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JBIC DG due in city today

BSS, Dhaka

Tsun'ichi Hasegawa, Director General of Japan Bank of International Cooperation (JBIC), arrives here today on a four-day visit to Bangladesh.

During his stay, Hasegawa will hold discussions with high government officials including the minister for Finance, the secretary of Economic Relations Division regarding key development issues, possible future assistance in different sectors and progress of various projects undertaken with JBIC assistance, a press release said here yesterday.

Hasegawa will also pay a visit to Jamuna Bridge and a Greenbank Centre in Tangail.

Japan is one of the co-financiers of the bridge, the biggest infrastructure project of the country.

JBIC, a development finance institution of Japanese government, is responsible for economic cooperation through Official Development Assistance (ODA) loans. Bangladesh is one of the largest ODA loan recipient countries, administered by JBIC, the release added.

Until now, 68 projects have been undertaken with JBIC assistance, amounting to 547 billion yen (equivalent to US\$4.8 billion) in cumulative ODA loan commitments to the country.

Some of the major projects completed with JBIC loan include Jamuna Multipurpose Bridge, Chittagong International Airport and Greater Dhaka Telecom Project.

Currently, important projects like construction of Paksey and Rupsa Bridges are under implementation with JBIC financing.

The DG JBIC is expected to leave Dhaka on April 30.

Nepal to create 80,000 jobs by selling tea to world

AFP, Kathmandu

The impoverished nation of Nepal is hoping to create 80,000 jobs over the next decade by selling tea to the world.

Nepal currently has to import the product from famous tea producing nations, such as India and Sri Lanka, to meet domestic demand.

But participants at an international tea fair in Kathmandu yesterday said local production had the potential to dramatically increase.

Nepal, which currently produces about six million kilograms (13 million pounds) of tea a year, already has a niche export market selling to Japan and Europe.

And officials at the tea fair said national tea production was expected to surge to 46.1 million kilograms (101.42 million pounds) over the next 10 years, which would create 80,000 jobs.

"Of the total tea production in the next ten years, 75 per cent will be exported to Germany, Japan and other European countries where the Nepalese orthodox tea is capturing a market," Federation of Nepalese Chambers of Commerce and Industry (FNCCI) official Suraj Vaidya said.

Pioneer Ins IPO subscription closes Apr 30

The subscription of Pioneer Insurance Co Ltd will be closed on April 30, says a press release.

Pioneer Insurance was established in 1996 under the directorship of management professionals like M Anis Ud Dowla, Tapan Chowdhury and A K M Rahmatullah.

Sponsors of the company represent groups of companies like ACI, Apex, Square, Bashundhara, Shamsul Alam, Berstoff, Palmal etc.

R N Das, Managing Director of the company, brings with him about 43 years of experience, mostly through his service with Sadharan Bima Corporation. He was also Managing Director of Peoples Insurance Co Ltd.

As per law, the company requires to raise 60 per cent paid-up capital through initial public offering. A total of seven million shares have already been subscribed by pre-IPO placement investors.

Since its inception, the company has been running profitably and also distributing dividends since 1998.

The company topped the list in FDIL reserves and both gross premium and net profit in 1999 among the eight insurance companies established in 1996.

Two ceramics cos fined Tk 48 lakh for tax evasion

RAFIQ HASAN

The customs authorities recently fined two foreign ceramic companies Tk 48 lakh for allegedly evading supplementary duty and value added tax (VAT).

The companies are UAE-Bangladesh joint venture RAK Ceramics and Taiwanese firm Kou-sine Bangladesh International, a concern of Fu Wang Tiles.

RAK ceramics was fined Tk 43.84 lakh for evading equivalent amount of supplementary duty while Kou-Sine Bangladesh International was fined Tk 4.21 lakh for Tk 2.80 lakh VAT evasion.

When contacted, the General Manager of the RAK ceramic, Ameer Hossain, said he did not know anything about the penalty.

"We are yet to receive any such penalty order from the department," he said.

He said custom officials visited the RAK factory and asked for supplementary duty documents.

"We have submitted the documents and our chartered accountant firm is dealing with the matter," he added. He alleged that the customs officials were harassing the joint venture company, having 90 per cent foreign investment.

According to customs sources, the RAK Ceramics is the second largest tiles manufacturer in the world. A customs intelligence team inspected the factory of the company at Gazipur in December last year.

The team, after checking records, found that the company allegedly evaded Tk 43.84 lakh in supplementary duty.

The custom department filed a case on December 10, 2000 against RAK. It also issued a notice asking the company to explain why punitive actions would not be taken against it.

Three representatives from the company appeared before a hearing at the customs department on March 13, 2001 and claimed that they were never asked to pay supplementary duty.

After the hearing, Mohammad Shahidul Islam, Deputy Commissioner of Customs (VAT and Excise), Dhaka north, asked the company to pay Tk 43.84 lakh in fine.

On the other hand, Kou-sine Bangladesh International was fined allegedly for not paying VAT against sales of Fu-Wang brand tiles from a showroom at Uttara.

A team from the customs department visited the showroom and asked for VAT documents. But the officials allegedly failed to show any document.

Later, the proprietor of the company, Chou Yi Chon, appeared before a departmental hearing and said he was not aware of the VAT and customs rules.

The custom department then asked the company to pay Tk 7.02 lakh including Tk 4.21 lakh in fine.

None from the Fu-Wang could be reached as the company was closed due to hartal.



Indonesian tellers count rupiah notes for a customer exchanging US dollars at a moneychanger in Jakarta yesterday. The Indonesian currency fell through the 12,000 to the greenback on jitters over domestic politics and an impasse with the International Monetary Fund.

Bangladesh should stay alert against split among LDCs

STAR BUSINESS REPORT

Bangladesh should remain alert about the minor tension among the LDC members and should be very careful about not breaking ranks with the other LDCs.

"Rather, it should build on its successes to be a role model for the LDCs," said a study paper on 'Third UN Conference on LDCs: Making it Work for Bangladesh' jointly prepared by Dr Debapriya Bhattacharya and Dr Mustafizur Rahman.

Dr Debapriya made a presentation of the study at a recent dialogue on Bangladesh's agenda for the third UN LDC conference organised by the Centre for Policy Dialogue.

They said Bangladesh should also remain vigilant against any move to make divisions among the LDCs and impress upon the LDCs

that succumbing to any divisive tactics by the developed world would work against their long-term interests.

In this regard, the study particularly pointed out the US Trade and Development Act 2000 and the EU's debt relief programme for ACP countries, which favour particular subgroups of LDCs.

One of the major strategic priorities for Bangladesh should be securing non-reciprocal guaranteed market access for its exports.

Other than duty-free and quota-free market access for all products originating from LDCs, relaxation of the existing rules of origin will help achieve the objectives of preferential schemes.

The other area of strategic interest for Bangladesh is enhancing non-debt creating capital flows.

The CPD report said the Bang-

ladesh document for the 3rd UN Conference on LDCs could be more meaningful if views of different stakeholders were incorporated in it.

It said there was hardly any scope for active contribution by non-government actors such as the civil society groups, researchers' community, private sectors and chambers.

A number of global initiatives and supportive measures are being proposed to strengthen global integration of the LDCs. From this perspective, the conceptual link of the national document with the global document is of critical importance, it added.

For an example, the national document could strengthen the proposed global initiative for removing market barriers for the LDCs.

Indonesian rupiah hits new low

AP, Jakarta

Indonesia's shaky currency hit fresh lows Thursday amid political uncertainty and fears that expected protests for and against beleaguered President Abdurrahman Wahid may turn violent.

The rupiah hit 12,300 against the dollar in early trading, its lowest since Sept 1998. Dealer said that without central bank intervention the unit could dip as low as 12,500.

The slide came as thousands of Wahid supporters began to leave for Jakarta to demonstrate against parliamentary moves to ouster the president.

On Monday, lawmakers are expected to ensure Wahid for a second time over corruption allegations, paving the way for his impeachment within a few months.

The currency, which government planners once expected to stabilise at 7,000 against the dollar, has been sliding ever since the first centure was passed on Feb 1.

The central bank has repeatedly been forced to spend millions of dollars in the market to prop it up.

Oil up on OPEC output raising reluctance

It's too early to talk of increase: S Arabia

RUUTERS, London

Oil prices climbed Wednesday despite steadily rising US gasoline stocks, as OPEC signalled reluctance to raise output at its next meeting.

In the afternoon, North Sea bellwether Brent futures last trades 50 cents higher at \$26.82 a barrel in a light activity while US light crude was up 46 cents at \$27.32 a barrel.

OPEC has cut output twice this year for a total 2.5 million barrels per day, bringing limits for 10 members down to 24.2 million bpd to counter an expected slowdown in second quarter demand and the knock-on effect of a withering global economy.

The OPEC basket stood at

\$24.41 a barrel on Monday.

But consumer nations are already worried that reduced OPEC supply will be insufficient to cope with a projected rise in demand in the second half of the year.

The head of the West's energy watchdog, the International Energy Agency, on Tuesday urged OPEC to raise crude output soon to avoid supply problems when demand picks up later in the year.

"September is too late in terms of supplies for the winter. It is during the third quarter of the year that refiners need to buy their crude oil," IEA Executive Director Robert Priddle told Reuters in an interview. He warned that prices would move higher unless the cartel acted soon to unleash more supply.

Another reports from Paris says Saudi Oil Minister Ali al-Naimi said Wednesday that it was premature to talk of a possible OPEC oil output increase and that producers would need to defend crude prices against slower world economic growth.

Naimi's view was backed by cartel secretary-general Ali Rodriguez who said he expected production limits to remain unchanged when OPEC next meets.

"We believe that the less favourable US and world economic outlook for this year and the changing inventory behaviour of the industry warrant caution and continued vigilance to keep the market stable for the sustained growth of our economies and the health of the industry."

Sanyo's net profit jumps 94.6pc on digital sales

AFP, Tokyo

Japan's Sanyo Electric Co. Ltd. said Thursday its net profit for the year to March 2001 jumped 94.6 percent to 42.2 billion yen (345.9 million dollars) due to strong sales in digital devices.

Sanyo's pretax profit rose 98.9 percent to 73.5 billion yen, while its sales rose 11.2 percent to 2.16 trillion yen.

It forecast the year to March 2002 net profit to edge up 1.9 percent to 43 billion yen, pre-tax profit to rise 2.1 percent to 75 billion yen, and net sales to rise two percent to 2.2 trillion yen.

"Our sales rose, especially in profitable areas, such as electronic devices and batteries," Sanyo spokesman Akihiko Oiwa said.

At the same time, we have combined less profitable business divisions, such as the household appliances section.



Malaysian Prime Minister Mahathir Mohamad addresses an international forum in Dubai yesterday, Mohamad, who is on a three-day working visit to the United Arab Emirates, said in a speech that "good" dictators rather than Western-style democracy is what some countries in the developing world need to keep up with the challenges of globalisation.

Bank holiday on May 1

UNB, Dhaka

Bangladesh Bank and all scheduled banks will remain closed on May 1 on the occasion of May Day, said a BB press release.

MYCOM AGM pays visit to Saleha-Emarat cold storage

Mitsuzo Othohara, Assistant General Manager of world-famous cold storage plant manufacturers MYCOM Refrigeration Engineering Co. Ltd, Japan, visited the construction site of Saleha-Emarat Cold Storage at Bgmarra, Rajshahi recently.

He was accompanied by Engr. Enamul Haque, Chairman, Enadul Haque, Executive Director, Mattur Rahman Khan Nishan, Public Relations Officer of the company, and Md. Sayed Ullah Khan Sayed, second officer of the financing bank, Islami Bank Bangladesh Ltd.

The MYCOM AGM physically inspected the plant and expressed his satisfaction over the progress. In addition, the provision of building special chambers in the plant for storage of mango and other seasonal fruits was discussed.

CSE seminar on Internet trading in London Apr 29

CHITTAGONG STOCK EXCHANGE

Chittagong Stock Exchange (CSE) will hold a seminar on Internet Trading in London on April 29 where about 100 non-resident Bangladeshis are expected to participate, says a press release.

CSE is organising this seminar with a view to making the non-resident Bangladeshis aware of the Bangladesh capital market as well as to inform and educate them on the Internet trading which CSE is going to introduce soon.

CSE has taken the initiative of establishing online trading through internet to its existing automated trading system recently.

Once this system is established at CSE, investors from home and abroad will be able to do share trading directly from their own PCs through internet.



Mitsuzo Othohara, Asstt. General Manager, MYCOM (Japan), and Engr. Enamul Haque, Chairman, ENA Group of Companies, are seen visiting the site of Saleha-Emarat Cold Storage Project at Bgmarra, Rajshahi, recently.

Thailand accused of threatening ASEAN unity over drugs issue

AFP, Yangon

Myanmar Thursday accused Thailand of jeopardising Association of Southeast Asian Nations (ASEAN) unity by blaming the Yangon junta for rampant drug trafficking along their shared border.

"Thailand has resorted to sapping and pushing responsibility to the other party rather than cooperation in a manner of shared responsibility," it said in a strongly-worded statement.

"Irresponsible actions which can jeopardise the ASEAN's unprecedented determination to solve regional matters peacefully in an atmosphere of goodwill, friendship and cooperation among the member countries should be seriously considered."

Despite expectations that Thai Prime Minister Thaksin Shinawatra's election in January would help improve relations with Myanmar, his critical approach over the drug issue has sparked a rift between the neighbours.

Relations reach a low point earlier this year when fighting between two ethnic militias re-

edly involved in the drug trade set off a rare clash between the two national armies.

High-tee talks held to ease the tension, but a raid last weekend by the Shan State Army (SSA) rebels on a Myanmar border outpost, which etesven government soldiers dead, has reignited the debate.

The SSA said they found 170,000 methamphetamine pills at the seizure post, a charge angrily denied by Myanmar which Thursday also accused the Thai military of being involved in the attack.

"Certain camps assigned on the border for monitoring purposes and civilian towns are being frequently under attack on the pretext of narcotic drug elimination by the (SSA) rug banditsand Thai troops," it said.

The attacks were "causing unnecessary tensions and aggravation in areas where trade, friendship and peace have been prevalent before."

Many analysts believe the SSA are closely lined with the Thai military, fighting a proxy war against the rival United Wa State Army (UWSA) which is aligned with the Myanmar regime.

The Myanmar statement said that the "tactics and trend being implemented by the Thai army at present along the common border with Myanmar will definitely not help in our fight to eliminate the narcotic drugs."

The reopening of debate comes just before the Thai and Myanmar foreign ministers hold their first talks in Yangon next Monday.

BIA course on life insurance begins Apr 29 in Mymensingh

A "Sales and Marketing Training Course" on life insurance arranged by Bangladesh Insurance Academy (BIA) will start at Jiban Bima Corporation's regional office in Mymensingh on April 29.

More than 60 development officers from Jiban Bima will attend this course.

The course will be inaugurated by K M Mortaza Ali, ACIL, Director, Bangladesh Insurance Academy.

Russia starts holding WTO entry talks

AFP, Geneva

Russia started several days of informal negotiations on membership of the World Trade Organisation Wednesday, the Geneva-based world trade watchdog said.

The WTO said the Russian delegation was led by Russia's deputy minister for economic development and trade, Maxim Medvedev.

On the first day of talks the Russian side was expected to raise the issue of agricultural subsidies with several trading partners. It would hold bilateral talks on Thursday and progress in the talks would be assessed in a working group dealing with Russia's WTO bid on Friday, it said.

IMF predicts further slide in Indian economy

UNI, Washington

Indian economy will further slow down with growth rates expected to touch around 5.6 per cent during 2001 as a rebound in agricultural production is offset by continued sluggishness in manufacturing sector.

The International Monetary Fund (IMF), in its report on Asia released yesterday, noted that the GDP growth rate in India slowed down to 6.4 per cent during the previous year owing to below average monsoons and a weakening of industrial output.

Though inflation increased sharply in 2000 and early 2001, the rise is attributed to the effects of adjustment in administered fuel prices. The price pressure has since begun to ease, the report added.

The release of the report coincides with the beginning of the Spring meeting of the International Financial Institutions. Finance Minister Yashwant Sinha, leading a high-level Indian delegation to the meeting, is expected

here tomorrow.

The report said the pressure on current account deficit due to higher cost of crude imports has been largely offset by buoyant exports and sluggish non oil imports.

The weakness of the rupee and the downward pressure on international reserves that emerged in 2000 have eased, aided by higher remittances from expatriate Indians. The Reserve Bank of India also played its role by lowering the bank rate twice this year in February and March.

The IMF report said the main challenge for India's policy makers was to sustain the strong growth achieved in the 1990's to support a meaningful poverty reduction programme. The report also called for major structural reforms to improve the environment for private investment and a substantial reduction in the overall public sector deficit.

The deficit, which now stood at around eleven per cent of the country's gross domestic product, consumed nearly fifty per cent of

the overall gross domestic savings in 2000-01.

India's budget for the fiscal 2001-2002 suggests that the fiscal deficit may remain high, especially once privatisation receipts are excluded from the calculation, the report said.

The report, however, welcomed that in the budget, the government has committed to reinvigorating the structural reform programme. The proposed fiscal responsibility legislation also signals an encouraging willingness to take steps necessary to achieve medium term fiscal consolidation.

In Pakistan, the report said, the depreciation of the rupee and the tightening of monetary policy in the second half of 2000 helped reverse the decline in official reserves which had reached dangerously low levels. The recent resolution of the tariff disputes with independent power producers will boost investor confidence, it said.

The Fund predicts the growth rate in Asia will decline to 5.7 per cent in 2001, reflecting a series of shocks, including higher oil prices.