

**DAEWOO**  
ELECTRONICS

Automatic Washing Machine  
with Air Bubble Washing, Spin Rinse  
System & 3 Dimensional Water Flow

**TRINCO LIMITED** - Authorized Distributor of DAEWOO Electronics  
Dhaka: 8115307-10 CTG: 716353, 723578 Khulna: 720304 Bogra: 6215

# The Daily Star BUSINESS

DHAKA, MONDAY, JULY 3, 2000

**National Housing Finance & Investments Ltd.**  
Home Mortgage Loans available for:

- Construction of houses
- Purchase of houses or apartments
- Renovation or extensions to existing properties
- Purchase of housing plots in approved land developments

Telephone inquiries are welcome  
Chamber Building (6th Fl), 122-124 Motijheel, Dhaka-1000  
Telephone: 955 9311-2, 955 3387 955 3254 Fax 956 8987

## Pakistani mango show opens in city today

The two-day Pakistani mango show opens at Pan Pacific Sonargaon Hotel in the city today.

The exhibition will put on display a wide variety of mangoes available in Pakistan, says a press release.

Organised by the Pakistan High Commission, the show will remain open from 10 am to 8 pm everyday.

Pakistan produces some of Asia's finest fruits. Of these, mango is the most popular. Its unique and excellent flavour, attractive and pleasant aroma, beautiful shades of colour and health value makes mango a fruit much sought after.

## BTV earns Tk 62.95 cr in '99-2000

State-owned Bangladesh Television earned a total of Tk 62.95 crore during the last fiscal year, reports UNB.

Of the total, Tk 14.30 crore was earned from TV license fees, which was Tk 13.20 crore in the previous fiscal, said an official handout yesterday.

From advertisements, BTV earned Tk 48.36 crore including the special earnings of Tk 6.58 crore during the World Cup Cricket in 1999-2000 as against Tk 50.93 crore in the previous year.

From other sources, the state-run television earned Tk 29.71 lakh, making an increase of Tk 14.66 lakh over the previous year.

## JBIC workshop on transportation, environment tomorrow

Japan Bank for International Cooperation (JBIC) with support of the Embassy of Japan in Dhaka will organise a workshop on the improvement of transportation and environment in the city tomorrow, says a press statement.

JBIC has carried out a study to find effective ways to improve the transportation system and environment in Dhaka. These issues are quite important for the city dwellers to improve their lives and enhance economic activities. JBIC and the government of Japan have taken keen interest in these matters and would like to share the ideas and knowledge on these critical issues with the government, development partners and concerned agencies.

The workshop, to be held at Sheraton Hotel, will be graced by Communications Minister Anwar Hossain, as chief guest while ERD Secretary Dr Masihur Rahman will be the special guest.

## Vedika launches real time accounting software

A complete real time business accounting software. Fact is now available in Bangladesh. Fact is the flagship product of Vedika Software, says a press release.

Launching the product, the Senior Technical Support Consultant of the company Sitangshu Ghosal, said Fact is being used successfully for over last one decade worldwide by different industries.

He said the power of single source document entry is one of the most powerful features of Fact. The moment an enters a payment or receives voucher, Fact updates the bank book, cash book, general ledger, trial balance, profit and loss account and balance sheet all the way instantaneously.

He said, among the other salient features of Fact includes single user and multi user versions, on-line credit control checks, audit trails for modifications/deletions, multi-currency in all documents, user definable document class for multilevel organisational reporting, user definable profit/loss, balance sheet and cash flow statements, auto numbering of all source documents, menu customisation capability, document designer for all source documents, user defined fields, extensive data import and export facility, built in data backup and restoration facility, sales analysis and profitability, code/no code accounting, cash/bank book reports — zooming into source document facility, bank reconciliation with powerful query and report, online minimum balance check, extensive inventory reports, and extensive MIS reports.

## Japan-Gulf trade up 4.6pc in '99

DUBAI, July 2: Total trade between Japan and Gulf Arab states surged by 4.6 per cent in 1999 to \$33.2 billion mostly due to the rise in world oil prices, Japan External Trade Organisation (JETRO) said, reports Reuters.

# AIMS backs down on pledges to underwrite Modern Food

### Audited accounts differ from prospectus statement

By M Shamsur Rahman

An asset management firm yesterday refused to underwrite and subscribe the privately-placed shares of a company as pledged earlier after it came to know that the company had defaulted on loans, a fact which was not apprised of by the issue managers.

In a letter to the Securities and Exchange Commission (SEC) and managers to the issue, the asset management company said that they had earlier made commitments to subscribe and underwrite the issue based on the audited accounts for the year ended on June 30, 1999.

But the audited accounts of the company, which was submitted to the asset management firm, differed from that of the financial statement published in the company's prospectus.

On February 22, Asset and Investment Management Services (AIMS) of Bangladesh gave its consent to underwrite Modern Food Products Ltd. shares worth Tk 50 lakh and subscribe Tk 10 lakh worth of shares under private placement.

"It appears that the 'information memorandum' and unqualified accounts of the company, based on which our due diligence was made, differ significantly from the contents of the company's published prospectus," said Yawer Sayeed, Managing Director of AIMS in a letter to the issue managers.

"In view of the above digression, we regret to inform you that we can't live up to our underwriting and private placement pledges," said the MD's letter.

Talking to The Daily Star, Sayeed said that his firm's commitments were based on the auditor's report which gave a better picture of Modern Food. The published report by the auditors made a number of disclosures that were not known to AIMS, he said, adding "we

wouldn't have invested in the company if we were apprised of these facts earlier," Sayeed said.

He said that according to the prospectus, the company has outstanding working capital loans from Janata and Pubali Banks and project loans from MIDAS. The company has defaulted in paying back both these loans, he added.

"The auditors' published report said that the fixed asset schedule had not been prepared according to Bangladesh standard of accounting 4 and 16. The auditors also did not show the accumulated depreciation," he said.

Besides, the cash at sales centre was not physically verified by the auditors, and for the lack of up-to-date records, its subsequent position could not be ascertained by them, the AIMS CEO said, justifying his company's decision.

When contacted, Maruf Khan, Managing Director of Capital Market Services — the issue manager of Modern Foods — said the audited report of a company stands valid for 180 days. If the SEC fails to approve the report within the stipulated time, then the company has to file another new report, which is a time-consuming process.

"The prospectus of Modern Foods was approved on the last day and as such, there was no scope for the issue managers to communicate the disclosures to the underwriters," said Maruf Khan.

He also said that AIMS, being the underwriter, did the right thing by cancelling its commitments as they did not have the information in the prospectus.

The MD, however, refused to make any comments when asked about the responsibility and due diligence of the issue managers.



The first annual general meeting of Bank Asia was held at its registered office on Thursday with Chairman of the bank M Syeduzzaman in the chair. Vice-Chairman A Rouf Chowdhury and other Directors and shareholders are also seen in the picture.

— Bank Asia photo

# Fiscal, banking policies come under cutting criticism

### DCCI, CIPE seminar on leather sector held

Star Business Report

State Minister for Planning Dr. Mohiuddin Khan Alamgir yesterday came down heavily on the fiscal and banking policies, saying that the exchange rate policy, tariff anomalies, high fund costs and other charges by banks are not in favour of the exporters.

The exchange rate policy is still against export businesses and needs immediate correction. Besides, the export sector is losing around 10 per cent of its total earning due to port congestion and delays in shipment of goods, he said.

"We must think about correcting the present situation. The country's export cannot be a hostage by a section of the people," the state minister said.

The minister was speaking as chief guest at a seminar on 'High-Value-Added and Export-Oriented Business Sector: Leather and Leather Goods' jointly organised by the US-based Center for International Private Enterprise (CIPE) and

Dhaka Chamber of Commerce and Industry (DCCI) in the city. DCCI President Aftab ul Islam chaired the seminar while Syed Nasim Manzur, Managing Director of Apex Footwear Ltd., presented the keynote paper.

Those who discussed the problems facing the leather sector included MH Rahman, Co-ordinating Director of DCCI-CIPE Project, Mirza Najmul Huda, MA Sattar Bhuiyan, Chairman of Bangladesh Finished Leather, Leather Goods and Footwear Association, Dr. M Fazlul Karim, Principal of the College of Leather Technology, Kazi Abdul Mazid, Prime Bank MD, Mamunur Rahman and Syed Moazzem Hossain, DCCI Directors.

Mohiuddin Khan Alamgir also criticised the present lending rate and termed it 'too high'.

"Who will come to set up industries in Bangladesh with 16 per cent bank interest rate when Japan offers only 2 per

cent for working capital and even less than 2 per cent for term-lending?" he wondered.

The minister also said that bank charges for fund transfers within the country were one of the highest in the world.

He urged the local footwear manufacturers to submit proposals for tax reduction and said that he would his extend support to them.

Earlier, in his keynote presentation, Syed Nasim Manzur said shoe manufacturing in the country don't enjoy any advantage due to import policy discrepancies.

The rate of import duty on finished shoes, shoe components and accessories is almost equal and as a result, the local footwear industry is now threatened by cheap imports. He also said that shoes, being smuggled into the country from neighbouring countries such as Myanmar and India, were putting local manufacturers

under severe strain. Manzur mentioned the Indian currency has been devalued 35 per cent over the past 18 months against the nearly 7 per cent devaluation of Bangladesh Taka during the same period.

DCCI President Aftab ul Islam said that leather sector in Bangladesh could do much better if required policy, incentives and other measures were in place.

DCCI Director Mamunur Rahman observed that Bangladesh should perform better in the international leather products market because of cheap labour and availability of raw material.

MA Sattar Bhuiyan underscored the need for providing technical support for quality products.

Prime Bank MD Kazi Abdul Mazid admitted that the present lending rate is too high and said his bank offers competitive rates for good clients.

## Bank Asia's first AGM held

The first annual general meeting of Bank Asia Limited was held at the registered office of the company on Thursday, says a press release.

M Syeduzzaman, Chairman of the bank, presided over the meeting, which was attended, among others, by vice chairman A Rouf Chowdhury, directors and promoter shareholders.

The bank was launched on November 27 and worked only for 36 days in 1999.

The audited accounts of the bank and the report of the directors for the year ended on December 31, 1999 were unanimously adopted at the meeting.

## IT job offers rise by 40 pc in Japan

TOKYO, July 2: Japan's information technology sector may be leading a mild recovery by snapping up technicians as demand for communication systems booms, a news report said Saturday, reports AP.

## US Fed wants to halt inflation, not growth

WASHINGTON, July 2: The Federal Reserve Board wants to halt inflation before it damages the US economy, not stop growth in its tracks, according to a member of the central bank's rate-setting committee, says Reuters.

Federal Reserve Bank of Cleveland president Jerry Jordan, in a written speech prepared for the Western Economic Association International conference yesterday, said the Fed aimed to maintain price stability over a period of three to five years.

"It is imperative that we maintain the purchasing power of the dollar... Not minute by minute, not necessarily at the frequency at which the [Federal Open Market Committee] meets, but over some longer time horizon, may be three to five years," Jordan wrote.

The remarks were included in a copy of the speech released in Washington. Jordan excluded them from his actual address to the economists in Vancouver, British Columbia due to time constraints and concentrated on general economic issues.

Jordan, a member of the committee, added in his written remarks: "There should be no

perception that the central bank is 'anti-growth'."

On Wednesday, the FOMC voted to leave interest rates unchanged, taking a break from its year-long campaign of raising rates to stop inflation from harming the US economy. The Fed has raised rates six times in the last year to the highest level in nearly a decade.

Fighting inflation is important because it promotes price "predictability," Jordan wrote.

"If the rules are transparent enough, people know with some amount of certainty how the monetary authorities will respond," he said. "If they know that policymakers have a three-to-five-year horizon, then seeing an uptick in price statistics in one quarter will not cause them to alter their behaviour."

In his actual address at the conference Jordan told the economists that just because there have been dramatic technological advances in recent years it did not mean there had been fundamental changes in the nature of the economy.

"The fundamental determinants of a healthy economy are the same as they ever were," he said.



Bangladeshi participants of the recently-held AOTS Scholarship programme on Japanese Management are seen with I Watanabe, Course Coordinator, and Yasuhiko Shirota, Managing Director of AOTS Kenshu Centre, Yokohama, Japan.

## AOTS scholarship programme on Japan management held in Yokohama

The Association of Overseas Technical Scholars (AOTS), Japan hosted a 2-week scholarship executive programme on Japanese management recently.

A total of twelve participants from Bangladesh, and seven from Nepal attended this programme, says a release.

The programme was held at Yokohama Kenshu Centre. The participants were exposed to Japanese management concepts and practices in areas of corporate strategy, human resources, production, financial and marketing management.

They also visited several manufacturing plants including Toyota, Mitsubishi Electrical Industries producing satellites; Shin Caterpillar-Mitsubishi plant which produces excavators and bulldozers; and the leading milk and yogurt manufacturer in Japan, Snow Brand.



Asset International yesterday arranged a seminar titled "Overview on Microsoft Certification" at its Dhanmondi centre. Senior faculty member Mahfuzur Rahman, a Microsoft certified system engineer (MCSE), presented the keynote paper. A good number of participants attended the seminar, where they learnt about various available and future certification tracks. The seminar ended after a question-answer session.

— Asset Int'l photo

# Indian IT faces challenge from global infotech demand

NEW DELHI, July 2: For the increasing number of Indian high school graduates opting for colleges with specialist infotech courses, one common ambition burns bright — to go to the United States and make a pot of money, reports AFP.

They are powering the growth of the world's biggest infotech companies, but the trend is posing a big challenge to India's domestic infotech industry which needs enough good IT people to fuel its own galloping development.

According to Dewang Mehta, president of the National Association of Software and Service Companies (NASSCOM), half a million Indian IT professionals could be tempted overseas over the next five years.

Initial findings of a recent NASSCOM survey suggest the job market could become "very tight" by 2002/2003 if immediate steps are not taken.

"I do not see a problem right now. But if we do not increase the number of training colleges, there could be one," Mehta warned.

The NASSCOM survey estimates the Indian software industry will require about 140,000 fresh software professionals over the next two years, with a pool of 146,000 graduates to choose from.

But overseas competition for Indian IT professionals is growing by the day, with countries such as Germany, Japan, Singapore and Britain offering similar attractions to the United States.

"There is a shortage of skilled (IT) professionals and a majority of Indian companies are hit because of this. Most of them want to go to the US," said KM Ullappa, human resources development manager at Tata Consultancy Services, in the

southern Indian city of Bangalore.

Even those companies that manage to attract top-drawer graduate talent may face problems further down the line.

Only a limited number of top-class IT professionals are produced each year by the premier Indian colleges and institutes, and many have their eyes focused on career horizons overseas.

"If you divide the graduates into four levels, then I would say that the number of IT people emigrating are predominantly from the top two places," said Anil Dixit, executive director of HelloBrain Worldwide, a portal which offers global software project work here over the Internet to Indian professionals.

While large firms like Satyam can hold on to their workers, thousands of small and medium-sized Indian com-

panies, with relatively limited resources, would be hit hard by a severe job market crunch.

However, optimistic industry officials say even these will be able to keep their heads well above water by focusing on low-end technology work such as call centres and medical transcription services.

The global demand for such work could run into trillions of dollars for the Indian IT industry over the next 10 years, they added.

"It is like a pyramid and we have to do all kinds of work. Everybody cannot target to move up the value chain," said Mehta, who also urged companies to examine whether they were doing enough to attract the best.

Many infotech companies here are known for being fuzzy about their goals and do little to stoke motivation levels.

# Australian Treasurer sells new tax for economy

CANBERRA, July 2: Australian Treasurer Peter Costello said today the nation's economy would strengthen under a new taxation system which was introduced smoothly on Saturday after denting support for the conservative government, reports Reuters.

The launch of the conservative government's sweeping tax reform package — centred on a 10 per cent Goods and Services Tax (GST) — went better than expected with retailers well prepared and telephone hotlines set up for complaints left little.

However public uncertainty over the new system, particularly the GST, has cut support for the coalition government to 33.5 per cent in latest polls against opposition Labor's 48.5 per cent, necessitating a continuing hard-sell campaign on its benefits.

"All other things being equal, a better tax system will

make for a stronger economy," Costello told television's Channel Nine.

Costello denied the tax changes would slow the economy. He said the reforms would boost exports and manufacturing and make business investing more competitive.

"This is a step forward which is going to make Australia stronger and which will lead to more jobs, and that's what we want, of course, over the coming years," he said.

But Australians remain unconvinced that income tax cuts totalling A\$12 billion (US\$7.2 billion) and increased welfare payments will compensate for price hikes related to the GST which is replacing a higher existing wholesale sales tax.

Businesses also remain hesitant about changes in the reform package which will cut company tax to 30 from 36 per cent within a year and introduce Australian Business Num-

bers for all businesses to obtain tax credits and clamp down on the black economy.

Prime Minister John Howard, who has admitted putting his "head on the block" for the GST, said Saturday's launch went smoothly after retailers worked through the night on Friday to change price labels and update software.

"The Australian community by and large has taken it in their stride," Howard, leader of the Liberal/National coalition, told television station Channel Ten. "But I don't want to claim instant success. It will take some time but I am very positive."

He urged Australians to give the tax a "fair go" before making up their minds — and then express their views at the next general election which is due by the end of 2001.

"I am not complacent (about the election). I think it will be tough," said Howard.