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DHAKA, SUNDAY, AUGUST 13, 2000

BFFEA hails  
evaluation of  
Taka

Bangladesh Frozen Foods  
Exporters Association (BFFEA)  
yesterday hailed the devaluation  
of Taka against US dollar with a  
hope that it would help boost  
exports and foreign currency  
reserves, says UNB.

The association termed the  
latest decision of devaluation  
"timely, realistic and a positive  
step to stop smuggling of dollar  
from the country."

"The devaluation will balance  
the country's export trade with  
the neighbouring competitor  
countries," BFFEA president Kazi  
Shahnewaz said in a statement.

ANZ Grindlays  
arranges Tk 600m  
syndicated loan  
for Scacement

Scacement International Ltd,  
the first multinational company  
to operate in the cement sector in  
Bangladesh, has recently signed a  
Tk 600 million syndicated term  
loan agreement with the country's  
leading financial institutions,  
says a press release.

The syndication consumes  
the local currency financing  
need for the 680,000 MT per  
year cement clinker grinding  
plant at Kanchupur near Dhaka.

Other participants in the loan  
syndication are Southeast Bank,  
Credit Agricole Indosuez, ONE  
Bank, Prime Bank and Al Baraka  
Bank.

The Specialist Finance and  
Advisory Services Unit of ANZ  
Grindlays Bank has been  
appointed the arranger and  
adviser for the syndication.

Senior representatives of the  
bank in the syndicate were also  
present on the occasion.

Mokammel Haque, Executive  
Chairman of BOI, who was the  
chief guest on the occasion,  
assured all necessary support  
required from BOI to assist in  
such initiatives contributing to  
the industrial development of the  
country.

He said this investment is yet  
another testimony to Bangladesh  
as being an attractive investment  
destination for foreign investors.

Abdul Awal Mintoo, President  
of FBCCI, was the special guest at  
the signing ceremony. He spoke of  
the urgency of the syndication  
for fueling economic development  
of the country.

KM Sattar, Head of Corporate  
Financial Services of Grindlays  
Bank, congratulated the management  
of Scacement for achieving  
this milestone.

Ola Schippert, Chief Financial  
Officer of Scacement, expressed  
the company's commitment to  
Bangladesh and assured to play  
the leading role in the development  
of the country's cement industry.

Abrar Anwar, Head of SFA of  
Grindlays Bank, said syndication  
is a vital way to arrange finance  
for large industrial projects and  
thanked all the participating  
banks in the syndication.

OPEC's September  
summit to talk  
market, price

JAKARTA, Aug 12: Indonesia  
said today that OPEC's summit  
next month would focus on market  
and price developments, reports  
Reuters.

The summit in September will  
discuss the market situation and  
price developments," Mines and  
Energy Minister Susilo Bambang  
Yudhoyono told reporters.

He was speaking after talks  
with visiting Venezuelan President  
Hugo Chavez, who is touring  
OPEC countries ahead of the  
summit in Caracas.

Yudhoyono said OPEC should  
stick to its current mechanism  
which targets a \$22-28 per barrel  
oil price for a basket of seven  
OPEC crudes.

But the group may need a "new  
consensus" if the price stays  
above \$28, he added.

Hyundai to issue  
exchangeable  
bond to ease  
liquidity crisis

SEOUL, Aug 12: South Korea's  
embattled Hyundai Group and its  
creditor banks are expected to  
reach an agreement which will  
see the conglomerate's construction  
unit issue exchangeable bonds to ease its liquidity crisis,  
news reports said today, reports  
AFP.

The Hyundai Group and the  
government's Fair Trade Commission  
(FTC) are also discussing  
Hyundai's draft plan to spin off its  
auto and shipbuilding units,  
Joongang daily and Yonhap News  
Agency said.

There is no need for us to  
to sell its securities as long as there is a  
way for Hyundai to secure liquidity  
at an early date," a Korea  
Exchange Bank (KEB) official was  
quoted as saying by Joongang.

## Kibria backs devaluation, finds it necessary to boost exports

By Staff Correspondent

Finance Minister Shah AMS  
Kibria yesterday spoke in favour  
of the recent devaluation of Taka  
against US dollar, saying it was  
necessary to increase exports and  
remittances as well as to check  
hundi business and smuggling.

The recent Taka devaluation,  
which the Bangladesh Bank has  
done in consultation with the  
Finance Ministry, should have  
been carried out much earlier," he  
said while speaking at a working  
session of 13th biennial conference  
of the Bangladesh Economic  
Association (BEA).

The three-day conference held  
at the Planning Academy in the  
city concluded yesterday. Outgoing  
BEA President Prof  
Wahiduddin Mahmud, Binayak  
Sen and ERD Secretary Mashirul

Rahman also spoke at the working  
session on 'Development Ideas'.

The finance minister said  
importers are dominating the  
country's economy and have  
amassed huge wealth by trading.  
"Our duty is not to protect their  
interest only. We have corrected  
the price of taka against dollar  
because our currency was over-  
valued," Kibria stated.

The correction had become  
necessary considering the present  
price of the Indian rupee  
against dollar, he said. "It is relevant  
to compare our exchange  
rate with that of India," he added.

"I do not want to say that taka  
has been devalued. I would rather  
prefer to say that taka has been  
corrected against dollar."

He also mentioned that taka  
has been devalued less than the  
currencies of many strong economies  
like Singapore.

India devalued its currency  
against dollar by 19.8 per cent  
during June, 1997 to June, 2000.  
Indonesia devalued its currency  
by 71.8 per cent, South  
Korea by 20.3 per cent, Malaysia by  
33.6 per cent, Pakistan by  
22.1 per cent, the Philippines by  
38.9 per cent, Singapore by 17.3  
per cent, Sri Lanka by 23.8 per  
cent and Thailand by 34.1 per  
cent while Bangladesh devalued  
taka by 14.4 per cent during the  
period, Kibria said.

The finance minister also came  
down heavily on the role of World  
Bank for making governance an  
issue now.

"The Bank did not say anything  
when two military rulers were in  
power and destroyed all the institutions  
of the country. I thank WB for raising the  
governance issue, though belatedly."

Kibria also expressed concern  
at the country's education standard  
and questioned the economic  
benefit of madrasa education.  
"Is it necessary that one  
third or one fourth of the country's  
total students should go for  
madrasa education? Will they be  
productive like others?" he asked.

"What would be their economic  
role in the society? This is an  
economic issue for the future of  
the country. The issue should be  
discussed openly," he viewed.



M Mokammel Haque, Executive Chairman of BOI, is seen as chief guest at the deal signing ceremony of the Tk 600 million syndicated term loan for Scacement International Ltd recently.

-- ANZ Grindlays photo

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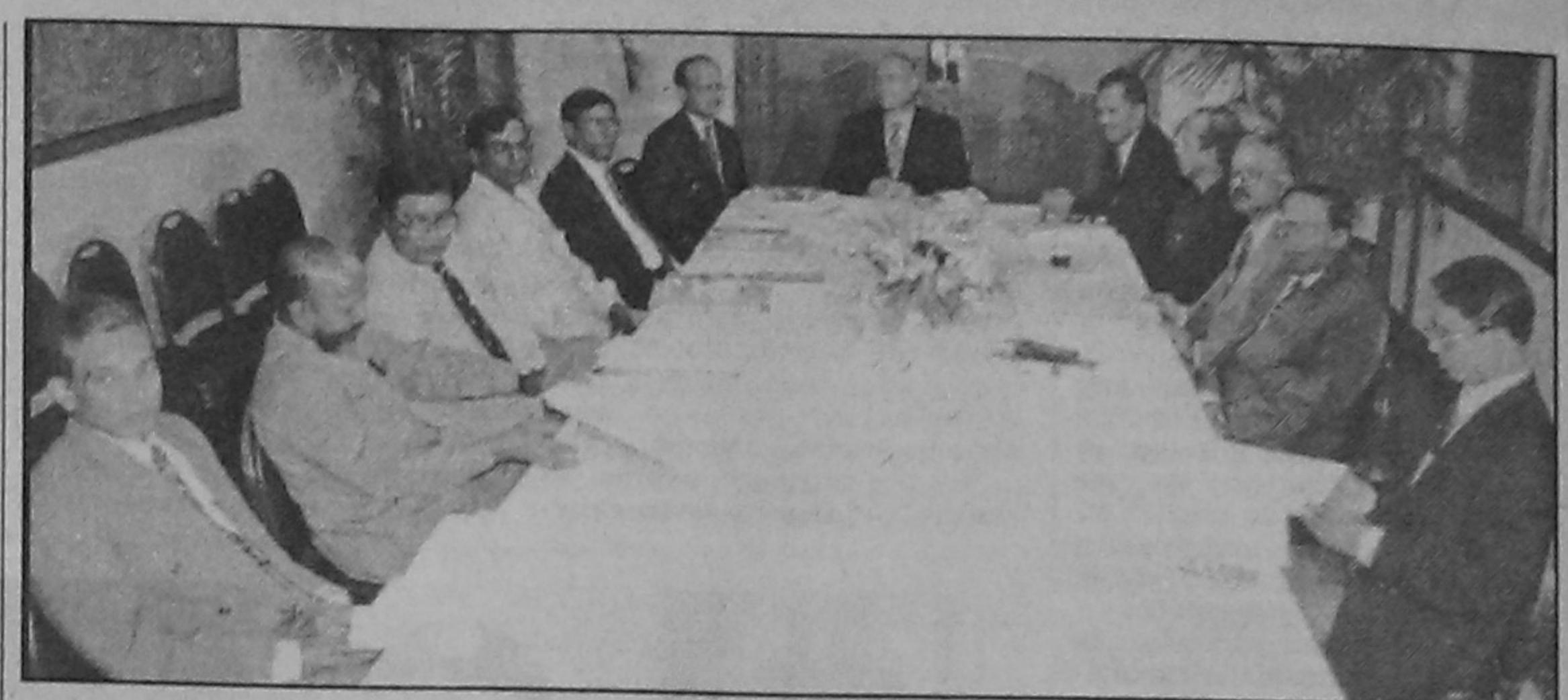
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Picture shows the eleventh annual general meeting (AGM) of the Bank of Small Industries and Commerce Bangladesh Limited (BASIC) held recently at a local hotel. Al-Ameen Chaudhury (in the middle), Chairman of the Board of Directors of the bank and Secretary of the Ministry of Industries, presided over the meeting. It was attended, among others, by directors/shareholders: Syed Mushtaq, Joint Secretary, Ministry of Finance; Ziaul Islam Choudhury, Chairman, Bangladesh Small and Cottage Industries Corporation (BSCIC); Mohammad Abu Hafiz, Divisional Commissioner, Sylhet; Md. Rabiul Islam, Executive Director, Bangladesh Bank; and representatives of the only shareholder-owner, the government (Ministry of Finance); S.K. Biswas, Joint Secretary; Karimul Azim Baigh, Senior Financial Analyst; and Alauddin A. Majid, Managing Director of the bank. Also present at the AGM were Kazi Md. Joynul Amran, General Manager; Dewan Mujibur Rahman, General Manager; Md. Mosaddiqur Rahman, Secretary; M. Yunus, Senior Partner, Howlader Yunus & Co - the auditors of the bank.

-BASIC photo

## US cos urged to invest more in Bangladesh power sector

WASHINGTON DC, Aug 12: Large  
business owners are growing less  
confident about prospects,  
despite the still-booming US  
economy, the National Association  
of Manufacturers (NAM) said  
Thursday, reports Reuters.

A NAM survey of 4,000 US  
firms found that business confidence  
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quarter.

He urged prospective US investors  
to examine the options for  
investment in the power and  
other sectors in Bangladesh.

The envoy was speaking at the

signing ceremony of an energy  
partnership programme between  
the United States, KM Shehabuddin,  
has called upon American companies  
to invest more in the power sector of Bangladesh for  
which opportunities have been  
opened up in recent times, says  
BSS.

He urged prospective US investors  
to examine the options for  
investment in the power and  
other sectors in Bangladesh.

Recalling President Clinton's  
visit to Bangladesh in March this  
year, the ambassador opined that it  
"created a new window of

opportunities for investment in  
Bangladesh by US investors".

Shehabuddin told the potential  
entrepreneurs that by investing  
in Bangladesh they "would get  
proximity of a big market for their  
products in the neighbouring  
countries of Bangladesh".

The envoy mentioned various  
incentives for the new investors  
including tax holiday, easy repatriation  
of profits and tax exemption  
on royalty. Tax holiday for  
power generation will be 15 years  
compared to a maximum 10  
years for units to be set in the  
export processing zones.

Shehabuddin said that his  
government "provides a wide  
range of opportunities for foreign  
private investment" and has  
opened up power, telecommunications,  
oil and gas, natural  
resources, toll road and port sub-  
sectors to private investment on  
BOO (build-own-operate) and  
BOT (build-own-transfer) basis.

The government has been  
pursuing a private-sector growth  
strategy through continuing  
reform and liberalisation  
programmes coupled with limiting  
its primary role as a facilitator, he added.

## BASIC declares 45pc dividend

Bank of Small Industries and  
Commerce Bangladesh Limited  
(BASIC) has declared a 45 per  
cent dividend for the year 1999,  
says a press release.

Of the total dividend, 25 per  
cent will be paid in cash and the  
rest 20 per cent will be given in  
the form of bonus shares.

The total money to be given as  
dividend will amount to Tk 90  
million.

The dividend was declared at  
the 11th Annual General Meeting  
of the bank held at a city hotel  
recently.

Chairman of the Board of  
Directors of the bank and Secretary  
of Industries, Al-Ameen Chaudhury,  
presided over the meeting.

Bangladesh government is the  
sole shareholder-owner of the  
Bank.

The bank has for the first time  
declared cash dividend. This is  
also the first time ever, since a  
long time ago, that the government  
is receiving cash dividend  
from a bank fully owned by it.

As a result of the issue of bonus  
shares, the paid-up capital of the  
bank has increased from Tk 200  
million to Tk 240 million.

Speaking on the occasion, the  
chairman welcomed the shareholders  
for attending the meeting and  
placed the Board of Directors' Reports  
along with Audited Financial Statements  
for the year ending December 31, 1999.

The meeting disclosed that the  
bank posted a pre-tax profit of Tk  
266.58 million in 1999 against Tk  
226.91 million in 1998, reflecting  
a growth of 17.48 per cent.

The bank's capital and reserve  
representing shareholders' equity  
increased by 23.17 per cent from Tk  
474.48 million in 1998 to Tk  
584.43 million in 1999.

Total assets of the bank (excluding  
contra) increased by 24.05 per cent to Tk  
6972.43 million at the end of 1999.

The return (after tax) on assets  
was 2.54 per cent and on equity  
27.37 per cent. The risk-weighted  
capital adequacy ratio was 14.27  
per cent, which was well above the  
required rate of eight per cent.

The bank's deposit rose to Tk  
556.24 million in 1999 from Tk  
4509.59 million in 1998, showing  
a growth rate of 23.41 per cent.  
Its outstanding balance of loans  
and advances was Tk 3960.11  
million as on December 31, 1999,  
against Tk 3219.00 million in  
1998.

Advances rose by 23.02 per  
cent in 1999, like in the previous  
year. Yet BASIC with its size and  
age has a small percentage of  
non-performing loans.

## SAFE confce okays cross-border share listing, trading idea

Star Business Report

The two-day 3rd South Asian  
Federation of Exchanges (SAFE)  
conference ended in Karachi  
Friday with strong support to the  
idea of cross-border share listing and  
trading.

A number of innovative proposals  
like floatation of mutual funds in  
SAFE member countries without  
having to make any regulatory  
changes were also tabled in the  
conference.

The conference in Karachi from  
August 10-11 was hosted by the  
Karachi Stock Exchange. The  
programmes of the conference  
included a session on "Cross  
Border Listing & Trade" and a  
formal session of the SAFE General  
Assembly to dispose of its  
agenda on August 11, 2000.

Speaking as chief guest, Paki-  
stan Finance Minister Shahzad  
Aziz said cross-border listing of  
companies will improve perfor-  
mance of all the regional stock

exchanges and lead to more  
transparency.

The minister said that Pakistan  
would be the first among the  
SAFE member countries to opt for  
cross-border listing. He said this  
would be a stepping stone in  
cementing regional cooperation,  
which is a key to success in the  
global village.