

6th branch of Shahjalal Bank opens in Sylhet

STAFF CORRESPONDENT, Sylhet

The 6th branch of Shahjalal Bank Limited was inaugurated in Sylhet town yesterday.

State Minister for Finance & Planning Shah Muhammad Abul Hossain formally opened the branch.

State Minister for Disaster Management and Relief Ebadur Rahman Chowdhury was present at the function as special guest. Dilder Hossain Selim MP, Shahjalal Bank Chairman Sajjatuz Jumma, Managing Director Matin Uddin Ahmed and Directors Rukon Uddin Khan and Akkas Uddin Mollah were also present on the occasion.

While addressing the function Shah Muhammad Abul Hossain put accent on stopping of money laundering. He said it will be difficult to put the economy on right track if the money laundering is not stopped.

StanChart holds seminar on global economic outlook

Standard Chartered Bank in Bangladesh organised a seminar on Global Economic Outlook in the city yesterday, says a press release.

Mahmudur Rahman, Executive Chairman of Board of Investment, inaugurated the seminar as chief guest.

Muhammad A (Rume) Ali, Chief Executive Officer of Bangladesh of Standard Chartered Bank, Gill James, Group Economist of Standard Chartered Bank, Dr Debopriyo Bhattacharya, executive director of Centre for Policy Dialogue, and senior executives of leading banks and corporation attended the seminar.

In his augural speech, the executive chairman of board of investment said given the facts that Bangladesh does not have modern port facilities and telecommunication systems, it is possible to attract foreign investment provided there are concerted efforts to improve the image of the country overseas. He said a foreign bank like Standard Chartered can play a significant role to convince investors to invest in Bangladesh.

Muhammad A (Rume) Ali said it is important for Bangladeshi bankers and corporate executives to understand the challenge in the wake of the September 11 tragedy in New York because the so much of Bangladesh economy is tied to expansion of exports, inflow of foreign investment and support of the international community.

Dr Debopriyo Bhattacharya, made keynote presentation on Bangladesh economy. He mentioned the strengths and weaknesses of the economy and discussed the areas where improvements could be made to cope with the evolving global economy.

Gill James made the keynote presentation on the global economic outlook. She said Bangladesh economy has the growth potentials provided appropriate measures are taken to tap its resources and attract foreign investment into the country.

BB T-bill auction held

UNB, Dhaka

The 192nd auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held here yesterday.

Tk 12.50 crore, Tk 2.00 crore, Tk 4.00 crore and Tk 227.00 crore were offered respectively for the 28-day, 91-day, 364-day and 5-year bills. Of these, Tk 12.00 crore, Tk 2.00 crore, Tk 4.00 crore and Tk 2.00 crore in total of Tk 20.00 crore of 28-day, 91-day, 364-day and 5-year bills were accepted respectively.

The ranges of the implicit yields were 3.00-4.25 per cent, 5.00-5.05 per cent, 5.80-6.00 per cent and 8.70 per cent per annum.

No bid was offered for the 182-day and 2-year bills, said a press release of Bangladesh Bank.

2 bids for Pak oil fields accepted

REUTERS, Islamabad

Pakistan's Privatisation Commission has approved revised bids in the sell-off of two of nine state-run oil and gas fields, a government privatisation commission statement said Saturday.

BP Pakistan Exploration and Production Inc. U.K. BP. L and Occidental Oil and Gas Pakistan OXYN, the highest joint bidders for Badin-I oil and gas field, increased their bid to \$143 million from \$131.5 million offered previously.

Govt mulling over bringing end to tax holidays

RAFIQ HASAN

The government is contemplating withdrawing tax holidays as a section of businessmen in connivance with income tax lawyers resort to enjoying tax holidays in the name of company expansion.

According to a National Board of Revenue (NBR) survey, as many as 204 companies have expanded their industrial units since introduction of tax holiday incentive.

More than eighty per cent of these companies expanded their factories and increased the number of units only to get the tax holiday facilities extended, alleged a high official in the NBR.

According to him, most profitable companies are showing such expansion only to avail tax holiday resulting in huge revenue loss. "A section of income tax lawyers are also responsible for helping the companies in tax evasion."

The survey report also criticised the system as it failed to attract desired levels of foreign direct investment in the country.

Finance Minister M Saifur Rahman at a pre-budget discussion meeting recently expressed frustration over tax holiday system in the country. "It seems that the whole country is enjoying tax holiday," he was quoted as saying.

He declared that the system would be discontinued and a new tax scheme might be in place for the corporate sector on an accelerated depreciation formula.

According to sources in the NBR, the government provides tax holiday facilities to a new industry for a period of five to ten years.

The facility is also applicable for companies

going into factory expansion with an 'identifiable' unit for production or operation of similar or other goods or class of goods or services.

The main aim of the facility is to attract foreign direct investment and accelerating industrialisation process in the country.

But some industrial groups allegedly take expansion programme and increase the number of units shifting the machinery and manpower as soon as the tax holiday period expires for the main factory.

The sources said the NBR is conducting investigation on companies, which expanded the units only for continuing the facility.

The garment manufacturers and garments related industries top tax holiday recipient list. Most of the expanded units are also in garment sector.

Out of total 1814 factories still availing tax holiday facility, 1065 are garment and accessories units.

When contacted, BGMEA President Kutubuddin Ahmed said there should a clear cut guideline of the government in this regard. "Otherwise, people would take the advantage of the loopholes in the law," he said.

The BGMEA chief contradicted that the purpose of the tax holiday was not served as export earning of the country increased tremendously over the years.

Samson H Chowdhury, former president of Metropolitan Chamber of Commerce and Industry (MCCI), also blamed the existing law for this practice.

He said that the companies expand their factories because there is no bar by the law in

doing so.

"If they take the advantage of the loopholes in the law, they do it with the connivance of the NBR officials," he alleged. "The law should be clear and transparent for stopping this practice," he said.

Chowdhury called for formation of a commission to investigate the matter.

According to income tax ordinance 1984, five years tax holiday facilities are provided to the new industries established in developed areas like Dhaka, Sylhet and Chittagong division excluding Chittagong Hill Tracts (CHT).

New industries in rest of the areas are eligible for seven to ten years tax holiday facilities.

The NBR cancelled tax holiday facilities of two industries last year for violating tax holiday rule.

Regarding the cancellation of tax holiday system, the former MCCI chief observed that the NBR officials responsible for allowing tax holiday illegally to companies should also be punished.

In the last ten years, some 2884 companies were exempted from income tax under the tax holiday system. Of these, 1814 industries are still having the facilities.

Out of 1814 companies, 1722 are private limited companies and 92 are public limited companies. Of those, 1747 are hundred per cent local, 25 are hundred per cent foreign owned and 42 joint venture companies.

Out of 1814 companies, 1619 companies got tax holiday facilities for five years and 168 for seven years and 25 for nine years and two companies were given ten years tax holiday facilities as they were set up in special economic zone.

HP to continue after sales service

STAR BUSINESS REPORT

Information technology giant HP, which recently completed its merger with another giant Compaq, yesterday assured its customers in Bangladesh of continued after sales service.

After the merger the company would be able to offer a full range of products to people, the company officials said.

"Our vision is clear, we will deliver a complete range of leadership products and solutions to help our customers achieve superior business results," said Kok Leong of the company at a press conference.

Leong said as the new HP ahs established four business groups--

Enterprise Systems, HP Services, Imaging and Printing and Personal Systems -- it will be able to provide customers with after sales service in a broad-way.

He also said customers will be able to purchase products, solutions and services exactly the same way what they did in the past.

HP is committed to offering products where and how customers want to buy. Customers can choose to purchase either directly from HP or through a partner of choice, said Chrisan Fernando, another official of the HP.

Fernando said warranty period for the products of HP and Compaq will be maintained, adding that the new HP has 15,000 sales represen-

tatives, double of the previous number.

Customers of both the former HP and Compaq can continue to buy and receive customer services of HP, he said.

He said the new HP is committed to ensuring that HP and Compaq products are supported according to the terms and conditions under which they were purchased.

The HP and Compaq brands will both play important roles in the new HP product portfolio, the officials said, adding that HP brands will be used for consumer PCs and notebooks while the Compaq brand will be used for commercial PCs and notebooks, he said.

Int'l Leasing recommends 22pc cash dividend

The Board of Directors of International Leasing has recommended a 22 per cent cash dividend for the shareholders for the year 2001, says a press release.

The recommendation of the dividend was made at a meeting of the board held in the city recently.

The meeting was presided over by Mahub Jamil, Chairman of the Board of Directors, and was attended by the nominee directors of its shareholders -- Singer Bangladesh Limited, IPDC, Shaw Wallace Bangladesh Limited, and Matul Islam and Associates.

The meeting was also attended by Mafizuddin Sarker, managing director of the company.

The Board also approved the audited financial statements of the company.

During the fiscal year 2001, the company signed lease contract of Tk 747.7 million and executed lease of Tk 491.8 million and achieved an impressive business growth of 75.4 per cent FY 2000.

The company earned a net profit before tax of Tk 51.0 million in 2001 compare to Tk 29.3 million in 2000.

Mahub Jamil, chairman and managing director of Singer Bangladesh Limited, has been re-elected chairman of the Board of Directors for the next two years.

The Board also reviewed the activities for the first four months of the year 2002 and expressed its satisfaction at the overall performance of the company.

Intel launches new Pentium 4 processor

INTERNET, Santa Clara, California

Intel Corporation Monday launched new versions of the world's highest performance desktop microprocessor -- the Intel® Pentium® 4 processor -- enabling richer experiences with broadband content, games, digital music, photos and movies, while helping businesses maximise productivity and take advantage of new web service environments.

"The latest Pentium 4 processors deliver the versatility to improve everything from gaming to the use of cutting-edge business tools," said Louis Burns, vice president and general manager, Desktop Platforms Group at Intel. "For example, PC's based on the new Pentium 4 processor at 2.53 GHz can convert songs into MP3 format almost six times quicker than the fastest PC's of three years ago - a tremendous time savings for end users."

Systems based on the Pentium 4 processor at 2.53 GHz process XML data over three times faster than today's installed base of PC's operating at 500 MHz or below.

All three new processors - Intel Pentium 4 processors at 2.53, 2.40, and 2.26 GHz - include a 533 MHz system bus. Previous Pentium 4 processors interact with the rest of the system using a 400 MHz system bus.



Mahub Jamil, chairman of the Board of Directors of International Leasing, presides over a meeting of the board in the city recently.

Govt injecting Tk 496cr into banking system

Bid to cut call money rate

BSS, Dhaka

To cut high money rate and lowered its interest burden, the government is injecting more than Tk 496 crore into the banking system that suffers from liquidity crunch due to strong money demand from private sector.

The central bank said a total of 109.50 crore taka will be injected into the market this week due to retirement of treasury bills (t-bills) and 387.00 crore taka has already been encashed by some banks before maturity to solve their liquidity crunch.

Some commercial banks are facing liquidity crunch due to higher payments and credit demand from private sector. This pushed up the

call money rate to its high level at 24 per cent during the last few days.

To cut rate, the government has drastically reduced its borrowing through treasury bills to 20.00 crore taka (200 million taka) this week compared to 3634.00 crore taka (36.63 billion taka), the previous week.

"The money market now will get enough funds to solve their liquidity problems", fund managers of different banks said.

Bangladesh Bank, the central bank of the country, organised the weekly auction for t-bills today

where most commercial banks submitted competitive bids to purchase bills worth 245 crore taka (2.45 billion).

Treasury bills is a short-term bearer discount security by the central government as a means of financing their cash requirement as well as the tools of its monetary management system.

Meanwhile, the implicit yields of 28-day T-bills remained static at 3.00-4.25 per cent this week but 91-day bill fell to 5.10-5.05 per cent from last week's 5.10-5.13 per cent.

The yield of 364-day bill, however, rose to 5.80-6.00 per cent from 5.75-5.80 per cent, and 5-year bills rose to 8.70 per cent from 8.50-8.90 per cent.

Treasury bills play an important role in the domestic money markets of most countries to increase liquidity flow in the market.



TV artistes Zahid Hasan and Mou jointly inaugurate a software exhibition organised by Axiom Technologies Ltd (ATL) at Aptech Dhanmondi Centre on Saturday.

Japan economy nears mild recovery: Govt

AFP, Tokyo

The Japanese government will declare in the coming week that the nation's economy has reached its worst level and is now nearing a mild recovery, a news report said Sunday.

"Economy Minister Heizo Takenaka is expected to announce at a ministerial meeting that the economy is hitting the bottom and that a mild recovery is close at hand," the Nihon Keizai Shinbun newspaper said, quoting sources close to Takenaka.

The meeting will be held on Friday to prepare the government's

economic report for May, the newspaper said.

Among the reasons for the recovery were the end of falls in exports and industrial production, and the improvement in consumer sentiment, the Nihon Keizai.

"Takenaka is likely to say that the economy has passed the worst phase and is entering a recovery phase," the newspaper said.

Takenaka, however, is expected to stress that any recovery would not be strong. He will also reiterate the importance of pressing ahead with structural reforms for a full-blown recovery, the Nihon Keizai said.

ASEAN, China to launch free trade talks this week

AFP, Singapore

The first round of talks aimed at creating what will be the world's biggest free trade zone, encompassing China and South East Asia, will be held in Beijing next week, Singapore's trade ministry said Saturday.

A Singapore delegation will be in the Chinese capital from May 15-16 to start talks on a proposed Free Trade Agreement (FTA) between China and the ten-nation Association of Southeast Asian Nations (ASEAN), the ministry said.

Leaders from the Association of Southeast Asian Nations (ASEAN) and China last year agreed to work out an FTA within the next 10 years, a move that could result in an integrated market of nearly two billion people, a third of the planet's population.

Last month, visiting Chinese Vice President Hu Jintao and Singapore

Prime Minister Goh Chok Tong called for early negotiations on the proposed agreement that would cover 10 Southeast Asian countries as well as China.

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

Singapore also confirmed Saturday that it had been approached by Taiwan about a free trade deal city state and the island.

"Chinese Taipei (Taiwan) previously proposed to Singapore an FTA with the separate custom territories of Taiwan, Penghu, Kinmen and Matsu," the statement said.

It said Singapore has studied the proposal "and is prepared to proceed with a joint study to explore the feasibility of an FTA within the framework" of the World Trade Organisation and the goals of the Asia-Pacific Economic Cooperation (APEC) forum.

Software show at Aptech Dhanmondi centre held

Axiom Technologies Ltd (ATL), master business partner of Aptech Worldwide Bangladesh Ltd, held a day-long software exhibition at Aptech Dhanmondi centre on Saturday, says a press release.

The exhibition was kicked off with the launch of the website of Zahid Hasan and Mou, two renowned TV artistes of the country.

ATL designed and developed the website www.zahidmou.com, the first of its kind in Bangladesh.

Both the celebrities were present on the occasion to officially launch the site and they also looked at the software products developed by the students of Aptech Dhanmondi centre and displayed in the exhibition.

More than 15 software were at display, out of which four applications had already been implemented in a number of commercial and non-government organisations. The displayed software included Travel Management System, HR Management Systems, Hotel & School Management Systems and Gas Filling Station Automation System.

Virgin to launch Football Mania 2002

Soft drink company Virgin is to launch special marketing campaign on the occasion of World Cup Football-2002, says a press release.

Under the campaign, Virgin Colours Football Mania 2002, Scratch and Win, consumers will get a scratch card after purchasing two cans of virgin. Lucky buyers can get web cameras, discman, jerseys, cameras, footballs, watches, bags and mobile sets after scratching the card, billed as football card.

RAKUB opens new branch at Joypurhat

Rajshahi Krishi Unnayan Bank (RAKUB) has opened a new branch at Raikali under Akkelpur upazila of Joypurhat, says a press release.

With this, the total number of the bank branch stands at 342.

The branch was inaugurated by Abu Yusuf Md Khalilur Rahman MP at a function held on Tuesday.



Mahmudur Rahman (C), executive chairman of the Board of Investment, speaks at a seminar on Global Economic Outlook organised by Standard Chartered Bank in Bangladesh in the city yesterday. Muhammad A (Rume) Ali (L), CEO of StanChart Bangladesh, and Gill James, group economist of Standard Chartered Bank, are also seen.

Australia to unveil 5-yr plan to stem illegal immigrants

AFP, Sydney

Australian treasurer Peter Costello plans to bring in a five-year plan to stem the flow of illegal immigrants when he announces the federal budget next Tuesday.

Costello said Sunday the spending would include a major new detention centre on the Australian Indian Ocean territory of Christmas Island to handle illegal immigrants who arrive by boat from the Indonesian island of Java.

He said the budget provision would secure Australia's borders.

"It's going to lay down in quite some detail some new measures and initiatives to help," he told Channel Nine TV.

"One of the things we'll be doing is building a new facility on Christmas Island which will be a very expensive facility.

It will also give the opportunity to wind down some of the other facilities which are currently coping with large numbers. It's... a very large investment, but it's an investment that's going to pay off."

Australia, which has offered refugee status to more than half a million people since 1945, is now fighting to save its international reputation being tarnished by its uncompromising stance on asylum seekers.

The government has been faced by a series of riots and damning reports on conditions in the six detention centres for the few thousand who turn up in Australia each year aboard unseaworthy Indonesian boats.

The only other developed country with comparable policies is the United States which detains all asylum seekers arriving on its

shores without legitimate documents.

In Europe the detention of asylum seekers is far more limited although Europe has a far larger number of asylum seekers than Australia.

The United Nations estimates that 2,700 illegal immigrants pass through Indonesia en route for Australia every year.

Most come from Iraq and Afghanistan, as well as from Iran and some South Asian nations.

But since last August Australia has systematically turned away all migrants attempting to enter its territory by boat or has detained them on the tiny Pacific islands of Nauru or Manus, about 350 kilometres (217 miles) off Papua New Guinea.