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The Daily Star BUSINESS

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Holzman, Jalil talk ways to boost trade

US Ambassador to Bangladesh John C Holzman called on Commerce Minister Abdul Jalil at the latter's office in the city yesterday, says BSS.

They discussed matters relating to mutual cooperation, especially to increase bilateral trade and commerce between the two countries.

The meeting also had given importance to increase American investment in Bangladesh.

Training on accounting systems ends

A two-day "Accounting Systems" training programme for CEFE and non-CEFE trainers for the partner organisations, funded by the Promotion of the Private Sector-Component-B, GTZ, Bangladesh, ended at GTZ conference room on Sunday, says a press statement.

The training focused on ways to handle the accounting systems of the organisations as well as small businesses. It also opted for counselling them on double entry accounting concepts, journal, ledger, trial balance, income statement and balance sheet in relation with small businesses. Sixteen mid and senior-level participants from Midas, Vard, Dipshikha, Tarango, Annanda, Uddipan, SCTITI, CDA and TMSS took part in the training programme.

Project Manager Abu Bakar Siddique inaugurated the programme and emphasised proper accounting system of the small businesses so that businesspersons could understand their profit and loss.

Jalil Ahmed Khan, a free-lance consultant, conducted the training programme.

Promotion of the Private Sector, Component-B is a cooperation between German Technical Cooperation and twelve local partner organisations, mainly NGOs under Ministry of Commerce, and funded by the German Ministry of Cooperation (BMZ).

PPS-B's objective is to promote entrepreneurship and to create higher income and new jobs for entrepreneurs, their employees and communities using CEFE method.

Oil minister of Kuwait quits over refinery explosion

KUWAIT, June 26: Kuwaiti Oil Minister Sheikh Nasser Al Sabah told parliament Monday he had resigned over a refinery explosion that killed four workers a day before, says AP.

Although I'm not criminally responsible... my political responsibility drove me to put my resignation this morning before his business the Emir, Al Sabah said in parliament.

It was not immediately clear whether Kuwait's leader, Emir Sheikh Jaber Al Ahmed Al Sabah, had accepted the resignation. Sunday's early morning blast, caused by a gas leak, injured 49 in addition to the four killed at the Mina al-Ahmed refinery, located about 40 kilometres (25 miles) south of Kuwait City.

"The explosion was huge," Al Sabah told reporters at the refinery Sunday. "Damage is extensive. We still don't know the size or cost of damages. Some units might not be operational for months and some for weeks."

The refinery produced gasoline, diesel, aviation fuel and other fuels for export and the domestic market.

Beximco Synthetics declares 12.5pc dividend

Beximco Synthetics Ltd declared a 12.5 per cent dividend at its 9th annual general meeting held in the city on Sunday, says a press release.

The company earned a gross profit and net profit of Tk 188.64 million and Tk 80.11 million respectively during the year 1999.

The meeting was presided over by A S F Rahman, Chairman of the Board of Directors, Iqbal Ahmed, M A Qasem, O K Chowdhury, A B Siddiqui Rahman, Meer Tabarrak Hussain, Directors, and Md Asad Ullah, Company Secretary, attended the meeting.

Beximco Fisheries AGM held

Another press release says, Beximco Fisheries Ltd declared a 5 per cent dividend at its 19th annual general meeting held on the same day.

The company earned a gross profit and net profit of Tk 29.27 million and Tk 10.40 million respectively during the year 1999.

The meeting was presided over by A S F Rahman, Chairman of the Board of Directors, Iqbal Ahmed, M A Qasem, O K Chowdhury, A B Siddiqui Rahman, Meer Tabarrak Hussain, Directors, and Md Asad Ullah, Company Secretary, attended the meeting.

Forex reserve stands at \$1492.51m: Kibria

Govt has no plan to privatise NCBs

Finance Minister Shah AMS Kibria told the Jatiya Sangsad yesterday that the government at present has no plan to privatise any nationalised commercial bank, reports BSS.

Replying to a question from Quazi Sirajul Islam (AL-Faridpur), the finance minister, however, said the government has taken up a plan to privatise Bangladesh Shipila Rin Sangstha (BSRS).

He further informed that BSRS had earned profits of Tk. 6.6 crore in 1995-96, Tk. 4.4 crore in 1996-97, Tk. 5.5 crore in 1997-98 and Tk. 4.1 crore in 1998-99.

The finance minister also said that the total foreign cur-

rency reserve in the country was 1,492.51 million US dollar till June 18 this year.

Replying to a question from Advocate Goutam Chakravarty of BNP, he said the government has taken steps to make proper evaluation of the currency based on 'Real Effective Exchange Rate' and increase its exports to enhance the foreign currency reserve in the country.

On a question from Zainal Abedin Hazari of Awami League from Feni, the finance minister disclosed that total revenue earning as VAT in this fiscal was Taka 4,538.36 crore.

In reply to another question from Alamgir Haider Khan of BNP from Chandpur, Kibria

said the current rates of interest on agriculture credit were 12.5 per cent to 13.5 per cent with the state-owned banks, 12.0 per cent to 14.0 per cent with specialised banks, 10.0 per cent to 15.5 per cent with private banks and 10.0 per cent to 14.0 per cent with the foreign banks.

As per rules, he said, the concerned banks and financial institutions reserve the right to fix respective rates of interest on agriculture credit.

He said these banks and financial institutions could also reduce these interest rates in respect of the country's socio-economic condition and considering their own business interests.

BCS Software Expo 2000 begins Aug 3

Star Business Report

Bangladesh Computer Samity (BCS) will hold a 3-day Software Expo 2000 at a city hotel from August 3.

The software, IT training and internet show will be organised at Dhaka Sheraton Hotel.

BCS in a press release has invited software companies, training providers, internet service providers (ISPs) and related enterprises to participate in the exposition.

All interested companies may contact BCS office for booking stalls by June 30.

IIT Computer Edn Week concludes

Star Business Report

The closing ceremony of the 'Computer Education Week' organised by IIT Bangladesh Limited ended in the city on Saturday, says a press release.

Rashed Maksud Khan, past President of Dhaka Chamber of Commerce & Industry, was the chief guest, while DCCI president Aftab Ul Islam, who is also the Chairman, IIT Bangladesh and former President, Bangladesh Computer Samity, was also present. The ceremony was attended by many other distinguished guests.

The chief guest in his speech said information technology has become an inseparable part of the present-day world. It is everywhere in our day to day life, starting from space research to household affairs.

Bangladesh can come out of poverty utilising the power of IT in a much wider and better way than the garments industry. The fabulous global market of IT produces millions of jobs in different fields of IT, a significant portion of which can be filled by Bangladeshis provided they are properly trained, he said.

In his welcome address, Aftab Ul Islam explained the objectives of IIT Bangladesh to produce expert IT professionals for home and global market. With CMC's state-of-the-art IT courses, IIT Bangladesh would be able to train 1080 students in 36 batches every year.

ICAB holds CPE seminar on budget

The Institute of Chartered Accountants of Bangladesh (ICAB) organised a mandatory CPE seminar on "Finance Bill-2000" at ICAB Auditorium on Sunday, says a press release.

Abdul Mueyed Chowdhury, Chairman of National Board of Revenue (NBR), graced the occasion as chief guest while Fakhru Abdin, Member (VAT), and Faruq Ahmed Siddiqi, Member (Tax) of NBR, were the special guests.

ICAB President AK Chowdhury FCA presided over the seminar while Md Jahul Abedin FCA, Council Member and Chairman, Taxation and Corporate Laws Committee, and past President of ICAB chaired the session.

ICAB members Md Mustafizur Rahman FCA and Abdul Khalek FCA presented two keynote papers, on Income Tax and VAT and other Fiscal Measures respectively.

Aminur Rahman, First Secretary (Tax), and MA Baree FCA, Council Member, ICAB, were the official commentators of the paper on 'Income Tax' while Zahurul Haque, First Secretary (VAT), and A Haziz Chowdhury FCA, past President of ICAB, were on 'VAT and Other Fiscal Measures'.

The seminar was attended by ICAB members, government officials and other intellectuals from different disciplines.

ICAB president in his welcome address put forward critical observations on the changes in ITO-1984 and VAT Act-1991 proposed in the national budget for 2000-2001 and requested the NBR chairman to communicate these observations to the appropriate authority for consideration by June 29 when the Parliament will finally consider the budget proposals for adoption.

CCCCI demands budget funds for tunnel under Karnaphuli

Star Business Report

Chittagong Chamber of Commerce and Industry (CCCCI) has urged the government to allocate funds in the budget for building a tunnel under the Karnaphuli for facilitating communication links between the two sides of the river.

CCCCI said that the government allocated funds for constructing a few bridges in the proposed budget, but ignored the demand of the people of Chittagong for allocating funds for the tunnel, which is necessary for attracting increased investment in the port city.

"As the Shah Amanat Bridge over the Karnaphuli river cannot be used due to faults, the tunnel is now a dire necessity,"

a CCCI press release said as a reaction to the proposed budget for the next fiscal.

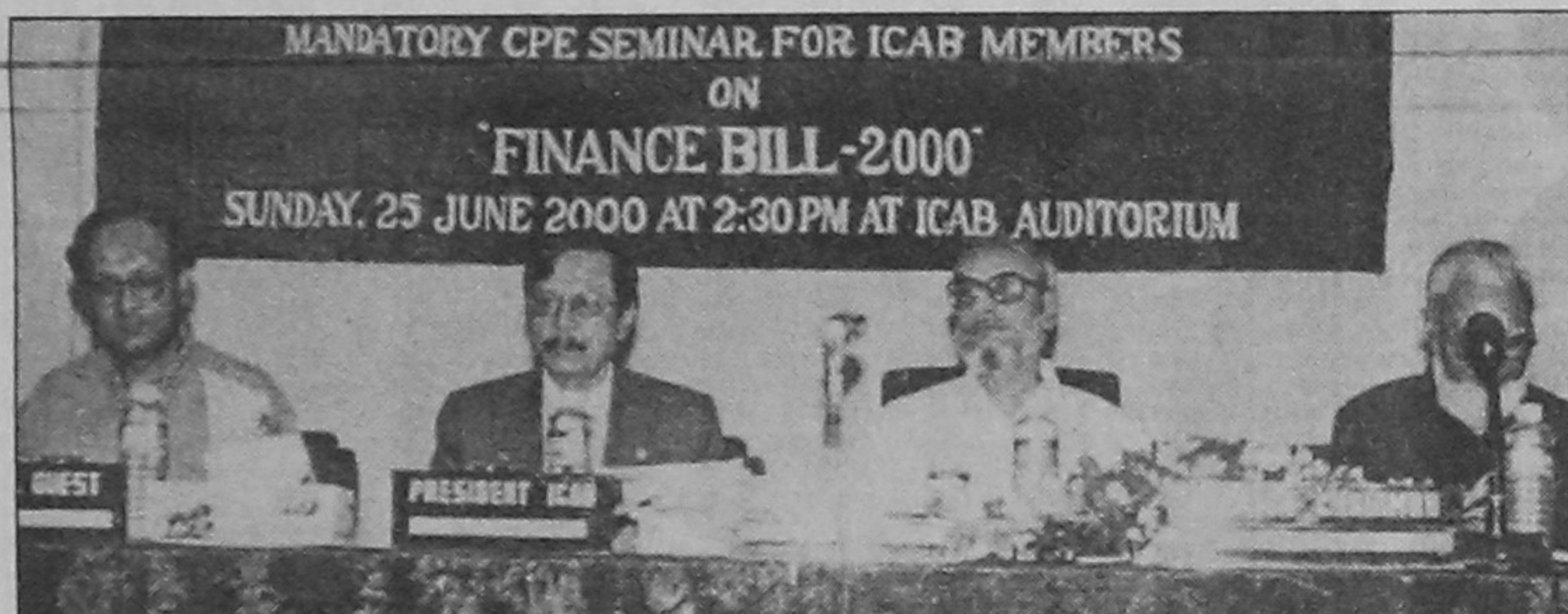
The Chamber also felt the urgency for building the tunnel, as a Korean EPZ and Japan International Cooperation Agency's (JICA) proposed special economic zone were being constructed on the other side of the Karnaphuli.

As PSI (pre-shipment inspection) has been made mandatory for all imports, the Chamber said that small importers were facing difficulties. It called for a provision to allow import of products worth US\$ 10,000 a year under the tax identification number (TIN) with a view to helping the small importers.

Hailing the government decision to ban three-wheelers with two-stroke engines, CCCI advocated for totally withdrawing the supplementary duty on environment-friendly four-stroke motorbikes and fixing the import duty at 15 per cent.

The Chamber also demanded reduction of the proposed 100 per cent supplementary duty on four-stroke three-wheelers at both import and production levels, which it said is too high for an item used by the commoners.

The Chittagong Chamber also called for reduction of duty on small cars with maximum 850cc engine.



(From left) Faruq Ahmed Siddiqi, Member (Taxation) of NBR, A K Chowdhury FCA, President of ICAB, Abdul Mueyed Chowdhury, Chairman of NBR, and Md Jahul Abedin FCA, Council Member, Chairman, Taxation and Corporate Laws Committee, and past President of ICAB, are seen at a seminar on "Finance Bill-2000" held at ICAB auditorium in the city on Sunday. — ICAB photo

CCC, Indonesian firm sign deal to set up power plant

Star Business Report

Chittagong City Corporation will set up a gas-based 10 Megawatt power plant at Nasirabad with technical and financial assistance from an Indonesian company.

An agreement to this effect was signed in Chittagong yesterday, says a press release.

Chief Executive Officer of the Chittagong City Corporation (CCC), Mohammad Abdul Wahab, and President Director of the Indonesian company, PT Kaltimex Energy, Rustam Effendi, initiated the deal on behalf of their respective sides.

CCC Mayor ABM Mohiuddin Chowdhury, Indonesian Ambassador in Bangladesh Soetanto Soemardjo, senior government and Chittagong City Corporation officials witnessed the signing.

Speaking on the occasion, the Indonesian envoy said, the

power plant, to be built on build-own-operate basis, will act as a great leap forward in the bilateral collaboration between the two friendly countries.

The power plant will be a small contribution of Indonesia towards poverty alleviation efforts in Bangladesh but it is a great stride forward for developing Chittagong as the commercial capital of Bangladesh, he added.

The Indonesian ambassador hoped that the power plant would be completed within the stipulated time so as to ease power shortage in the very vital port city.

Mayor Chittagong acclaimed Indonesian contribution to meeting the power needs in the port city.

Officials said the project was approved at a recent high level

meeting in Dhaka with Energy and Mineral Resources Secretary Dr Toufique Elahi Chowdhury in the chair.

According to officials, the Chittagong City Corporation had Tk 500 million project proposal approved by the government.

Kaltimex Energy Limited will provide financial and technical assistance for the project. Kaltimex would get 60 per cent profit while CCC will enjoy 40 per cent.

The power plant will be set up on a five hectares of land in the Panchalaish area of the port city. Bakirabad Gas Authorities have agreed to supply gas to the plant.

The demand for power in the Chittagong metropolis and its adjoining areas is 230 MW against the present supply of 160 MW.

Big firms' exodus blamed for Japan economic woes

TOKYO, June 26: Two British academics say they know why is to blame for Japan's decade of lost economic growth and its uncertain future — Toyota, Hitachi and all its other multinational corporations, reports Reuters.

An exodus by big Japanese companies since the early 1980s has wrought havoc on the all-important small business sector by starving it of new investment and orders, according to Keith Cowling and Philip Tomlinson of Warwick University.

"In particular, there are now genuine concerns that the expansion of overseas production has exacerbated a hollowing out

of Japanese industry which, in the long term, will lead to relative economic decline and stagnation."

"We see this relatively unrestrained shift of production by Japan's transnational corporations as contributing to a massive strategic failure of the Japanese economy," they said in a new report published on Monday by Britain's Economic Journal.

Cowling and Tomlinson said that between 1991 and 1995 Japan's transnational companies (TNCs) invested more than \$470 billion in overseas subsidiaries, a four-fold increase in real terms in the value of Japan's overseas capital stock.

Foreign direct investment (FDI) by Japanese firms during the period grew an average of 22 per cent a year, the fastest growth rate within the Group of Seven rich industrial nations.

The two researchers said this massive shift offshore, spurred by a liberalisation of government restrictions on FDI, may have served the corporations' global interests, but not the wider public interest.

They said the TNCs, by moving offshore and sourcing more components globally, have sucked the lifeblood out of the web of small suppliers in their 'keiretsu' business groups — a cornerstone of Japan's traditional industrial structure.

The decline in profits and return on capital suffered by most small Japanese manufacturers between 1992 and 1997 was particularly steep in those sectors where a significant share of production was shifted overseas, the two researchers argued.

They cited comments by new Nissan President Carlos Ghosn, installed by France's Renault when it bought a controlling interest in the loss-making carmaker, that his immediate goal was to cut costs by 20 per cent and not to maintain keiretsu ties.

The British academics acknowledged the part played by monetary, financial and currency factors in Japan's long cyclical downturn but said the global activities of TNCs had exacerbated the decline and would hamper hopes for economic recovery.

They said the continual rise in Japanese small business failures since 1991 was in striking contrast to the resurgence of small companies seen in the United States, Britain and elsewhere.

The upshot of what they acknowledged to be a pessimistic vision of Japan would be higher unemployment more business failures and a lower, less stable long-term development path.

Another report from Paris says Japan can expect steady

economic policy focused on information technology advances and reforms to cope with an ageing society. Economic Planning Minister Taichi Sakaiya told Reuters.

Sakaiya, speaking in Paris as provisional election results showed his ruling coalition being returned to power, also said that he hoped the economy would beat the official 1.0 per cent growth forecast.

The man who holds the reins of the world's second biggest economy along with Finance Minister Kiichi Miyazawa said that the option of an additional mini-budget had yet to be decided but that it was no longer needed simply to ensure growth.

Philip Morris to acquire Nabisco for \$15b

NEW YORK, June 26: Call it the cheese-and-crackers deal.

Philip Morris Companies Inc., which owns Kraft Foods, announced Sunday that it has reached an agreement to purchase Nabisco Holdings Corp., the No 1 cookie and cracker maker in the United States, for \$14.9 billion plus the assumption of \$4 billion in debt, says AP.

Philip Morris, headquartered in New York, is the world's largest tobacco company with its Marlboro, Benson and Hedges and Parliament cigarette brands.

Former President of the Dhaka Chamber of Commerce and Industry (DCCI) R Maksud Khan speaks as chief guest at the closing ceremony of the "Computer Education Week" organised by IIT Bangladesh Ltd at BCS Computer City Saturday. DCCI President Aftab ul Islam and Managing Director of IIT Bangladesh Kamrul Islam are also seen. — IIT photo

A five-day Uzbek Food and Cultural Festival will begin at Dhaka Sheraton Hotel tomorrow. In this connection, a cultural troupe and chefs from Uzbekistan have arrived in Dhaka. Picture shows the members of the cultural troupe with Wahidul Alam, Chairman, Airspan Ltd, GSA of Uzbek Airways, Shafiqul Alam, Executive Assistant Manager, Dhaka Sheraton, and Rashida Muhiuddin, Director, Public Relations. — Sheraton photo

Five-day Uzbek food festival starts tomorrow

A five-day Uzbek Food and Cultural Festival will begin at Dhaka Sheraton Hotel from tomorrow, says a press release.

Dhaka Sheraton Hotel and Airspan Ltd GSA of Uzbek Airways will jointly host the festival.

Minister for Civil Aviation and Tourism Engineer Mosharraf Hossain is expected to inaugurate the festival.

A 13-member cultural troupe and chefs from Uzbekistan are now in the city to take part in the festival.

The festival will give Bangladeshis an opportunity to relish an array of traditional and exotic cuisine of Uzbekistan that have been prepared under the guidance of Uzbek master chefs.

The cultural troupe will perform traditional colourful songs and dances of Uzbekistan and will also take part in a fashion show, depicting the lives and ways of Uzbek people.

IBM unveils new technology to double PC memory

NEW YORK, June 26: International Business Machines Corp was unveiling a new technology Monday that effectively doubles the amount of memory in a computer, says AP.

The technology could be used in desktop PCs and even handheld devices, IBM said. It will be introduced first for IBM's Netfinity line of servers with Intel processors for corporate networks and Web sites.

"That will be a big boom in the low end of the Intel server market," said analyst Mark Melonovsky at International Data Corp. "Memory is one of the constraints that the Intel-based platform is facing in order to continue to expand."

The memory-doubling is achieved by a chip that acts as an intermediary between the processor, which is the brain of a computer, and the memory. The chip encodes data so that it takes up half the space, IBM said.

Exchange Rates

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

Central bank buying and selling rate of USD:BDT 50.85/BDT 51.15

TT/OD	EC	Currency	Buying		
			TT Clean	OD Sight	OD Transfer
51.2800	51.3100	USD	50.9050	50.7363	50.6477
0.4978	0.4981	JPY	0.4797	0.4781	0.4773
31.1979	31.2162	CHF	30.5058	30.4047	30.3516
30.0269	30.0445	SGD	28.9480	28.8520	28.8016
34.8676	34.8881	CAD	34.0342	33.9214	33.8622
5.8233	5.8267	SEK	5.7242	5.7052	5.6952
31.4808	31.4992	AUD	28.6799	28.5848	28.5349
13.6401	13.6481	MYR	13.2548	13.2109	13.1878
6.6155	6.6194	HKD	6.4992	6.4777	6.4663
13.7835	13.7915	SAR	13.4644	13.4198	13.3964
14.0775	14.0857	AED	13.7470	13.7014	13.6775
0.0460	0.0461	KRW	0.0453	0.0452	0.0451
77.5764	77.6218	GBP	75.9503	75.6986	75.5663
48.5724	48.6008	EUR	46.5646	46.5100	46.4287

Usance Export Bills

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
50.8001	50.4866	50.0682	49.5870	49.0641	47.8925

Exchange rates of some Asian currencies against US dollar

Indian Rupee	Pak Rupee	Tha Baht	Mal Ringit	Indo Rupiah	NZ Dollar
44.60/44.75	52.27/52.30	39.04/39.09	3.7995/05	8550/8570	0.4702/0.4707

US Dollar

	Buying	Selling	1 Month	3 Months	6 Months	9 Months
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Cash notes

50.7050	51.3100	USD	6.65125	6.77	6.93	7.22
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T/C

50.6550	61.2900	GBP	6.14703	6.21719	6.33625	6.56
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