

Green Delta Ins declares 35pc dividend

Green Delta Insurance Company Ltd yesterday declared a 35 per cent dividend for its shareholders, says a press release.

The dividend declaration came at the sixteenth annual general meeting of the company held at a city hotel yesterday with Azam J Chowdhury, chairman of the Board of Directors of the company, in the chair.

The chairman briefly highlighted the achievement of the company during the year 2001.

During the period, the company earned gross premium of Tk 313.1 million, its assets rose to Tk 636.1 million, reserve increased to Tk 240.8 million, investment income accelerated to Tk 41.3 million, net claims decreased by 15.67 per cent and underwriting profit increased by 16.53 per cent.

Nasir A Choudhury, managing director of the company, replied to queries raised by shareholders and thanked them for their support. The shareholders thanked the members of the Board of Directors and the management of the company for declaring 35 per cent dividend for the last six consecutive years.

The meeting re-elected A Farjad Ahmed, AZ Mohammad Hossain, Syed Bazlur Rahman, Shamsun Nahar Begum Chowdhury, AM Idris Ali, Farzana Choudhury, Asif A Chowdhury directors amongst sponsor shareholders and Jahana Begum, QM Shamsul Ala, Zaker A Chowdhury and MI Chowdhury amongst the public shareholders.

Dhaka Bank, IPDC sign Tk 650m loan agreement

Dhaka Bank Ltd and Industrial Promotion and Development Company Ltd (IPDC) signed an agreement on credit facilities of Tk 650 million at the head office of the bank limited recently, says a press release.

Md Mokhlesur Rahman, managing director of Dhaka Bank Ltd, and CM Alam, managing director of IPDC, signed the agreement on behalf of their respective organisations.

Khan Tariqul Islam, general manager, Syed Javed Iqbal, general manager, Md Yeasani Bhuiyan, manager-Finance & Administration of IPDC, and Mohammad Abu Musa, executive vice-president, Kazi Fariduddin Ahmed, executive vice-president, Khan Shahadat Hossain, vice-president, Quazi Mamun-Ul-Ashraf, vice-president, Manik Lal Biswas, first assistant vice president of Dhaka Bank Ltd, were present at the signing ceremony.

Beximco Textiles, Padma Textile declare dividends

Beximco Textiles Limited and Padma Textile Mills Ltd have each declared a 5 per cent dividend for their shareholders for the year 2001.

Padma Textile Mills Limited announced the dividend at its 18th annual general meeting held in the city on Saturday while Beximco Textiles Limited declared the dividend at its 8th annual general meeting held the same day.

Salman F Rahman, vice-chairman of the two companies, presided over both the meetings, says a press release.

Padma Textile Mills Ltd earned a gross profit of Tk 574.17 million and net profit of Tk 204.95 million for the year 2001.

Beximco Textiles Limited earned a gross profit of Tk 758.55 million and net profit of Tk 180.75 million for the year 2001.

Kohinoor okays 15pc dividend

Kohinoor Chemical Co (Bd) Ltd has approved a 15 per cent dividend for the shareholders for the year 2000-2001, says a press release.

The dividend was okayed at the 14th annual general meeting of the company held at its factory premises in the city on Friday.

Managing Director of the Company, Md Obaidul Karim, presided over the meeting.

Shahjalal Bank foundation course begins

The foundation training course for probationary officers of Shahjalal Bank has begun at the Principal Branch of the bank in the city on Saturday, says a press release.

Managing Director of the bank Matin Uddin Ahmed addressed the opening session of the three-week long course.

Success of fiscal measures hinges on good governance

FICCI luncheon meet observes

STAR BUSINESS REPORT

Foreign Investors' Chamber of Commerce & Industry (FICCI) has said the investment policies and the fiscal incentives in the proposed budget may be extremely attractive, but the success hinges on establishment of good governance, putting cap on corruption and improvement of law and order situation.

"These are the preconditions to earn confidence of investors. In Bangladesh, all these issues require serious and immediate attention. Otherwise, no amount of incentive or campaign will help. The budgetary objectives cannot simply be achieved if other factors are not addressed with priority," said Wali Bhuiyan, president of FICCI, at its monthly luncheon meeting at Sheraton Hotel in the city yesterday.

He identified corruption as one of

the major impediments for investors, particularly the honest ones who pay taxes.

"There had been no indication in the proposed budget to right size the government. The size must be made right and the employees must be paid respectable compensation. Excessive discretionary authority to the administration compounded by the poor salary of the government officials is the main reason for corruption," he mentioned.

Citing example of the Chittagong port, he said it is inefficient and expensive. Administrative hassles in port, customs and taxation not only cause delay, but also add costs to the business. Substantial improvement in the quality of infrastructure and its administration including telecommunications and power has to be made.

Criticising the proposal to allow

untaxed income in investment, he termed it an unjust and unfair. "Quite frankly, we fail to understand why a tax dodger will get such benefit when he is liable for punishment. Such initiative will only encourage the tax dodgers to do what they have done in the past and may discourage the honest taxpayers from paying tax in future. The chamber urges for immediate withdrawal of the proposal."

Withdrawal of tax holiday scheme on account of monitoring difficulties is a disincentive for genuine taxpayers. The withdrawal will act as a disincentive as far as rapid industrialisation is concerned, Bhuiyan said adding, the proposal for new entrants in an industry in the form of a new company to have tax holiday facility is unjust and will create an uneven playing field for the existing investors in the industry.

The high tax proposed on milk powder is a debatable tax measure. The demand estimate and supply position over last ten years show that the industry is highly dependent on imported milk powder to meet the requirement, he mentioned urging the finance minister to reconsider the proposal.

The revenue targets are challenging, but it is achievable. While the tax net has been expanded, it is more important and meaningful to ensure that those who are already in the tax net pay the right taxes, the FICCI leader observed. "Quite frankly, reduction of tax exemption limit for individuals did not appear very appropriate when large number of those already in the net may continue to get away without paying the right tax."



Azam J Chowdhury, chairman of Green Delta Insurance Co. Ltd, addresses the 16th annual general meeting of the company in the city yesterday. Nasir A Choudhury, managing director, and other directors are also seen in the picture.

'OPEC to stick to current output at Vienna meet'

AFP, Riyadh

OPEC will maintain crude production ceilings when the cartel's oil ministers meet in Vienna on June 26, a Saudi official said Sunday.

The Organisation of Petroleum Exporting Countries "will decide to renew its current production ceiling during the Vienna meeting," the official told AFP on condition of anonymity.

But an increase in crude output "could come in the future, in light of new developments" on oil markets, he said, adding that OPEC ministers will review over-production of quota levels.

All the cartel bar Indonesia exceeded quotas in May, as total production by the 10 states, excluding Iraq, rose by 762,000 barrels per day (bpd) to 24.94 million bpd compared 24.178 million bpd in April, according to the Middle East

Economic Survey (MEES).

"OPEC ministers will also examine ways of boosting cooperation between member states and non-OPEC states to safeguard the balance of the market," the official said.

"Most OPEC countries have given the green light for a Venezuelan candidate," to replace Ali Rodriguez as OPEC secretary general, he said.

Rodriguez relinquishes his duties at the Vienna meeting to take up his new role as chairman of the state oil company PDVSA.

With prices weakening, OPEC ministers have all but ruled out any increase in oil output at Wednesday's meeting.

The Organisation of Petroleum Exporting Countries slashed output last year to rescue prices from a post-September 11 slump below 17 dollars a barrel.

BRAC University seminar held

BRAC University organised a seminar on "Integrated Resource Planning To Address Power Crises" at the seminar room of the University yesterday, says a press release.

Dr Amulya K N Reddy, former president of International Energy Initiative and former Dean of Faculty of Science, Indian Institute of Science, Bangalore, was the speaker at the seminar.

The session was chaired by Professor Jamilur Reza Chowdhury, vice chancellor of BRAC University.

Speaking on the occasion, Dr Reddy observed that like most developing countries, India (and also Bangladesh) continues to face power crises that seriously retard economic progress. Various "magic wands" have been waved-inviting private sector participation, particularly through foreign firms such as Enron, restructuring to separate generation transmission and distribution, and finally privatisation.

None have worked adequately.



Md Mokhlesur Rahman, managing director of Dhaka Bank Limited, and CM Alam, managing director of IPDC, exchange the documents after signing an agreement on Tk 650 million loan on behalf of their respective organisations recently.

KNPQwest struggles to survive Shutdown may hit thousands of European firms

AFP, Amsterdam

Thousands of European companies could be hit when the network of KPNQwest, Europe's largest Internet data carrier, goes offline but on Saturday there was still uncertainty about the announced shutdown as administrators said they would keep the network operating as long as possible.

Eddy Meijer told Dutch news-agency ANP that talks were ongoing Saturday with Dutch parent company KPN.

An unidentified KPN spokesman was optimistic that money could still be found to keep the network afloat.

"Many parties, including (KPN) have a vested interest in keeping the network on the air until June 1," the spokesman told ANP.

Analysts fear a shutdown of the network in Europe could cause extensive delays in data transmission.

Technology analyst Frank Kroon of Cap Gemini told the ANP news agency that the closure of the network would have a significant impact.

"KPNQwest's network is the backbone of Internet traffic which is used by almost all Internet service providers," he said.

Kroon estimates that before its

bankruptcy almost 60 percent of Internet traffic in Europe ran through its cables.

"Now that will still be between 25 and 30 percent," he said.

The company's administrators advised customers to switch to other services. All the traffic still handled by KPNQwest will have to be re-routed to other cables, increasing pressure on them.

Administrators for bankrupt KPNQwest announced late Friday that they had ordered employees who were maintaining the network to stop their activities so as "not to incur any further costs".



Md Obaidul Karim, managing director of Kohinoor Chemical Company (BD) Ltd, presides over the company's 14th annual general meeting held on the factory premises in the city on Friday.

Shaky Brazilian, Argentine economies rattle LatAm

AFP, Sao Paulo

The sinking value of the Brazilian real Friday shook Latin America's economy, already battered by the effects of the lengthy Argentine recession.

The Brazilian real slipped to a record low in trading against the US dollar, pulled down by a negative Moody's rating and investor fear that leftist candidate Luiz Inacio "Lula" da Silva may win the October presidential election.

The real closed down 2.4 percent against the US dollar compared to Thursday's trading price, with each dollar selling for 2.84 reals -- the worst exchange rate since

September 2001's historic low of 2.835 to the dollar.

Since January the real has dropped 16.2 percent of its value -- nine percent in June alone.

The instability resulted in Brazil's risk premium rising above 1,700 points -- one of the highest in the world, behind Argentina but ahead of Nigeria.

Traders and investors fear Lula will "renegotiate" payment on Brazil's 90-billion-dollar foreign debt -- often seen as a euphemism for defaulting.

"What happened Friday is called panic," said Favio Gaudino, an analyst with Sudameris stockbrokers. "It was as if... Lula already

had absolute advantage" in the polls."

In Argentina, news that Central Bank President Mario Blejer will resign at the end of the month sent the MerVal stock index down 2.39 percent to 313.11 points, while the Argentine peso dropped 1.4 percent, closing at 3.63 to the dollar in bank transactions.

Blejer, a 21-year International Monetary Fund veteran who has been in place at the central bank since January, disagrees with policies carried out by Economy Minister Roberto Lavagna and will "hand in his resignation on June 30," according to the government source.