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Prime Textile Spinning okays 10 pc dividend

Prime Textile Spinning Mills Ltd has okayed a 10 per cent dividend for its shareholders for the year 1999-2000, says a press release.

The dividend was recommended at 12th Annual General Meeting of the company held at its mill premises at Nandalalpur at Pagla in Narayanganj yesterday.

MA Awal, Chairman and Managing Director of the company, presided over the meeting.

A large number of shareholders attended the AGM.

Taiwan officials, business leaders meet to prop up economy

TAIPEI, Jan 6: Business leaders and officials began a two-day meeting Saturday to plot Taiwan's industrial restructuring, a task vital to sustaining the island's economic growth, reports AP.

Taiwan's robust economy has shown signs of a slowdown as traditional toy and textile industries have relocated abroad to seek cheap labour. The computer and electronics industry also faces an uncertain future as it needs to make technological innovations to keep up with growth in the competitive world market.

In opening the conference, Premier Chang Chun-hsiung said Taiwan's industries will face a "crucial test" in the next five to 10 years.

"Our industries face the problems of inadequate infrastructure, lagging technological innovations and a shortage of high-tech personnel," Chang said.

The government will help foster Taiwan's new superiority by promoting "knowledge-based industry" that turns out high-value goods, he said.

As China is expected to open its market following its entrance into the World Trade Organization this year, Chang said, the mainland would drain away more Taiwanese funds, skilled labor and technologies.

To keep industries at home, Chang said, the government will be mobilized to attract investment by lowering taxes, training more skilled labor, helping with industrial waste treatment and cutting red tape.

Taiwan has lowered its projected economic growth for this year from 6.5 per cent to 6 per cent. But several private think tanks said the growth rate could fall below 5 per cent.

The government has yet to map out detailed courses for the needed industrial restructuring.

Thai billionaire set to claim his country's top job

BANGKOK, Jan 6: Thaksin Shinawatra, whose telecommunications empire has made him one of Thailand's richest men, now appears well on the way to fulfilling his ultimate ambition: to lead his country, reports AFP.

The quintessential political survivor has, according to exit polls, carried his populist Thai Rak Thai party to victory in Saturday's poll, overcoming serious graft allegations that dogged his campaign.

Thai Rak Thai, formed just two years ago in the aftermath of the regional economic crisis, was the only serious challenger to Prime Minister Chuan Leekpai's ruling Democrats.

The road to the top has not been smooth, but the charismatic tycoon with the wide grin proved he was not easily discouraged.

Running for parliament as part of the Palang Dharma Party in 1995, Thaksin promised to solve Bangkok's notorious traffic problem within six months or resign.

He failed to fix gridlock, and in the next general election his party lost al its Bangkok seats save one. Humiliated, Thaksin resigned as leader.

In 1997, he was charged by then prime minister Chavalit Yongchaiyudh with formulating policies to salvage Thailand's crisis-hit economy. But the emergency measures had little effect, and Chavalit's government fell.

Now he is back, at the helm of the cutely named Thai Rak Thai (Thai Love Thai) and headed for control of the 500-seat House of Representatives.

Mixing populist appeals with sophisticated speeches about information technology, Thaksin finally seems to have broken his jinx and claim a position observers had long predicted he would one day hold.

Even an indictment by the nation's anti-graft body last month apparently did little to dent his public appeal, particularly in the poor but populous north-eastern and northern provinces which have become his stronghold.

NBR defers new tax system for cigarette industry

Banderole method will now be launched on Sept 1

By Shahriar Karim

Introduction of the new system to effectively realise tax from the cigarette industry has been deferred.

The National Board of Revenue (NBR) has fixed September 1 as the new launching date for the tax method known as banderole system, according to sources.

Lack of infrastructural facilities in the local cigarette industries compelled NBR to defer introduction of this novel tax realisation system, NBR officials said.

In view of large-scale tax evasion in this sector, which is a major revenue source for the economy, the government in the current budget proposed to introduce the system from January 1, 2001.

Following introduction of the banderole system, all the cigarette makers will have to stick a stamp to the packets so that it could easily be identified that the cigarette maker has paid taxes, said Board officials.

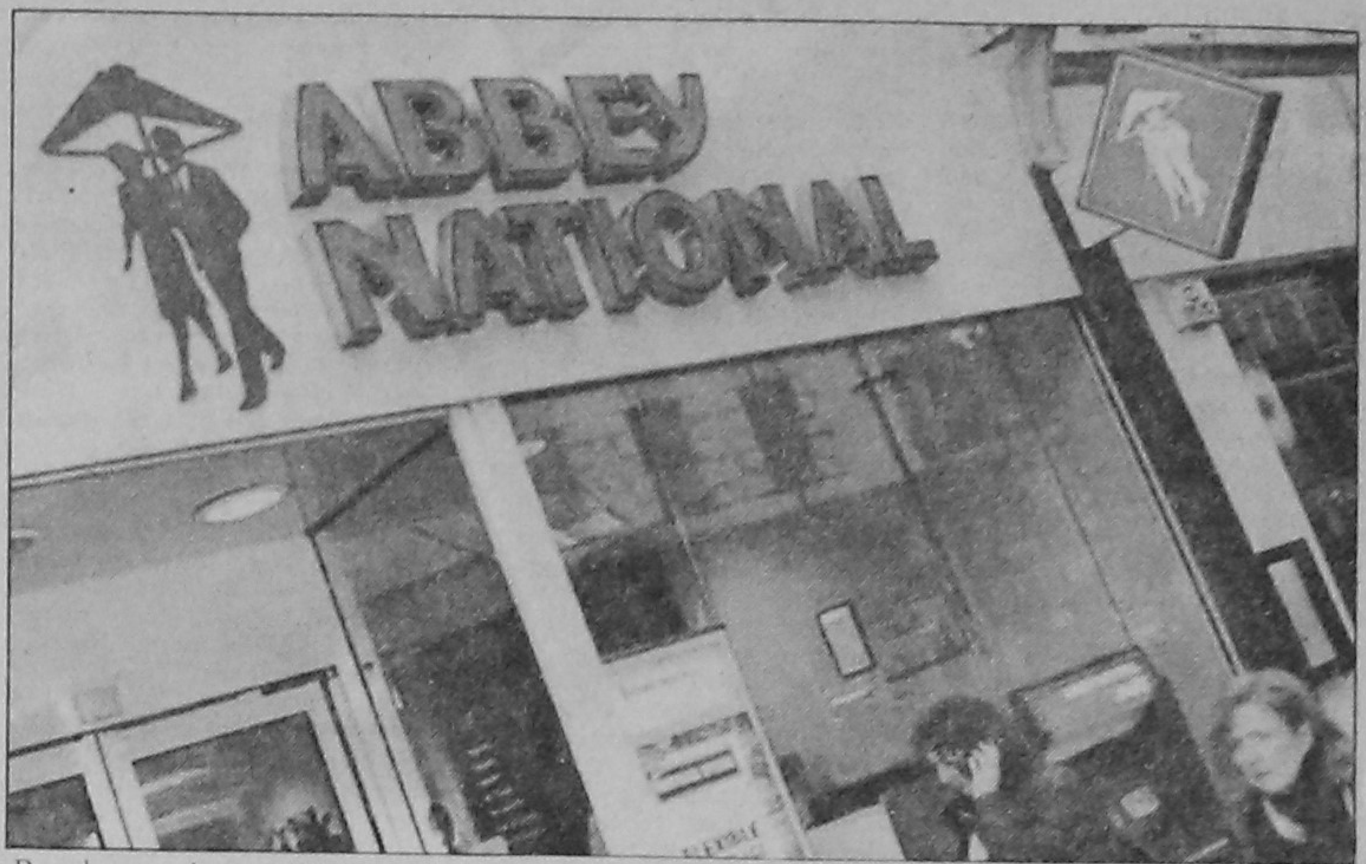
But most of the cigarette industries are yet to develop the necessary infrastructures that include, among other things, installation of a stamp sticking machine. And that's why the NBR re-fixed the date after talks with the association of the cigarette industries, sources said.

The Board has already finalised the size and sample of the stamp to be stuck on cigarette packs. The government has also made necessary amendments to the VAT Act, 1991.

NBR sources said that 70 per cent of the total cigarette industry revenue comes from only one multinational company – British American Tobacco, Bangladesh (BATB) – adding that many a local company evade taxes on a large scale every year.

In his budget speech, Finance Minister SAMS Kibria hoped for introducing the system from January 1, 2001 with a caution that necessary instructions would be issued after obtaining practical knowledge from a few countries which had already adopted the system.

"Since this will be a new taxing method for the industry as well as for the VAT officials, efforts will be made to design an effective procedure with a view to protecting revenue interest of the government," Kibria said in his budget speech.



People pass by an Abbey National branch in central London Friday. British bank Lloyds TSB pressed ahead with its hostile bid for home-loan specialist Abbey National on the day, when it sought regulatory approval for the offer. – AFP photo

IMF to lower its global growth forecasts for this year

NEW ORELEANS, Jan 6: A leading International Monetary Fund official said yesterday the Washington-based lender will "significantly" lower its forecast for global growth for this year to better reflect recent slowing, says Reuters.

Speaking prior to participating in a panel discussion at the American Economic Association conference here, IMF First Deputy Managing Director Stanley Fischer said the Fund would downgrade its forecast made in September, but offered no specifics. In September, the IMF predicted the global economy would grow by 4.2 per cent in 2001.

"Relative to what we had in September (it will be down)," Fischer told Reuters. "We don't know how much we're going to revise it down, because we're just going through the calculations. But it will down significantly. I don't know how much."

The comments were the latest from senior IMF officials indicating that a slowing economy in the United States and elsewhere, as well as a sustained oil shock, would lead it to lower its earlier forecast.

Friday's edition of the Financial Times carried similar comments from the fund's Chief Economist Michael Mussa, who leads the team of economists that compile the IMF's closely watched global growth forecast.

Mussa told the newspaper the revision would be "meaningful," but also was light on specifics. "The data in recent weeks suggest some general slowing across the global economy, most pronounced in the US and Japan, and signs of slowing among the large economies or Europe," Mussa said.

Already in recent months the IMF has cut its growth forecast for numerous European nations and the 11-nation euro bloc as a whole, to reflect the effect of a prolonged spike in oil prices.

Those lower forecasts, coupled with the slowing in the United States and Japan, had led many to believe the IMF would be forced to revise its global growth forecasts before its next scheduled public update of the World Economic Outlook (WEO) in April.

Earlier this week, the powerful US Federal Reserve unexpectedly lowered key short-term interest rates by a half a percentage point.

The move was aimed at bolstering a US economy which is slowing much faster than most experts had anticipated.

But while the IMF will lower its global growth forecasts, officials have made clear they do not expect a recession in the United States.

UK Labour Party polls campaign to focus on full employment

LONDON, Jan 6: Plans to bring about full employment will be the centrepiece of the ruling Labour party's manifesto for the next British general election, Chancellor of the Exchequer Gordon Brown is to say in a speech Saturday, reports AFP.

Labour's economic policy for the next five years will be guided by the principle of "opportunity and prosperity for all" with the aim of creating a society in which everyone is given the chance to work their way to a better life, he will tell an audience of trade unionists.

Brown's speech, at a dinner in London to mark the 150th anniversary of the AEEU union, comes after he made clear his intention on Friday to use the upcoming budget, expected in early March, as a launch-pad for the economic policy of a next Labour government.

Japan economic minister against govt move to up share prices

TOKYO, Jan 6: Japanese Economics Minister Fukushiro Nukaga said today it would not be appropriate for the government to take measures to boost domestic stock prices, says Reuters.

"I don't think it is a good idea for the government to take measures on stock prices. Stock price movements should be left to the market," the minister for Economic and Fiscal Policy said at a news conference after a sweeping ministry reshuffle was implemented.

But Trade Minister Takeo Hiranuma said while he was opposed to "Price-keeping operations" – using public funds to buy stocks to boost prices – he would consider other measures proposed by lawmakers.

Shizuka Kamei, the powerful policy chief of the dominant Liberal Democratic Party (LDP), has been urging the government to take steps to prop up the ailing stock market.

He has called for measures to prevent unwinding of cross-shareholdings and stem selling of shares by foreigners.

Separately, Ichizo Ohara, a senior LDP lawmaker, has proposed radical measures to help bolster Tokyo share prices, including allowing banks to use shareholdings to repay public funds.

The LDP has set up a new task force on stock-price stabilisation to be launched by the end of January.

Tokyo stocks closed firmer for the first time in five sessions on Friday as the yen's continuing weakness prompted investors to snap up major exporters. The benchmark Nikkei average N225 ended up 176.12 points, or 1.29 per cent.

Online retail shopping up sharply in 2000: study

NEW YORK, Jan 6: Holiday shoppers turned up online in record numbers last year, making retail sites among the fastest-growing on the Internet, according to a study released Friday, reports AFP.

The study by the high-tech research firm Jupiter Media Metrix showed that Amazon.com was the top retail site visited over the five-week holiday season for the second year in a row, but sites run by more traditional retailers also attracted shoppers.

The holiday shopping season runs from the fourth week of November until December 24, the day before Christmas.

"While retail sites drew an unprecedented number of online shoppers this holiday season and even had an aggregate growth rate surpassing that of the overall Web, this year will be better remembered by the strong performance of many traditional offline brands like Wal-Mart, BestBuy, American Greetings and Staples," said Anne Rickert, an analyst for Media Metrix.

The study recorded an average of 34.3 million unique visitors to retail sites each week during the 2000 holiday shopping season, up 30.3 per cent compared to the 1999 holiday-shopping season and surpassing the Web's overall growth of 18.6 per cent during the same period.

That was good news for some struggling dot.com companies.

According to another study, Internet shoppers spent 8.7 billion dollars over the 2000 holiday season, a 108 per cent jump from the 4.2 billion dollars spent buying online in 1999. The study by technology research firm PC Data and investment house Goldman Sachs included Web purchases made from the beginning of November to December 17.

But the shopping surge came too late for others, such as eToys, which announced Thursday layoffs of more than two-thirds of its staff, as well as the closure of its British and European operations.

EToys blamed "a generally harsh retail climate and the continued disfavour of Internet retailing" for the move, despite having been one of the top-10 most visited sites cited in the Media Metrix study of holiday shopping.

Online retailers have been battered by falling share prices as the Internet retail industry experiences a shakeout. According to analysts, one dot.com company closes every day.

Indian software leaders offered police cover

Threats from Muslim militant groups

BANGALORE, India, Jan 6: The southern Indian state of Karnataka said Friday it had offered police protection to two of the country's top IT entrepreneurs following threats from Muslim militant groups, reports AFP.

"We have taken the threat very seriously. The government has offered full police protection to Wipro chief Azim Premji and has also extended it to Infosys chief Narayana Murthy," Karnataka home secretary M.B. Prakash told AFP.

According to intelligence sources here the Pakistan-based militant group, Lashkar-e-Taiba, had plans to launch an attack on Premji's house.

"Though the threat was aimed specifically at Premji we, as a precautionary measure, extended it also to Narayana Murthy," Prakash said.

Premji, one of the richest men in the world and head of the Wipro Group, said he had taken his own precautions.

"I am aware of the reports and have put a reasonable private security in place," Premji said.

Wipro Ltd's net profits for the six months to September 30 jumped 121 per cent to 2.617 billion rupees (58 million dollars).

Wipro Ltd., which made its debut on the New York Stock Exchange on October 19, comprises Wipro Technologies, Wipro Infotech and Wipro Consumer Care and Lighting.

MH Khan, Deputy Managing Director of Monno Ceramics, receives a return airline ticket from the Representatives of Emirates Airlines for the Dhaka-Kuala Lumpur-Dhaka route contributed by Emirates as a prize at the New Year's Eve function organised by Dhaka Sheraton Hotel recently. The hotel's Director-PR Rashida Muhiuddin and Director-Sales Saeed Ahmed are also seen.

Iraq urges OPEC to slash output by up to 2m bpd

BAGHDAD, Jan 6: Iraq's Oil Minister Amer Rashid on Saturday urged OPEC to cut production at its upcoming meeting by up to two million barrels per day (bpd) to stabilise oil prices on the world markets, reports AFP.

"We hope that OPEC will cut production at its upcoming meeting by at least between 1.5 and two million bpd to ensure a calm market," Rashid told reporters.

"We urge OPEC countries to maintain unity and rebuff any foreign interference that could affect prices and harm the economies of oil-producing countries, especially those in OPEC," he added.

Rashid said Baghdad was currently producing around three million bpd, adding that output "will increase if the UN sanctions committee changes its position."

The committee in December rejected a new formula proposed by Iraq for the pricing of its crude amid controversy over Baghdad's efforts to impose a surcharge to be paid outside UN control.

The 11-member oil cartel is expected to announce an output cut when it meets on January 17 in Vienna, or possibly before under its informal price stabilisation mechanism.

On Thursday, OPEC secretary general Ali Rodriguez said that general consensus had been reached between member states on the need for a production cut if oil prices remained below 22 dollars a barrel over the next 10 working days.

The Organisation of Petroleum Exporting Countries (OPEC) said on Friday that its benchmark price had risen to 23.15 dollars.

Singapore eyes 7pc growth this year

SINGAPORE, Jan 6: Singapore was primed for healthy economic growth of up to seven per cent this year despite an expected global slowdown, economists and government leaders said Saturday, reports AFP.

Their upbeat forecast follows a scintillating 2000 performance, provisionally put at 10.1 per cent.

Deputy Prime Minister Lee Hsien Loong said the government remained "reasonably confident" of 5-7 per cent growth in 2001.

Singapore was not revising its estimates just yet, despite Wednesday's cut in US interest rates by 50 basis points, Lee said in an interview on CNBC.

In his New Year's message, Prime Minister Goh Chok Tong had warned that a US slowdown "will hurt Asia's growth, and Singapore's too."

The National University of Singapore's economics department backed the top-end of the government's forecast.

Although a US-led global slowdown was expected, "respectable growth is still achievable this year," associate professors Tilak Abeysinghe and Peter Wilson, from the university's Econometric Studies Unit.

Chinese SOEs post $2.75b in missing assets

BEIJING, Jan 6: Some 22.9 billion yuan (2.75 billion dollars) in assets at leading Chinese State-Owned Enterprises (SOEs) went missing in 2000, despite a widespread lack of reliable accounting methods in the sector, state press reported, says AFP.

And 11 per cent of the total assets of the 1,290 large and medium state-run enterprises audited, or 74.3 billion yuan, were deemed to be non-performing.

Unreliable accounting methods were being used in 68 per cent of the enterprises, posing a huge obstacle to the government's efforts to clear up the financial situation of the burdensome sector.

Commodity: Weekly Roundup

Prices of oil, sugar rise; coffee falls to 8-year low

LONDON, Jan 6: Oil prices spiked up towards 26 dollars a barrel this week after the organisation of Petroleum Exporting Countries (OPEC) indicated it was ready to slow output if prices remain low, says AFP.

Benchmark Brent North Sea crude oil for February delivery was selling for 25.76 dollars a barrel in London by Friday afternoon, compared with 23.84 dollars a week earlier.

In New York, February light sweet crude was quoted at 28.48 dollars a barrel, against 26.05 dollars the previous week.

Prices found their feet amid mounting expectations that OPEC will tighten its taps when it meets on January 17 in Vienna, or possibly before under its informal price stabilisation mechanism.

On Thursday, secretary general of the Organisation of Petroleum Exporting Countries (OPEC), Ali Rodriguez, said that general consensus had been reached between member states on the need for a production cut if oil prices remained below 22 dollars a barrel over the next 10 working days.

The organisation would then reduce output by 500,000 barrels a day and suppliers outside OPEC such as Angola, Kazakhstan, Mexico, Oman, and Russia would cooperate to reduce supply, he said.

Under the informal agreement, the organisation agreed to increase production by 500,000 barrels a day if its benchmark price stayed above 28 dollars for 20 working days, or cut output by the same amount if the price stayed below 22 dollars for more than 10 working days.

But OPEC said on Friday that its benchmark price has risen to 23.15 dollars, remaining within the 22-28 dollar target band for the third day in a row.

Rubber: Stable. Rubber prices barely budged this week. In London, the rubber index for February delivery edged down to 48.50 pence per kilo from 49.75 a week ago.

In Kuala Lumpur, the RSS1 index stood at 2.43 ringgit from 2.425 ringgit per kilo last week.

Cocoa: Flat. Cocoa prices were little changed this week, holding on to recent gains amid lingering concerns of a tigher-than-expected market this year.

On London's LIFF financial futures exchange, the price of a tonne of cocoa for May delivery slipped to 579 pounds from 581 pounds last week.

On New York's CSCE market, the May contract closed Thursday's session at 779 dollars a tonne from 780 dollars a week earlier.

Coffee: Mourning. Arabica coffee prices fell to their lowest levels in eight years this week in New York on a market awash with supplies.

On the New York futures market, Arabica prices for May delivery ended the week at 66.30 cents a pound, from 70.35 cents last week.

On LIFFE, Robusta quality for March delivery dropped was unchanged' at 648 dollars a tonne.

World coffee production reached a record 113.3 million sacks in 1999/2000, up 1.94 per cent from the previous season.

'There's more coffee than the market can absorb,' Prudential Securities analyst Arthur Stevenson said.

Sugar: Sweeter. Sugar prices advanced this week in response to concerns of a temporary supply shortfall.

On the London market, May contracts rose to 250 dollars a tonne from 244 dollars last Thursday.

In New York, a pound of white sugar (for May delivery) jumped to 9.93 cents from 9.64 cents.

"There is a feeling that may be there will be a temporary tighness" of raw sugar, said Christopher Pack, an analyst at the Czarnikow brokerage.

"Cuba has had bad weather ... people are beginning to revise Cuban production down a little bit."

Vegetable Oils: Slipping. US soya prices nudged down this week on expectations of increased production in South America.

On the Chicago Board of Trade (CBOT), a bushel of Soya for January delivery ticked down to 4.9225 dollars on Thursday from 4.975 dollars the previous week.

Cotton: Cut. Cotton prices fell to five-month lows this week after the international Cotton Advisory Committee revised upwards its world production forecasts by 2.1 per cent to 87.3 million bales.