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# The Daily Star BUSINESS

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## C&AG submits audit reports to President

Comptroller and Auditor General (C&AG) Syed Yusuf Hossain yesterday handed over audit reports of 1996-1997 to President Justice Shahabuddin Ahmed at Bangabhaban here, reports BSS.

The 27 reports included one performance audit report, 11 special audit reports, 12 annual reports, two appropriation accounts and one finance account of the government.

The auditor general apprised the President of the irregularities and improprieties mentioned in the audit reports.

It said the report contains 1063 audit observations involving Taka 2077 crore. The audit observations mainly contain cases of embezzlement, theft, wastage, non-realisation of VAT and income tax, non-compliance of financial rules and regulations.

The auditor general stressed the necessity of internal control measures in all ministries, divisions and executive agencies for prevention of irregularities and taking prompt corrective measures to achieve sound management practice.

## Foreign company role in stock exchanges hailed

The president of the Foreign Chamber yesterday met the SEC chairman in an informal meeting to discuss scopes for greater participation of foreign companies in the Bangladesh capital market, says a press release.

The chairman praised the role of the listed foreign companies in the stock exchanges, particularly their role towards promoting good practices such as transparency and timely submission of accounts, regular holding of AGMs and paying dividends.

In this respect, he mentioned the desirability of public offering of the recently-released government shares of foreign companies in the stock exchanges. The chairman assured of all possible cooperation to facilitate the entry of these companies as well as others in the stock exchanges.

He emphasised that SEC is open to acceptable suggestions towards improving the capital market and said that the Commission would take necessary steps towards implementation of any such suggestions and recommendations.

The Chamber president assured of all possible cooperation and agreed that entry of more shares of foreign companies would be mutually beneficial to the companies themselves, as per his experience of being the MD of Bangladesh Oxygen Ltd., as well as the capital market.

The Chamber president expressed desire to invite the SEC chairman to a future meeting with the FICCI so that there can be further informal exchanges of ideas.

Dr IG Chowdhury, Member SEC, and Jahangir Bin Alam, Secretary of the Chamber, were also present.

## DHL opens Express Centre at Imamganj

DHL opened its 13<sup>th</sup> Express Centre in old Dhaka on October 1, says a press release.

This is the 4<sup>th</sup> outlet that DHL has opened this year and the 2<sup>nd</sup> within a month. Desmond Quiah, Country Manager of DHL Bangladesh, along with other senior Managers of DHL inaugurated the centre located at Chawk Moghultuli, Imamganj.

Inaugurating the centre, Desmond Quiah said, "Opening another brand new express centre within a month is indicative of our growth and commitment to the business community to act as a trade facilitator. DHL, being the pioneer of Air Express industry, is committed in its efforts to create the infrastructure in Bangladesh that enables our trade and industry to compete in the world market."

"Our Service in Bangladesh is unmatched due to continued investments in the infrastructure. This year alone we have doubled our fleet of courier vans to further boost pick-up and delivery operation. We have also opened several retail centres to reach out to our customers' needs. Although we pick up shipments from our customers' doorsteps, still for convenience of our customers, we have outlets in Gulshan, Motijheel, Mirpur, Savar, Narayanganj, Sylhet, Khulna, Agrabad and EPZ in Chittagong. And now we have one in Imamganj."

DHL Worldwide Express is the world's leading air express service, linking more than 85,000 destinations in 228 countries and territories. DHL has a fleet of over 200 aircraft worldwide.

In Asia Pacific and the Middle East, DHL serves 51 countries and territories from Japan to Australia and from the Middle East to the Pacific Islands.

# China to set up \$353m fertiliser factory in Sirajganj

China is going to set up a gas-based granular urea fertiliser plant at an estimated cost of US\$ 353 million with annual 5,000 metric tons production capacity in north-western region of Sirajganj, says BSS.

Chinese Ambassador in Dhaka Hu Qianwen formally handed over a feasibility report on the BCIC new urea fertiliser project to Industries Minister Tofail Ahmed at his office here yesterday.

As per request of the industries minister, the Chinese Ambassador has assured that a

part of the total investment would be grant and subsidised preferential loans which will help in implementing the project as soon as possible.

The Chinese government nominated one of the world's 225 largest contractors - China Huanglu Chemical Engineering Corporation (HQCEC) - to construct the fertiliser project.

The project financing will be based on an equity-debt ratio of 30:70 which means the equity of the project is US\$ 106 million and debt by foreign loan is

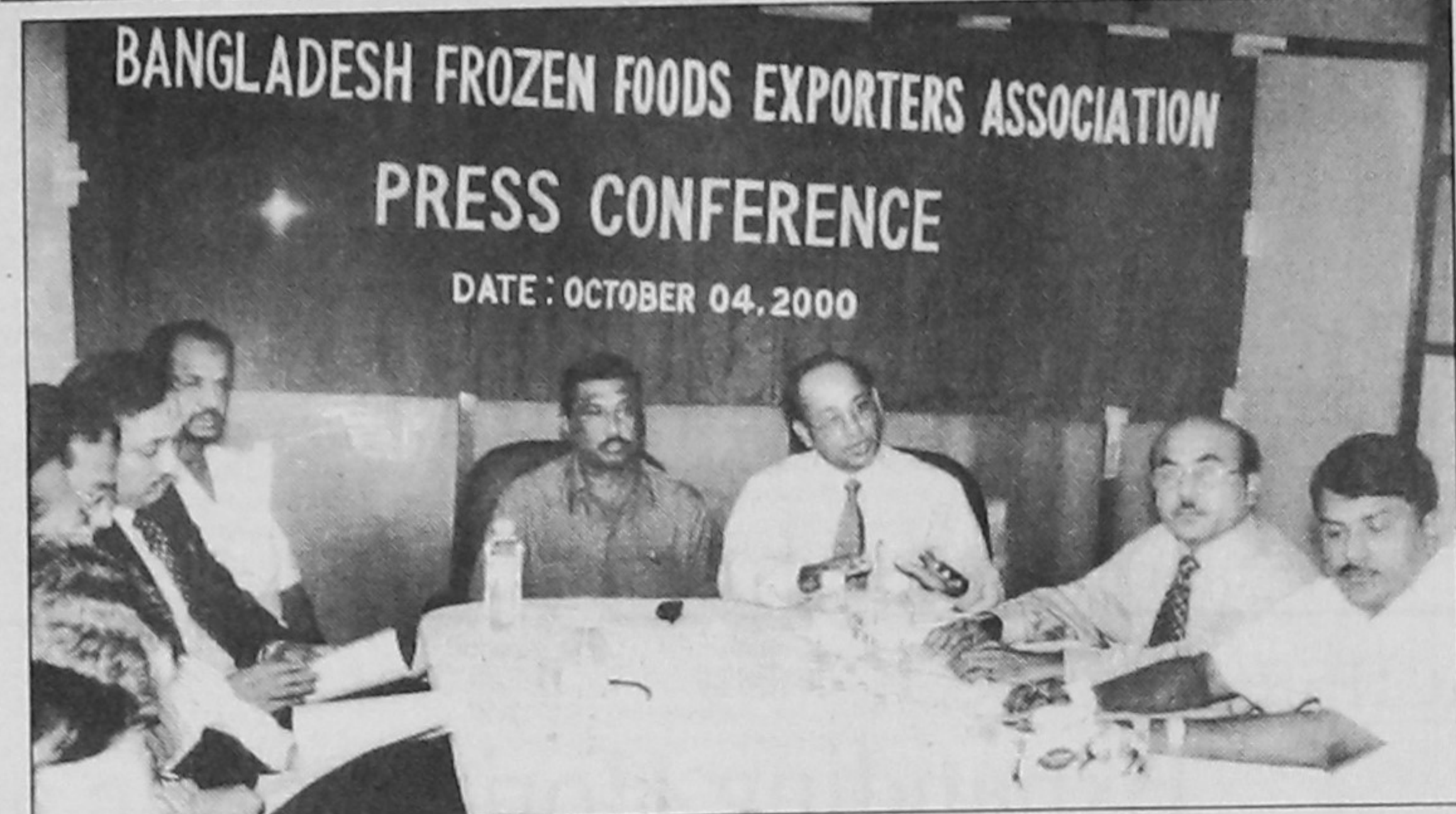
US\$ 247 million, said the feasibility report.

The project will have 25-year lifetime, including three years construction period, two years running-in period, and eighteen years full capacity utilisation. The production in the first year is 80 per cent of the capacity, in the second year 90 per cent, and the production will be 100 per cent as per design after the third year, said the report.

Tofail expressed his gratitude to the Chinese government for extending continued coop-

eration in the development efforts of Bangladesh government. Polish Urea Fertilizer Factory and another US\$ 73 million Di-Ammonium Phosphate plant are two examples of such Chinese cooperation, he added.

"We don't want to export gas and rather would prefer to utilise the resource in value addition like setting up gas-based fertiliser factory," the minister said, adding that the Sirajganj fertiliser plant will meet the demand of the northern region.



BFFEA General Secretary Amin Ullah (R) speaks at a press conference in the city yesterday. - Star photo

# Frozen food exporters deny false weight adding allegations

Star Business Report

The Bangladesh Frozen Food Exporters' Association (BFFEA) has refuted the allegations of inserting additional weight into exportable shrimps for extra gains.

"No shrimp processing unit or exporter is involved in insertion of foreign matters, be it solid or liquid, into frozen fish or shrimp," claimed Kazi Shahnewaz, President of the Association, while addressing a press conference in the city yesterday.

"We did not get any such written complaint from foreign buyers or government agencies," he said.

Terming the allegations of adding fake weights to shrimp consignments as 'false and baseless', Shahnewaz said some vested quarters are engaged in damaging the country's image.

BFFEA Secretary General M Aminullah, Members Kazi Be-

layet Hossain and Musa Miah, former President Golam Mostafa and a leading frozen fish importer of UK Iqbal Ahmed also spoke at the conference at the BFFEA office at Bijoynagar.

The BFFEA leaders admitted that the European Union (EU) countries recently rejected some consignments, but such cases were very negligible.

According to them, the rejection of a few containers due to contamination by germs is nothing unlikely because no country or exporter can give full guaranty that all of its products are germ-free.

It is quite normal that some of the several hundred containers may be rejected by the controlling authorities because of multiple checking, but the rate of Bangladesh product rejection is very low, said Golam Mostafa, former BFFEA Presi-

dent. Replying to a question, M Aminullah said it is very difficult to identify who are engaged in interjecting foreign matters into shrimps. Some unscrupulous traders at grassroots level may be involved in such practices, he added.

The Association always tries to refrain people from indulging in such activities. Some processing units also set up metal detectors and scanning machines to check such illegal practices, he said.

Shahnewaz said that demand for Bangladeshi shrimp in Europe and the US has been going up because of its high quality.

The quality of Bangladeshi products is much better than that of any other Asian countries, said UK-based frozen fish importer Iqbal Ahmed.

## World air travel may grow by 5pc in 4 years

SINGAPORE, Oct 4: World-wide passenger air travel will rise by more than five per cent to \$643 million by 2004, the head of the world body for airlines said Wednesday, reports AP.

Freight traffic over the same period will rise nearly 7 per cent to 24 million tons, International Air Transport Association director Pierre Jeannot said.

These are IATA's most optimistic forecasts in three years and are "directly linked to a much-improved world economic climate, especially in Asia," Jeannot said at a Singapore news conference.

Passenger traffic within Asia is forecast to grow 6.9 per cent between 2000-2004 and cargo traffic is expected to grow 7.4 per cent in the same period.



A fifteen-day training programme on Information Technology for Bank Asia officers concluded recently. Picture shows M Syeduzzaman, Chairman, Syed Anisul Huq, Managing Director of Bank Asia Limited, and other senior officials with the participants. - Bank Asia photo

## Weekly Ctg tea sale Demand goes down

CHITTAGONG, Oct 4: The weekly tea sale held here on Tuesday was marked by less demand for all grades of teas and the prices were also lower than expected by the sellers, says BSS.

The buyers for Afghanistan and Pakistan were less active. Blenders lent a fair support, but loose tea buyers were not so active. CIS operated actively.

Prices realised were lower than last week and a good quality of teas, specially fanning, remained unsold owing to bids well below sellers' expectation. Black well made medium and small broken were about steady and occasionally tended dearer following competition by all others, were easier by Tk 1 to Tk 2 large broken were firm to slightly dearer.

Fannings: Once again a limited quantity of black well made grainy types were firm to slightly dearer while all others were easier up to Tk 2 planter types eased only by Tk 2 and more.

Green Tea: 20 chests of Young Hyson on offer sold at Tk 100.

Dust: 1,104 chests and 2,913 gunny sacks on offer once again met with much less demand at lower rates. A few clean well made Red dusts and Peko dust were fairly good market easing by up to Tk 1 to Tk 2.

All other shed Tk 2 to Tk 4 following quality with considerable withdrawals. Churamoni dusts where sold were only slightly easier. Both internal and export buyers were selective.

# Tofail seeks Humphrey's help in gaining duty-free access to US

Industries Minister Tofail Ahmed has said Bangladesh is anxiously waiting for a US declaration of duty-free access of Bangladesh goods to the world's largest economy, reports UNB.

"It's now overdue as the European Commission has adopted the same proposal for LDCs and US government has given the benefit to African, Caribbean and central American countries," he said.

The minister was talking to visiting US Deputy Assistant Secretary for International Affairs Calvin Humphrey and his team at his office yesterday. Tofail said the market access agenda has been on the table since the first WTO ministerial meeting in 1996. "But the issue has been left unaddressed."

He hoped that a positive move would come during the meeting of President Clinton and Prime Minister Sheikh Hasina in Washington this month and requested Humphrey to

pursue the case. Humphrey said the US government would do more for flood control and rural infrastructure development in Bangladesh.

He said the USA wants rapid development in Bangladesh as it has the potentials for prosperity and urged the government to take a quick decision on gas exploration.

Pointing to the workshop organised by US Geological Survey here, the US Secretary said people of different sections would be invited to explain the methodology applies by USGS to assess the gas reserve in Bangladesh.

He said USGS has applied a scientific, transparent and technology-based internationally accepted methodology during the survey.

Humphrey said Bangladesh is moving towards progress and it has the scope to synergise the infrastructure development.

"Gas pipeline, electric cable, fibre optic can go simultaneously."

He said US government would supplement such gigantic project.

US Ambassador to Bangladesh Mary Ann Peters and other US officials were present. Another report says: United States is interested to extend its assistance for the development of Bangladesh's energy sector. Humphrey gave the hint while talking to Commerce Minister Abdul Jalil here yesterday.

Referring to different renowned US companies, which already invested in Bangladesh, Humphrey said the US private entrepreneurs are very much eager to invest here.

Welcoming the US interest to invest here, the minister said: "The USA is one of our development partners and its continued cooperation is most important to achieve the prospect of development of our country."

# Lankan central bank to get tough on rupee fall

COLOMBO, Oct 4: The Sri Lankan rupee will stabilise against the US dollar, officials at the Central Bank said Wednesday, but analysts predicted tough measures to stop the sharp slide beyond the maximum exchange rate allowed, says AP.

A flare-up in violence ahead of Oct 10 parliamentary elections and concerns that the bank will relax rupee trading limits have also added to pressure on the local currency. Forty people have been killed

during the campaign. "The Central Bank looks determined to pressure the dollar down by hiking (short-term) interest rates," Mangala Boyagoda, treasury head at Standard Chartered Bank in Colombo, told Dow Jones Newswires.

Raising these interest rates would reduce the circulation of money in the market and reduce the demand for dollars, keeping it steady against the local currency. The dollar soars against the local currency when

there is a huge demand for it. Since Sept 11, the dollar has climbed 1.4 per cent against the rupee due to speculation and importer demand for the US currency.

But officials at the Central Bank says the exchange rate is expected to stabilise.

"We think the market will stabilise soon," said RA Jayatissa, chief economist at the central bank. Jayatissa said the rupee was backed by foreign exchange reserves of \$1.3 billion.

## EU calls for global crude benchmark

STRASBOURG, Oct 4: European Energy Commissioner Loyola de Palacio today urged the development of a global crude oil benchmark, saying this could improve the process of price formation, reports Reuters.

Speaking at a news conference to present a new Commission paper on oil supply issues, de Palacio said the current benchmarks - Brent and West Texas Intermediate - were limited because they represented just two regions.

"We have to encourage the various producers and operators to improve the indicators that lead to price formation."



Desmond Quiah, Country Manager of DHL Bangladesh, inaugurates a new Express Centre of the company at Imamganj. Other senior DHL managers are also seen in the picture. - DHL photo

# 94pc ADP executed in '99-2000

The Annual Development Programme marked a 10-year record with 94 per cent of the projects implemented during 1999-2000 fiscal year, reports UNB.

A meeting of the Executive Committee of National Economic Council (ECNEC) at NEC Bhaban reviewed the ADP performance with Prime Minister Sheikh Hasina in the chair.

Implementation, Monitoring and Evaluation Department (IMED) of the Planning Ministry placed the ADP report for the Council's appraisal.

The meeting approved a "Road Maintenance and Development Project" involving over Tk 868.61 crore for improving communications link between the capital and the port city of Chittagong.

Of the project costs, the government will provide Tk 361.01 crore while Tk 507.60 crore will come from foreign assistance. The project works are

expected to begin during the current fiscal and complete by 2004-2005.

About the 1999-2000 development plan, the meeting said allocation of the revised ADP against the original one was increased in the last two fiscal years, including this year.

The original ADP in the 1999-2000 fiscal was Tk 15,500 crore which was enhanced to Tk 16,500 crore in the amended plan. "The amount of increased allocation was Tk 1,000 crore which is six per cent higher than the original ADP."

Contribution of the internal resources was also increased in this ADP, the meeting noted, saying that contribution of internal resources in the first year (1997-98 fiscal) of the five-year plan was Tk 5,521 crore, 45 per cent of that year's ADP.

In the 1999-2000 fiscal,

contribution of internal resources in the ADP reached Tk 8,484 crore, that is 51 per cent of the total size.

"This means that the supply of internal resources in the ADP has increased on one hand and utilisation capacity of the ministries and departments rose on the other," it said.

ECNEC observed that the total expenditure of some important ministries and departments this year was 94 per cent (100 per cent of the original ADP) while in the previous year it was 89 per cent.

Besides, some important investment sectors of the government, like communications, power, education, natural resources, transportation, infrastructure, social welfare and women affairs, experienced 105 per cent progress from the previous 96 per cent.

It said the implementation of 194 projects was completed

this year, which is more than other previous year.

In the previous ADP, 1122 projects were approved against the proposed 1329 while in this ADP 1161 schemes got approval against 1379 proposed.

Some 243 more projects were supervised in this ADP. "The directives of the prime minister and ECNEC had helped a lot in achieving this success," the meeting noted.

Prime Minister Sheikh Hasina expressed her satisfaction over the progress in performance under the development budget. She ordered the ministries and departments that are lagging behind to find out their shortcomings and overcome them.

While reviewing that ADP, state Minister for Planning Dr Mohiuddin Khan Alamgir, said the annual growth rate in the 1999-2000 fiscal was over 6 per cent.

# Liabilities of Japan govt exceed assets by \$7.2t

TOKYO, Oct 4: If Japan were a company, it would be bust, says Reuters.

That, at least, is the impression given by a Finance Ministry draft of a long-awaited national balance sheet leaked to domestic media today.

The balance sheet, aimed at greater transparency in Japan's debt-laden national accounts, calculates in the worst-case scenario that central government liabilities exceed assets by 780 trillion yen (\$7.2 trillion), the Nihon Keizai Shimbun said.

Using three methods to calculate national pension obligations, the ministry also estimates the total negative net worth as of March 1999 at 130 trillion yen and 270 trillion yen, the newspaper said.

A ministry official, while saying final details were still

being calculated, said Japan's first-ever balance sheet would be released next Tuesday to provide the overall balance of the government's debts and assets.

A national balance sheet, used by other industrialised countries such as the United States, Australia and New Zealand, gives the overall balance of those figures for a government.

Vice Finance Minister Toshio Muto said in August it was possible the balance sheet could find Japan's assets exceed liabilities but stressed that this was not comparable to a company's insolvency.

The ministry official stressed that simply contrasting assets with liabilities did not accurately reflect a country's financial condition.

"It largely depends on what to include and a government's decision on who owns those public assets now," the official said.

Indeed, ministry data shows the United States - hailed of late as a budget - surplus fiscal paragon - with a balance sheet in the red by \$6.30 trillion as of September 1999, in a similar league to Japan.

By contrast, the Tokyo metropolitan government, beset with financial difficulties, had 2.14 trillion yen more assets than liabilities as of March 1998.

Simple comparisons with other government balance sheets are also tricky since, for example, other countries do not include their pension obligations, the ministry official said.