding to different points raised by FICCI regarding the proposed budget for FY 2000-01, Kibria said unlike the past, this is for the first time that government borrowing from the banking system has been shown in the budget proposal.

"I would like to see fiscal discipline and this has been

done in such a way that we can keep control. No government would like to go for bank borrowing, but circumstances often force them to do that."

Only a few governments in the world can run without borrowing and even the governments of the developed states also have to borrow, the finance minister stated. "But I would definitely like to see a better monetary discipline in the country."

Kibria rejected the criticism that public borrowing led to inflationary economic trends, and said inflation rate was rather on decline in the past several months. The latest figure of inflation is below three per cent, which on point-to-point basis was 3.24 per cent in March and 3.08 per cent in April.

International Monetary Fund's (IMF) observations regarding the proposed budget was pretty balanced, but the newspapers mainly picked up the negative criticisms, the finance minister mentioned.

Earlier, FICCI President Wali Bhuiyan said higher allocations in the unproductive sectors, if not matched by higher

revenue earnings, will lead to more deficits and would result in more government borrowing from the banking sector.

"Surprisingly, the Chamber observes that the budget is silent on deficit reduction. Rather, it has institutionalised borrowing from the banking sector without looking into its negative implications on the national economy."

The process of right-sizing the government should start without further delay, Bhuiyan said, adding that the government is too large for the services it delivers. Government borrowing from the financial system to maintain this large workforce is not only wasteful, but also contributes towards amassing a debt pile for the next generation.

Allowing undisclosed income to be legitimised through payment of 10 per cent tax is an unjust proposition, while honest taxpayers are subjected to higher rates, he stated. "Hence, the Chamber feels that it should not be a regular phenomenon. However, the facility already proposed should be made available at the highest tax rate of 25 per cent."

The Chamber noted with dissatisfaction that VAT has not been made a sales-based tax as in most other countries. VAT should be based on simple output-minus-input concept without leaving any room for subjective conjectures.

"The present government and its predecessor have tried very hard to use liberal regimes to attract investors. Unfortunately, efforts by both the governments have not yielded significant results. The difference between the actual foreign investment and the Board of Investment (BOI) figure is huge and is a matter of concern."

Bhuiyan said FICCI has been requested by the proposed Central Depository System (CDS) company to encourage the listed companies to participate in equity and management of the company.

"We believe that it would be worth considering to keep all the listed local and foreign companies out of the equity and management participation. Instead, all listed companies should avail themselves of the facilities of the company and continue to act as partners," Bhuiyan added.



Finance Minister SAMS Kibria speaks at the post-budget discussion meeting of the Foreign Investors' Chamber of Commerce and Industry at the Pan Pacific Sonargaon Hotel on Thursday. Seated on his left are Chamber President Waliur Rahman Bhuiyan and Secretary Jahangir Bin Alam, and on his right FICCI Committee Member, Paul Kirkham. — FICCI photo

Govt policy to lure investment in energy sector has paid off

Sector wins about \$1b in 4 yrs: Energy secy

Bangladesh's highly-prospective energy sector has attracted nearly one billion dollars in the immediate past years against almost nil until the mid-90s, as the sector has opened up a new horizon for future possibilities, says BSS.

"Visibly, the Awami League government has achieved tremendous success in the energy sector in the past four years with the discovery of several big gas fields, huge investment by international energy giants and increase of per capita energy generation," a senior Energy Ministry official said.

Energy Secretary Dr Tawfik-Elahi Chowdhury told the agency that the present government's policy embodied in its efforts to attract foreign investment in the gas and power sector has paid off.

He attributed the success to two policy decisions — approval for independent power generation by the private sector (October 1996), and model production sharing contracts with foreign oil giants for hydrocarbon exploration (March 1997).

The US entrepreneurs and embassy officials in Dhaka said with the opening of energy sector for hydrocarbon exploration to foreign companies, direct American investment alone since 1995 now stands at 750 million dollar while the amount was only 25 million in the previous 25 years (in all sectors).

"The amount is likely to go up by several times in the next few years," Forrest E Cookson, President of the American Chamber of Commerce in Bangladesh (AmCham), had earlier told BSS.

They said construction of seven more plants were underway and due to be completed at different times by next year when another 1069 mw electricity would be added to be national grid. Besides, the Rural Electrification Board has taken up a project to expand renewable energy technology in remote areas where electricity distribution is very expensive.

"In the FY 1994-95, the per capita electricity production was 92 kwh, and it rose to 110 kwh in the fiscal 1999-2000," as over the past four years per capita power production had increased by 19.5 per cent, Finance Minister Shah A M S Kibria said in his budget speech earlier this month.

On power sector, the officials said, in the mid-1990s, the authorities were forced to shut down the Chittagong Urea Factory for gas shortage. But now with increased production and supply, all fertiliser factories and power plants are operating smoothly.

"As of today, gas production since 1996 has increased by 30 per cent," Dr Elahi said.

The government has so far signed agreements with four international oil giants for gas exploration in eight out of the 23 blocks, while nine others have already been allocated to foreign oil companies.

Two major gas fields, Bibiana and Maulibazar fields in greater Sylhet, were discovered recently where the deposit is yet to be assessed. But, the foreign companies believe the exploitable reserve in these fields, particularly at Bibiana, is likely to be very high and would bring about a massive change in the country's energy sector scenario.

works, as infrastructures were yet to develop in Bangladesh to consume the produced gas.

Prime Minister Sheikh Hasina has said that Bangladesh would decide on the export issue only after confirming 50 years of deposit for domestic consumption while the opposition parties said the country would need gas in the near future for power and other purposes.

According to Petrobangla, the current proven reserve of gas all over the country was 23 trillion cubic feet (TCF) of which 13 TCF was recoverable. According to US-based Unocal's estimates, in the eastern region alone, Bangladesh has a deposit of between 30 and 50 TCF while there are huge potentials in the yet-to-be explored western region.

The foreign companies and donors have come up with different proposals. The Asian Development Bank recently said Bangladesh can export gas up to 300 MMCF daily using only three TCF reserve in 20 years to make up the losses in the balance of payment with the feared setback in the garments sector. It also offered to invest more than a billion dollars for installing power plants for local consumption.

Industries Minister Tofail Ahmed recently said that Bangladesh would examine the export issue very cautiously as "we saw countries, like Nigeria, going bankrupt for mishandling their huge mineral resources."

But he added that before taking any decision on gas export, Bangladesh would think about value addition to the resource like power and fertiliser for export to India or elsewhere.

Whoever comes to power next, gas export would be a major issue for them," Tofail said, urging the opposition parties to keep economic issues above politics in the interest of the country.

Reliance Insurance declares 30pc dividend

Star Business Report

Reliance Insurance has declared a 30 per cent dividend for its shareholders.

The dividend was announced at the 12th Annual General Meeting of the company held at a city hotel on Thursday, says a press release.

Yasmeen Khan, Vice-Chairman of the Board of Directors of the company, presided over the meeting. She was later elected the chairperson.

This was the fifth annual general meeting after the company went public in 1995. The meeting was attended by a large number of shareholders who put forward a number of suggestions on how to make the company more dynamic and vibrant in its future course of activities.

The meeting dealt with a number of important issues, including the election of two new directors from public shareholders. The newly-elected directors are Amanullah Chowdhury and Atiqur Rahman.

The Annual General Meeting was followed by a meeting of the Board of Directors in which all the members of the board including the newly-elected directors took active part.

The Board of Directors of the company is now comprised of the following members: Yasmeen Khan — Chairperson, Shahnaz Rahman — Vice Chairperson, and Directors M Shamsul Alam, Zakia Rouf Chowdhury, Anwarul Huq, Asadul Huq, Joya Pati, Azimur Rahman, Latifur Rahman, Shamsur Rahman, Amanullah Chowdhury, Farzeen Khan, Atiqur Rahman, Rokia A Rahman and Romana Rouf Rume. —

ICMAB discussion on implications of WTO held

Ghulam Rahman, Secretary of the Ministry of Commerce, said that the country could face the WTO regime through increased productivity and efficiency.

He said this while addressing as chief guest the discussion session on "WTO and GATS implications" organised by the Institute of Cost and Management Accountants of Bangladesh (ICMAB) at ICMA Bhawan in the city Wednesday, says a press release.

M Abul Kalam Mazumdar FCMA, President of the Institute, presided over the discussion session. Jession, Mohammad Shah Alam, Head of the WTO Cell, Ministry of Commerce, presented a paper on the topic, while Prof. Mustafizur Rahman from the Department of Accounting, University of Dhaka, and industrialist M A Kalam, Managing Director, Excelsior Group, were present as resource persons.

The chief guest in his address said that after the year 2004, our garments industries should survive through productivity and efficiency. He reminded the entrepreneurs that backward linkage industries established under subsidy will not be able to keep the garments industries alive, but will be one of the causes for their destruction.

Prof Mustafizur Rahman mentioned that WTO brought to us both challenges and new opportunities. To survive in the new millennium, we must be prepared to face the challenges and avail ourselves of the opportunities of WTO.



Picture shows (left to right) Atiqur Rahman, Director, Shahnaz Rahman, Vice-Chairperson, Azimur Rahman, Latifur Rahman, Directors, Yasmeen Khan, Chairperson, M Shamsul Alam, Managing Director, Shamsur Rahman, Rokia A Rahman and Farzeen Khan, Directors, at the 12th AGM of Reliance Insurance Ltd held at a city hotel Thursday. — Reliance Ins photo

G7 spotlights 15 money laundering havens

PARIS, June 23: Industrial countries yesterday named 15 territories from Russia to Liechtenstein considered to be money laundering havens because of their failure to cooperate with international efforts to curb such activities, says AFP.

France immediately announced that it would ask the Group of Seven leading industrial nations to penalise the 15 territories, and said it was prepared to end all financial transactions with them.

The Financial Action Task Force on Money Laundering (FATF) named the countries as Bahamas, Cayman Islands, Cook Islands, Dominica, Israel, Lebanon, Liechtenstein, Marshall Islands, Nauru, Niue, Panama, Philippines, Russia, St Kitts and Nevis, and St Vincent and the Grenadines.

The FATF said that it had studied 29 countries and territories, including the British Virgin Islands, Malta and Monaco and had "identified 15 jurisdictions as not cooperative in the fight against money laundering."

FATF chairman Gil Galvao said no political pressure had been applied to keep British or French-linked territories such as the Channel Islands and Monaco off the list.

The FATF said it hoped that by publishing the list it would encourage all jurisdictions concerned to take appropriate and urgent steps to improve their anti-money laundering

regime to comply with international standards."

And it called on its members to "give special attention to businesses and transactions with persons, including companies and financial institutions" in the 15 territories named as non-cooperative.

The FATF did not mention any specific sanctions, but immediately after the report was released French Finance Minister Laurent Fabius said France would ask the G7 to agree sanctions and that a special meeting of European ministers would be held in October to study the sanctions question.

France, Fabius said, was willing to go as far as banning all financial transactions with these territories.

Asked how the French report and the FATF report could have come to different conclusions on Monaco, Galvao said he did not know how the French report had been compiled but the FATF report on all the territories had been drawn up on the basis of 25 published criteria for cooperation with the fight against money laundering.

One of the key weapons in the fight against money laundering is making the effort to transform the proceeds of criminal activity such as drug trafficking or prostitution a criminal offence.

But several of the 15 territories named Thursday do not even have money laundering on their statute books, Galvao said.

The sums involved are enormous — the International Monetary Fund has estimated them at the equivalent of two to five per cent of total world economic output.

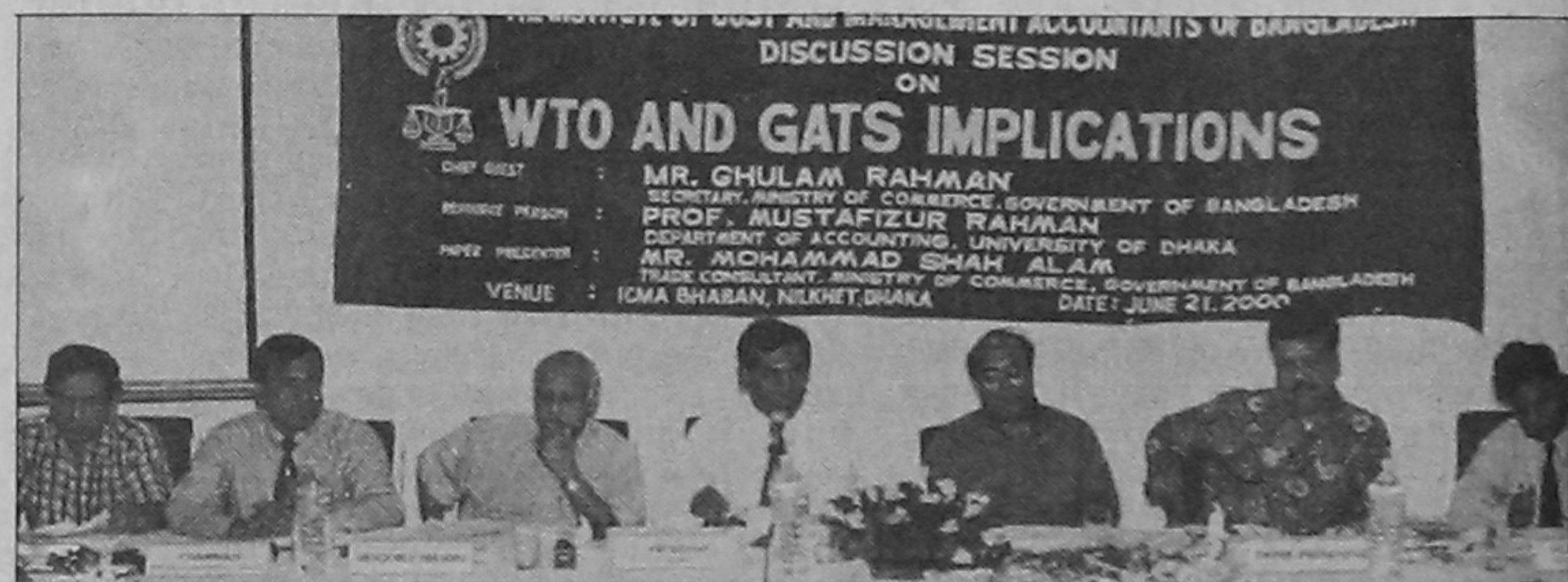
Reuters report from Washington says: The Clinton administration yesterday welcomed a Paris-based G7 agency's action to step up the battle against money laundering by publishing the names of 15 countries considered centres of the illegal activity.

The Financial Action Task Force, created in 1989 by the Group of Seven leading industrial nations, named countries ranging from Israel to the Cayman Islands as offenders in a move hailed by US Treasury Secretary Lawrence Summers.

The United States ... welcomes this landmark step to limit the capacity of drug dealers, terrorists, organised criminals and corrupt foreign officials to launder their ill-gotten gains through safe havens," Summers said in a statement.

The Treasury said it was examining how to use the list as a means for increasing US pressure on money laundering.

In a later conference call with reporters, Deputy Treasury Secretary Stuart Eizenstat said the United States would "actively review" whether to issue formal advisories to its banks to closely scrutinise dealings with institutions located in some of the named countries.



Commerce Secretary Ghulam Rahman, ICMAB President M Abul Kalam Mazumdar FCMA, Prof Mustafizur Rahman, industrialist M A Kalam, WTO Cell Chief Md Shah Alam, ICMAB Seminar and Conference Committee Chairman Muzaffar Ahmed FCMA and ABM Shamsuddin are seen at the discussion session on WTO and GATS implications arranged by ICMAB in the city Wednesday. — ICMAB photo

US govt, Microsoft agree on Supreme Court appeal timing

WASHINGTON, June 23: The government and Microsoft have agreed on a timetable for submitting briefs to the US Supreme Court, with the company scheduled to present its first filing on July 26, according to a senior Justice Department official, reports AFP.

A spokesman for the company said Microsoft would argue that its appeal against a federal district court ruling should be heard by the federal appellate body rather than the high court.

US solicitor General Seth Waxman, in a letter yesterday to the clerk of the high court, said that following the Microsoft submission, the government would respond on August 15, after which the company could reply — if it wished — on August 22.

The solicitor general, who is the second ranking Justice Department official after the attorney general, represents the department in Supreme Court proceedings.

US District Court Judge Thomas Penfield Jackson on Tuesday granted a government request that Microsoft's appeal against his findings — that the

company had violated antitrust law and should be sanctioned — be sent directly to the Supreme Court.

A direct appeal to the high court is possible in certain antitrust cases where such an action is deemed by the trial judge to be "of general public importance in the administration of justice."

Microsoft has strongly opposed any immediate Supreme Court action on its appeal, insisting that so complex a matter should first be heard in federal appeals court.

Judge Jackson in April upheld government charges that Microsoft had abused the monopoly it enjoys in the operating systems market thanks to Windows to harm competitors.

On June 7 he ordered that the company therefore be split into two separate entities, one to develop personal computer operating systems and the other to specialise in software applications.

He also imposed tough restrictions on some of Microsoft's business practices that would remain in effect until the breakup is complete.

But Jackson has now suspended the implementation of both the breakup plan and sanctions on the company's conduct, pending appeal.

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More SriLankan Airlines flights to India

COLOMBO, June 23: SriLankan Airlines began flying thrice a week to Bombay, India's financial capital, from Friday to cope with the passenger rush, the airlines said, reports AP.

Earlier, the airlines operated two flights a week to Bombay.

It also decided to fly a bigger plane to New Delhi on its scheduled four flights a week to carry more passengers.

SriLankan Airlines will also start flying to Dhaka, the Bangladesh capital, from next month.

The airlines is run jointly by the government and the Emirates, a Dubai-based airline. The government controls 60 per cent of shares.