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GMG restarts Dhaka-Cox's Bazar flight tomorrow

GMG Airlines, the only private domestic airline in Bangladesh, restarts its Dhaka-Cox's Bazar-Dhaka flight from January 4, says a press release.

This flight will operate on every Thursday and Saturday, departing from Dhaka at 12:40 PM. It will leave Cox's Bazar at 2:30 PM via Chittagong and arrive at Dhaka.

The fare of Dhaka-Cox's Bazar has been determined at Tk 2995 and Chittagong-Cox's Bazar fare is Tk 995.

Majid Khan takes over as deputy governor of BB



MA Majid Khan assumed charge of deputy governor of Bangladesh Bank on Monday, says UNB.

Prior to his present position, he was an executive director of the central bank.

Majid Khan joined as a Class-1 officer in the then State Bank of Pakistan in 1968 and held many important positions in the Bank.

He also worked on deputation with the Ministry of Finance, NORAD, Bahrain Monetary Agency, and the BIM, a BB news release said yesterday.

StanChart regrets error

Standard Chartered Bank has clarified that its figures on government borrowing mentioned in the bank's "Currency Roundup, 2000" were inadvertently printed and are not correct.

The bank has regretted the erroneous figure which was also published by some newspapers.

Butterfly holds annual sales conference

The annual sales conference of Butterfly Marketing Ltd was held at a city hotel yesterday, says a press release.

M A Mannan, Chairman and Managing Director of Butterfly Marketing Ltd., presided over the conference.

Highlighting the annual marketing policy of Butterfly for the year 2001, he said the cardinal principle of the LG-Butterfly marketing plan is to make the very best technology of the world available to the people keeping in view their socio-economic condition.

The conference was held with a renewed determination to make the world-class home appliances and electronics easily available to the people through a customer-friendly marketing policy.

Mannan said the main thrust of Butterfly during the year 2001 would be "improved customer service." He said, keeping in view the facilities and comfort of the customers, some new items would be added to the LG-Butterfly marketing programme this year. These will include "Internet Refrigerator" and "Plasma TV."

The conference was also addressed by Syed Asaduzzaman, Director (Finance), and Mustafizur Rahman Saizid, Director (Marketing).

4th AGM of Meghna Ins held

The fourth annual general meeting of Meghna Insurance Company Limited was held at its head office in the city on Sunday, says a press release.

Zaglor Rahman Khan, Chairman of the Board of Directors of the company, presided over the meeting.

The meeting adopted Directors' Report and Audited Accounts of the company and Auditors' Report for the year ended December 31, 1999.

The company earned a net profit of Tk. 5.92 million for the year ending December 31, 1999.

Ahsan Karim Jinnah, vice chairman, directors, shareholders, Nazrul Islam Khan, Managing Director, A F Ghulam Rabbil, Additional Managing Director, and F N M Afzal Ali, Deputy Managing Director, were also present at the meeting.

Later at its Board of Directors' meeting M A Hashem and Col (ret'd) Abdul Matin were elected Chairman and Vice Chairman of the company.

Textile ministry opposes bid to form apparel board

Commerce ministry carries on with groundwork nevertheless

By Rafiq Hasan

The Ministry of Textile has raised objection to a Ministry of Commerce proposal for creation of an apparel board to boost the country's garment export.

In a letter sent to the commerce ministry recently, it observed that there was no need for an apparel board since there was a separate ministry to address textiles-related issues.

A board, if set up, would only increase the government expenditure besides undermining the role of the textile ministry. The ministry also pointed out that such a body would be useless, once the quota facilities were withdrawn after 2005.

The commerce ministry, however, continued the

groundwork for the independent body comprising representatives from both the public and private sectors.

Last year, a cabinet meeting approved in principle but asked the commerce ministry to seek opinion from the textile ministry in this regard. Initially, the textile ministry had no objection but later changed its stand on the issue.

"I see no reason why the Ministry of Textile should object," said a commerce ministry official. We do not have any intention to undermine the role of the textile ministry by setting up the board.

Such boards exist in the neighbouring India and Pakistan, he pointed out.

There is a separate cell in the commerce ministry on textiles. Also, the Export Promotion Bureau (EPB) has its own cell to look after textile exports.

The proposed apparel board would integrate these two cells, the official said.

Meanwhile, officials and employees of EPB's textile cell have also been demanding formation of a separate apparel board.

Currently the EPB cell is run with officials on deputation which affect its activities, they complain.

Moreover, they feel withdrawal of quota regime would not hamper textile exports. Instead, they believe, withdrawal of quota would expand the apparel business in the country

since there would be no restriction on export.

The textile cell under the commerce ministry was made permanent in 1991 while the EPB cell is still temporary.

Formation of the board would dispel the sense of job insecurity prevailing amongst officials and employees, the EPB staff believes.

The Bangladesh Garments Manufacturers and Exporters Association (BGMEA) has forwarded a proposal of its own for an apparel board to be headed by a person from the private sector.

The association feels the board should be independent and free from all types of bureaucratic hassle.



Rafiqul Islam Khan, Managing Director of National Bank Ltd, inaugurates the new office of Reconciliation Division at its head office. Md Solaiman Khan Majlish and Anwar Imam, Deputy Managing Directors, and other senior executives of the bank are also seen in the picture. — NBL photo

Space constraint cuts foreign participation in DITF 2001

Month-long fair begins January 19

Star Business Report

A lower number of foreign companies will participate in the Dhaka International Trade Fair (DITF) this year due to space constraints.

According to sources, only 48 foreign companies from 22 countries have been allocated stalls this year. Last year, some 70 firms from 30 countries took part in the annual event.

The DITF '2001, the biggest month-long trade exposition in the country, will begin January 19 at Sher-e-Bangla Nagar in the city. Prime Minister Sheikh Hasina will inaugurate the fair.

The Export Promotion Bureau (EPB) is organising the fair in collaboration with the commerce ministry. The DITF has been a regular annual event since 1995.

Source said local manufacturers and exporters got the top

priority this year in getting stalls at the fair. As a huge number of local firms applied for space, the number of foreign participants were reduced.

Space constraint was another reason for reducing the number of foreign participants, EPB sources added. A big chunk of land at the fair venue has been allocated for construction of an international auditorium for holding NAM summit.

As many as 372 local companies will get the opportunity to display their products in the exhibition.

There will be space for 34 pavilions, 64 mini-pavilions and 297 stalls in the fair, the seventh such exposition.

Particular emphasis will be given on exhibition of various types of machinery used in

manufacturing consumer products. The foreign participants would be allowed to sell their products at the fair after paying duty and tax.

Custom officials will check foreign companies from selling products imported duty-free for display purposes. "If any foreign company is found to have avoided duty, then its bank guarantee would be forfeited," said an EPB official.

Refuting allegation of irregularities in distribution of space among the participants, EPB Vice-Chairman Anwarul Bar Chowdhury told the Daily Star that 420 companies have been chosen out of 1000 applications.

The EPB vice-chairman further said that there were no valid complaints regarding plot distribution.

Pubali Bank earns Tk 87.12cr operating profit

Pubali Bank Ltd (PBL) has earned a pre-tax profit of Tk. 87.12 crore in 2000 which increased by 33.05 per cent from the previous year. In 1999, the bank earned Tk 65.48 crore profit, says a press release.

PBL secured a total deposit of Tk. 3027.39 crore which is 16.90 per cent higher than that of the previous year. In 1999, the bank secured Tk. 2590.16 crore deposit.

Loans and advances of Tk. 2160.97 crore were disbursed during 2000 as against Tk. 1952.55 crore of the previous year, which shows a 10.62 per cent rise.

Total recovery of classified loans and advances was Tk. 122.00 crore during 2000 as against Tk. 107.06 crore of the previous year, posting a rise of 14 per cent.

NBL reorganises Reconciliation Division

National Bank Ltd has reorganised its Reconciliation Division from January 1 which is fully computerised, says a press release.

The new system will facilitate centralized reconciliation replacing the traditional system. Rafiqul Islam Khan, Managing Director of the bank, formally inaugurated the new office of the division at its Head Office. The bank has already computerized all its 66 branches and is going to introduce on-line banking service within a short time. The bank has decided to open 10 more new branches during the year 2001 under its network expansion programme.

Gemini Sea Food AGM okays 20 pc dividend

Gemini Sea Food Limited approved a 20 per cent dividend for its shareholders for the year 1999-2000, says a press release.

The dividend was okayed at the company's 18th annual general meeting held at its factory premises at Jabusa of Rupsa in Khulna on Sunday.

Chairman of the company Lt. Col (ret'd) Kazi Shahed Ahmed presided over the meeting.

A large number of shareholders with directors attended the meeting.

The meeting also approved the directors' report and the audited accounts of the company.

The company has earned net profit of Tk 44.15 lakh while its total profit was Tk 4.25 cr for the year 1999-2000.

Malaysia's trade surplus widens

KUALA LUMPUR, Jan 2: Malaysia's trade surplus surged to a stronger-than-expected 6.0 billion ringgit (\$1.6 billion) in November, the statistics department said Tuesday, reports AP.

The surplus widened 7.1 per cent from 5.6 billion ringgit (\$1.5) in October, and was also up 5.3 per cent from the same month in 1999.

It was Malaysia's 37th consecutive month of trade surplus, outstripping most analysts' forecast that the surplus would narrow to approximately 5.4 billion ringgit (\$1.4 billion).

Overall, imports expanded 10.4 per cent from November 1999 to 26.7 billion ringgit (\$7.0 billion), outpacing export growth of 16.6 per cent to 32.7 per cent.

The data showed strong demand for intermediate and capital goods, which comprised 88.3 per cent of total imports.

Indian software industry asks govt to cut red tape, taxes

Bid to reach \$50 b export target

NEW DELHI, Jan 2: India's software industry has asked the government to slash red tape and reduce taxes in order to sustain 50 per cent growth and achieve a 50 billion dollar export target by 2008, reports AFP.

Dewang Mehta, president of the National Association of Software and Service Companies (NASSCOM), said today the industry would be able to achieve a 6.25 billion dollar revenue target in the current fiscal year, and 9.5 billion dollars next year provided the government continued its support.

Mehta told a news conference the industry had sought a range of incentives from Finance Minister Yashwant Sinha in the forthcoming budget.

The current need is to continue with the incentives, further simplify procedures, implement more economic re-

forms, (and) reduce the cost of computerisation," he said.

He said the government should maintain a service tax exemption for the software sector and allow a five-year tax moratorium on e-commerce.

"The government should refrain from imposing new and unnecessary regulations, bureaucratic procedures or taxes and tariffs on commercial activities that take place on the internet," Mehta added.

He said export revenues earned from the internet should be treated the same as physical transactions.

"It is essential that the physical and telecoms infrastructure is quickly enhanced and the procedural obstacles are completely removed," Mehta said.

Mehta said the government needed to invest about 7.5 billion rupees (163 million dollars) to complete an internet

network connecting 23 large cities.

The software organisation has estimated that the number of internet subscribers is likely to reach 2.5 million by March 2001 and 4.5 million a year after that.

Mehta said the government must exempt computers bought by students from sales and excise tax in order to make them affordable.

The industry has urged the government to earmark 10 billion rupees for upgrading the standards of 43 regional engineering colleges and starting new information technology colleges.

It has also demanded an improvement in infrastructure such as airports, roads and power in the main software centres such as Bangalore and Hyderabad.

Nepal Bank of Ceylon fined for violating regulations

KATHMANDU, Jan 2: Nepal's central bank, the Nepal Rashtra Bank (NRB) has taken action against a commercial bank's failure to invest in schemes which boost the economy of the rural poor, bank sources said Monday, reports AFP.

The move provoked outrage from the Nepal-Bank of Ceylon (NBOC) which was fined 10 million rupees (135,318 US dollars) by the NRB.

The NRB action against the bank has affected its plans to float shares to the common

people," an NBOC official source said.

Based in Siddharthnagar, 340 kilometres (212 miles) southwest of Kathmandu, the bank, backed by Nepalese and Sri Lankan cash, has so far failed to make a profit.

The bank incurred a loss of 130 million rupees (1.7 million dollars) in 1998-99 and 100 million rupees (1.3 million dollars) in 1999-2000, bank officials said.

"At a time when the bank was making final preparations to float shares to the public, the

NRB fined 10 million rupees (135,318 dollars) which caused a heavy loss to the bank," a bank employee said.

The fine of 135,318 dollars will be deducted from the bank's deposit at the NRB.

Sources at the Supervision and Monitoring Department of NRB said: "The NRB has sought explanation from other commercial banks for not investing in the priority sectors and if the response from the banks within 15 days are not satisfactory, actions will be taken against them too."

Petroleum price hike sparks criticism in Pakistan

KARACHI, Jan 2: Sharp increases in petroleum prices are raising concerns about slower economic growth and higher inflation as Pakistan struggles to meet its obligations to the IMF, analysts said Monday, reports AFP.

Pakistan on Saturday hiked the price of motor gasoline by 7.5 percent and high speed diesel by 19.6 percent, the latest in a series of upward adjustments as the government strives to reach revenue targets.

Finance Minister Shaukat Aziz on Sunday said the government would meet its first quarter targets, except for a small shortfall in revenue.

"I am very pleased to tell

you that net domestic assets targets, net bank borrowing targets and the net foreign assets targets will be met," he told reporters.

"Except for the revenue whose numbers will come in the next 10 days, all other targets of the IMF programme have and will be met."

Analysts said the government was risking economic growth in its determination to stick to targets agreed to with the International Monetary Fund (IMF) in exchange for a standby loan facility in November.

"The recent hike (in petroleum prices) will hamper industrial activity in the country,"

Invest Cap. Securities analyst Mohammad Sohail said.

"The revenue shortfall will never allow the government to pass on the benefit of lower international oil prices."

Pakistan imported 2.76 billion dollars worth of petroleum last year. Its first quarter (July-September) oil import bill rose 84 percent compared to same period last year.

Sohail said the government would earn 38 billion rupees (660 million dollars) from surcharges on petroleum products for the year ending in June.

Aziz said Pakistan could no longer afford to fund consumption with foreign borrowing.



Zaglor Rahman Khan, Chairman of the Board of Directors of Meghna Insurance Company Limited, presides over the 4th Annual General Meeting of the company held in the city on Sunday. — Meghna Ins photo

Tender Notice

Sealed tender vide this office memo No. XEN. D.D-2/DESA/Hi-404/2000/25 dt. 12/12/2000 are invited in Form No.T-1 from Dhaka Electric Supply Authority's (DESA) enlisted 'A' & 'B' Class Electrical Contractors having past experience of such work for the under mentioned works.

| Group No | Name of work | Earnest Money | Cost of Tender |
|----------|---|---------------|----------------|
| | Shifting of 33/11 kv lines along Dhaka-Mymensingh Road near Gazipur Chourasta due to widening of Road & High Ways Department (Deposit Work) | 2.5% | 700/- |

Interested contractors can obtain necessary tender documents during normal office hours on all working days up to 10/01/2001 from the following offices on payment of Tk 700/- (seven hundred) only (Non-refundable) in the form of Pay-Order/Bank Draft in favour of Addl. Director, RAO, DESA after obtaining written permission from respective officers on showing documentary evidence of their valid enlistment and allied papers.

(i) Member (Engr. & Comm), DESA, Dhaka. (ii) The Divisional Commissioner, Dhaka Division, 1st 12 storied bldg., Segunbagicha, Dhaka. (iii) Superintending Engineer 9th & 10th Power Project, DESA, House No 47, Road No 135, Gulshan-1, Dhaka. (iv) Secretary, Dhaka Electric Supply Authority, 1, Abdul Gani Road, Dhaka-1000. (v) XEN, Development Division 1/2/3/4 Division, House No 47, Road No. 135, Gulshan-1, Dhaka and (vi) Manager, Janata Bank, Gulshan Circle-1 Branch, Dhaka.

Tender will be received by the above mentioned offices up to 12.00 noon on 11/01/2001. No tender will be accepted beyond this time, tenders will be opened at 12.30 pm on the same day in the presence of the tenderers, if any. The authority reserves the right to accept or reject any or all the tenders without assigning any reason thereof. No tender will be received by post. Tender not complying with stipulated conditions shall be treated as non-responsive, and will be summarily rejected.

Executive Engineer
Development Division-2
Dhaka Electric Supply Authority
Road No 135, House No.47
Gulshan, Dhaka

DFP-31241-21/12
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