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NBL to declare 20pc dividend

National Bank Ltd (NBL) is going to declare its highest-ever 20 per cent dividend for its shareholders sometime in November, says UNB.

NBL secured approval from the Bangladesh Bank to give cash dividends at its annual general meeting in November, said a senior official yesterday. The bank gave 15 per cent cash dividend in 1994.

"This is the highest cash dividend we're going to declare," said Rafiqul Islam Khan, managing director of the bank.

He thanked the shareholders and clients for their continuous support that helped the bank achieve the success.

NBL had been debarred from giving cash dividend as it was bracketed with six other private banks as 'problem banks' and came under close supervision of the central bank.

Meanwhile, NBL offered bonus shares to its shareholders.

The first generation private bank came out of the problem bank status last month that cleared the way to expand its business and open new branches.

It earned Tk 42.06 crore operational profit till June this year.

Seminar on economic census held

State Minister for Planning Dr Mohiuddin Khan Alamgir has said economic census across the country would serve as strong knowledge base for the government policy makers and planners and keep them informed about the dynamics of free market economy, reports BBS.

He said this while inaugurating a seminar on "Economic Census-2000" jointly organised by Bangladesh Statistical Association (BSA) and the BBS at the Parisankhan Bhawan auditorium at Agargaon yesterday.

President of BSA Waliul Islam, Secretary of Statistics Division and Director General of BBS Syed Tanveer Hussain and Director Census Wing of BBS Hamidul Hoque Bhuiyan, among others, spoke on the occasion.

The state minister said the government is firm to conduct Economic Census-2000 within the stipulated time as experts, officials and employees of Bangladesh Bureau of Statistics (BBS) would busy with population census from January 2001.

Dr Alamgir said the BBS is totally prepared to conduct the economic census, except printing of its questionnaire.

The date of printing of census questionnaire has become uncertain following a temporary injunction imposed by the High Court, he said.

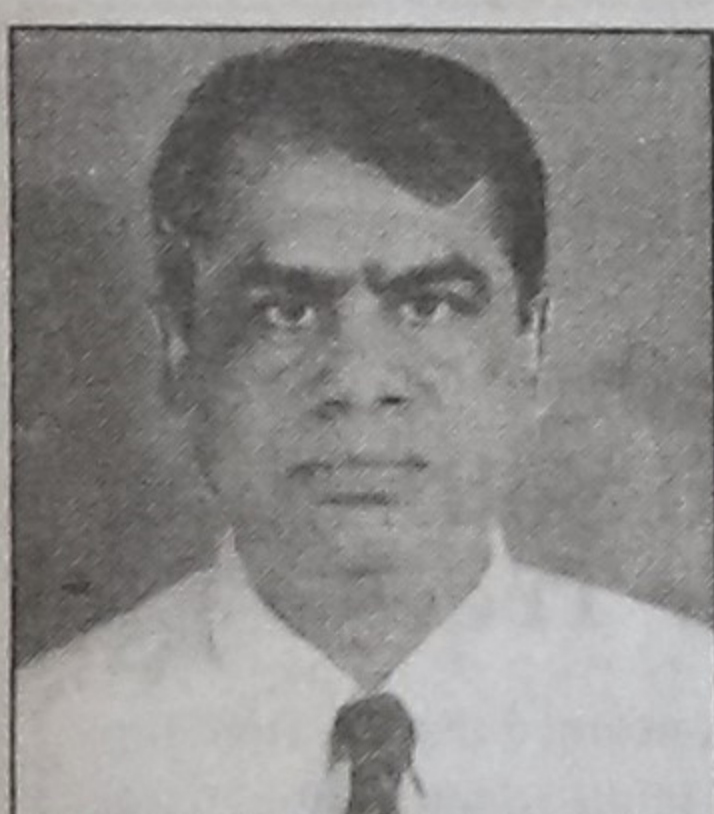
Dr Alamgir said BBS has been directed to produce monthly reports on the trends of capital market and other aspects of free market economy for the planners and policy-making bodies of the government.

Director General of BBS Syed Tanveer Hussain said the BBS activities would be automated in such a way that transfer of any officer or expert would not harm the rhythm of work. He urged all to streamline their activities for upholding the national interest.

Director of Census Wing of BBS Hamidul Hoque Bhuiyan said BBS has started the activities of Economic Census-2000 with a fund of Tk 9.17 crore.

He said the census would take accounts of fishing, mining and quarrying, manufacturing, power, gas and water sector, construction, wholesale and retail trade, hotels and restaurants, transport, storage and communication, financial inter-mediation, real estate renting and business activities, health and social work, education and community (social and personal) services.

S K Das new GM of Square Toiletries



S K Das has been promoted to the post of General Manager of Square Toiletries Limited, says a press release.

He has been working with Square family for the last 19 years and held various important positions of Square Pharmaceuticals Limited. In 1992, he took over the charge of Senior Executive of Square Toiletries Limited.

Das participated in a number of training courses held at home and abroad including Singapore and Japan.

Sylhet businessmen blast Unocal statement on gas reserves

'Export should be made thru' value addition'

Star Business Report

Business leaders from Sylhet yesterday denounced a statement by US oil company Unocal stating that Bangladesh has sufficient gas deposit and could go for its export.

In an informal press briefing, incumbent vice-president of Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) and a past president of Sylhet Chamber, M A Mumin, said most of the companies engaged in oil and gas exploration are US-based and they support gas export. In such a context, any gas reserve-related study by an American company is not acceptable.

"Besides, it is not logical to export gas to India by setting up

expensive pipelines. Mumin said on behalf of Sylhet businessmen. "Gas should be exported through value addition instead of direct export through pipelines," he observed.

Businessmen at the briefing said that an independent study to assess the actual gas reserve should be conducted by an internationally-reputed firm jointly with the Petrobangla.

Currently, there is pressure on the government for gas export to India through pipelines although it has declared that export can be considered only after ensuring a 50-year reserve.

He said the Indian companies

are expected to use this gas in their industries, which would in no way benefit Bangladesh. "The Indian companies should instead set up their gas-based industries in Bangladesh," Mumin said, adding that "gas export won't play any positive role in encouraging new industrial ventures in the country."

Sylhet Chamber president Saifan Chowdhury, vice president Saukat Ali, executive committee member Hishki Gulzar, former president Fakrudin Ali Ahmed, Sunamganj Chamber president Onkarnath Rao, Habiganj Chamber president Shahabuddin Ahmed and vice-president

Kazi Kamrul Ahmed were also present in the briefing.

The leaders also accused India of defying SAARC conditionalities under which Bangladeshi goods are meant to get preferential treatment.

"Instead, they are creating tariff and non-tariff barriers, the Sylhet Chamber vice-president said.

Other leaders called for charging five per cent levy on gas for development of the region, from where gas is extracted. They also called for allowing international flights from Sylhet to other countries with a view to facilitating export from the region.



Altamir Rahman, President, Bangladesh Co-operative Society (BCS), Al-Ruwais, UAE, and Archt Rezaul Karim, Managing Partner, Altamira Homes, Dhaka, recently signed an agreement to construct a high-rise apartment building at Rokeya Sarani, Dhaka, for the members of BCS, Al-Ruwais, UAE. Golam Mostafa, Secretary of the Society, and Ahmed Aga (Tasleem), Partner of Altamira Homes, were also present at the signing ceremony.

Whiz Tech signs IT co-op MOU with Khatacom Solutions

Whiz Technologies Ltd, Dhaka, and Khatacom Solutions (Pvt) Ltd, Delhi, a large IT-based company, recently signed a memorandum of understanding on joint IT collaboration, says a press release.

Khatacom Solutions (Pvt) Ltd has developed an Internet-based accounting software which is undergoing restructuring for Bangladesh version.

It is expected that by the end of September 2000, Whiz Technologies and Khatacom Solutions will jointly launch the developed software in Bangladesh.

Board meet held IBBL elects new chairman

Shah Abdul Hannan, former secretary and ex-chairman of the National Board of Revenue, has been elected Chairman of the Board of Directors of Islami Bank Bangladesh Limited, says a press release.

The election was held at a meeting of the Board of Directors of the Bank on Thursday, with Commodore (Retd) Mohammad Ataur Rahman, outgoing chairman, presiding.

Earlier Mir Quasem Ali, representative of Ibn-Sina Trust, Shahidul Islam Sheikh, Al-Satir, A Rahim Janahi, representative of the Bahrain Islamic Bank, Mohammed Saeed Al-Sharif, representative of Dubai Islamic Bank, Professor Korkut Ozal, representative of Islamic Development Bank (IDB), Engineer Mohammad Fuad Abdul Hamid Al-Khateeb of Saudi Arabia were re-elected and Engineer Muhammad Dawood Khan was elected as directors of the bank at its 17th Annual General Meeting.

Later the Board met with Shah Abdul Hannan in the chair. The meeting was attended by local and foreign directors.

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DCCI course on tax management begins

DCCI Business Institute in cooperation with Business Advisory Service (BAS) Project of DCCI-GTZ Partnership Programme has begun a 5-day training course on 'Tax & Tax Management' at DCCI Business Institute yesterday, says a press release.

DCCI former director Jahurul Islam Chowdhury inaugurated the training course. The inaugural session was attended by DCCI Secretary Mirza A Matin, Hasanur Rahman Chowdhury, Deputy Secretary (Training) & Course Co-ordinator, and Shahazada Basunia, Deputy Secretary (Training).

The course topics are Introduction to the Direct Taxes, Salient Features of Finance Act, 2000 (Income Tax), Salary Assessment - Different Aspect of Personal Taxation and Wealth Statement Analysis, Introduction to Value Added Tax (VAT), Declaration of Value - Computation of Tax Supplementary Duty - Computation thereof, Concept of Corporate Tax, Rules & Regulation of Corporate Tax, Procedures of Advance Tax Deduction, Tax Holding Procedures, Calculation of Corporate Tax and Procedures of preparing Documents, Appeal Procedures against Tax Assessments, Submission of Return - Refund, Appeal, PSI System & Rules regulation and Deduction or Collection of Tax at Source - Procedures.

A total of 25 participants from different business organisations taking part in the training course.

Nitol car project hits snag

Company moves to win support, partners take a tumble

By Shahriar Karim

Will our dream to become a proud owner of homemade car ever come true? Yes, fulfillment of the fantasy will remain a far cry until the country's entrepreneurs get answers to a few vital questions.

Nitol Group, one of the country's leading dealers in imported automobiles, took an initiative last year to present the country with its first homemade car. However, after more than a year of works and efforts towards that very direction, Nitol - one of the leading business groups in Bangladesh - is yet to manage necessary supports for the 'ambitious' project, according to business sources.

Group Chairman Abdul Matlub Ahmed opted for wooing some British investors for the National Car Project, as he terms his project, a move to switch from marketing foreign vehicles - in his case the Indian-made TATA vehicles that won him both fortune and success - to manufacturing 'environment-friendly' cars in the country.

In August 1999, Matlub signed an agreement with D & P Engineering Services Ltd., an UK-based company, which partly took over the plant of a popular British car company Rover.

Nitol's aim to give the country its own car has already

taken a failing tumble, as, according to the company, the government is reluctant to provide required support for the project.

However, business sources say that the project never seemed feasible, as it appeared pretty difficult to get returns from this huge investment given the market size of the country and the auto's chances to win a chunk of the foreign market pie.

The project is almost dead now," said A Mannan Ahmed who is also the Executive Director of Nita Company Ltd - a sister concern of Nitol group. Mannan has been given the charge of making the group's car venture a success.

"We had initiated the project with the hope that the government would provide us all necessary supports as far as the tax and other issues are concerned," he said, adding "we very much counted on the government support to keep our car's retail price at Tk 300,000."

However, Mannan said that they are now thinking of assembling their car in the country.

In newspaper interviews last year, Nitol Group Chairman Abdul Matlub Ahmed said he was upbeat about releasing the first batch of the 'Made in Bangladesh' cars on local

streets by the end-2000, provided that the authorities gave the go-ahead and they could complete 'necessary formalities' by October, 1999. Nitol, however, is yet to complete all the 'needed formalities'.

Matlub wanted to involve all - the private sector and government - in a strategic alliance to make the project a success. However, nobody showed any interest in the project although Nitol made moves to incorporate all the members of Bangladesh Automobile Assemblers and Manufacturers Association (BAAMA) with equity participation.

Most BAAMA members dubbed the project 'ambitious' for a country like Bangladesh. However, Nitol does not think the project is much aspiring as, according to it, there is certainly a market for family cars. They claimed that the demand for cars in the country is growing by 10 per cent every year and the market size is somewhere between 8000 to 10000 units.

According to earlier plan, Nitol has plans to produce around 12,000 cars for the domestic market in the first year. With an eye on the regional markets like India, Sri Lanka, Nepal and Myanmar and also some African countries, the company will then make at least 20,000 cars to reach the production target of 100,000 in five years.



Picture shows a meeting of the Board of Directors of Islami Bank Bangladesh Limited held Wednesday at the boardroom of the bank with Shah Abdul Hannan, newly-elected Chairman, in the chair. —IBBL photo

Weak euro seen raising price pressure Buba president fuels ECB rate increase fears

FRANKFURT, Aug 26: Bundesbank President Ernst Welteke, one of the European Central Bank's most prominent doves, joined the chorus of bankers signaling an interest rate rise yesterday as fresh data showed price pressures mounting, says Reuters.

Welteke said in a speech in Dusseldorf that the weak euro and strong European growth were fuelling euro-zone price pressures and some euro zone countries were even displaying signs of overheating.

He added that Germany's

positive economic outlook had not been marred by the surprise fall in Germany's Ifo business climate index for July.

Economists interpreted his speech as heralding an ECB rate hike as soon as next Thursday. A Reuters poll of 51 economists showed a majority - 33 - expected a move at the ECB's next meeting on August 31, its first after a four-week summer break.

Most expect a quarter-point hike in the ECB's benchmark minimum bidding rate, now at 4.25 per cent.

Welteke's comments followed news of higher-than-expected import price inflation in Germany and supported the euro which retested its day's highs around \$0.9040 as dealers bet on rate rise.

Import prices rose 0.4 per cent month-on-month and 10.9 per cent year-on-year, driven by oil price hikes and the weak euro, official data showed.

The figures overshadowed a modest slowdown in German consumer price inflation to 1.8 per cent in August from 1.9 per cent which economists said was likely to be temporary.

Bundesbank council member Franz-Christoph Zeiler said the slowdown brought no relief on the inflation front because the figures did not include a sharp rise in oil prices during August, or reflect the most recent fall in the euro.

Welteke said the ECB was "anything but pleased" about the euro's exchange rate, which hit three-month lows just above \$0.89 this week after the July Ifo index fall sparked fears that Europe's largest economy was slowing down.

Oil near peaks as importers sound more complaints

Japan joins foul-crying nations

LONDON, Aug 26: Oil markets roamed the \$30 danger zone yesterday despite word of rising OPEC output triggering more complaints from importing nations about rampant fuel costs, says Reuters.

North Sea benchmark Brent crude ended one cent up at \$30.36 a barrel while US light crude was 42 cents stronger at \$32.05.

Brent has averaged \$25.98 a barrel in the 12 months to date, in excess of a \$25 target sought by OPEC kingpin Saudi Arabia and almost double the \$14.05 average of the previous 12 months.

Japan a big importer of Middle East oil, added its voice to complaints already made by the United States and European Union. "Oil prices have a great impact on the Japanese economy, and it would be desirable to have them in the lower 20s," Trade and Industry Minister Takeo Hiranuma told reporters.

Australian Foreign Minister Alexander Downer told envoys to OPEC nations to convey concerns at the highest level about high oil prices, and urge the

group to bring prices down.

The market has been buoyed by falls in US stockpiles of crude close to 24 year lows of 279.7 million barrels - roughly 19 days of supply - as the Saudi-dominated Organisation of the Petroleum Exporting Countries has continued to curb production.

This has raised concerns that the northern hemisphere countries may face a shortfall of heating oil this winter.

OPEC which controls the bulk of internationally traded oil, meets on September 10 to decide future output policy.

While it has signalled it will act to arrest the rally if prices stay at current levels, experts say some member countries are already pumping flat out and cannot produce more.

Meanwhile, a leading tanker tracker told clients OPEC output was seen rising by 736,000 barrels a day (bpd) in August.

Geneva-based Petrologistics projected August cartel output at 29.075 million bpd from a revised 28.339 million bpd for July, with Iraq providing the lion's share of the extra output

and the rest of OPEC contributing about an extra 260,000 bpd.

Ten OPEC producers with output quotas, including Saudi, were expected to lift output by about 260,000 barrels a day during August to 26.05 million. That would take the cartel 605,000 bpd in excess of official limits for the 10 of 25.4 million.

US President Bill Clinton said on Wednesday oil needed to be between \$20 and \$25, or it could risk pushing oil dependent economies into a recession.

OPEC's acting Secretary-General Shokri Ghanem said on Thursday that OPEC did not see a shortage of crude, but blamed high prices on speculation.

Leading OPEC producers have said a sustained price above \$30 would indicate a need to cool the market US officials have repeatedly said \$30 is too high and \$10 is too low.

The informal mechanism calls for a 500,000 bpd increase if the price of a basket of seven crudes stays above a \$22-\$28 band for 20 working days.