Japanese firms to sue Enron, Andersen over bond damages

Four Japanese investment trust firms will file a lawsuit against failed US energy giant Enron Corp. and its auditor Arthur Andersen to seek damages from their Enron bonds, officials said Tuesday.

The four Nikko Asset Management Co Ltd, UFJ Partners Asset Management Co. Ltd, Japan Investment Trust Management Co. Ltd, and Sumisei Global Investment Trust Co. Ltd. are finalising details of the action.

"We are considering filing a lawsuit and making our preparations with lawyers in the United States," said Shingo Murooka, a spokesman for Nikko Management.

"We will join a class action already taking place in the United States," Murooka said, but declined to give any details including the amount of damages they were

If the four win the case, they would return money to investors. he

Among them, Nikko suffered the most from Enron's collapse in December, which marked the biggest business failure in US corporate history.

Nikko alone held 25.5 billion yen (193 million US dollars) in euro-yen Enron bonds out of 40.5 billion yen in bonds held by the four firms.

In the wake of the Enron debacle, investors rushed to cash in their investment holdings, costing the four some one trillion yen in redemptions, according to the Investment Trusts Association of Japan.

Board meet of Pragati Life Ins held

The 9th meeting of the Board of Directors of Pragati Life Insurance Ltd was held on Sunday with company Chairman Syed M. Altaf Hussain in the chair, says a press

M. Shefaque Ahmed, Managing Director of the company, presented a report and informed the overall business position of the company.

The chairman and directors present in the meeting expressed their satisfaction over the activities and achievement of the company.

BIBM workshop concludes

A two-day workshop on computersystem in banks organised by the Bangladesh Institute of Bank Management (BIBM) concluded on Monday, says a press release.

A total 20 participants participated in the workshop from different . banks participate in the workshop.

Dr Mohammad Sohrab Uddin Director General of BIBM, chaired the concluding session of the workshop and gave away certificates to

HSBC's HK units wring profits growth from bonds, cards

REUTERS, Hong Kong

HSBC Holdings Plc's Hong Kong operations extracted a steady steam of profits from bond investments credit cards and fees in 2001, even as the parent banking group's profits declined, results Monday showed.

HSBC achieved a combined 5.2 per cent increase in pre-tax operating profits from ordinary activities in Hong Kong to US\$ 3.883 billion, pushing the territory's contribution to group profits to 49 per cent from 38 per cent a vear before.

The improved results from Hong Kong & Shahghai Banking Corp and Hang Seng Bank contrasted with a 14 per cent drop in group profits and came despite Hong Kong's highest unemployment rate in 20 years and rising personal bankruptcies.

Aman Mehta, chief executive officer of Hong Kong and Shanghai Banking Corp, said the bank took advantage of falling interest rates to fuel cheap deposits through its Hong Kong trading desks to invest in highyield bonds, offsetting lack of loan growth and fierce competition.

But he told Reuters that such a performance may not be repeated

"Interest rates cannot go down much further, and the same effect of falling rates will not recur," Mehta said. "But on the other hand, we expect to have somewhat better loan growth or we'll target better loan growth this year."

Preferential trade arrangements among D-8 nations sought

Three-day international workshop begins in city

प्रमा छाद्यल काष्ट्राती लिशिएंड

PADMA OIL COMPANY LIMITED

৩২ তম বার্ষিক সাধারণ সভা

তারিখ: ২০ ফাল্পন ১৪০৫,৪ মার্চ ২০০২

Sheikh Hasibur Rahman, Director of Padma Oil Company Limited, presides over the 32nd annual general meeting of

Businesses call for prudent

import policy for next 5 yrs

Commerce and Industry (FBCCI)

nresident Yussuf Abdullah Harun,

Bangladesh Garment

Manufacturers and Exporters

Association (BGMEA) president

Kutubuddin Ahmed and the MCCI

has no option but to go for further

liberalisation of trade and fulfil WTO

requirements. But a vear-on-vear

break-up should be put in place and

the local private sector must be

given enough timeframe and lead-

time to get well prepared and avoid

far we will do this year, how far next

in terms of trade liberalisation and

market integration," said an industri-

alist. Abrupt withdrawal of tariffs or

protections would hit hard the local

The policy must clearly say how

They viewed that Bangladesh

representative...

any abrupt fallout.

present were Federation of Commerce Ministry must be

Bangladesh Chambers of manned by efficient people who are

well conversant with the changing

global trade patterns. Frequent

transfer hampers professionalism of

this vital organ, the business lead-

ers pointed out, suggesting that the

cell must be more active in dissemi-

nating latest developments in world

trade era and educating the local

the Commerce Minister said there is

no room for emotion in the changed

global trading system. Either get

integrated effectively, or be left out

are the options and Bangladesh

must pick up one, he said, stressing

the urgency for an updated import

sector people would be properly

He said the views of the private

plan to cope with the changes.

reflected in the next policy.

Responding to the suggestions.

trade community

পদ্মা ভবন,পরিবাগ,ঢাক

STAR BUSINESS REPORT

A three-day international workshop began in the capital yesterday with a call for having preferential trade arrangements among the D-8 countries for marketing their products produced in the rural areas of the bloc

Nineteen participants from the Developing-8, popularly known as D-8, countries are participating in the workshop on " Sharing experience and formulation of future strategy for rural development ", organised by Rural Development and Cooperatives Division.

Speakers also hoped the experience sharing among participants of the D-8 countries will help in formulating policies and strategies for successful mplementation of rural development projects

Minister for LGRD and Cooperatives Abdul Mannan Bhuiyan attended the inaugural session as the chief guest. Among others, State Minister for Foreign Affairs Reaz Rahman, Deputy Minister for LGRD and Cooperatives Ruhul Quddus Talukdar and Director General of Bangladesh Rural Development Board (BRDB) Karar Mahmudul Hassan spoke on the occa-

Rural Development and Cooperatives Division Secretary Dhirai Kumar Nath, who chaired the inaugural session, said there should be a special preferential trade arrangement and a common development fund for the development of rural people of D-8 countries, which include Bangladesh

Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey. In his welcome speech, DG of BRDB Karar Mahmudul Hassan said in the

Istanbul summit of the bloc Bangladesh was given the responsibility of rural development and micro credit sector.

Abdul Mannan Bhuyan hoped 850 million people of the D-8 countries should prosper with their combined efforts.

"Unfortunately, in the D-8 member countries, rural government institutions are not so strong in capacity and commitment", the minister observed. "Decentralisation of power is not clear, local level planning is not transparent and locally elected bodies are dependent on the central government's assis-

He suggested an apex body could act as coordinating agency for rural development initiatives among the D-8 countries, besides execution of intercountry development projects

State Minister for Foreign Affairs Reaz Rahman said the nations across the world are now grouping together on the basis of shared interests to attain

Rural people of the D-8, which was launched in 1997, are still struggling to meet their basic needs, he said, adding that appropriate national initiatives supported by international cooperative efforts could change the situation.



Iftekharul Alam, President of Bangladesh Employers' Federation (BEF), addresses a two-day Management Training Programme (MTP) organised by the BEF in collaboration with Nikkeiren International Cooperation Centre (NICC) of Japan in the city yesterday. Toshio A Suzuki, Managing Director of NICC, and resource person Tatsuru Sato are also seen in the picture.

Padma Oil declares 50 pc dividend Padma Oil Company Limited has declared a 50 per cent dividend for

the shareholders for the year 2000-2001, says a press release.

The dividend was declared at the 32nd annual general meeting of the company held in the city on Monday. Sheikh Hasibur Rahman, director of the company, presided over

It may be mentioned that the company sold 12.51 lakh metric tons of petroleum products during in the year 2000-2001 which is 5.84 per cent higher than that of the year

It also sold Agro-Chemicals products in the same year worth Tk 31.80 crore.

During the year 2000-2001, the company contributed Tk 17.09 crore to the national exchequer in the form of corporate tax, customs duty, VAT & statutory charges

The company earned Tk 12.96 crore as net profit.

A large number of shareholders attended the meeting.

Pakistan sets deadline for investment in telcom

Pakistan Tuesday set an April 19 deadline for investors to bid for a strategic stake of up to 26 per cent in the privatisation of the state telephone The Privatisation Commission said it

would offer up to 26 per cent of Pakistan Telecommunications Company Limited (PTCL) to a strategic investor with management control, state-run Associated Press of Pakistan reported. Divestment of a higher stake would also be considered, it said

Goldman Sachs and JP Morgan have been appointed as financial advisors for the sell off, Privatisation Minister Altaf Saleem said last month.

PTCL is the monopoly provider o basic telephone services with more than 3.2 million lines. APP said. The firm also owns Pakistan

Telecommunications Mobile Ltd., one of the country's two GSM mobile services PTCL's monopoly over basic telephone services ends on December 31.

The government is also preparing to sell majority shares in state-owned Pakistan State Oil, Karachi Electric Supply Corp. and Oil and Gas Development Co.

President Pervez Musharraf, who seized power in a coup in October 1999, promising to revive the country's ailing economy, has pledged to use privatisation funds to generate revenue for debt-ridden state finances.

European airlines planning war risk insurance fund

REUTERS, London

European airlines revealed Monday that they are working to create their own insurance fund to cover warand terror-related risks for which insurers withdrew routine cover after the September 11 attacks.

The fund would be financed by a ticket surcharge of \$0.50 if all airlines join, according to a plan drawn up by the Association of European Airlines (AEA).

The AEA also called on European Union governments to complement its plan by covering third-party terrorism liability claims above \$1.5

Airlines across the world are scrambling to set up insurance providers as their government protection runs out towards the end of March, but they face political and insurance industry opposition.

Apparel Board to be set up to boost garment export

The government has undertaken a number of steps to boost trade and commerce in the country that include establishment of apparel board, enhancing income in the aviation sector and increasing efficiency of Jibon Bima Corporation

The Ministry of Commerce has prepared a short-term plan and strategies to execute the government decision, especially taken for increasing the export earnings, ministry officials told BSS.

Work is in the advanced stage to set up an apparel board to place the fast-growing garment sector under a separate trade promotion organi-

"The establishment of the board could facilitate the functioning of EPB in the promotion and diversification of other products," said a high

The government has been

considering setting up of the board encouraged by the contributions of the Export Promotion Bureau (EPB) to the export of Bangladeshi prod-

When EPB was set up, apparel export was at the nascent stage and earning from this sector was negligi-

"Bangladesh's export income at that time was below one billion dollar. In more than two decades earning from the apparel export alone stood at 4.8 billion dollar and the country's total export earnings rose to about 6.5 billion dollar,' Secretary of the EPB Sheikh Muhammad Wahiduzzaman said.

Meanwhile, the government has been planning to help the local private sector airliners to increase their business in the aviation sector. "Foreign airliners are doing more

Corporation for increasing efficiency of this state-owned life insurance company. Surplus manpower from other

organisation would be engaged in the corporation after imparting necessary training, the sources

Income from passenger transporta-

tion by foreign airliners has been

more than that by Bangladesh

said an official of the Ministry of Civil

companies, the government has

decided to secure some share of

this business that would add foreign

The government would also

undertake necessary efforts to

reorganise the Jibon Bima

currency to the national exchequer.

In response to the local aviation

Biman during the last ten years,

Aviation and Tourism.

SANGLADESH FROZEN FOODS EXPORTERS ASSOC VENUE: BFFEA CONFERENCE ROOM DATE:? MARCH,2002,

Salahuddin Ahmed, President of the BFFEA, addresses the 17th annual general meeting of the

Future independence of BoJ thrown into doubt

The independence of the Bank of Japan was thrown into doubt Tuesday after Japan's ruling party said it would force the bank to adopt a price target and weaken the power of its governor by changing the law. A top minister also said the

government and BoJ needed clearer roles to help lift the nation from recession, with Tokyo setting policy goals, such as an inflation target, and the central bank taking "We will soon consult with other

ruling coalition parties on plans to revise the Bank of Japan Law. We will submit a revision after April, said Liberal Democratic Party (LDP) anti-deflation panel chief Hideyuki

"The revised law urges the BoJ to set a price target, under which the bank needs to set a specified CPI (consumer price index) target to be achieved in a given period," he said.

"It also asks the BoJ to use stocks, in addition to bonds, as a tool to increase liquidity," he said. The parties also want to reduce

the policy votes of central bank governor Masaru Hayami and his two deputies to one from three, reducing the governor's grip on policy decisions

The proposal came after State Minister for Economic and Fiscal Policy Heizo Takenaka also suggested wrestling power from the

central bank. "I think the government and the BoJ shared the same opinions about current financial problems

sures last week," he said. "But a problem we are facing now is that Japan still does not have an accord which shows roles of the government and the BoJ clearly."

Last week Tokyo unveiled a raft of new measures to fight a prolonged price slide in Japan and revive the moribund economy, but analysts and lawmakers criticised the plan as ineffective.

Takenaka proposed that in the future, Tokyo should outline policy goals leaving the central bank responsible for deciding the necessary measures.

"The government should not comment on policy measures by the BoJ," he said, adding such an accord would create a better relationship between the two independent institutions.

The BoJ's independence was called into question by analysts last week when Hayami appeared to back-track on advocating no further monetary policy easing without progress in structural reforms by agreeing to boost outright purchases of government bonds after

intense political pressure. Separately the LDP's Aizawa said his party would also submit an amendment to the law to allow a stock-purchasing body to buy shares from insurers and other firms as well as banks to relieve their exposure to wild stock market

BFFEA held Bangladesh Frozen Foods Exporters Association (BFFEA)

17th AGM of

held its 17th annual general meeting

Held at BFFEA conference hall the AGM was presided over by Salahuddin Ahmed, President of BFFEA.

Among others, Vice President Kazi Belayet Hossain, Secretary General Quazi Monirul Haq, Joint Secretary General Ashim Kumar Barua, Ex-President Md. Golam Mostafa and Ex-Secretary General Major (Rtd.) Manzoor Ahmed were present

Expressing grave concern over the fall of export earning by 30 per cent in the current fiscal year than previous year, the president of the BFFEA said the export earnings will fall in the coming year if the government fails to provide fund to the exporters for procurement of shrimp in the ensuing harvesting season.

Japan promises more steps to fight deflation

REUTERS, Tokyo

Japanese government officials Tuesday promised to work harder to steer the battered economy toward recovery and out of deflation, trying to keep sentiment afloat after a recent rebound in stock prices.

"If the economy doesn't become fundamentally better, the market will only go up and down," Finance Minister Masajuro Shiokawa told a news conference. "We will have to take firm economic measures, and

come up with more details." Economics Minister Heizo Takenaka chimed in, testifying in parliament that policymakers would use all means available to stem a three-vear fall in prices a trend blamed from depressing corporate

"We have not exhausted all the possibilities," he said.

profits and magnifying debt.

Gross domestic product data for the October-December quarter due out on Friday are expected to prove the economy is mired in its worst downturn in decades.

The government announced in late February a package of measures aimed at halting deflation, but it contained few fresh policy ideas and failed to impress investors and economists

Budget sweeteners infuse lifeline to India's struggling tea industry

AFP, Guwahati, India

India's beleaguered tea growers were thrown a lifeline last week by Finance Minister Yashwant Sinha's budget, but there are fears the industry may have sunk too far to be pulled out by fiscal concessions.

the company held in the city on Monday.

Private sector leaders Tuesday said

the next five-year import policy

should spell out an elaborate

roadmap to better integrate the

country's trade and economy into

As the first five-year (1997-02)

import policy is running out in June

this year, they felt that the coming

policy must be prudent because it

will have to deal with a different

Leaders of various trade cham-

bers and associations put forward

their sector-wise recommendations

for the next policy at a meeting of the

Mahmud Chowdhury chaired the

meeting at Sonargaon Hotel. State

Minister for Commerce Barkat Ulla

Bulu and Commerce Secretary

Suhel Ahmed also attended the

Commerce Minister Amir Khosru

the WTO trade regime.

trade regime after 2004

import advisory council

Sinha's budget offered growers two kev incentives: a 50 per cent reduction in excise duty: and a hike in customs duty from 70 per cent to 100 per cent to keep out foreign competitors.

"The fiscal concessions announced in the budget will definitely have a positive impact on the tea industry and it is a good beginning to put the industry back on the rails," said Robin Barthakur, secretary general of the Assam chapter of

the Indian Tea Association (ITA). "We would have much appreciated if the excise duty was totally abolished by the government, but then something is better than noth-

ing," Barthakur told AFP. Indian growers have had a torrid time in recent years with prices nosediving so fast that even voluntary cutbacks in production failed to

halt the plunge. At the beginning of 2002, a kilogram (2.2 pounds) of top quality Assam tea was selling for at least

12-15 rupees (25-35 cents) less at

weekly auctions than the amount it fetched three years ago.

India is the world's largest tea producer, accounting for around 30 per cent of global production. The country's tea production

dropped from 870 million kilograms

in 1998 to 823 million kilograms last year, while exports accounted for just 25 per cent of production. Assam accounts for more than half of the total tea produced in India. "The industry was in deep crisis,

with the cost of tea production shooting up and the beverage failing to attract firm prices in the auctions," Barthakur said While the measures introduced by Sinha have given the industry a

crutch to lean on, some feel it is too little too late. "Obviously it's a move in the right direction, but whether it will be adequate to help tide the industry over the current difficult situation remains to be seen," said ITA presi-

dent D.M. Jain. Tea production costs have shot up with hikes in fertilizer prices and the wages of plantation workers.

Tea industry captains are now pleading with the Assam government to keep in abeyance tax levied on green leaves, besides exempting the gardens from fresh taxes that may be included in the upcoming state budget later this month The key problem facing the

industry lies in its own backyard, as the plunge in prices has been fuelled by an equally sharp decline in qual-"We have seen during the past few years hundreds of small grow-

ers taking to tea cultivation without

bothering about the finer nuances of

producing quality beverage, thereby

putting at stake the reputation of the industry," said senior planter B.C. Small and medium-sized owners are so worried by the price trend in the weekly auctions that they have begun to voice doubts over the economic viability of growing tea in

"Hundreds of gardens are incurring heavy loses due to the slowdown, with huge stocks of tea lying unsold over a long period," said Debeswar Bora, secretary of the Assam Tea Planters Association. "In a matter of time, many gar-

dens could be forced to close down".

There are some one million

workers employed directly and another 10 million who are indirectly dependent on the industry.