

Rupali Bank further cuts interest rates

Rupali Bank Ltd has further reduced the rates of interest on different export credits in order to boost up export business of the country, says a press release.

The rates of interest reduced are in case of term loan to export-oriented ready made garments industries, the interest has been reduced from 12 per cent to 9 per cent, in case of term loan to industries of thrust sector from 10 per cent to 9 per cent, in case of pre-shipment credits (PSC) from 9 per cent to 7 per cent, packing credits for all export products from 9 per cent to 8.50 per cent.

In case of import of capital machinery (LTR), the rates of interest have been reduced from 15 per cent to 9 per cent. In the case of hypothecation credit to export-oriented industries the rate of interest has been reduced from 14 per cent to 13 per cent.

United Insurance declares 25pc dividend

United Insurance Company Limited has declared a 25 per cent dividend for the year 2001, says a press release.

The declaration was made at the 17th annual general meeting (AGM) of the company held at a local hotel yesterday.

During 2001, the gross premium income of the company increased to Tk. 136.88 million from Tk. 131.21 million in 2000.

The company made an underwriting profit of Tk 14.83 million and earned a pre-tax profit of Tk. 25.75 million.

Its accumulated reserves and retained profit increased to Tk. 97.12 million from 90.87 million in 2000.

The AGM was presided over by M Moeedul Islam, chairman of the company. He informed the shareholders that the company was run in accordance with international traditions and its performance and services were well commended by all and the company was aiming to improve its services further with other innovative policies.

Healthy sign marks Ctg tea auction

UNB, Chittagong

A healthier sign prevailed in this week's tea sale as Afghan buyers were more active with added interest from the major blenders.

Loose tea buyers were also a little bit more active. Pakistani buyers were again very quiet and virtually inactive. There was some interest from CIS.

CTC Leaf: 2,738 c/s, 15,010 g/s and (82 c/s, 2,460 g/s of old season) on offer had a better demand at generally improved rates.

Brokens: Clean black well made Brokens met with a fairly strong demand to occasionally dearer levels while all others were about firm. Large Brokens saw limited interest.

Fannings: Well made clean liquoring fannings had a good demand and sold at fully firm to slightly dearer rates while others were sold at firm to occasionally dearer rates. Plain fibrous varieties saw steady sale.

CTC Dust: 200 c/s, 2,187 g/s and (21 g/s and 236 g/s of old season) on offer saw a lower demand. Better liquoring RDs and DS eased slightly while more PDs were sold around last levels. CD's had an easier market with some withdrawals.

New chairman, secretary of ICAB's DRC



A K Abdul Matin

A K Abdul Matin, managing partner of A Matin & Co. Chartered Accountants, has been elected chairman of Dhaka regional committee (DRC) of the Institute of Chartered Accountants of Bangladesh (ICAB) for the year 2002, says a press release.

The election of DRC was held on Sunday.

The meeting also elected Md Syful Islam, FCMA, secretary of DRC, ICAB for the year 2002.

Abdul Matin qualified as a Chartered Accountant from the Institute of Chartered Accountants of Bangladesh (ICAB) in 1988. He served as DCA in the New Nation Publications Ltd from 1981 to 1991.

Md Syful Islam is, at present, the principal of Syful Islam & Co. and Syful Islam & Associates. He qualified as a Chartered Accountant from ICAB in 1991.

Govt mulls cash incentive for software industry

Khosru says at BASIS workshop

UNB, Dhaka

The government is working out the modus operandi of giving some sort of cash incentive to software industry, Commerce Minister Amir Khosru Mahmud Chowdhury said yesterday.

"Definitely, there will be an incentive package. We've to work out how it will be given since software export cannot be quantified like that of other sectors," he said while opening a workshop on software export.

The minister said this after FBCCI president Yussuf Abdullah Harun pointed out that the information communication technology (ICT) had been left out of the "package incentive" announced by the government recently for export sectors.

Bangladesh Association of

Software and Information Services (BASIS) organised the two-day workshop on "export marketing of software and IT services" at the Bangladesh Institute of Administration and Management (BIAM).

International Finance Corporation (IFC), World Bank's private sector lending arm, has sponsored the workshop under its South-Asian Enterprise Development Facility (SEDF).

Some 100 IT professionals, chief executive officers of local IT companies and marketing experts from abroad are participating in the workshop.

The Commerce Minister said ICT has become a buzzword in Bangladesh and it has every potential to grow as a major export sector in the near future. Before exploring

external market, it is important to develop a home market for ICT business, he said.

He divulged a government plan to open an office in USA in collaboration with the private sector and employ IT personnel in Bangladesh mission there to look for software market. Such arrangements would be gradually made in Europe and other regions, he added.

The FBCCI president said only two decisions of the government -- one on L/C and the other on bonded warehouse -- gave the garment sector a boost.

A few decisions of the government, including arrangement of collateral-free finance and computerizing its own activities, would give a spur to ICT sector also, the apex trade body leader said.

Private sector already drafted an IT policy and forwarded it to the

government for an updated national policy showing future roadmap for the sector, Harun informed.

Sectors like telecommunication have enough scope to attract private investment and the government should get out of such areas, he said, advising the government to further deregulate and focus more on rural infrastructures, where hopes for private investment are bleak.

He appreciated the setting up of a telecom regulatory commission, but suggested it be independent of any ministry.

BASIS president Habibullah N Karim demanded the allocation of Tk 300 crore in the coming budget for taking up small projects to help government agencies graduate towards ICT and create a local market for software.

Energy minister for meeting domestic demand for gas

Meghna Energy captive power plant inaugurated in N'ganj

STAR BUSINESS REPORT

State Ministers for Energy AKM Mosharrif Hossain said time has come to ensure supply of natural gas for meeting the country's household, commercial and industrial consumption.

"We should now depend on coal based power plant and hydro-electricity and save gas for use in other sectors," Mosharrif said.

The state minister said the coal in the northern region of the country has the potential to generate sub-

stantial amount of electricity.

He was speaking at the inaugural ceremony of Meghna Energy Limited, a joint venture 10-MW captive power plant, in Narayanganj.

UK-based Rolls Royce Power Ventures along with its local partner Cosmos Energy has built the plant to meet the entire demand of the cement plant of Scancement Bangladesh Ltd at Kanchpur in Narayanganj.

A long-term power supply agreement has already been signed

between Meghna Energy Ltd and Scancement in this regard.

Among others, Industries Minister MK Anwar, Executive Chairman of Board of Investment Mahmudur Rahman, Deputy High Commissioner of the British High Commission in Dhaka Robert Gibson, Chief Operating Officer and Chief Financial Officer of Rolls Royce Power Ventures Ltd B Cheatham and Managing Director of Cosmos Energy Enayeturrah Khan spoke on the occasion.

Phoenix Ins declares 23pc dividend

Phoenix Insurance Company Ltd on Monday declared a 23 per cent dividend for the year 2001, says a press release.

The dividend was declared at the 16th annual general meeting of the company held at a city hotel.

The AGM, which was presided over by company Chairman Deen Mohammad, was informed that Phoenix Insurance earned a total premium of Tk. 19.79 crore and pre tax profit of Tk 2.34 crore in 2001. Total asset of the company in 2001 was Tk. 41.93 crore.

Vice Chairmen Nashiruddin Ahmed and Mohammad Shobeb and Directors Abdur Rahman, Mobarak Ali, Aziz-Al-Mahmood, Rafiqul Islam Khan, Bazlur Rahman, Md Habibur Rahman Mia, Mazharul Haque, Evana Fahmida Mohammad, Meherun Haque, Badruddoza Mannan, Farhad Bin Mannan, Wasif Ahmed, Ahmed Rajeeb Samdani and Managing Director Syed Najabat Ali were also present in the meeting.

In the vacant posts of directors from the sponsor-shareholders category Mobarak Ali, Bazlur Rahman, Evana Fahmida Mohammad and Roxshana Begum were also re-elected unopposed.

In the two vacant positions of directors from the public shareholders category Deen Mohammad and Manzoorul Hoque were elected unopposed.



PHOTO: STAR

Dr Klaus Wucherer, executive vice president and member of the Corporate Executive Committee of Siemens, Germany (left), Dr Peter E. Albrich, managing director and chief executive officer of Siemens Bangladesh Limited (middle), and Aftab Mahmud Khurshid, corporate communication and business development manager of Siemens Bangladesh (right), are seen at a press conference held in the city yesterday.

Siemens Bangladesh plans transport sector business

STAR BUSINESS REPORT

With the success in telecommunications and power, Siemens Bangladesh is planning to expand its business operation in transport sector.

Speaking at a press conference in the city yesterday, Siemens AG Executive Vice President Dr Klaus Wucherer said there is ample opportunity in the transportation sector in Bangladesh. The press conference was organised to mark shifting of Siemens headoffice to Gushan.

He said the country as the country is growing it would require technologies which Siemens would be able to provide. "The present deficits in power, telecommunication and transportation infrastructures can be overcome by duly addressing those," the executive vice president said.

He said Siemens has a good track record in the transport sector. "We completed a number of significant projects around Asia, like Thailand's

Sky Train opened in December 1999 and Malaysia's Express Rail Link from Kuala Lumpur international Airport to Kuala Lumpur City Center launched in April 2002," he mentioned.

"We have been active in railway projects in the country since 1962 and we are proud to have been involved in all of Bangladesh's major modernisation efforts," the executive vice president said.

Siemens also has another fascinating transportation project in Asia the Transrapid in Shanghai, the first of its kind worldwide, he said.

Traveling at speeds of up to 430 kilometers an hour, once completed, it is expected to cover the 31.5 km from Shanghai International Airport to Shanghai city center in just seven minutes, he said.

Speaking at the function, Dr Peter E. Albrich, Managing Director and Chief Executive Officer of Siemens Bangladesh Limited, said the last two years of Siemens in Bangladesh were especially suc-

cessful in terms of revenue.

"We have achieved 20 million euros in the business year 1999-2000, and 40 million euros in the 2000-01 in Bangladesh. We want to exceed this figure by another 40 per cent in the current fiscal. Siemens intends to implement an impressive growth within the next two to three years," Peter added.

The main contributors to this impressive growth are the consumer products, the telecommunications, and the power distribution divisions, areas where Siemens traditionally has a strong presence despite the difficult business environment worldwide, the MD noted.

He said Siemens have six subsidiaries in Bangladesh with 70 per cent market share in solar panels, 40 per cent in cell phone, 30 per cent in electrical equipment, and 50 per cent in the healthcare sector. "We have just entered into the household sector."



PHOTO: UNITED INS

Picture shows M Moeedul Islam, chairman, Syed Aziz Ahmad, managing director, and directors of United Insurance Company Limited at the company's 17th annual general meeting held in the city yesterday.

5-year project undertaken to develop sericulture

BSS, Rajshahi

Bangladesh Sericulture Board (BSB) has undertaken a five year project entitled "Development and Extension of Sericulture in Bangladesh" with a view to maintaining its activities and bring dynamism in reviving the traditional silk industries.

BSB authorities told BSS yesterday that the project to be completed by 2006 involving about Taka 19 crore have already been approved in the recently held ECNEC meeting.

Apart from reviving traditional silk industries, the project will also help alleviation of poverty in the rural areas.

"Sericulture is completely an agriculture dependent industry and

there has also been an immense possibility to create job opportunities for the rural unemployed and semi-unemployed youth industry", the sources said.

The objectives of the project, inter alia, are -- production of mulberry plants and its supply for extension of silk-cocoon, distribution of disease-free eggs to the farmers after producing in the nursery, supplying of disinfectant to the cultivators free of cost or against affordable price to keep the mulberry plants and silk worm free from any pest attack.

Besides, arrangement for supplying of chawki silk-worm rearing for more production of high quality cocoon, taking step of supplying the invented modern technology, high yielding varieties of mulberry plants

and silk-worm to the field level, creating of drying facilities of cocoons for the farmers and publicity of the silk clothes and taking part in fair and exhibition are the other objectives of the project.

Under the project, seven more nurseries and five mulberry gardens will be preserved, 75 lakh mulberry saplings, 75 lakh disease-free silkworm and 4.8 lakh chawki silk-worm will be produced and to be distributed to the farmers to achieve the aforesaid objectives.

Besides, 33 research projects will also be conducted at the Bangladesh Silk Research and Training Institute (BSRTI) and some 18,000 farmers will be given necessary training at different levels across the country for the purpose.

IMF to release \$60m aid to Sri Lanka

REUTERS, Colombo

The International Monetary Fund is set to release a \$60 million aid tranche to Sri Lanka and was upbeat the island's bid to end its ethnic war would boost donor and investor confidence, the Finance Ministry said Tuesday.

It said in a statement that the island's reform plans and efforts to end nearly 20 years of ethnic war were at the centre of talks between visiting IMF Deputy Managing Director Shigemitsu Sugisaki and Finance Minister K N Choksy.

Besides leaving more than 64,000 dead and displacing hundreds of thousands, the war has also put a lid on economic growth, but a ceasefire signed last month and planned peace talks have raised hopes of an economic rebound.

"Sugisaki also made comprehensive inquiries regarding the progress of the peace process. He pointed out that the establishment of peace will gain extra confidence of international donors and potential investors in Sri Lanka," the statement said.

Sugisaki said international aid groups would look at how to help Sri Lanka if the peace holds when a donors' conference is held in Colombo in the first week in June.

The ministry said the IMF's decision to release a further \$60 million in concessionary aid in July to Sri Lanka was a vote of confidence for Sri Lanka's reform programme.

The money will come from a \$253 million standby loan programme that was stopped last year after political turmoil under the government's left-leaning predecessor stalled the reforms.

The tranche will be the second since the pro-peace, pro-business United National Party won Parliamentary elections in December.

UNB, Dhaka

The Japan Bank for International Cooperation (JBIC) has expressed concern over what it called the inadequate security provided to foreign nationals working in different projects in Bangladesh.

A joint review meeting of officials of JBIC and Economic Relations Division (ERD) held on Monday stressed the need for urgent and adequate measures like deployment of armed guards and strengthening routine patrol to ensure security of all

personnel working in foreign aided projects.

The meeting pointed to recent incident in Rupsa Bridge Project where miscreants threatened foreign consultants to pay toll, said a JBIC press release.

ERD Joint Secretary Ashiqul Islam Chowdhury chaired the meeting, held at the ERD conference room. It was attended by JBIC chief in Dhaka Yasunori Onishi, JBIC representative Tomohiro Hamada and senior officials of ERD and executing agencies.



PHOTO: PHOENIX INS

Deen Mohammad, chairman of Phoenix Insurance Company Limited, speaks at the 16th annual general meeting of the company on Monday in the city.

Analysis

Dollar fall may be good for global economy

REUTERS, New York

If anything, a gradual decline in the value of the dollar could be just the elixir the global economy needs to get growth back up to speed.

After finally succumbing in the past three months, the dollar's quick 6 per cent tumble against major currencies has raised worries of even greater trouble over the horizon for the US currency as investors see a tepid US recovery and fret about the country's \$1 billion a day fix on foreign capital.

But a boost to US growth from stronger foreign demand for cheaper American goods could add fuel to the global economy's fledgling rebound from recession, giving hard-hit US manufacturers stronger

market share.

The danger is that a mild dollar depreciation could turn into a harsher collapse, forcing the giant US economy to face rising inflation and pressure for higher interest rates -- an outcome most economists view as unlikely.

"We see the dollar weakening really as a way for our foreign trade partners to lend some growth to the US and we think that's an appropriate stage at this cycle," said Charles Van Vleet, who helps manage \$80 billion in assets at Credit Suisse Asset Management.

The evidence is building of a global expansion taking root, with rising commodity and gold prices, an increase in the commodity-linked currencies of Australia and Canada

-- both countries that have already started raising interest rates -- and growth in exports in Asia and Europe.

Even the long-stricken Japanese economy is showing signs of life, and it's against the yen that the dollar has suffered the most in recent months, dropping nearly 8 per cent from its January peaks.

As the global economy begins to take off, investors are seeking to diversify their investments across the globe and take advantage of potentially stronger returns outside the dollar, which served as a safe-haven during the global recession and defied expectations by strengthening in 2001.