

35 tax officials awarded

STAR BUSINESS REPORT
The Ministry of Finance has awarded 35 tax officials for their outstanding performances in revenue collection.

Under Income Tax Reward Order, 1980, the officials received cash money for their performances for this year.

Of the total awardees, five are additional tax commissioners, who include Md Alauddin (Tk 50,000), Chowdhury Amir Hossain (Tk 40,000), Abdur Razzaq (Tk 35,000), Ziauddin Mahmud (Tk 50,000) and Md Mofazzal Hossain (Tk 40,000).

Five joint tax commissioners are Mizanur Rahman, (Tk 40,000), Belal Uddin (Tk 40,000), Sams Al Mujahid (Tk 30,000), Nazrul Islam (Tk 40,000) and Md Rabiul Islam (Tk 100,000).

Seven deputy tax commissioners include AKM Badiul Alam (Tk 50,000), GM Abul Kalam Kaikobad (Tk 20,000), Md Rezaul Karim (Tk 20,000), Mahbubur Rahman (Tk 30,000), Md Abdur Rahman Khan (Tk 50,000), AKM Hasanuzzaman (Tk 30,000) and Syed Masum Ahmed Chowdhury (Tk 40,000).

Three assistant tax commissioners include Sabina Yasmin (Tk 75,000), Golam Kabir (Tk 20,000) and Sudhangshu Ranjan Das (Tk 30,000). Two EACT are Rafiqul Islam (Tk 15,000) and Rafiquddin Ahmed (Tk 20,000).

Twelve tax inspectors are Abul Kashem Mia (Tk 20,000), Amjad Hossain (Tk 10,000), Md Habibur Rahman (Tk 60,000), Abu Taher (Tk 20,000), Md Abdul Hannan Khondkar (Tk 30,000), Md Jahurul Haque (Tk 30,000), Abdul Motalab Chowdhury (Tk 20,000), Amjad Hossain (Tk 50,000), Abdul Khaleque (Tk 50,000), Monsur Alam (Tk 15,000), Sudip Kumar Saha (Tk 15,000) and Al Mirin (Tk 30,000). Besides, NA Khan, a Sonali Bank official, received Tk 30,000.

Bank of Canada raises rate by 2.5pc

AFP, Ottawa

Fearing that a rebounding Canadian economy will drive inflation, the Bank of Canada increased its key target for the overnight rate by one-quarter of a percentage point, to two-and-a-half percent on Tuesday.

The bank rate is also increased by a quarter of a point to two-and-three-quarters percent.

Canada's overnight rate is the equivalent of the US Fed Funds rate.

The increase is at the lower end of market expectations, with analysts predicting before the announcement, an increase of either a quarter point or a half point.

Announcing its decision, the central bank said that since its last increase -- also by one quarter of a point -- on April 16, indications were that "the economic recovery in Canada has been somewhat stronger than anticipated."

And, the bank noted, core inflation in April rose to 2.2 percent, "slightly above the level that had been projected."

Total inflation, as measured by the consumer price index (CPI) was 1.7 percent.

"Today's interest rate," said the bank, "represents a further reduction in the substantial amount of monetary stimulus in the economy ... the bank will take the necessary action to keep inflation at its two percent target over the medium term."

"This will contribute to sustaining economic activity at full capacity."

During the economic slowdown of 2001, especially in the period immediately following the September 11 terror attacks on the United States, the Bank of Canada dramatically slashed interest rates in action parallel to moves by the US Federal Reserve.

Taiwan's forex reserves hit new high

AFP, Taipei

Taiwan's foreign exchange reserves hit a record high of 139.82 billion US dollars at the end of May, the central bank said Wednesday.

The record figure was 6.89 billion higher than the previous month and up 17.61 billion higher from the end of 2001, the central bank said.

The increases reflect overseas convertible bond and depository receipt issues by domestic financial holding companies and technology ventures, it said in a statement.

Further, US dollar-denominated reserves expanded thanks to major rises in the euro and yen, it said.

It said interest income also contributed to the higher foreign exchange reserves.

Sheba eyes double subscribers thru' World Cup package

STAR BUSINESS REPORT

Mobile phone company Sheba Telecom plans to double the number of its subscribers from existing nearly 35,000 through its ongoing World Cup special package.

Jefti Ahmed Tambi, managing director of the company, disclosed this at a briefing session in the city yesterday organised for Dealers and Agents Shop Decoration contest.

The objective of the decoration contest is to make the Sheba deal-

ers and agents outlets festive and attractive to woo customers during the World Cup package period, officials said.

Jefti Ahmed Tambi urged the dealers and agents to work hard to achieve the target of the company through the contest, duration of which will be three starting from this month.

The contest will surely help increase the subscriber-base of the company, said Shakil Wahed, managing director of Lipro

Communication, distributor of Sheba Telecom.

The World Cup special package of Sheba Telecom offers a cell phone at Tk 12,250.

In the decoration contest, the first prize will comprise cash money of Tk 25,000 and three Dhaka-Kuala Lumpur-Dhaka air tickets while the second prize will be cash money of Tk 20,000 and two Dhaka-Kuala Lumpur-Dhaka air tickets. The third prize will be cash money of Tk 15,000 and one Dhaka-Kuala

Lumpur-Dhaka air ticket.

Sheba introduced short message service (SMS) on Saturday. Every outgoing SMS will cost Tk two.

At present, the cell phone company covers Dhaka, Narayanganj, and Gazipur districts. It will cover Chittagong and Sylhet by August and Khulna, Barisal, Manikganj, Tangail and Bogra by October this year.

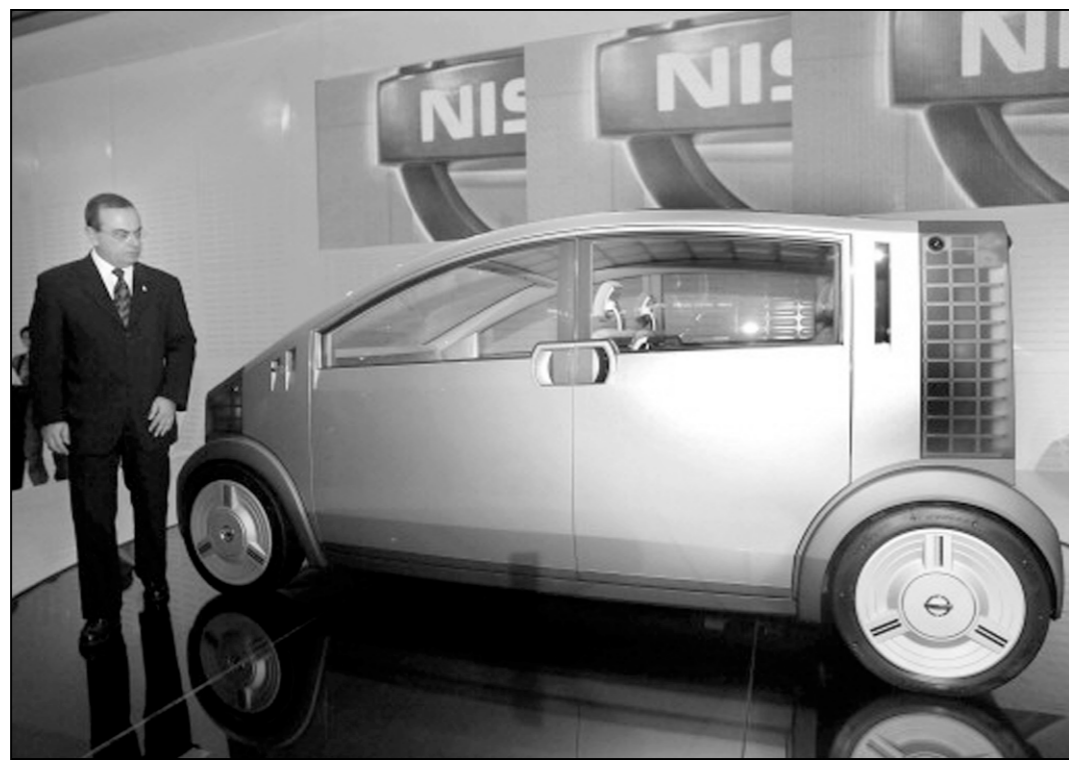


PHOTO: AFP

Japan's Nissan Motor Company President and CEO Carlos Ghosn shows off the company's latest car "iDeo", a net-vehicle equipped with the latest onboard computers to help drivers get where they want to go, during the launch of Auto China 2002 in Beijing yesterday. Joint venture talks between Nissan Motor Co. and Chinese automaker Dongfeng Automobile Co. have hit an apparent snag, prompting Nissan to shift its sales focus to other areas, Ghosn told reporters.

White House begins handing over Enron documents

REUTERS, Washington

More than five hours after a senate deadline passed Tuesday, the White House began handing over documents subpoenaed by lawmakers investigating contacts between the Bush administration and now-bankrupt Enron Corp. ENRNQ.PK.

The White House transferred the first batch of documents to the Senate Governmental Affairs Committee after failing to finalize an agreement with Chairman Joseph Lieberman, a Connecticut Democrat, that would set strict limits on their public release.

"We're disappointed that Sen. Lieberman has chosen not to handle the documents in the same way the committee treated documents in the past," White House spokeswoman Ann Womack said. "We expect the committee to use the information in a thoughtful and deliberative manner which lends itself to gathering facts rather than engaging in a partisan fishing expedition."

Lieberman, a potential 2004

challenger to Republican President George W. Bush, said he would impose "strict security procedures" for confidential and classified material found in the documents detailing White House contacts with Enron.

The energy giant filed for bankruptcy on Dec. 2 amid revelations of massive losses from off-the-books partnerships. The company was one of Bush's biggest campaign contributors.

The White House released the documents in response to two subpoenas issued on May 22 to the offices of Bush and Vice President Dick Cheney.

The committee asked for communications between the White House and Enron regarding a wide range of federal agencies, including the Federal Energy Regulatory Commission and the securities and Exchange Commission.

The committee also asked for documents concerning Bush's energy plan, which, Democrats allege, reflected Enron's interests. It gave the White House until June 3 to comply, though Lieberman extended the deadline by one day --

to Tuesday at noon -- to allow for time to negotiate an agreement governing whether the information would be publicly released.

The White House had hoped Lieberman would agree to give the ranking Republican on the Government Affairs Committee, Sen. Fred Thompson of Tennessee, the power to block the release of any documents.

But Lieberman refused. In a statement, Lieberman said documents may be made public if either he or Thompson determines "that disclosure is appropriate to further the purposes of the investigation."

Lieberman agreed, however, to give 24 hours' notice to the White House before any of the papers are released.

The first shipment of documents -- totaling over 2,000 pages -- arrived at the Senate Government Affairs Committee more than five hours after the noon deadline, Lieberman's office said.

Indian tea exports fall by 2.4pc

REUTERS, Kolkata

India, the world's largest producer of tea, exported 49.81 million kg of tea in January-April, down 2.4 per cent from the same period a year earlier, an official of the state-run Tea Board said on Tuesday.

India exported 51.06 million kg in the first four months of 2001, he said.

Earnings from exports in the first four months of 2002 fell more than 11 per cent year-on-year to 4.13 billion rupees (\$84.2 million), said the official, who declined to be named.

Indian tea exports have been hit by fierce competition from Indonesia, Bangladesh and Sri Lanka and lower demand from traditional buyers such as Russia and Britain, according to industry officials.

Production in the first four months of the year fell 4.2 per cent to 126.59 million kg from 132.14 million kg in the corresponding period in 2001, the official said.

The deputy chairman of the Tea Board told Reuters last month that India is likely to export 200 million kg of tea in 2002, rising more than 11 per cent rise from a year earlier on the back of increased sales to Iraq, Libya, Syria, Saudi Arabia and Afghanistan.

India exported 179.79 million kg tea in 2001, 13 per cent lower than in the previous year.

Reliance ends acquisition of Indian Petrochemicals

AFP, Bombay

India's largest private sector company, Reliance Industries Ltd, said it had officially completed the acquisition of state-owned Indian Petrochemicals Tuesday by paying 304.3 million dollars to the government for its 26 percent stake in the company.

The Reliance group had in May won IPCL through the government's bidding process for privatising the state-owned company by outbidding rival state-owned Indian Oil Corp Ltd and another private company, Nirma Ltd.

"Reliance Tuesday completed the acquisition of IPCL by paying 14.91 billion rupees to the government of India and signing the shareholder's agreement and other relevant documents," the company said in a statement.

It said the board of IPCL is also being reconstituted with a total of 12 directors, of which six will be Reliance nominees and two will be government nominees, while the rest will be independents.

Reliance group has already announced an open offer for acquiring an additional 20 percent stake of IPCL from the public shareholders at 231 rupees per share, the price the group paid for the government's stake.

Honda to invest \$58.6m in Taiwan plant

AFP, Taipei

Japan-based Honda Motor Co. plans to invest at least two billion Taiwan dollars (58.6 million US) to set up an automobile plant in Taiwan, a report said Tuesday.

The new plant would be able to produce 50,000 vehicles annually, the Commercial Times cited officials with the Industrial Development Bureau as saying.

Honda will decide on a site for the plant and a possible research and development centre by end of the month, the newspaper said.

Company officials were not immediately available for comment.

BUDGEZ QUIPS

"How would you settle competing demands of defence and education for a lion's share of the budget?"

"I would first try King Solomon's wisdom: Divide the funds in the middle and offer equal share to each."

"I doubt if the education minister will take the bait and play the role of a weeping mother."

"I will then offer him the role of a thirsty fallen soldier to shout: Thy need is greater than mine."

Protracted Indo-Pak stand-off to hit software industry

AFP, Hyderabad, India

A protracted India-Pakistan military standoff will seriously impact the software industry and dry up foreign investments, said India's main software lobby group and government officials on Tuesday.

The National Association of Software and Service Companies (NASSCOM), said the domestic industry which had spawned several US technology-heavy Nasdaq-listed firms, was worried the ongoing tensions could escalate into a full-scale war.

"If the standoff does continue for long it could begin to affect business," said Kiran Karnik, president of NASSCOM.

"NASSCOM has assessed the geo-political risk and the possible impact on the Indian software and service industry due to the recent tensions between India and Pakistan," he added.

India's software industry which attracted foreign direct investments of roughly 453 million dollars in the financial year ended March 2002, fears foreign currency will dry up as investors give South Asia a wide berth.

The governments of developed nations said Tuesday that they were not ruling out the possibility of war between India and Pakistan, which

had already deployed a million troops to their common borders, in the wake of a May 14 attack in disputed Kashmir.

India blamed the attack that killed 35 people, mostly civilians, on Pakistan-based guerrillas and demanded Islamabad stop "cross-border terrorism."

NASSCOM is organising a two-day conference in the southern hitech city of Hyderabad in Andhra Pradesh state on June 10 to focus on India's strategy to deal with the current business environment.

Randeep Sudan, special secretary in technology-savvy Andhra Pradesh Chief Minister Chandrababu Naidu's office, said the government was worried foreign firms would put Indian investments on the backburner.

"Foreign investment deals that were almost finalised have now been put on hold because of the war fears," Sudan told AFP.

"The darkening war clouds make India suddenly look like a risky investment proposition," he added.

Sudan added that a large number of Fortune 500 companies which were looking at outsourcing operations out of India had put their business plans on hold till the current crisis blew over.

Cuba to close half its sugar mills

REUTERS, Havana

Cuba, which built its socialist revolution on sugar cane production, plans to close almost half its sugar mills due to stagnant output and low world prices, official and diplomatic sources said Tuesday.

The Caribbean island will close 71 of its 156 state-run sugar mills in coming months as the communist government plans to restructure the uncompetitive industry, the sources said.

The mill closures were not expected to significantly affect Cuba's already depressed raw sugar production, though they will affect tens of thousands of workers and their families who have depended on the industry for generations.

"Everyone is very worried and sad, because this was our support for so many years," said Victoria Rodriguez, as she left the Pablo Noriega mill on bicycle for the last time.

The sugar mill where she worked for 20 years, 28 miles (45 km) south of Havana, shut down on Tuesday and the workers will be found jobs

elsewhere or retrained, Rodriguez said.

Authorities refused to comment on the closures, but official sources confirmed to Reuters they would take place now that the current sugar harvest is winding down.

"The decision was made earlier this year to definitively close 71 mills so we can put scarce resources into the most efficient mills and plantations," a mid-level official said.

"Many of the mills were temporarily closed during the last three or four harvests. Given low international sugar prices and our current financial problems it makes no sense to reopen them," he added.

The Cuban economy has depended on sugar exports for more than a century. Rum made from sugar is as much a part of the island's identity as its famous cigars.

After the 1959 revolution led by President Fidel Castro, masses of volunteers were mobilised each year to work in the fields cutting cane before harvesting was mechanised, and the government set a goal of reaching 10 million tonnes a year.

Weak US stocks to hinder economic recovery

REUTERS, Washington

Poor US stock market performance over the past few weeks is weighing on the economy at a critical time, hindering corporate confidence and growth and making an anemic recovery more likely, economists say.

Most of the key fundamentals for economic expansion are in place, they say. But stock markets have lost ground, leaving many businesses with higher costs for raising capital and leaving investors -- who fuel two-thirds of US economic activity with their spending -- a lot less wealthy.

"I think it's certainly a big damper on the economic recovery," said Sung Won Sohn, chief economist at Wells Fargo in Minneapolis.

It is unfortunate because it is coming when the underlying momentum of the economy was slowing anyway after a robust first quarter... Certainly the probability of a weak second and third quarter has increased because of the poor stock market."

Since stock prices hit unprecedented high around March 2000,

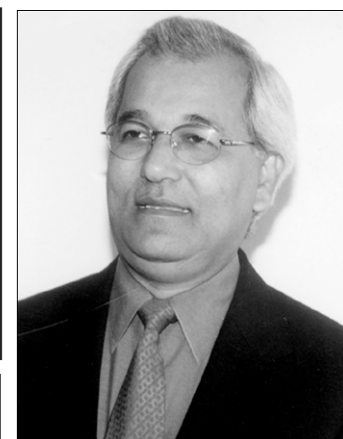
the economy has lost \$5.6 trillion in wealth from declines as measured by the Wilshire 5000 total market index -- considered the broadest measure of stock market activity.

Most worrisome to analysts is the recent slide, driven by accounting jitters, fears of more attacks on US soil and, paradoxically, concerns about the strength of the US economic recovery.

In just the past 13 weeks, the Wilshire has declined by 7 per cent, the Dow Jones industrial average by 6.8 per cent and the tech-laden Nasdaq Composite Index by 12.9 per cent.

The economy steamed ahead in the first quarter at its fastest pace in more than two years as businesses slowed their pace of inventory reduction and as consumers, enjoying the lowest interest rates in decades, continued spending.

But economists now worry the poor showing in US equity markets will ultimately crimp spending. Growth in business investment in particular is regarded as crucial by Fed officials and private economists for a strong and sustainable economic recovery.



CDBL chairman reelected

A K M Shamsuddin, managing director of Aventus Pharma in Bangladesh and the immediate past president of Foreign Investors' Chamber of Commerce and Industry (FICCI), has been re-elected chairman of Central Depository Bangladesh Limited (CDBL), says a press release.

The election took place at a meeting of the CDBL Board of Directors held recently.

Other re-elected directors are Samson H Chowdhury, president of Bangladesh Association of Publicly Listed Companies, Ahmed Iqbal Hasan, chairman of Dhaka Stock Exchange, M Salman Ispahani, president of Chittagong Stock Exchange, Kazi Akramuddin Ahmed, president of Bangladesh Association of Bankers, A K M Rafiqul Islam, representing Bangladesh Insurance Association, Dr M Musa, convener of Bangladesh Merchant Banks Association, Rabiul Hussain, managing director of Sonali Bank representing NCB's, and M Ziaul Haque Khondaker, managing director of ICB.



Md Shahadat Hossain (L) and Salma Haq have been elected vice chairpersons of Prime Bank. They were elected at the 148th meeting of the board of directors of the bank held in the city recently.

Hitachi to buy IBM's hard disk drives arm

AFP, Tokyo

IBM Corp. of the United States and Japan's Hitachi Ltd. said Tuesday they would spin off their hard disk drives (HDD) business into a new joint venture to be wholly owned by the Japanese firm in three years.

"Hitachi has agreed to purchase the majority of IBM's HDD-related assets for 2.05 billion dollars," including the transfer of its intellectual property portfolio to the new venture, the pair said in a statement.

"Hitachi will initially own 70 percent of this new company and will make a series of fixed payments to IBM before assuming full ownership after three years," they said.

The new firm will be based in San Jose, California, with Hitachi selecting a board of directors. IBM will not be involved in its operations.

It will bring together some 24,000 employees -- about 18,000 from the world's biggest computer maker and 6,000 from Hitachi -- with major manufacturing operations at 11 locations around the world.

Nigeria to become third largest exporter of gas

AFP, Lagos

Nigeria will become the third largest exporter of liquefied natural gas in the world when two production plants come on stream in 2005, gas firm Nigeria LNG said Tuesday.

Nigeria currently provides seven percent of the world's LNG.

"This figure will rise to 13 percent when its fourth and fifth trains (plants) come on stream in 2005," said the firm, a joint venture between the Nigerian state oil company and three multinationals.

Nigeria, Africa's most populous country, currently derives more than 95 percent of its foreign exchange earnings from oil alone, and has been seeking to develop the gas sector.

NLNG's shareholders are the Nigerian National Petroleum Corporation (49 percent), Shell (25.6 percent), TotalFinaElf (15 percent) and Agip (10.4 percent).

A subsidiary of the company, Bonny Gas Transport, took delivery on Monday in Ulsan, South Korea, of two of the three gas transport ships built for it by Hyundai Heavy Industries.