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Ifthikhar Ahmed becomes SEC member

Ifthikhar Ahmed yesterday joined the Securities and Exchange Commission (SEC) as a Member. Earlier, the government appointed Ahmed to SEC as a full-time Member for a three-year term, says a press statement.

Prior to joining SEC, Ifthikhar Ahmed was the Chairman of the Taxes Settlement Commission.

Sony, Solectron announce tie-up

TOKYO, Oct 18: Sony Corp said Wednesday it agreed to sell two plants to US electronics maker Solectron Corp in an effort to streamline production, reports AP.

Sony Chief Operation Officer Kunitake Ando said the sale was part of a plan by the Japanese electronics giant to make key components on its own while relying on outsiders for less significant parts, or "outsourcing."

The two factories being sold are the Nakanida facility in Japan and Sony Industries Taiwan, which make high-end consumer products such as car satellite navigation systems and car audio equipment.

Neither side disclosed the terms of the deal. Solectron Chairman and President Koichi Nishimura said the deal would help his company gain a foothold in two nations that are important electronics markets where Solectron lacks plants.

Nishimura said Solectron hoped to expand business at the plants to include products for other companies as well as for its business in China.

The deal underlines the growing need among electronics makers for nimble, responsive production at a time when being first on the market can be crucial.

Ando said deals like the one with Solectron allow Sony to adjust production quickly and flexibly to meet fluctuating demand for components. He would not discuss any other similar deals in the works.

Solectron plans no layoffs. The plant in Japan employs 1,300 people. The Taiwan facility 750 people.

Solectron, which manufactures computer and electronic parts for other companies, has had an office in Japan since 1992.

Solectron is based in Milpitas, California, and employs 65,000 people worldwide and recorded US 14.1 billion in sales for fiscal 2000.

CAG's Office moves to clear backlog, update reports

Step to ready audited data in 9-10 months after end of FY

By Shahriar Karim

The Comptroller and Auditor General's (CAG) Office has taken an initiative to clear backlogs and update its audit reports on different agencies.



Syed Yusuf Hossain

From now on, CAG will ready audit reports within nine to ten months after the end of a financial year, a big improvement from the past when the usual backlog was six-even years.

Comptroller and Auditor General Syed Yusuf Hossain told The Daily Star in an exclusive interview recently.

"We have also taken a pilot project for performance audit of different ministries," he said, adding that the CAG Office, which is still dealing with reports of the 1997-98 fiscal year, would be able to submit the 1999-2000 audit reports by February next year.

The CAG Office has already prepared the code and manual for conducting performance audit and will train its staff on it. Performance audit is a kind of financial accountability that judges the value for money which clients get from an organisation.

"We have so far been carrying out financial auditing that lacks some basic modern auditing elements, and in most

uses, such traditional auditing fails to quantify the impact of the losses due to inefficiency of different government agencies," said Syed Yusuf Hossain.

But such performance auditing calls for special training of the professionals. The CAG's Office will go for outsourcing the job until its own staff can acquire required efficiency.

Meantime, the Office has initiated a pilot project for conducting performance audit in health, education and energy sectors. Under the pilot project, it has chosen Chittagong Medical College, DESA and Primary Education Department.

"We have picked up these departments since education, health and energy are the most vital sectors for development and we would try to assess the impact of these organisations on our socioeconomic activities," he said.

The CAG Office is responsible for auditing all public sector agencies and reporting the findings to the parliament. The main purpose is to provide objective, timely and factual information on the functions of the government and thereby assist the Parliament in exercising its overseeing role over the executive branch. CAG said, defining the role of his office.

Given the huge size of the public sector, Syed Yusuf Hossain observed it is often hard to audit all the organisations and prepare timely reports. Presently, there are 22,000 auditable units in the country and the CAG Office can audit about 7,000 units with its manpower of little over 3,000.

He said that the CAG's Office is now going through a transition period and trying to re-visit and re-orient the office for clearing backlog and improving the auditing quality.

In the early '90s, there was a backlog of 7-8 years. Things have been improving since then and over the last 7 or 8 years, the CAG's Office has successfully reduced the backlog to two years, Yusuf Hossain said.

When asked whether the government departments follow the reports and take actions against the offenders, he said, "The executive authorities are now taking audit reports more seriously. But there is still a lack of initiative by the ministries in taking corrective measures against the offenders."

The CAG stressed the importance of internal control in the ministries and government departments for curbing irregularities.

The Comptroller and Auditor General's Office recently submitted its latest 27 audit reports to President Justice Shahabuddin Ahmed. The reports include one performance audit report, 11 special audit reports, 12 annual audit reports, two appropriate accounts and financial accounts of the government. It also informed that public money worth Tk 829 crore was saved in 1997-98 because of the audit department efforts.

WB pledges poor country debt relief this year

Steps being taken to ensure funding

BRASILIA, Oct 18: The World Bank said yesterday that 20 of the world's poorest countries would see meaningful debt relief by the end of the year, even though many rich nations have yet to honour their commitments, reports Reuters.

World Bank officials meeting in Brazil said the institution was taking the necessary steps in the coming months of 2000 to ensure funding for the high-profile debt write-off, which is aimed at freeing up cash to fight endemic poverty and disease.

"We have to make sure that the commitments by the developed countries are met. That's priority No. 1," said David de Ferratum, the World Bank's Vice

President for Latin America and the Caribbean.

"At this point in time all of the resources that have been pledged by developed countries are not yet in," he said. Ferratum did not offer specifics on the shortfall.

The World Bank and the IMF have been under fire from world leaders and rights groups for perceived foot dragging on the debt relief programme, which critics say is costing lives as cash strapped nations wallow in a cycle of debt and poverty.

Pope John Paul has made debt relief one of the goals for the Holy Year 2000, and brought up the matter with Britain's Queen Elizabeth on

Tuesday. Rock star Bono spoke alongside IMF and World Bank leaders last month at meetings in Prague rocked by protests. He labeled the current debt structure an "obscenity," adding that for every dollar flowing as aid to poor countries, \$8 are sent back in debt payments.

"I represent a constituency of people... who have lost confidence in institutions like the IMF and the World Bank. Something has gone wrong and we have to put it right," said the lead singer of pop group U2.

The World Bank and IMF launched the Heavily Indebted Poor Countries (HIPC) initiative in 1996.

AmEx Treasury chief in city



James H. Hohorst, Managing Director and Head of Global Trading for American Express Bank Ltd., New York, arrived in the city yesterday, says a press release.

During his visit, he will meet government officials and several corporate and correspondent bank clients of American Express Bank.

Cuba embargo easing sure to pass US Senate

WASHINGTON, Oct 18: The US Senate was sure to pass legislation allowing sales of US food and medicine to Cuba, lawmakers and lobbyists said yesterday, despite complaints that a wider opening to the communist-ruled island was justified, reports Reuters.

Senators were scheduled to vote on Wednesday afternoon on the proposal, potentially a pivotal change in US-Cuba relations. Cuba views the measure as a charade that actually tightens the 38-year-old US embargo and says it will not make any purchases.

A protest march on the US diplomatic mission in Havana could coincide with the Senate vote. There was little doubt of passage, with the Clinton administration and the House of Representatives backing the package.

North Dakota Democratic Sen Byron Dorgan said passage was a formality and called the proposal little more than a step in the right direction.

"There's going to be no grain sales to Cuba because of the restrictions put in here," Dorgan said.

A farm lobbyist said 70 or more of the 100 senators would likely vote for it.

SMALL AND MEDIUM ENTERPRISE (SME) CREDIT SCHEME

LAUNCHING CEREMONY OF

PRIME BANK LIMITED

OCTOBER 18, 2000

CHIEF GUEST : DR. MD. SOHRAB UDDIN, DEPUTY GOVERNOR, BANGLADESH BANK

SPECIAL GUEST : GORDON H. WEST, MISSION DIRECTOR, USAID



Prime Bank Limited launched a new product - Small and Medium Enterprise (SME) Credit Scheme - at a function held at the bank's head office yesterday. Deputy Governor of Bangladesh Bank Dr. Md. Sohrab Uddin (extreme right) spoke on the occasion as the chief guest. Gordon H West (extreme left), Mission Director, USAID, was present as special guest. K M Khaled, Chairman of the Board of Directors of the bank, presided over the launching ceremony. Kazi Abdul Mazid, Managing Director, delivered welcome speech. - Star photo

Prime Bank starts easy SME loan scheme

Star Business Report

Prime Bank Ltd (PBL) yesterday launched its Small and Medium Enterprise (SME) Credit Scheme with relaxed collateral security requirement and simplified procedure.

USAID is providing US \$ 1 million loan portfolio guarantee for the scheme and the bank has already set up a SME credit cell.

Deputy Governor of Bangladesh Bank Dr Md Sohrab Uddin, who was the chief guest at the launching ceremony, said that although the project is backed by guarantee facility, the bank should make all-out efforts to recover the loans.

Prime Bank will provide loans to entrepreneurs with records of successfully managing businesses for at least two years. It will provide up to Tk 75,00,000 as cash credit, term

loan or lease finance against 15 per cent interest. The bank will fix security for projects on a case-to-case basis. It will even accept personal guarantees or post-dated cheques as collateral.

The bank will charge 0.50 per cent of the loan amount as loan processing fee. Besides, clients will have to pay 0.75 per cent supervision and monitoring charges on a quarterly basis on outstanding loan amounts.

Prime Bank is now working with JOBS, a USAID-funded programme, to help SMEs identify potential clients.

Chairman of PBL KM Khaled, Managing Director Kazi Abdul Mazid, USAID Mission Director Gordon H West, Project Director of JOBS Reid Lohr and the bank's SME clients also spoke on the occasion.

Weekly Ctg tea sale

Market witnesses fair demand for all grades

CHITTAGONG, Oct 17: The weekly tea sale held here yesterday was marked by fair demand for all grades of teas but the prices offered were lower, market sources said, reports BSS.

There was more interest from Pakistan, but the prices offered were lower than the previous week. The Afghan buyers were active for black-well-made clean broken.

Blenders were again quite active for the good light types. There was also fair support from the loose tea trade. The CIS buyers were also quite active.

There was some withdrawals from the leaf category. Broken: Well-made good liquoring broken were a good market but at firm to occasionally dearer levels while others were easier by Tk 2 to Tk 3 per kg. Large broken were again about steady.

Fannings: A fair quantity of black well-made fannings with good liquor were firm to somewhat dearer while all others were easier up to Tk 3.

Green tea: A total of 280 chests on offer once again remained unsold owing to low bids.

CTC dust: A total of 857 chests and 3,202 gunny sacks on offer met with less demand at easier rates again with considerable withdrawals. Well-made red dusts and peko dusts eased by up to Tk 2 but Churamoni dusts sold well and were about steady.

According to preliminary figures, the consumer price index rose to 3.0 per cent in September over the year-ago level after rising to 2.7 per cent year-on-year in August.

Aussie inflation hits 6-year high

VIENNA, Oct 18: Austrian inflation hit a six-year high in September due to high fuel prices and the Central Statistics Office warned today that consumer prices had now reached a level that could not be ignored, says Reuters.

According to preliminary figures, the consumer price index rose to 3.0 per cent in September over the year-ago level after rising to 2.7 per cent year-on-year in August.

Japan likely to postpone capital gains tax reform

TOKYO, Oct 18: A stimulus package that Japan will unveil on Thursday will include a pledge to consider postponing reforms to a capital gains tax which some ruling politicians fear would hurt share prices, a ruling party official said, reports Reuters.

Ruling Liberal Democratic Party (LDP) policy chief Shizuka Kamei also confirmed that the package would include an extra budget for the fiscal year to next March of around 3.9 trillion yen (\$36.18 billion) and have a headline figure of around 11 trillion yen.

Japanese economic packages typically include not only direct fiscal spending but also the expected economic impact of government loans, tax breaks and other measures.

The package, aimed at ensuring Japan's fragile economic recovery continues, will be approved officially on Thursday by the Fiscal Leadership Council.

CEMEX announces \$500m share repurchase programme

The Board of Directors of Cemex SA de CV (NYSE: CX), has approved a US\$500 million share repurchase programme to be implemented between third quarter of 2000 and December 2001, said a press release from Monterrey, Mexico, recently.

The programme, which covers CEMEX CPOs that are listed on the Mexican stock exchange under the ticker CEMEX CPO, will be funded with resources from the repurchase reserve.

These resources represent less than 50 per cent of its estimated free cash flow during the repurchase period. All shares repurchased under this programme will be permanently cancelled.

As of June 30, 2000, Cemex had 1,199,359,350 "A" and "B" shares outstanding. The CPO is composed of 2 "A" shares and 1 "B" share. The CPO closing price for September 28, 2000, on the Mexican stock exchange was \$39.65 pesos (US\$4.20).

The size of this share repurchase programme is equivalent to about 8 per cent of CEMEX's equity market capitalisation given existing market conditions.

India, Australia to double trade, sign IT co-op deal

NEW DELHI, Oct 18: India and Australia launched an initiative Wednesday aimed at doubling bilateral trade and investment and prepared to sign an agreement on information technology cooperation, reports AP.

Describing the potential for bilateral trade as enormous, Australian Minister for Trade Mark Vaile urged Australian and Indian businesses to work toward building a strategic investment partnership in key areas such as IT, infrastructure development, financial services, and agribusiness.

"We see considerable potential for development of the bilateral economic partnership," Vaile told a gathering of 300 Indian and Australian business leaders.

Two-way trade between Australia and India amounted to \$2.2 billion last year and Australian investments in India are estimated at more than \$1 billion, according to Indian trade officials.

Vaile, leading a 30-member Australian business delegation on a two-day visit to India, said his country's businesses were looking for joint ventures in railways, energy, mining and education.

Indian corporate houses were equally keen on boosting trade with Australia, including investing in Australia, said RV Kanoria, a businessman who heads the Indian-Australia business council.

In 1999, Australian exports to India have increased by 24 per cent and India's exports to Australia grew by 19 per cent over the previous year's figures. The two sides are confident that trade between the two countries can double over the next three years, Kanoria said.

Australia has emerged as the second most popular overseas education destination for Indian students after the United States, with 10,000 Indian students registered in Australian universities, Vaile said.

info-tech boom that has evoked the greatest interest. Vaile said Australia lacks the resources to meet all of its IT needs, while India's prowess in IT makes this country a sought after partner.

Australia and India were scheduled to sign a memorandum of understanding Wednesday night on information industries - cooperation, which would provide a framework for a rapid expansion of IT activities.

Australia was one of India's harshest critics when India conducted nuclear tests in 1998. Australia had imposed economic sanctions on India, and suspended bilateral defence relationships, non-humanitarian aid and high-level visits.

The sanctions were lifted five months later when India said it would move toward adherence to the Comprehensive Nuclear Test Ban Treaty. However, New Delhi is no closer to signing the treaty.

US industrial output growth slows

WASHINGTON, Oct 18: Production by US mines, factories and utilities slowed in September as industry posted its smallest quarterly output gains in 1-1/2 years during the July-September period, the Federal Reserve said yesterday, reports Reuters.

Total industrial output grew by 0.2 per cent last month, only half of August's growth rate of 0.4 per cent. Factories operated at 82.2 per cent of their capacity in both months, well below rates that might generate inflation worries.

Analysts said the Fed figures added to signs of gradual cooling in the industrial sector - already evident in weaker manufacturing employment - but said it did not imply an abrupt falloff in economic activity ahead.

During the July-September quarter, production rose at an annual rate of only 2.8 per cent, sharply down from 8.2 per cent in the second quarter. This was the smallest three-month advance since a 2 per cent gain in the first quarter of 1999.

"This slowdown should come as no surprise," said economist Iau Shepherdson of High Frequency Economics in Valhalla, NY. "But it does not signal a hard landing, and the risk remains that a modest industrial slowdown is not enough to hold back the economy as a whole as much as the markets expect."

Richmond Fed Bank President Alfred Broaddus also raised the possibility that six interest-rate rises between mid-1999 and May this year still might not have completely reined in spending the US central bank fears could fire inflation.

While housing construction and manufacturing were losing some steam, other indicators like soaring consumer confidence raised. "The possibility that current demand growth still exceeds sustainable supply growth," Broaddus told a Federal Reserve conference in South Carolina.



Chrislan Fernando, Country Sales Manager of Compaq, a worldwide computer business leader, addresses a press conference organised prior to a seminar titled "Everything to the Internet" at a city hotel yesterday. Darren Seiver and Robin Tang, executives of Compaq Asia, are also seen in the picture. - Star photo

US to make more high tech work visas available

WASHINGTON, Oct 18: President Bill Clinton on Tuesday signed into law legislation increasing the number of visas available for skilled foreign workers, handing a victory to high-tech companies desperate for computer-savvy employees, reports Reuters.

Overwhelmingly approved by Congress earlier this month, the new law will increase the number of H-1B temporary visas available for high-tech workers from India and other countries and double the fee charged employers using the programme.

Despite strong support, the legislation got caught up in election-year politics and efforts to woo Hispanic voters. But technology companies, facing a severe shortage of applicants with the skills they need, made passage of the H-1B legislation a top priority and put pressure on lawmakers to act.

"My administration has made clear that any increase in H-1B visas should be temporary and limited in number, that the

fee charged to employers using the programme should be increased significantly and that the majority of the funds generated by the fee must go to the Department of Labour to fund training for US workers seeking the necessary skills for these jobs," Clinton said in a statement.

"This legislation does those things," Still, the White House expressed disappointment that the bill did not include broader immigration amendments to grant amnesty to some long-term illegal aliens and to address the legal status of immigrants from El Salvador, Guatemala, Honduras, Haiti and Liberia.

"The new law will raise the number of visas available for highly skilled workers to 195,000 per year for the next three years.

Without the increase, the number of visas available annually under current law would fall to 65,000 from the 115,000 that were available in 2000. A

figure reach in March. The legislation will allow visa requests filed before Sept. 1 to be counted toward 2000 so that 195,000 visas will be available for fiscal 2001, which began on Oct 1.

It would also provide more money, to be funded by higher visa application fees, to help with job training and education programmes to improve the skills of American workers.

Under the new law, the fee charged to employers using the H-1B programme will increase to \$1,000 per visa from \$500. In fiscal 2001 alone, this will generate an estimated \$170 million in additional funds, the White House said.

Democratic efforts to add broader immigration measures to the visa bill were thwarted in the Senate by Republicans who accused the minority party of playing election-year politics with the issue.

We used to meet the needs of the high-tech industry, by raising the number of visas for temporary high tech workers,