Star
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NBR to waive income tax on foreign earnings to be used for repaying loans

BSS, *Dhaka*

The National Board of Revenue (NBR) has offered exemption of income tax on money earned abroad to be used for repayment of default bank loans, an NBR press release said here Tuesday.

The press release said the Income Tax Department would accept without any question such earnings from abroad which are channeled properly through banks.

The government hoped that the concerned Bangladeshis having foreign earnings would use their money for repayment of default loans to take the advantage of this exemption, the press release said.

Premier Bank cuts lending rates

Premier Bank has cut its lending rate on various categories of advances, says a press release.

In export credit, rate has been cut by 3 per cent.

In other lending, the rate has been reduced up to a maximum of 2 per cent depending on its category.

However, deposit rate shall remain unchanged as before.

UCBL earns Tk 50.33cr operating profit

United Commercial Bank Ltd (UCBL) earned an operating profit of Tk 50.33 crore during the year 2001, recording a growth of more than 64 per cent over the previous year, says a press release.

UCBL mobilised deposits of Tk 1424.59 crore as against Tk 1238.75 crore of 2000, a rise of 15 per cent.

Total loans and advances stood at Tk 1094.20 crore, posting a 16 per cent growth over the year 2000.

The bank also handled foreign exchange business worth Tk 1844.22 crore during the year under report.

HeidelbergCement sales confce held

The marketing and sales team of HeidelbergCement held a daylong Sales and Marketing Conference at BRAC Inn in the city on Saturday, says a press release.

The conference was organised to share ideas and views of sales people and to set marketing plan of the company for the year 2002.

The conference was scheduled in two sessions: Presentation of Marketing and Sales Plan for 2002 and Training.

Christer Eriksson, VP of Marketing and Sales, conducted the presentation session while Ramakanta Bhattachargee, AVP of Marketing and Sales, conducted the training session.

As HeidelbergCement bought 51 per cent share of Chittagong Cement Clinker Grinding Company Limited, now-a-days both the products scan and Ruby are being marketed with same identity under one banner HC Group.

At present the HeidelbergCement Group, the largest in Europe and the third largest cement manufacturer in the world, has around 45000 employees and an annual turnover of eight billion US dollar.

With the operations engulfing more than 40 countries, the group's main focus is on production of cement and building materials.

Daewoo to lay off more sales workers

AP, *Seoul*

Financially troubled Daewoo Motor Co. said Tuesday it will lay off 12.3 per cent of its sales staff to facilitate take over negotiations with American auto giant General Motors Corp.

The layoff of 393 sales people followed Daewoo's announcement in November that it would shed 520 sales staff through early retirement packages. The 26.3 per cent the total work force of Daewoo Sales Corp., a marketing arm of Daewoo Motor.

"Our decision to shed more workers to cut cost and increase efficiency will have a big positive impact in negotiations with GM," said Kim Ki-ho, a spokesman of Daewoo Motor Sales.

The company said in a statement that it submitted its latest layoff plan to the Ministry of Labour on Monday. It can fire the workers one month after such notification.

MCCI urges WB to sequence tariff reform on regional basis

STAR BUSINESS REPORT

The Metropolitan Chamber of Commerce and Industry (MCCI) yesterday said that the World Bank (WB) should insist on sequencing tariff reform on regional basis in order to prevent other countries from "unduly benefiting" at the cost of those which opted for tariff reforms.

At a meeting with a WB delegation led by the Bank's visiting Chief Economist and Senior Vice President Nicholas H Stern, MCCI President Tapan Chowdhury said trade imbalances pose threats to some countries which preferred tariff reforms than the countries which maintained tariff and non-tariff barriers.

The MCCI president also said that the WB and IMF should give priority to make globalisation work for the benefit of all countries. "The WB and other multilateral institutions should effectively oversee that the process of globalisation ensures integration of all countries into the global economy in a mutually beneficial way."

Tapan Chowdhury urged the World Bank to ensure some balance-of-payment support through the International Monetary Fund (IMF).

He also highlighted the economic predicament of the LDCs in the wake of sharp decline in exports.

Chowdhury called for revival of Compensatory Financial Facility (CFF) that was once available for the LDCs to make up for the lost export. "We strongly feel that the IMF should come forward with the balance of payment (BOP) support without waiting for the preparation of the Poverty Reduction Strategy Paper (PRSP)."

He also sought involvement of private sector in preparing the paper.

The MCCI president also said that the WB should disburse its committed assistance, which was only 62 per cent of the actual commitment in the year 2000-2001.

He said that the Bank mostly concentrated on poverty alleviation without giving much attention to generating domestic savings and investment, development of agriculture, expansion of manufacturing capacity, all of which are essential for capacity building and growth.

He said there should be a strategic shift in these priority areas that would not only contribute to macroeconomic stabilisation but also generating needed response to accelerated industrial and agricultural growth.

The Chamber also spoke of some government decision taken to rejuvenate the economy and termed such measures piece-meal and inadequate to stop negative trends in macro-economy.

The MCCI was critical of increasing prices of utility services saying that prior to increasing the prices, the system losses and wastage in the State-Owned Enterprises (SOEs) should have been addressed.

Regarding currency devaluation, the MCCI president said internal stability and fiscal and monetary policies have more important roles in maintaining currency values than external factors.

He said monetary and fiscal policies, market imperfections, structural rigidities, etc that go to restrain productivity often affect value of a currency. "Getting the prices competitive through devaluation alone in such circumstances can be of little help."

He said that strain on the BOP could be reduced through diversification of export basket through tapping new areas like the information technology and gas export.

PHOTO: MCCI

Nicholas H Stern, Senior Vice President and Chief Economist of the World Bank along with Frederick T Temple, World Bank's Country Director, and other World Bank officials met the members of Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) at the Chamber's Conference Hall yesterday. Tapan Chowdhury, President of MCCI, is also seen in the picture.

Pvt sector plans to forward proposal for ICT policy

UNB, *Dhaka*

As the government is contemplating an updated policy on information communication technology (ICT), private sector IT leaders are planning a unified policy of their own outlining the future roadmap of the sector.

They have decided to put forward their policy to the government before it finalises the official IT policy, as they view the existing policy in hand is largely theoretical and not realistic one.

The ICT leaders, who assembled for the first time under the umbrella of the apex trade body FBCCI here Tuesday, formed an 11-member committee entrusting it with drafting the ICT policy by February 12.

The committee, with Akhtaruzzaman Manju and Mostafa Jabbar as convenor and joint convenor, will submit the draft policy to FBCCI, which would take it up with the government in early March.

Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) president Yussuf Abdullah Harun, who chaired the meeting of ICT leaders in Bangladesh, said since private sector nurtures the IT sector, the lead should come from them in farming the policy, while the government should act as a facilitator.

Referring to his meeting with the Telecommunications Minister, Harun said before finalising ICT policy, the government has agreed in principle to wait until policy proposals come from the private sector.

Leaders of computer-related associations, Bangladesh Computer Samity (BCS), Bangladesh Association of Software Information Services (BASIS) and Internet Service Providers Association (ISPA) told the meeting that they were not represented in formulation of the existing ICT policy.

Academicians, having no practical experience of the fast changing IT regime, were always invited in the policy-making process, resulting in an unachievable policy with realistic targets, some speakers pointed out.

They stressed the need for enough motivation to change the mindset of bureaucrats and politicians to respond positively to the needs.

Leading personality in computer sector Mostafa Jabbar said any policy ignoring the voice of the related sector can never be a success. IT people were never consulted in the process of drafting the policy, he said.

The present policy, formulated four years back, envisaged a target of $2 billion exports from IT business by 2005, but no roadmap was directed, ISPA president Akhtaruzzaman Manju said.

Former president of Dhaka Chamber Aftab Ul Islam, also a leader in IT, said policy for ICT must be flexible and changeable in every six month. The 1997 report on IT, known as JRC committee report, became obsolete in 1998 as it lacked many emerging issues related to the sector.

He suggested a cost benefit analysis to convince BTTB that although they would initially face some revenue losses, in the long run they would be benefited by the expanded services.

Another leader in the sector, Abdullah H Kafi, however, said it is not their business to give T&T a cost benefit analysis. "What the BTTB is for? Are they for doing business? R&H makes roads. Do they analyse cost benefit, or consider public interest?" he commented.

PHOTO: STAR

Latifur Rahman, Managing Director of Eskayef Bangladesh Limited, speaks at the company's Annual Marketing & Sales Conference -2001 held at Dhaka Sheraton Hotel yesterday.

Eskayef hopes to increase sales by 50pc this year

STAR BUSINESS REPORT

Eskayef Bangladesh Limited, one of the leading pharmaceutical companies in the country, has expressed optimism to increase its sales by 50 per cent to Tk 120 crore this year.

The company achieved its Tk 80 crore target last year.

Eskayef Bangladesh Ltd Managing Director Latifur Rahman said the performance in 2001 was outstanding and very much satisfactory. It grew by 25 per cent last year that he termed a major success.

"But the year 2002 will be very challenging as the company will cross Tk 100 crore milestone and targets a Tk 120 crore turnover," Latifur Rahman said.

He was speaking at the company's Annual Marketing & Sales Conference -2001 held at Dhaka Sheraton Hotel yesterday.

AM Faruque, Executive Director, and M Mohibuz Zaman, Marketing Manager of the company, also spoke at the inaugural session of the daylong event.

Stressing the need for maintaining ethical business standards at all levels of the company, Latifur Rahman said, "Not that somebody has to indulge in unethical practices to be successful in business. We should not go for any shortcut gains."

He also said Transcom Group does not evade tax. Last year, the group paid Tk 55 crore as VAT, duties and other taxes to the state coffer and this year the amount would be around Tk 60-65 crore.

The Eskayef MD thought that the future of Bangladesh's pharmaceutical industry is very bright. As a least developed country (LDC), Bangladesh's pharmaceutical companies would be allowed to produce patented products till 2016 but the companies of developing countries would have to stop produce these items in 2004, the MD stated.

"This will open up many avenues for local companies as the country's pharmaceutical industry is most developed among the LDCs," he went on.

Speaking at the function, AM Faruque said the company achieved a phenomenal growth over the past few years. The company's growth in last seven years was around 30 per cent on an average.

For the first time, nine products of the company have been included on the International Marketing Surveillance's (IMS) list of 150 items and one has been included in the top ten items, he mentioned.

M Mohibuz Zaman said although it is difficult to remain ethical in the present market condition, the company which has already gained strong reputation and supports from consumers would maintain ethical business practices.

The company is going to introduce some new products this year which will help achieve its target this year, he added.

JP Morgan raises India's growth forecast

REUTERS, *Bombay*

JP Morgan has raised India' 2001/02 (April-March) GDP growth forecast to 5.1 per cent from an earlier estimate of 4.8 per cent after the economy posted a better than expected performance in the second quarter but warned that fiscal and political concerns continued to cloud the outlook.

Data released by the government at the end of last month showed India's GDP grew 5.3 per cent in July-September.

While that was below the 6.2 per cent recorded in the year-ago quarter, it was an improvement on the 4.4 per cent growth in the April-June quarter and sparked hopes among some analysts that a much-awaited turnaround from a two-year economic slowdown may have started.

JP Morgan said in a report dated January 7 that it based its revision on strong growth by the services sector and on expectations that improved performance by agriculture would translate into better demand for industry.

The farm sector grew by 3.4 per cent in July-September against 0.5 per cent a year earlier.

While the sector contributes only around 25 per cent to GDP, some two thirds of India's population depend on agriculture for their livelihood and their demand for goods and services are key to overall economic growth.

JP Morgan noted that there were risks to this outlook.

Key among these was the government's huge fiscal deficit. The report estimated that India would post a fiscal deficit of over six per cent of GDP in 2001/02 against a target of 4.7 per cent.

India's fiscal deficit has been around five per cent of GDP or above this level for most of the past decade.

JP Morgan said other risks included the unpredictability of the southwestern monsoon rains, political uncertainties associated to forthcoming elections in some states, poor pace of economic reforms and an increase in war rhetoric between India and Pakistan.

Kenya tea prices edge lower on reduced demand

REUTERS, *Nairobi*

Kenya tea prices edged lower at Monday's auction on reduced demand from Russia and Britain and a general perception that supplies were likely to remain healthy, traders said.

"Last week, prices jumped on demand from Russia and some eastern European countries as well as Britain and Pakistan," one trader said. "But Russia and Britain were not very strongly represented in the market Monday."

Last week's heavy Russian buying was due to the establishment of a new tea packing factory in St Petersburg, brokers said.

They added that although the Russians were less evident this week, the factory could provide a new market for Kenyan tea and boost sales significantly in the longer term.

"This has taken us a little by surprise, and we expect it to have a significant influence on our tea market," the trader said.

The British market, well stocked after heavy buying last Monday, was also less active this week.

Dhaka seeks IMF funds as forex reserves plunge

AFP, *Dhaka*

Bangladesh Tuesday asked for help from the International Monetary Fund (IMF) after its foreign exchange reserves plunged, banking sources and reports said.

The Financial Express newspaper said a compensatory financing facility had been sought from the IMF to shore up an "uncomfortable level" of foreign exchange reserves.

The reserves plunged from about 1.34 billion dollars to around 1.05 billion dollars on Tuesday after Bangladesh paid 290 million dollars in interest payments to the Asian Clearing Union trading body, banking sources said.

The IMF can extend loans to support member countries facing forex reserve difficulties.

On Sunday Bangladesh devalued its taka currency by 1.6 per cent against the dollar to boost foreign exchange reserves after a slump in aid and export earnings and a surge in imports.

Foreign exchange reserves have not been at such a low level since 1991 when they fell to less than one billion dollars.

The sources of Bangladesh's foreign exchange earnings are exports, remittances, funds for development aid, loan and grants from donors.

Record bankruptcies testify serious recession in S'pore

AFP, *Singapore*

The number of people made bankrupt in Singapore reached a record 2,904 last year when the economy lurched into its worst recession since independence, a report said Tuesday.

The figure surpassed the 2,874 people who filed for bankruptcy in 1999 following the Asian financial crisis, the Straits Times said.

Between 200 to 350 people were made bankrupt each month from January to November 2001, it said.

"It's a reflection of what we are facing now -- that this recession is the most serious ever," lawyer Hri Kumar told the newspaper.

In Singapore, a person who cannot pay a 10,000-dollar (5435 US) debt can be made bankrupt, after which his bank account will be closed and he cannot leave the country without permission by the Official Assignee.

Singapore's economy contracted by 2.2 per cent last year, a reversal from a roaring 9.9 per cent growth in 2000, due to a slump in the global electronics industry and the slowdown in the US economy.

Gross domestic product growth is forecast between negative 2.0 per cent and positive 2.0 per cent for this year.

The ministry of manpower said unemployment is likely to have reached 4.5 per cent last year and could worsen this year.

"Even if the US economy recovers in the second half of 2002, it will take some time for the effect to filter down to the Singapore labour market," the ministry said.