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Bush optimistic about economy

AP, Billings

President George W Bush was offering a cautiously optimistic assessment of the US economy Tuesday, calling it "winded, but fundamentally strong" and contending that his policies on education, energy and free trade were critical for its continued health.

Bush was sharpening his arguments for his package of tax cuts and restrained federal spending in a state-of-the-economy address in Kalamazoo, Michigan.

The sweeping overview was designed to spell out what the president views as the economy's strengths and weaknesses, and make the case for his tax cut proposals. Bush was also reminding the nations anew that the economy began to cool before he took office.

Bush's has proposed a 10-year, \$1.6 trillion tax reduction. In recent days, the White House had signalled willingness to make the income tax components retroactive to swiftly pump up the economy.

New freshen-up package for Emirates passengers

Emirates' First and Business Class passengers who travel to London Gatwick can freshen up on arrival with a new, enhanced "Good Morning Gatwick" package, says a press release.

Emirates' overnight flight EK007, which departs Dubai at 2:45 am, arrives at Gatwick at 6:40 am local time. First and Business Class passengers can now use the Delta Arrivals lounge located in Le Meridien Hotel Gatwick on the mezzanine level in the North Terminal.

Shower facilities with changing rooms, a continental breakfast and English newspapers are available. The package also includes a First Class, one-way rail ticket from Gatwick to London's Victoria Station.

Passengers taking advantage of the Good Morning Gatwick package can obtain information, their invitations to the lounge and their rail tickets at the Emirates desk in the Arrivals Hall at Gatwick's North Terminal. Interline passengers need a valid UK visa to use the package because they have to pass through Immigration to access the hotel.

The Good Morning Gatwick offer is available as an alternative option to the complimentary chauffeur drive service. It replaces an earlier Good Morning Gatwick package in which a hotel room was offered.

First Class passengers who travel from London Gatwick on Emirates' flight EK008 to Dubai can now use Delta's Crown Club Room at Gatwick's North Terminal instead of the Alexander suite previously used. This facility will be extended to Emirates Business Class passengers from July 1, 2001.

BFFEA, ATDP hold meet

Speakers at a meeting have underscored need for direct linkage between the growers and the exporters of shrimp for maintaining quality and minimum price of the products, says a press release.

Khulna zone of Bangladesh Frozen Foods Exporters Association (BFFEA) in collaboration with USAID-assisted Agrobased Technology and Development Project (ATDP) Phase-II The Louis Berger Inc. organised the meeting at the BFFEA Khulna office recently.

Chaired by Kazi Belayet Hossain, Khulna zone Vice President of BFFEA, the meeting was addressed, among others, by Dr Mahmudul Karim, Fisheries Specialist of ATDP, S Humayun Kabir, Joint Secretary General of BFFEA, A H Md Shahadat Ali Khan, Md Towhidur Rahman, Md Ferdous Alam, Altaf Hossain, Abul Hossain, Kamrul Islam, Anisur Rahman, Abdul Jalil and Mizanur Rahman of ATDP.

BFFEA leaders urged ATDP to extend assistance for market development and training up to the grower level in the greater interest of shrimp sector. They also sought assistance in setting up Internet facility for disseminating information to the customers and others concerned.

Dr Mahmudul Karim said ATDP Phase-II was launched this month for supporting agrobusiness development of the country. The main goals of the project will be to increase export, internal sales and employment.

The ATDP assistance will include training local and expatriate consultant services and overseas tours, he added.

Tribunal upholds fines against Kohinoor for evading VAT

RAFIQ HASAN

A customs, excise and VAT appellate tribunal has upheld imposition of Tk 31.87 lakh fines on Kohinoor Chemical Company Bangladesh Ltd by the customs authorities for evading Value Added Tax (VAT).

The two-member tribunal after hearing the arguments of both the sides has said that it was proved beyond any doubt that the company evaded revenues.

Earlier, the customs authority fined Kohinoor for allegedly evading Tk 10.52 lakh VAT by producing Tibet Talcum powder at the factory of Lily Cosmetics at Konabari in Gazipur. Customs

Commissioner Ali Ahmed issued the penalty order on March 20 last year.

Upholding the previous penalty order, the tribunal in its verdict in January this year observed that the argument advocated by the commissioner was logical and lawful.

Executive Director of the Kohinoor Chemical Company Rezaul Karim however said the verdict ignored the company's viewpoint. He told the Daily Star that the company has already filed a writ petition with the High Court against the verdict.

He denied the VAT evasion allegation, saying that the company had been paying more than Tk one

crore VAT every month. "It was impossible for us to produce goods at Gazipur to evade only Tk 10 lakh VAT," Karim said.

He added that the Lily Cosmetics had been making fake Kohinoor products. "There are several such unscrupulous factories in the city which are engaged in making fake products including ours," he said.

However, the custom authorities brought the charges against Kohinoor on the basis of an investigation by the custom intelligence department. The intelligence officials visited the Lily Cosmetics factory at Konabari, Gazipur and found a good quantity of Tibet Talcum Powder.

They also seized some items and documents from the Kohinoor factory, which showed a clear link between it and Lily Cosmetics.

The intelligence officials while visiting the factory had asked the company to provide documents of VAT payment against the products. But the company officials could not produce any document.

The intelligence officials also alleged that the Lily factory was set up on the site of Cans Towel, which belongs to the Orion Group of Industries, the apex organisation of Kohinoor Chemicals.

But Rezaul Karim said his group does not have any textile factory named Cans Towel Industries Ltd.



Pepsi Mobile Ticket Counter kicks off its campaign for the first time in Dhaka. This Pepsi Van sells cold drinks and tickets for the upcoming concert on Friday all over the city for the convenience of the interested young consumers.

High money-pumping pulls economy out of post-flood recessionary trends

Kibria rebuffs IMF observation

STAR BUSINESS REPORT

Finance Minister Shah AMS Kibria yesterday assured that he is not at all worried about the high monetary expansion rate.

Rebutting a recent remark by the resident representative of the

International Monetary Fund (IMF), Kibria said such high monetary expansion helped the country overcome the recessionary trends after the devastating deluge in 1998.

The finance minister was speaking as the guest of honour at

the monthly luncheon meeting of the American Chamber of Commerce in Bangladesh (AmCham) at Sheraton Hotel in the city. AmCham President Forrest E Cookson also spoke on the occasion.

IMF Resident Representative Ronald P Hicks early this month at

a monthly luncheon meeting of the France-Bangladesh Chamber of Commerce and Industry (CCIFB) termed the current monetary expansion rate very high, saying the rate, which is almost 20 per cent, would create pressure on foreign exchange reserve and inflation.

The country's foreign exchange reserve is not robust while the inflation is less than one per cent. These are all interlinked and the government needs to address these issues very responsively in formulating the next budget and should move ahead with structural reforms, Hicks observed.

But Finance Minister SAMS Kibria said the balance of payment situation is under control despite a low foreign exchange reserve position.

Regarding the significant increase in revenue collection in the current financial year, he categorically stated that it happened not by any chance, but through reforms in the revenue collection system.

Commenting on the acute power shortage, he said although the demand is very high, the country is not rich enough to buy power from the foreign investors.

Vested interest delays recruitment of consultants: ADB

UNB, Dhaka

A four-day seminar on the 'Use of Consulting Services in Bangladesh' for the officials of executing agencies of ADB-funded projects began here at a hotel yesterday.

Asian Development Bank (ADB) as part of its efforts to improve project quality, is conducting the seminar where about 35 officials of the executing agencies are attending.

In Bangladesh, there are two major factors that generally cause delays in consultant recruitment. The first factor is related to unnecessary interventions of vested interest in the process of consultant recruitment.

The second factor relates to the lack of familiarity of the government agencies concerned with the ADB's policies, guidelines and procedures on recruitment of consultants, said an ADB press release.

Joint Secretary of the Economic Relations Division M Shafiqul

Islam and Phiphit Suphaphiphat, Resident Representative of ADB, opened the seminar.

Yang Dan and Gregory London, Senior Consulting Services specialists from the ADB's Consulting Services Division (CSD), are conducting the seminar.

The main objective of the seminar is to update and improve technical knowledge and skills of the personnel of the executing agencies concerning ADB's guidelines, process, and procedures on the selection, engagement, and use of consultants.

The organiser said knowledge and experience gained from this seminar are expected to remove the impediments in the process of recruitment of consultants for smooth and efficient implementation of development projects.

The seminar will also serve as a forum where the participants would share their experiences with each other and with the resource persons, thereby enriching the knowledge of all participants.

New BB GM

Sayeeda Bilquis Jahan has been promoted as General Manager (GM) of Bangladesh Bank (BB).

She took over the charge of the monetary management and technical unit of the bank recently, says a press release.

Prior to her present assignment she was the Deputy General Manager of Research Department of the bank.

Jahan joined Bangladesh Bank as Assistant Research Officer in 1973.

Jahan obtained her Masters Degree in Development Economics from Williams College, Massachusetts, USA in 1985. She did her Masters in Economics from Dhaka University in 1973.

She attended IMF training programme on 'Macro Economic Management' in 1996, and another course on 'Financial Programming and Policies' jointly organised by the IMF and Singapore Regional Training Institute in Singapore in 2000.

Jahan has a number of publications on various economic issues published in different economic journals in the country.

She is a life member of Bangladesh Economic Association and one of the advisers of Bangladesh Women Officers' Association.



Finance Minister Shah A M S Kibria speaks at an AmCham luncheon meeting held at Dhaka Sheraton Hotel yesterday. Others seen in the picture are (from right) A Gafur, Executive Director, and Forrest Cookson, President of the Chamber, Christopher Webster, Charge d'Affaires of American Embassy in Dhaka, and M Nurul Islam, Vice President of AmCham.

National IT policy soon

Noor Uddin says at BCS show inauguration

BSS, Dhaka

Science and Technology Minister Muhammad Noor Uddin Khan said yesterday that a national IT policy had already been drafted and it would be placed before the cabinet for its approval.

"We hope the draft policy would be placed before the cabinet by the next month for approval. If the Cabinet approves the policy in principle, it would be tabled in the Jatiya Sangsad to give it a legislative status," the minister said while inaugurating the "BCS Computer Show 2001" at Osmani Memorial Hall here yesterday.

Earlier, a national taskforce was formed comprising representatives of the government and private sectors to boost the Information Technology (IT) sector.

Prime Minister Sheikh Hasina is heading the taskforce as her government identified IT as a "thrust sector" considering its global impact.

Bangladesh Computer Samity (BCS), a forum of IT entrepreneurs, has been organising the show since 1993 which has a tremendous impact on popularising computer technology in the country.

A large number of computer hardware and software businesses are participating in the four-day show being held at the Osmani Memorial Hall and Hotel Sheraton.

President of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Yusuf Abdullah Harun attended the

inaugural ceremony as special guest with BCS President Abdullah H Kafi in the chair. General Secretary of the Samity Atiqul Ahsan also spoke on the occasion.

Noor Uddin Khan said the present government always prefers to put the private sector in the front-line in handling computer related issues giving proper incentives including zero tariff for the sector.

As the BCS executives advocated for restriction on importing software to encourage local companies, he said in this era of globalisation the government cannot impose anything like that.

"If you, the local companies, can ensure quality, I am confident that the consumers would prefer your services as it would also be cost-effective for them," he said.

Debt-equity swap for Hyundai Engineering proposed

AFP, Seoul

South Korea's financial watchdog today proposed a debt-equity swap as the best way to save Hyundai Group's ailing construction business.

Financial Supervisory Commission vice chief Jung Ki-Hong made the suggestion following reports that creditors want to convert 1.4 trillion won (1.07 billion dollar) of South Korea's biggest engineering company into shares.

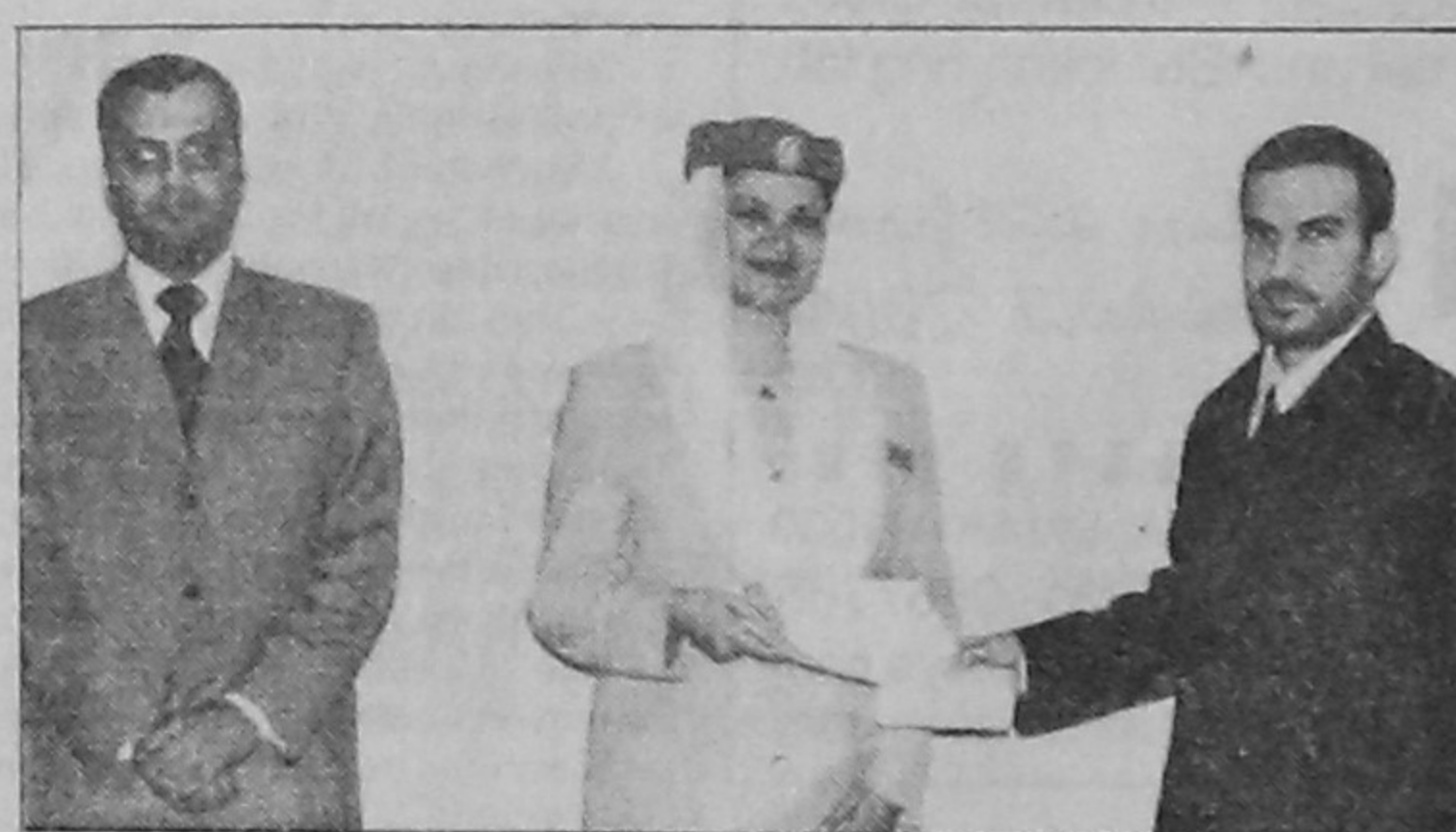
"I believe a debt-equity conversion is the most plausible method if Hyundai Engineering and Construction Co (HEC) capital is found to have been wiped out," Jung told reporters.

UNB, Dhaka

A donor-sponsored study has found the internal rate of return (IRR) of some income generating

projects below the rate of interest they have to pay to the lenders.

The study says, nine per cent of the beneficiaries (five out of 55) of income generating activities



Majid Al Mualla, Area Manager-Bangladesh of Emirates Airline, hands over the Best Employee certificate for the month of January 2001 to Shoma Zahid, Airport Services Officer, at a function held at the Emirates office in Dhaka. Majid Al Joker, Airport Services Manager of Emirates, is also seen in the picture.

Pak commitment to reforms pleases WB

REUTERS, Islamabad

A group of World Bank executive directors visiting cash-strapped Pakistan Monday gave the eco-

nomical reforms of its military-led government their general approval.

"We are in general pleased with the macroeconomic environ-

ment," Franco Passacantando, member of the World Bank board, told a news conference at the conclusion of a five-day official visit.

"I can say that we are also generally pleased with the commitment of the government on structural reforms," he said also on behalf of six other members seated with him.

Cash-strapped Pakistan is looking for all the help it can get from the International Monetary Fund and the World Bank to manage its burgeoning debt burden which government officials say has reached an unsustainable level.

Finance Minister Shaikat Aziz said this month Pakistan's foreign debt and foreign exchange obligations, including to residents, were at \$37 billion by end of 2000.

The government said this month it would seek \$6.0 billion worth of loans on exceptionally soft-terms from the IMF, the World Bank and the Asian Development Bank as part of Islamabad's strategy to cut down on foreign debt.

Pakistan's military ruler General Pervez Musharraf told a news conference on Sunday that he was thinking of seeking donations from rich Pakistanis to help retire some of the costly foreign debt.

The visit of the World Bank executive directors, the first in 14 years, is seen as a boost for the sagging image of Pakistan within the bank, whose total disbursements to the country stand at \$10 billion of which the government has repaid \$3 billion.

The bank's board is expected to consider a Pakistani structural adjustment credit request for \$ 350 million in a couple of months and bank's managers say they expect the board to approve it alongside a few project loans.

"Pakistan has a great potential for development. We will take these impressions to the board," Passacantando said, adding that the government must keep up speed on reforms.

CURRENCY

Following are yesterday's Standard Chartered Bank foreign exchange rates (indicative) against the Taka to major clients.

Central bank buying and selling band of USD/BDT 53.85/BDT 54.15

Selling		Currency		Buying	
TT/OD	BC	TT Clean	OD Sight	OD Transfer	
54.2800	54.3100	USD	53.8300	53.6614	53.5929
49.5187	49.6056	EUR	47.7075	47.5241	47.4475
78.3789	78.4209	GBP	76.8926	76.6261	76.5715
27.5509	27.5754	AUD	26.4970	26.4046	26.3244
0.4461	0.4462	JPY	0.4348	0.4346	0.4336
32.0726	32.0971	CHF	31.3085	31.2140	31.1295
5.3368	5.3419	SEK	5.2471	5.2295	5.2135
34.9891	35.0137	CAD	34.4265	34.3329	34.2497
6.9636	6.9649	HKD	6.8999	6.8822	6.8648
30.451	30.4725	SGD	30.0194	29.9756	29.8609
14.9002	14.9178	AED	14.5283	14.5064	14.4879
14.5884	14.6068	SAR	14.2469	14.2102	14.1920

USance Export Bills

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
53.7190	53.3876	52.9451	52.4363	51.8833	50.6444

Exchange rates of some Asian currencies against US dollar

Indian Rupee	Pak Rupee	Thai Baht	Lankan Rupee	Indo Rupiah	NZ Dollar
46.66/46.68	60.40/60.60	44.21/44.25	85.38/85.55	10350/10375	0.4132/0.4139

US Dollar		LIBOR	
Buying	Selling	Months	1
Cash notes	53.6300	USD	5.05750%
TC	53.5800	GBP	5.62000%



Kazi Belayet Hossain, Khulna Zone Vice President of BFFEA, addresses a meeting held in Khulna recently. Dr Mahmudul Karim, Fisheries Sub-sector Specialist of ATDP, and S Humayun Kabir, Joint Secretary General of BFFEA, are seen.