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Star BUSINESS

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Mercantile Bank declares 28pc dividend

Mercantile Bank Limited has declared a 28 per cent dividend for its shareholders for the year 2000.

Of the dividend, 15 per cent will be in cash and the rest in the form of bonus shares.

The dividend was declared at the 19th board meeting of the bank held in the city on Tuesday with its founder Chairman, Md Abdul Jalil, presiding, says a press release.

Later the chairman of the bank distributed the cash dividend among the shareholders.

Novartis strikes partnership deal with ABX Logistics

Novartis (Bangladesh) Limited has signed a contract with ABX Logistics (Bangladesh) Limited to make it a partner in its vast development programme, says a press release.

The contract is mainly based on logistics needs due to dramatic increase of Novartis' export business from Bangladesh. From 3 orders in a month the volume must increase by 2004 to 12 orders in a day.

Novartis Bangladesh is engaged in the production, marketing and distribution of pharmaceutical products (research and generics) for the domestic as well as export markets with generics.

The products include brand names such as Voltaren, Tegretol, Diovan, Spacin, Azyth, Tirlor, Rimactid and Neoral.

The group has decided to increase its production capacity and extend its range of generic products for the export market substantially.

It needed a logistics partner with a worldwide dimension that could provide a comprehensive service ranging from "supply chain management," warehouse management and transport to "in-house logistics."

Zillur urges Chinese to invest in Bangladesh

BSS, Shanghai

Awami League general secretary and Local Government Minister Zillur Rahman has said Bangladesh is the best place in South Asia for foreign direct investment in various fields including trade, commerce, business and industries.

He was speaking to a gathering of Chinese businessmen and industrial entrepreneurs here after visiting the Suzhou Industrial park in Suzhou province of the city Thursday.

Pan Yungyan, vice chairman of Suzhou Industrial Park Administration Committee, among others, spoke on the occasion.

Rahman said Bangladesh adopted a liberal industrial policy conducive to high industrial growth and foreign investment, adding a raft of other measures had also been taken to facilitate the investors, including infrastructural and monetary steps.

He illustrated the achievements of the present government led by Prime Minister Sheikh Hasina in achieving self-sufficiency in food, developing urban and rural infrastructure and improving the socio-economic condition of the people.

S'pore GDP up 9.9pc in 2000, no shift in MAS bias

REUTERS, Singapore

Singapore's economy grew a robust 9.9 per cent in 2000, slightly below an official forecast of 10.1 per cent, with the outlook broadly positive for this year despite slowing growth, the government said Thursday.

After the release of the data, the Monetary Authority of Singapore (MAS) defied expectations of a shift in its monetary policy by sticking to its tightening bias to cap inflationary pressures.

The Ministry of Trade and Industry maintained its growth forecast for the whole of 2001 at five to seven per cent, but some economists said expansion could be slightly lower due to the slowdown in the city state's key US and Japanese markets.

Despite the sharp deceleration of the US economy towards the end of last year and the severity of the downturn in the global electronics sector, the external outlook was still "broadly positive", the ministry said.

Select sick leather units to enjoy special loan rescheduling facility

INAM AHMED

In a major deviation from the Bangladesh Bank's (BB) loan rescheduling provisions, the nationalised commercial banks (NCBs) and two specialised banks have decided to reschedule default loans of some select leather industries by allowing only 2.5 per cent down-payment instead of the minimum 10 per cent.

The decision, taken a few months back, has been formally communicated to the Finance Ministry and the banks will soon invite applications from interested borrowers.

This special facility will be offered to those borrowers who had been maintaining satisfactory relationships with the banks for the last five years, but have faced with difficulty due to market slump. The units which have chances of revitalising themselves would enjoy the facility.

The leather sector borrowers will have to submit their rehabilitation plans to their respective banks and the banks will take decisions within two months of receiving the applications.

According to bank figures, Sonali Bank, Janata Bank, Agrani Bank, Rupali Bank, Bangladesh Krishi Bank and Rajshahi Krishi Unayan Bank have some 53 bor-

rowers, who would be eligible for the concession.

These borrowers have Tk 437.26 crore outstanding loans including Tk 287.95 crore in principal amount and Tk 40.23 crore in interest.

Agrani Bank has the highest Tk 196.65 crore outstanding loans by five borrowers who have potential to perform better through rescheduling.

These six banks and financial institutions are also saddled with an additional loan amount of Tk 568 crore taken by leather units, which they are pretty unlikely to get back.



Gerhard G Doege, Managing Director, Novartis (Bangladesh) Ltd, and Elmar Lins, Managing Director, ABX Logistics (Bangladesh) Ltd, exchange the documents of the signed deal on logistic partnership. The ceremony was also attended by Eddie Dufrenne, Regional Chief Executive Officer, Asia-Pacific ABX logistics, Sadaquat Hosain, Executive Director, ABX Logistics (Bangladesh) Ltd, and Mahbubul Karim, Director (Technical Operations), Novartis (Bangladesh) Ltd.

Govt may raise budgetary allocation for women

Kibria says at BNPS seminar in city

BSS, Dhaka

Finance Minister Shah AMS Kibria Thursday said the government is mulling over increasing the allocation in the development projects of the next budget to improve further the status of women in the country.

Development projects are prepared considering direct or indirect benefits to women, economic rate of return and employment generation, he said at a seminar on "Share of Women in the National Budget" organised by Bangladesh Nari Progoti Sangha (BNPS), at CIRDAP auditorium.

Kibria said though most of the families are below poverty line, women head 22 per cent families of the country.

A total of 12,800 women mem-

bers were elected directly in the Union Parishad elections in 1997 which is a remarkable headway in empowering women, he observed.

Kibria said women's contribution to the agricultural and industrial sectors, particularly ready-made garments, is very commendable. Traditionally, the division of labour is recognised in some sectors like household chore, weaving and pottery, he added.

Referring to sections 10, 11 and 18 of Bangladesh Constitution that protect the rights of women, he said the government is pledged-bound to fulfill the constitutional obligations for improving the status of women.

Kibria said the government has taken a number of steps for the development of women to fulfil

the commitment of Father of the Nation Bangabandhu Sheikh Mujibur Rahman and his daughter Prime Minister Sheikh Hasina.

He said formation of the National Council for Women's Development, National Policy for Women Development, Women and Children Repression Act 2000, direct appointment of women in the armed forces, allowances for widows and old-age pension are just a few of the many steps taken by the government to improve the status of women.

The Finance Minister called upon all concerned to apply the Women and Children Repression Act properly to remove injustice against women, specially to punish the perverted culprits responsible for acid throwing.



Nanno D Kleitert, Director of Netherlands Development Finance Company (FMO), and Md Shawkat Ali, Managing Director of Dutch-Bangla Bank Limited (DBBL), sign the agreement on long-term local currency loan extended by FMO to DBBL recently. Chairman of the bank and other directors along with bank officials are also seen in the picture.

DBBL signs credit deal with FMO for financing SSEs

Dutch-Bangla Bank Limited (DBBL) has entered into an agreement with the Netherlands Development Finance Company (FMO) for a long-term local currency loan equivalent to EUR 5 million (approximately Tk 250 million), says a press release of the bank.

The agreement was recently signed at the bank's head office in the city by Nanno D. Kleitert, Director of FMO, and Md. Shawkat Ali, Managing Director of Dutch-Bangla Bank Limited.

This loan along with DBBL's matching fund of Tk 250 million is meant for financing small scale enterprises (SSEs) in the private sector which includes manufacturing industries, agriculture, transport, commerce and trade. The tenure of the loan will be 5 years including 1 year's grace period. This is expected to help develop and strengthen the base of small-scale enterprises in Bangladesh, which play a pivotal role in the economic development of the country.

This credit line from FMO is a breakthrough in the history of banking in Bangladesh. FMO's selection of Dutch-Bangla Bank Limited for this facility is a testimony to the recognition DBBL has achieved in the local and international banking sectors. Success in the use of this credit line from a reputed international financing institution like the FMO will optimistically open up the door for further international co-operation in many other prospective investment areas in Bangladesh.

DBBL is the only banking company in Bangladesh to get such a loan from the FMO.

Iraq's oil export rebounds from record low: UN

AFP, United Nations

Iraqi oil exports rebounded last week from a record low, to reach 10.8 million barrels, the office administering the UN oil-for-food programme said Wednesday.

The exports, lifted in six loadings, were worth a total of 254 million euros.

Four loadings were through the Turkish port of Ceyhan, which had virtually ceased to function as an outlet for Iraqi crude during a seven-week slump caused by a dispute with the UN sanctions committee over the pricing formula for December.

Although last week's level fell short of normal levels of exports, it was a substantial increase from the programme's lowest weekly figure of 1.6 million barrels registered in the week ending February 9.

In the second half of last year, Iraq's exports averaged 14.6 million barrels per week.

Two more contracts for the purchase of Iraqi oil were approved by the UN oil overseers and sanctions committee last week, the office said.

It said a total of 103 contracts were awaiting completion, for over 262 million barrels.

The office also said that the value of import contracts blocked by order of the sanctions committee rose by 100 million dollars to 3.28 billion dollars as of February 16.

In an attempt to sidestep this blockade, the committee added more than 700 items to the lists of humanitarian supplies for fast-track processing by the Office of the Iraq Program (OIP).

Jalil stresses enactment of Chartered Secretaries Act

Step to make listed companies more accountable

STAR BUSINESS REPORT

Commerce Minister M Abdul Jalil has underscored the need for enactment of the Chartered Secretaries Act to make publicly listed companies more accountable to shareholders, government authorities and financial institutions.

"Rapid industrialisation process coupled with the emergence of capital market have necessitated adequate statutory laws so as to ensure discipline and transparency in corporate management," he said.

The commerce minister was addressing the "Institute of Chartered Secretaries and Managers of Bangladesh (ICSMB) Convocation 2001" as chief guest at Hotel Purbani International in the city Tuesday.

Commerce Secretary Ghulam Rahman and Securities and Exchange Commission (SEC) Chairman Manir Uddin Ahmad attended the function as special

guests while President of ICSMB Muzaffar Ahmed presided. AKA Muqtadir, Senior Vice President and MS Alam Mia, Secretary of the Institute also spoke on the occasion.

Commerce Minister Abdul Jalil said the Companies Act, 1994 needs to be amended to safeguard the interests of the investors, adding that the Act has accorded statutory recognition to the post of company secretary.

"The company secretary is now a constitutional position and requires specialised knowledge and expertise to discharge his responsibilities. The Act, though has recognised the position, has not prescribed the qualifications for the position. The Act should be amended in line with other similar laws around globe to clearly define the qualifications of company secretaries," he said.

ICSMB was established in July 1997 with the approval of the Commerce Ministry to regulate the profession of Company Sec-

retaries by imparting training on corporate management and the job of secretary, Jalil noted.

In his speech, Commerce Secretary Ghulam Rahman observed that the company secretaries play a very significant role in corporate management.

SEC Chairman stressed the need for good governance and professionalism in corporate management, adding that there is a need for improvement in the field.

He said there should be an authority to regulate and enforce company laws in the country.

ICSMB President Muzaffar Ahmed observed that the Institute of Chartered Secretaries and Managers now needs statutory support through an Act passed by the Parliament.

He said the main objective of the institute is to promote, regulate and develop professionals working in different companies.

The Institute has around 102 fellows and associate members.



Commerce Minister M Abdul Jalil distributes certificates among the qualified chartered secretaries at the first-ever convocation of ICSMB held at a city hotel Thursday.

India's infrastructure budget key to economic growth

REUTERS, Bombay

India needs to attract massive investment in its creaking infrastructure to step up economic growth, but will make only very limited progress through next week's federal budget, analysts say.

In his February 28 budget address, Finance Minister Yashwant Sinha is expected to outline tax incentives aimed at making it more attractive to invest in infrastructure. He may also announce fresh funding for a major intercity highway project.

But all that will barely make a dent in an infrastructure where pot-holed roads, chronic power shortages, and rickety, state-run railroads all contribute to stifle economic growth.

Analysts say funding alone cannot tackle these problems. Infrastructure ventures are not attractive to private investors be-

cause of the country's archaic labour laws, political interference in levying realistic user charges, and other non-budget factors, they say.

"It is more a problem with policymaking," BB Bhattacharya, director of the Institute of Economic Growth in New Delhi, told Reuters. "I don't think the budget can address this."

Reforms in other areas are required to give India a shot at achieving sustained annual growth of nine per cent, which President KR Narayanan said on Monday should be the goal.

To achieve that target, infrastructure spending would need to rise to over 2,000 billion rupees (\$43 billion) annually by mid-decade, more than three times the 650 billion rupees spent now, according to an estimate by the Confederation of Indian Industry (CII).

For the current year to March,

economic growth is forecast to slow to six per cent, down from 6.4 per cent last year and over 7.5 per cent for three consecutive years in the mid-1990s.

Analysts say Sinha could announce tax breaks on infrastructure bonds to lure funds into infrastructure.

"I expect the budget to widen or restore tax exemptions on infrastructure bonds," said R Ravimohan, managing director of Credit Rating and Information Services of India Ltd.

Sinha may also give more tax incentives for rebuilding earthquake-hit western state of Gujarat, analysts said.

And the CII has asked for a 15-to-20-year tax holiday for infrastructure projects.

Investments in key infrastructure sectors are currently exempted from paying taxes for five years.

Arroyo urges ASEAN to focus on trade, tourism

PNA, Manila

President Gloria Macapagal-Arroyo Thursday urged ASEAN member-states to give greater focus on trade and tourism, noting that increased cooperation in these fields will further enhance the growth and progress among the ten ASEAN countries.

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be together all the time because our partnerships have been very beneficial," the President told the ASEAN representatives.

To demonstrate ASEAN's resolve to enhance their cooperation, Malaysia is sending its trade minister next month to discuss new areas of investments with the business sector in the country, said Arshad Hussain Malaysian ambassador to the Philippines.

The President also noted the timely launching of the e-ASEAN Agreement as she pledged the Philippines' active role in this project.

The agreement provides for, among others, the commitment of ASEAN member-countries to implement programme that would narrow the digital divide in the region and enhance ASEAN's competitiveness in information

technology.

The ambassadors also expressed high hopes for the forthcoming ASEAN summit in Malaysia in November as another opportunity to renew their ties and map out plans for the future of ASEAN.

Dato Haji Yahya Harris of Brunei led the ASEAN delegation. He was accompanied by EK Sereywhath, former secretary of Cambodia; Soeratmin, former vice admiral and director of operations of Indonesian Navy; Keola Phongsavath of Laos; Jacky Foo and Nguyen Thac Dinh, career diplomats from Singapore and Vietnam respectively.

The ASEAN groups together Malaysia, the Philippines, Indonesia, Singapore, Thailand, Brunei Darussalam, Cambodia, Vietnam, Laos and Myanmar.

4-nation Africa tour IMF, WB chiefs leave Nigeria for Tanzania

AFP, Abuja

The heads of the World Bank and International Monetary Fund, James Wolfensohn and Horst Koehler, left Nigeria Thursday for Tanzania for the third leg of a four-nation African tour.

Koehler declined to comment to reporters on the decision by authorities in Turkey, made public earlier in the day, to abandon a fixed exchange rate for the Turkish currency.

The IMF chief had on Wednesday admitted to "concerns" over government spending and the progress of economic reforms in Nigeria, Africa's most populous country.

The heads of the two Bretton-Woods bodies are on a four-nation tour of Africa that has taken them to Mali and Nigeria and will take them on to Tanzania and Kenya.