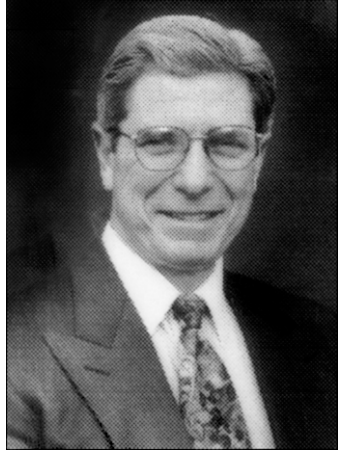


## Rolls-Royce Power Ventures COO due today



UNB, Dhaka

John B Cheatham, Chief Operating Officer of Rolls-Royce Power Ventures (RRPV) Ltd., arrives in the city today on a week-long visit to Bangladesh on the occasion of formal launch of a captive power plant in the country.

Cheatham, also Chief Financial Officer of RRPV, a UK-based independent power producer (IPP), will attend on Wednesday the inaugural ceremony of the plant of Meghna Energy Ltd., his company's first investment in Bangladesh's recently deregulated power sector.

Meghna Energy has built a 10MW captive power plant, first of its kind in the country, to meet the entire electricity needs of Heidelberg Cement's Scamence factory at Kanchpur off the capital.

Cosmos Energy Services is a partner in the firm, Meghna Energy Limited. A long-term power-supply agreement has already been signed between Meghna Energy Ltd. and Scamence.

Meghna Energy's captive plant facility consists of three 3300-kilowatt natural gas-fired Rolls-Royce Bergen reciprocating engines plus two 500-kilowatt standby engines.

Industries Minister M K Anwar will be chief guest at the formal inauguration of the Meghna Energy's power plant on Wednesday. State Minister for Energy and Mineral Resources A K M Mosharrar Hossain and State Minister for Power Iqbal Hasan Mahmood will also attend the function.

## Black money rules 50pc of country's economy: FBCCI

### STAR BUSINESS REPORT

Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Yussuf Abdullah Harun yesterday said black money dominates the country's 50 per cent economy, depriving the government of huge amount of revenue.

Harun said a new wealthy class has emerged by using the black money over last few years, who are dominating markets, making business difficult for genuine businessmen.

The FBCCI president was speaking at a pre-budget talk organised by Dhaka Reporters Unity (DRU) in its Meet the Reporters programme in the city. DRU President Shahjahan Sardar and General Secretary Motahar Hossain Masum also spoke on the occasion.

Harun also sought a clear-cut guideline in the up coming budget on duty and tariff structure, policy on investment, privatisation, poverty alleviation and human resource development programmes of the government in the next five years period.

Speaking on the occasion, the FBCCI president underscored the need for a drastic reform in the political arena, saying that confrontational politics was responsible for deteriorating law and order situation, hampering economic development.

He said government is facing a big challenge of increasing revenue income with presence of such a large amount of black money in the country.

According to him, 25 per cent of foreign goods come through smuggling and the amount would be around 15,000 crore annually.

"If this criminalisation continues, it would be very difficult for genuine businessmen or industrialists to survive in the competitive markets as the cost of business is very high in our country," Harun said.

Regarding the black money, the FBCCI chief said only businessmen do not own this money the government officials also hold a large share of it.

The budgetary-policy should come from grass roots level and opinion of farmers and villagers who constitute 80 per cent of our population

should also get active consideration, Harun said.

He also demanded special allocation for development of rural infrastructure, improvement of education and health sectors.

Appreciating the government move to discuss issues with the trade organisations before budget preparation, the FBCCI president said teachers, lawyers and other professionals should also be consulted.

"Even the members of parliaments do not get chance to give their opinions and place demand from their localities before placing the budget at the parliament," he commented.

Harun also demanded reduction of income tax and VAT rates but supported the suggestion to expand its network.

He opposed the government's policy to withdraw tax holiday system in the country, saying that it would have a negative impact on industrial development.

## Saifur for change in definition of loan defaulters Sound banking system needed for macro-economic stability

### STAR BUSINESS REPORT

Finance and Planning Minister M Saifur Rahman has said that the country's banking system needs to be changed drastically for macro economic stability.

"It is not possible to maintain macro economic stability without a sound banking system," the minister said.

He also vowed to make changes in the definition of loan defaulters. "Such change in definition would prohibit them from contesting in the general elections."

Saifur was speaking as a chief guest at a reception accorded by Sonali Bank to its 25 successful clients at a city hotel on Sunday.

Under the present definition, a borrower does not remain a defaulter after he makes 10 per cent down payment against the defaulted amount.

"Borrowers who reschedule loans are defaulters," Saifur said. He said loan rescheduling has reached

a position from where nobody can hope for a sound banking system. "Even loans extended in 2000 have become default. If that's the situation, how banking system in the country can survive and what is the future of trade and commerce here."

"With a sick banking system like ours, it is very difficult to continue the country's development activities," Saifur said.

International community and agencies would not keep faith in the country's economy if the present banking system persists, he said. "We have no option but to change the situation."

The finance minister said the loan defaulters maintain luxurious office, use Pajero jeeps but their industries are sick.

The finance minister welcomed 25 successful borrowers of Sonali Bank, who had regularly paid their loan installments, and handed over crests to them.

Speaking at the function, the central bank governor Dr Fakrudin

Ahmed praised the selection criteria for the successful clients. "It is praiseworthy that the borrowers pay their loan installments regularly, their loans were never classified and they did not take interest waiver facility," he added.

Finance Secretary Jakir Ahmed Khan urged the successful clients of Sonali Bank to launch a social movement against bank loan defaulters.

Professor Amirul Islam, chairman of the board of Sonali Bank, said the bank filed a total of 8184 cases till 2001 for recovering loans and around Tk 1825 crore were involved in these cases.

Out of 8184 cases, decrees were proclaimed for 6177 cases and the bank was able to utilise 23 per cent of these decrees and recover only five per cent. He termed the successful clients of the bank as rare commodity in the country's banking system.

## Lutfor seeks easy labour access to rich nations

### Technical ILO workshop held in city

#### BSS, Dhaka

State Minister for Labour and Employment Lutfur Rahman Khan yesterday stressed the need for easy flow of labour force from labour-surplus developing countries to labour-deficit developed countries to address the problem of unemployment in developing nations.

The labour market in developing countries has been shrinking following globalisation, he said while inaugurating a day-long tripartite technical workshop at BIAM in the city.

The workshop, jointly organised by the Ministry of Labour and Employment and ILO, discussed the agenda of 90th session of

International Labour Conference (ILO) to be held in Geneva from June 3-20 next this year.

A high-powered delegation from Bangladesh led by the state minister for labour and employment will attend the conference.

The inaugural session of the workshop was also addressed by Labour and Employment Secretary Dalil Uddin Mondal, ILO Area Director Gopal Bhattacharya, President of Bangladesh Employers' Federation Iftakharul Alam and President of Jatiya Sramik Jote Abdul Kader Howlader.

Khan said Bangladesh ratified seven out of eight core ILO conventions and was committed to gradually implementing international labour standards.

He said Bangladesh deserved close attention of ILO as the unemployment rate was very high in the country.

He appreciated the role of ILO for running different projects in Bangladesh in the field of child labour, women empowerment and micro-credit.

Khan said the government of Prime Minister Khaleda Zia was working relentlessly for the socio-economic development of the working class.

He informed the workshop that Bangladesh declared candidature for the post of deputy member of ILO governing body for the year 2002-2005.

Bangladesh currently enjoys the status.

## Saifur, MPs to exchange views on budget tomorrow

#### BSS, Dhaka

Finance and Planning Minister M Saifur Rahman will exchange views with the members of parliament on the budget of next fiscal at 11 am tomorrow at the NEC conference room at Sher-e-Banglanagar.

Chief Whip Khondokar Delwar Hossain has requested all whips, opposition deputy leader in the House, opposition whips and all members of parliament both from the treasury and opposition benches to attend the function in the national interest.

## Sonali Bank signs draft drawing deal with Citibank

Sonali Bank has signed a draft drawing agreement with Citibank.

S M Aminur Rahman, general manager of Sonali Bank, and Mamdudur Rashid, senior country operations officer of Citibank, signed the deal on behalf of their respective organisations in the city yesterday, says a press release.

Sonali Bank Chairman Professor Amirul Islam Chowdhury, Citibank Bangladesh CEO-David Rees, and other senior officials from both the sides were present on the occasion. The agreement was inked to facilitate inward remittance as well as upcountry payment from 104-country presence of Citibank network specially where there is Bangladesh concentration.

Sonali Bank Managing Director Rabiul Hossain commented that "this agreement, made in accordance with the directives of the finance minister and the governor of Bangladesh Bank would encourage inward remittance and facilitate domestic payments promptly in the country through Sonali Bank's extensive network."

## Microsoft to manufacture Xbox in China

#### AFP, Beijing

Software giant Microsoft Corp. said Friday it is planning to manufacture its Xbox game console in southern China with partner Flextronics Corp.

The company will begin producing the console in Doumen, Guangdong province, near Hong Kong, in July with the machines expected to be exported to markets in North America, Europe and Japan, Sharon Shang of Microsoft China told AFP.

## Janata Bank opens one stop service at Dhaka New Market branch

Managing Director of Janata Bank Murshid Kuli Khan inaugurated One Stop Service at the bank at New Market Branch in the city on Saturday, says a press release.

While inaugurating the ceremony the managing director of the bank said that providing better customer service like IT based sophisticated service should be popularised.

With the introduction of this system, customers will receive their payment from a single desk within shortest possible time.

He also advised to expand special credit scheme and Women Entrepreneurs Credit Scheme for service holders.



PHOTO: AFP

Executive Director of Jewels de Paragon (JDP) Pavana Kishore shows the "Koh-I-Noor" diamond on display with other famous diamonds at an exhibition titled "100 World Famous Diamonds" in Bangalore, India Sunday. The Koh-I-Noor diamond, which once belonged to Mughal Emperor Shah Jehan, weighs 105.60 carats and is part of the British crown jewels, stored in the tower of London.

## E Timor, Australia sign landmark energy treaty

#### REUTERS, dili

East Timor and Australia signed a landmark treaty yesterday to tap lucrative offshore petroleum reserves, an economic lifeline for the world's newest nation that could be worth billions of dollars.

Australian Prime Minister John Howard, in East Timor for the tiny territory's formal independence declaration overnight, signed the treaty with East Timor's new national leadership.

"The significance of this treaty and memorandum of understanding is the first symbolic and practical demonstration of the relationship between Australia and East Timor," Howard said after the signing ceremony.

The two sides have agreed to divide royalties 90:10 in East Timor's favour from gas and oil reserves in the Timor Sea, although the treaty will need to be ratified.

Officials had previously said some issues needed to be worked out before this could happen. These included possible changes to the two countries' boundaries.

"We have reached this agreement after numerous rounds of negotiations -- and a few differences from time to time. We have been getting to know each other very well

-- and so I'm confident any differences in the future can be resolved," East Timor's newly sworn-in Prime Minister Mari Alkatiri said.

On Sunday around 150 East Timorese staged a boisterous demonstration, accusing Australia of stealing the country's petroleum wealth.

The United Nations has said one of the main determinants of East Timor's future would be how it used petroleum revenues estimated at \$7 billion over two decades from 2004.

By the middle of the decade they will form the government's main source of revenue.

The UN had run East Timor since late 1999, when the territory voted in a referendum to break free from 24 years of brutal Indonesian rule. The decision triggered a vicious response from local militias loyal to Jakarta, who with backing from the Indonesian military laid waste to much of East Timor.

The treaty area, known as the Timor Gap, covers 62,000 sq km (23,900 sq miles) of a resource-rich sea-bed between the two countries. It nullifies a previous agreement that had split the revenues equally between Australia and Indonesia.

The two sides began negotiating a new treaty in 1999 after East Timor voted to break off from Indonesia

and pressure had mounted on both sides to agree the new document by independence on May 20.

Some officials have cautioned that earnings needed to be spent prudently to ensure East Timor's 740,000 people broke from a crushing cycle of poverty.

Limited oil revenues are being generated from the production zone but the bulk of the revenue will come from new gas output.

Coffee is the only significant source of foreign exchange outside aid flows in East Timor, although commercial revenues are insignificant compared to the potential petroleum earnings.

The Timor Gap includes the Bayu-Undan and Greater Sunrise developments.

The full development of Bayu-Undan is expected to provide some \$3.3 billion in tax revenue for East Timor while Greater Sunrise would provide substantially less.

Bayu-Undan is operated by Phillips Petroleum Co with partners Santos Ltd, Kerr McGee Corp and Eni unit Agip.

Development of Sunrise is handled by Woodside Petroleum Ltd with partners Royal Dutch Shell, Phillips and also Osaka Gas Co Ltd.

## Solutions to 8 Mongla Port problems sought

#### UNB, Bagerhat

Mongla Port Authority yesterday called for immediate solution to eight specific problems to gear up activities of the port and give a boost to its revenue earning.

Dredging of the Pashur River, construction of Rupsha Bridge, Dhaka-Mawa road, silo and jetty, improvement of telecommunications and electric supply, salvaging sunken ships from the port channel and construction of a road from Mongla to Joymonirgol are essential to accelerate the port activities.

Port Chairman Commodore Khorsheed Alam said this while talking to journalists at the port auditorium yesterday.

He said the port earned a net profit of Tk 844.29 crore during the first three months of the current year.

He said 11 projects had been undertaken to develop the port and raise its revenue earning.

Alam said frequent strikes by dock labourers have caused the port to incur huge loss in revenue earning in addition to tarnishing its image abroad.

"They are enforcing strikes in the port despite their wage hike by 32 per cent," he told the newsmen.

## Asia Foundation, CSL Software hold workshop

A workshop on "IT Centric RMG Industry Management" of RMG sector jointly organised by The Asia Foundation and CSL Software Resources Limited (CSRL) was held in the city on Saturday, says a press release.

Concerned persons from the leading 21 garments factories participated in the workshop.

Shahjahan Kabir was present on behalf of The Asia Foundation and Ranjan Neogi, Director Operation of CSRL, facilitated the workshop.

The workshop was focused on use of software tool to implement bundle ticket methodology in measuring individual efficiency.

Chowdhury M A Tajir of Lenny Fashion Ltd spoke on the occasion.

The Asia Foundation in association with CSL Software Resources Ltd chalks out a programme to build the awareness among the garments industry for effective use of IT in its daily business process.



The City Bank Managing Director Abbasuddin Ahmed and MD of Sun Microsystems Asia-South Boon San Gan shake hands after signing an agreement in the city yesterday. Under the deal, high-end Sun server will be installed at the bank for running its newly purchased software for centralised online branch banking. Syed Farhad Ahmed, MD of Texas Electronics, the master re-seller of the Sun Microsystems in Bangladesh, is also seen in the picture.

## S'pore, Australia resume talks on free trade

#### AFP, Sydney

Australian trade negotiators have resumed talks in Singapore aimed at securing a free trade agreement they hope will set the pattern for a series of similar regional pacts, officials said on Monday.

The push to further liberalise trade between the two close trading partners have been underway since their leaders agreed 18 months ago to begin talks on the issue.

But they became bogged down last year over the key issue of improving market access to Singapore's services sector, particularly for telecommunications, financial services, education and law firms.

Officials say Australia wants improved access for telecommunications companies so that they can compete on a firmer basis with SingTel, Singapore's dominant firm which now owns Australia's number two telecoms carrier Optus.

Singapore, on the other hand, wants Australia to remove its

remaining tariff barriers to imports of manufactured goods and e-commerce and to provide improved intellectual property protection and customs procedures.

A spokesman for Australian Trade Minister Mark Vaile said other issues which slowed the talks last year were the Australian election in November and the fact the chief negotiators for both countries were coming to the end of their terms.

"Now they are getting back together and we are looking forward to some positive outcomes," he said.

However, officials concede that while there has been a fairly constructive atmosphere around the talks, an agreement is still some time off.

The current round of talks between Singaporean and Australian trade officials started in Canberra in April and resumed in Singapore on Monday.

Negotiations on the Australia-Singapore Free Trade Agreement

(FTA) began following an agreement struck between Prime Minister John Howard and his Singaporean counterpart Goh Chok Tong in November 2000.

Vaile left for Bangkok this week for talks with government officials on a possible free trade agreement between Australia and Thailand.

He said in a recent briefing to journalists that he was confident of concluding an FTA with Singapore within the next few months.

"We want a first class agreement, a model for other possible FTAs in the region, including our prospective negotiations with Thailand," he said. "If that takes more time to achieve then so be it."

Australia and Singapore have both signed free trade agreements with New Zealand.

Australia is also pushing for a similar agreement with the United States, while Singapore is aggressively pursuing a string of FTAs with several countries including Japan, the United States, Canada and Mexico.



PHOTO: JANATA BANK

Managing Director of Janata Bank Murshid Kuli Khan inaugurates one stop service at its New Market Branch in the city on Saturday.