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The Daily Star BUSINESS

DHAKA, MONDAY, JULY 31, 2000

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SEC cancels Modern Foods IPO

Star Business Report
The Securities and Exchange Commission (SEC) yesterday cancelled the initial public offerings (IPO) of Modern Foods Limited.

Earlier on July 10, the market regulators suspended the IPO for hiding some vital information in its prospectus published in different newspapers. The Commission allowed Modern Foods to go public in end-June.

Soon after the publication of the company prospectus, one of the underwriters, who had pledged to subscribe a portion of the IPO through private placement, refused to do so on the ground that the company defaulted in repaying loans, a fact that was not informed by the issue managers.

After the underwriter refused to buy shares, MIDAS also wrote to SEC that the prospectus did not disclose facts about the default loans Modern Foods has with it.

Energypac brings in Lapp Group products

The Lapp Group products were launched in Bangladesh through its local agent M/s Energypac Power Generation Ltd at a function held at a city hotel on Monday, says a press release.

Lapp Group has realised that Bangladesh has a great potential for absorbing new cable technologies. Hence they have taken the first step of joining hands with Energypac and have launched their products.

The present requirement of Bangladesh will be met through their subsidiary in India M/s Lapp India Pvt Ltd.

The company is a 100 per cent subsidiary of Lapp Group with state-of-art modern manufacturing facilities located at Jigani Bangalore and is already accredited with ISO-9002. These facilities have been set up with the latest and most modern machinery from India and abroad.

Lapp Group is an international conglomerate of 35 companies worldwide with a sales turnover of approximately US\$500 million and is one of the leading manufacturers of control cables, connectors, glands, accessories and communication technology.

The headquarters of the company is in Stuttgart with its manufacturing facilities in Germany, France, Switzerland and India.

Lapp Group product portfolio consists of some 45,000 items and operates with the concept of "solution providers in connectivity" for requirements of end-users in diverse industries.

Core products of Lapp Group range are "market leaders" in Germany, Europe and other international markets.

**Intech Online's
new CEO**

Quazi Akhlaqur Rahman has joined Intech Online Limited, a new generation ISP, as its Chief Executive Officer, says a press release.

Prior to joining Intech Online, he worked as IT consultant for different organisations. He started his career as an IT professional with Grameen CyberNet where he has worked for more than 3 years.

He has got his MBA in Management Science from IBA, University of Dhaka. Rahman did a training course in Japan on "Internet Applications Systems Development" from May to August 1999. He is a member of CICC (Centre of the International Cooperation for Computerisation), Tokyo, and an active member of BAAS (Bangladesh AOTS Alumni Society).

**Team meets FM
PM's Malaysia
entourage upbeat
about gains**

Entourage members of trade delegation of the Prime Minister's visit to Malaysia yesterday exchanged their views with Foreign Minister Abdus Samad Azad in the ministry conference room, reports BSS.

The delegation members informed the minister that the visit would be fruitful in increasing bilateral trade, manpower export from Bangladesh to Malaysia and extending cooperation in the IT sector.



**Six money
changers
lose licences**
Star Business Report

The Bangladesh Bank has cancelled the licences of six money changing firms on various grounds.

These firms were issued licences for buying foreign currencies from in-coming passengers and selling the same to the outgoing travellers, said a press statement issued by the central bank yesterday.

The firms which lost their licences are Munshi Money Changers, LS Money Exchangers, Secured Money Exchange, Eastern Money Exchange and Quick Money Changers of Dhaka and Isra Money Changer Limited of Chittagong.

**Hyundai Motors offers int'l
securities sale to cut debt**

SEOUL, July 30: South Korea's largest car maker, Hyundai Motor Co has offered to sell abroad asset-backed securities worth 180 million dollars to help improve its financial status, reports said today, reports AFP.

Hyundai Motor's financial arm in the United States has signed a deal through lead manager societe General Cowen Securities in New York to sell the securities to European investors, Yonhap news agency said.

Payment will be made in early August, it said, adding the funds would be used to pay off Hyundai

of the country's largest conglomerate, the Hyundai Group, which has been squeezed by a credit crunch and a prolonged family feud.

Hyundai Motor tried to separate from the group earlier this month, but the plan has been delayed by the dispute in which founder Chung Ju-Yung has resisted government pressure to sell down his stake in the auto unit controlled by his son.

The family feud intensified last week after the group's profitable shipyard, controlled by another son, severed ties with weak firms run by his brothers.

NCB gains slide, deposits rise

By Shahriar Karim

The profits of the four nationalised commercial banks (NCBs) have shown a declining trend in the first six months (January-June) of the current calendar year.

According to the latest figures, two of the NCBs incurred huge losses during the period while two others posted marginal profits. Agrani Bank topped the list of loss-making NCBs with a Tk 18.07 crore pre-tax loss in the first three months of 2000. Rupali Bank incurred a loss of Tk 14.42 crore in the first six months of the current year.

The two profit-making NCBs are Sonali Bank and Janata Bank

which made Tk two crore (pre-tax) and Tk 0.77 crore profits respectively. Despite the marginal profits, their performances also showed declining trends.

Last year Sonali Bank earned a pre-tax profit of Tk 65.12 crore while Janata Bank's post-tax profit was Tk 1.03 crore.

In the first three months of the current year, Agrani Bank earned Tk 192.23 crore and its total expenditure was Tk 210.30 crore. This showed that Agrani's expenditures have far exceeded its earnings. But in 1999, the trend was quite different with its total earnings clocking at Tk 797.94 crore and expenditure standing

at Tk 769 crore.

In 1998, Agrani Bank managed Tk 0.50 crore post-tax profit after giving Tk 0.50 crore tax and deducting Tk 82.94 crore as bad debt and other (sanchit) from a total Tk 84.94 crore profit.

Rupali Bank's earnings during January to June this year was Tk 170.23 crore and its expenditure was Tk 184.65 crore. Rupali's loss in 1999 was Tk 30.81 crore.

Sonali Bank's total earning was Tk 671.25 crore till June this year while its expenditure was Tk 669.25 crore. Janata's earning was Tk 341.90 crore and expenditure Tk 341.13 crore.

However, deposits with all the

NCBs except for Agrani Bank increased significantly in the last six months.

The deposit of Sonali was Tk 17982.27 crore as on June 30. It was Tk 16794.97 crore as in December 1999.

Janata Bank's deposit increased to Tk 9985 crore in June 2000 from Tk 9243.66 crore in December 1999. Rupali's deposit was Tk 4084.93 crore in June 2000, significantly up from Tk 3856 crore in December 2000. On the other hand, the deposit of Agrani decreased to Tk 8803.51 crore in March 2000 from Tk 9078.30 crore in December 1999.



Picture shows the launching ceremony of Lapp Group products in Bangladesh at a city hotel on Monday. --Energypac photo

Plan to tax e-biz seen hurting Internet growth in China

BEIJING, July 30: Officials in Beijing are saying e-commerce will have to be taxed, regardless of whether it hurts the development of the Internet, which is still only in its embryonic stages in China, reports AFP.

The plan to tax e-commerce is bad news for companies like Honeywell International a US-based manufacturer of everything from aerospace electronics to chemicals, which is setting up an e-commerce web site for construction companies, initially targeting the Chinese market.

"A tax will increase the costs of

usage of the Internet," said Yugo Tsai, chairman of Honeywell (China) Investment. "So certainly our viewpoint is that it's better if there's no levy on this."

In the past months, finance ministry officials and Internet regulators have stressed that e-commerce should be treated no differently from off-line business, which are taxed.

Director of the state administration of taxation, Jin Renqing, chipped in with his opinion last week, telling the official China Daily Business Weekly he would like to see an e-commerce tax.

"If I were to attend an international conference on e-commerce, as the tax minister of a developing country, I'm afraid I would have to disagree with a tax exemption for e-commerce," Jin said according to the paper.

A task force has been set up within his administration to look at e-commerce taxation and find out how to prevent on-line tax evasion.

Paradoxically, the taxman's attention is good news for e-commerce in China, argued Duncan Clark, a partner with BDA China, a consultancy firm.

ANZ opens Credit Card Service Counter at Dhaka Cantt CSD

A Credit Card Service Counter of ANZ Grindlays Bank Card Services was inaugurated at Canteen Store Department (CSD) of Dhaka Cantonment on Saturday by Imran Ahmed, Head of Cards, ANZ Grindlays Bank, says a press release.

Senior officials of the CSD administration and other members of the bank were also present on the occasion.

Imran Ahmed said that the exclusive Service Counter would allow CSD customers to apply for credit cards at their convenience and without coming to the bank. The service counter will be manned by trained sales agents of the bank who will be able to meet all kinds of customer queries regarding credit cards as well as other services of the bank.

ANZ Grindlays Credit Cards are currently being accepted by nearly 2500 merchant outlets in the country.

SE Asian recovery may tumble if markets fall further

ADB analysts warn

MANILA, July 30: Southeast Asia's recovery from its worst financial crisis ever may be scuttled if regional stocks and currencies stumble further from their recent lows amid rising interest rates, the Asian Development Bank (ADB) has warned, reports AFP.

But the Manila-based bank pointed out that the weakening of regional currencies did not signal another turmoil similar to the foreign exchange crisis which erupted in mid-1997, pushing the region into recession.

The Indonesian rupiah, the Philippine peso, the Thai baht and the Singapore dollar have sagged in recent weeks, partly in the absence of political and economic reforms, as well as concern over a potential US interest rate hike and worries the region's key electronics sector boom will ease off, analysts have said.

Stock markets in the region have been depressed most of this year, despite a few gaining ground in June.

"Is this the beginning of a new crisis? My answer is no because so far there are no reasons to believe that," ADB's director of programmes Yoshihiro Iwasaki told AFP.

"But at the same time, I cau-



Industries Minister Tofail Ahmed speaks at the monthly luncheon meeting of the Foreign Investors' Chamber of Commerce and Industry held at Dhaka Sheraton Hotel yesterday. Seated on his left are Chamber President Waliur Rahman Bhuiyan and Secretary Jahangir Bin Alam and on his right is FICCI Committee Member James Ashworth. --FICCI photo

economists call V-shaped recovery -- from the financial crisis which started in 1997.

"Initially, it was very welcomed but there was some overshooting, (including) substantial and remarkable recovery in stock markets. So, part of the recent falls is obviously a correction," he said.

The Indonesian rupiah has suffered its biggest plunge so far this year, down 12 per cent against the US dollar amid political and economic concerns in Southeast Asia's largest nation.

The Philippine peso is down by about 10 per cent against the greenback, pressured by a Muslim insurgency in the south of the archipelago, while the Thai baht hit a 10-month low week amid concerns over the slow pace of banking reforms.

The Singapore dollar slumped to a 22-month low last week amid worries over the slide of neighbouring currencies and concerns that semiconductor and personal computer-related demand may be topping out.

Iwasaki said he was optimistic that Southeast Asia would be able to contain the current problems as the region's defense systems was now stronger than it was in 1997.

BB T-bill auction held

The 99th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held here yesterday, reports UNE.

Some Tk 1354.50 crore, Tk 40.00 crore, Tk 40.00 crore, Tk 35.00 crore were offered respectively for the 28-day, 182-day, 364-day and 2-year bills.

Of these, Tk 1334.50 crore, Tk 32.00 crore, Tk 33.00 crore, in total of Tk 1399.50 crore of 28-day, 364-day and 2-year bills were accepted respectively with the range of implicit yields of 6.01-6.10 per cent, 7.50-7.60 per cent and 8.44-8.50 per cent per annum respectively.

The bids offered for the 182-day bills were not accepted and no bids were offered for the 91-day and 5-year bills.

**Dhaka Bank
posts Tk 12.17cr
profit till June**

Dhaka Bank Limited has earned an operating profit of Tk 12.17 crore up to June 30 this year.

This was stated by Managing Director of the bank, A I M Iftikar Rahman, at the Half-yearly Managers' Conference held at BRAC centre at Gazipur on Saturday, says a press release.

A T M Hayatuzzaman Khan, Chairman of the Bank, was the chief guest on the occasion.

Founder Advisor of the bank Mirza Abbasuddin Ahmed, Vice Chairman Afroza Abbas, Directors Mainul Islam, Mohammed Hanif and Rokshana Zaman, and Deputy Managing Director Md Mokhlesur Rahman were present at the conference.

Opening the conference, the chief guest spoke of more efforts in the coming six months to maximize profit of the bank.

The Founder Advisor of the bank, in his speech, praised the performance of the bank's employees in achieving the significant growth of the bank.

The deputy managing director underscored the importance of deposit mobilisation and proper fund investment. He emphasised on quick decision of the proposals of the clients.

**ICB declares
dividends on
Mutual Funds**

Investment Corporation of Bangladesh (ICB) has declared dividends on its eight Mutual Funds and on the Unit Funds, says a press release.

The rates of dividends are 125 per cent for First, 35 per cent for Second, 40 per cent for Third, 36 per cent for Fourth, 21 per cent for Fifth, 16 per cent for Sixth, 13.5 per cent for Seventh and 12.5 per cent for Eighth Mutual Fund and Tk 12.00 per Unit for the year ending June 30 this year.

The dividends were approved at a meeting of the Board of Directors of the Corporation held in the city yesterday. Hedayat Ahmed, Chairman of the Board of Directors, presided over the meeting.

The rates of dividends for the last fiscal year were 100 per cent for First, 32 per cent for Second, 38 per cent for Third, 35 per cent for Fourth, 20 per cent for Fifth, 15 per cent for Sixth, 13 per cent for Seventh, 12 per cent for Eighth Mutual Fund and Tk 12.00 for per ICB Unit Fund.

It may be mentioned that the 1st Mutual Fund declared highest cash dividend in the country for the last financial year.

During 1999-2000, the distributable net profit of the First Mutual Fund was Tk 287.33 lakh, Second Mutual Fund was Tk 56.92 lakh, Third Mutual Fund was Tk 144.34 lakh, Fourth Mutual Fund was Tk 80.33 lakh, Fifth Mutual Fund was Tk 39.94 lakh, Sixth Mutual Fund was Tk 111.98 lakh, Seventh Mutual Fund was Tk 49.16 lakh, Eight Mutual Fund was Tk 79.75 lakh and ICB Unit Fund was Tk 6631.26 lakh respectively.

The Board appreciated that the Funds have been very professionally managed by ICB.

**Charges of receiving favours
Top Japanese financial
reformer steps down**

TOKYO, July 30: Japan's chief financial reformer Kunitaka Kuze stepped down today amid a scandal linking him to a major bank from which he received favours worth 2.1 million dollars, Chief Cabinet Secretary Hidenao Nakagawa said, reports AFP.

"I have received his letter of resignation," Nakagawa told reporters at Prime Minister Yoshiro Mori's residence.

Kuze, chairman of the Financial Reconstruction Commission, allegedly failed to report 230 million yen (2.1 million dollars) in

Number of LDCs rising dramatically

UNITED NATIONS, July 30: The world's Least Developed Countries (LDCs), described as the poorest of the poor, are increasing in number despite 20 years of international efforts to break them out of the aid-dependency 'vicious cycle', reports IPS.

Of today's 48 LDCs, 33 are in Africa, nine in Asia, one in the Caribbean and five in the Pacific region. Botswana is the only country to ever be removed from the LDC list and, according to the United Nations, Senegal, Congo, and Ghana meet criteria to be added to the list this year amidst serious deterioration of their economies.

The number of LDCs has been rising dramatically at a rate of approximately one per year since the international community in 1971 recognised the existence of this category of countries whose distinctness lay not only in the profound poverty of their people, but also in the economic, institutional and economic resources.

Although LDCs constituted about 10 per cent of the world's population in 1997, their share in the world inputs was only 0.6 per cent and in world exports 0.4 per cent.

These shares represent declines of more than 40 per cent

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ATM Hayatuzzaman Khan, Chairman of Dhaka Bank Limited, addresses the Branch Managers' Conference of the bank at Brac Centre for Development Management (BCDM) at Rajendrapur Saturday. Afroza Abbas, Vice Chairman, Mirza Abbas Uddin Ahmed, founder Adviser, Directors Rokshana Zaman, Mainul Islam and Mohammad Hanif, Managing Director AIM Iftikar Rahman and Deputy Managing Director Md Mokhlesur Rahman are seen in the picture. --Dhaka Bank photo



Imran Ahmed, Head of Cards of ANZ Grindlays Bank, is seen with senior officials of the Canteen Stores Department (CSD) of Dhaka Cantonment at the inauguration of a Credit Card Service Counter at the CSD on Saturday. Other officials of the bank are also seen in the picture. --ANZ photo

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Senior executives of National Bank Ltd (NBL) congratulate Rafiqul Islam, Managing Director, for the bank's significant progress in various fields of banking in recent years at a function in the city recently. --NBL photo

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ment, poverty and the increasing gap in welfare levels between people within the LDCs pose a serious threat to peace and security in much of the developing world.

The widening income inequality between countries, the growing incidence of poverty and the threat of depopulation in poorer countries resulting from the HIV/AIDS pandemic were raising questions as to just how serious the international community was about its commitments," said Rubens Ricupero, Secretary General of the UN Conference on Trade and Development (UNCTAD).