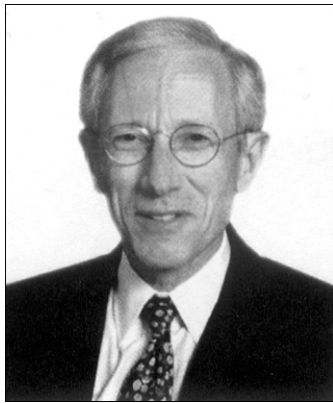


Fischer named president of Citigroup Int'l



Economist Stanley Fischer has been appointed president of Citigroup International.

He will be responsible for finance, legal, risk, operations and technology and human resources, says a Citibank press release.

Fischer will continue to serve as vice chairman of Citigroup, a member of the Citigroup Management Committee and the Citigroup Risk Committee.

Prior to his joining Citigroup in February 2002, Fischer was the first Deputy Managing Director of the International Monetary Fund (IMF), from September 1994 to August 2001.

Before he was also the Killian Professor and Head of the Department of Economics at MIT (Massachusetts Institute of Technology).

He has served as the Vice President of Development Economics and as Chief Economist at the World Bank from 1988 to 1990.

He has been a consultant to the US State Department, the US Treasury and other renowned financial organisations.

Born in Zambia, in 1943, Fischer took both BSc and MSc (in Economics) at the London School of Economics, obtained Ph.D in Economics at MIT and then became the Professor of Economics at MIT. The author of Macroeconomics (with Rudi Dornbusch & Richard Startz), Lectures in Macroeconomics, Economics and Indexing, Inflation and Economic Policy.

Fischer was also the editor of several books and economic and professional journals.

NCC Bank declares 30pc dividend

National Credit and Commerce Bank Limited (NCC Bank) has declared a 30 per cent dividend for the year 2001. Out of 30 per cent dividend, 18 per cent will be paid in cash and the remaining 12 per cent will be issued as bonus shares.

The dividend declaration came at the bank's 17th annual general meeting held on Sunday at a city hotel, says a press release.

The meeting was presided over by Nurul Islam, chairman of the Board of Directors of the bank. Directors, Managing Director Anwar Ahmed, sponsors and shareholders of the bank were also present.

The directors' report and audited accounts of the bank for the year ending on December 31, 2001 was approved by the shareholders at the meeting.

Chairman Nurul Islam in his speech said the year 2001 was another milestone of success for the bank. Deposits, advances, profit, foreign exchange business, recovery of bad loans and other areas of activities have recorded significant rise during this year.

At the AGM, out of three directors from public shareholders' group, Khairul Alam Chaklader retired and was re-elected by the shareholders.

RAKUB opens new branch at Durgahata in Bogra

Rajshahi Krishi Unnayan Bank has opened a new branch at Durgahata of Gabtoli in Bogra.

With this, the total number of branches of the bank comes to 348, says a press release.

Helaluzzaman Talukder Lalu, local MP, inaugurated the branch as chief guest on Saturday. Emdadul Haque Sarder, DGM of RAKUB, presided over the meeting.

Ruhul Kabir Rizvi, chairman and Dr Mujibur Rahman Khan, managing director of the bank, were special guests on the occasion.

Speaking at the function, the chief guest said the economic trend of the locality will get an opportunity to be more forceful with the opening of this branch.

Local leaders and elites of Gabtoli also spoke on the occasion.

July-May remittance surges by 35pc

Forex reserves top \$1506m

MONJUR MAHMUD

With the remittance sharply increasing by around 35 per cent during July-May period of the current financial year, the country's foreign exchange reserves rose to US\$ 1506.95 million yesterday.

According to Bangladesh Bank statistics, the country's remittance in the first 11 months of FY02 amounted to \$2268 million, up by 34.7 per cent or \$584 million over the correspondent period of last fiscal. Non-resident Bangladeshis sent \$230 million in May this year while the amount was \$178 million in May

last year.

"It is a good sign that the country's foreign exchange reserve is gradually picking up after a long time which has been possible mainly because of the increasing flow of remittance. Otherwise, in the face of worst-ever export performance, the reserve might come under serious pressure," said a highly placed source with the central bank. The present level of reserves can meet the import bill of more than two months, added the official.

The central bank came down heavily on some banks and also officials involved in hundi business. This is for the first time that the coun-

try's remittance crossed the two billion dollars benchmark.

"Remittance is going up as a result of several initiatives taken by the Bangladesh Bank to put a cap on hundi business," the BB official mentioned.

According to researchers, around 40 per cent of the country's total volume of remittance is channeled through illegal hundi business and 46 per cent through official sources. Some 4.61 per cent remittance is carried personally by friends and relatives, and about eight per cent by migrant workers themselves when they visit home.

The foreign exchange reserve

was a bit over \$1 billion when the present government took office in October last year. After assuming power, the government restricted import of some luxury items and increased letters of credit margin for which import of some luxury items has gone down and is ultimately having less pressure on green bank.

The country's exports fetched \$4876.85 million during July-April period of the current fiscal year. The earning is 7.66 per cent or \$404 million less than last fiscal's same period.

Computer sale to dip 40pc

BCS demands withdrawal of import duty

STAR BUSINESS REPORT

The country's annual computer sale will dip by 40 per cent if 7.5 per cent customs duty on computer and its accessories is imposed, said Bangladesh Computer Samity (BCS).

BCS officials were speaking at a press conference at the Jatiya Press Club yesterday. The press conference urged the government to withdraw duty on computer and its accessories for the growth of information and communications technology.

BCS President Sabur Khan, Secretary General Ajeez Rahman, Mostafa Jabbar and other officials of the BCS were also present on the

occasion. Rejecting finance minister's logic on imposing duty, BCS President Sabur Khan said there is no incident of computer smuggling into India in the media or anywhere in the last four years.

"Sale of computer is not enough. Warranty must be provided for the product. No one will agree to purchase a computer without warranty. And it is not possible to give warranty in a smuggled item," he said.

The present decision will create an opportunity for dishonest traders to do their illegal business with the help of some corrupt customs officials.

Sabur Khan also said many computer training institutions, computer

sales centres and cyber cafés have been established taking the tax-free advantage. About one and a half million people are engaged in these establishments.

He, however, appreciated the government's decision to create a Tk 300 crore fund for ICT and agriculture, distribute computers to 10,000 schools in the next three years and free the software and IT centres from tax.

Uzbekistan Airways flights to Dhaka resume today

STAR BUSINESS REPORT

Uzbekistan Airways, the national flag carrier of Republic of Uzbekistan, resumes its flights to Dhaka today.

The airlines suspended its operation to Dhaka from September 12 last year following the September 11 terrorist attack on the US and the subsequent war in Afghanistan as the Uzbekistan Airways planes have to over fly Afghan airspace for coming to Dhaka.

Airspan Ltd, the general sales agent (GSA) of the airlines in Bangladesh, yesterday organised a press briefing at a city hotel on the eve of resumption of flights of Uzbekistan Airways to Dhaka.

The twice a week flights of Uzbekistan Airways will leave Dhaka every Tuesday at 10:45 in the morning and every Wednesday at 11:30pm, said Kazi Wahidul Alam, chairman of Airspan Ltd.

According to him, Uzbekistan Airways is the only carrier that is connecting Dhaka with Moscow and other CIS countries. "Resumption of the flights will not only help the passengers to go to Tashkent but also to cities in Europe, America, Russia, Central Asia and other destinations," the Airspan Ltd chairman said.

This year the airlines is observing its tenth founding anniversary. Uzbekistan Airways began flying to Dhaka on June 28 in 1998 and it doubled the number of flights in July 1999.

Kazi Wahidul Alam also announced that the airlines is starting direct flight from Tashkent to Toronto today. "This would have convenient connection with our Dhaka flights," he said.

Among others, Uzbek Counsular Agent in Bangladesh Fakhruddin Muminov, commercial department official of Uzbekistan Airways Alexander Mazilin, Managing Director of Airspan Ltd Squadron Leader (ret'd.) Abdullah Al-Farooq and Director (marketing and sales) of Airspan Ltd Kazi Nizamul Alam attended the press briefing.

Regarding allegation of harassment of Bangladeshi travelers by the immigration authorities at the Tashkent airport, Uzbek Counsular Agent in Bangladesh Fakhruddin Muminov requested the victims to immediately apply to him with relevant documents. "I will take serious actions against people responsible for such harassment," he said.

Dhaka Bank course on forex ends

A 15-day training course on "International Trade, Finance and Foreign Exchange" was concluded at the Dhaka Bank Training Institute (DBTI) at Uttara in the city on Wednesday, says a press release.

Md Mokhlesur Rahman, managing director of Dhaka Bank Ltd, addressed the concluding session and distributed certificates among the participants.

A total of twenty-three officers from Dhaka Bank Ltd (DBL) and Social Investment Bank Ltd (SIBL) participated in the course.

In his speech, he advised the participants to develop their overall basic knowledge regarding rules, regulations & practices of foreign exchange transactions and improve their operational skills in prudent risk management.

M Nazrul Islam, deputy managing director, M H Shaikh, senior vice president of SIBL, K A M Majedur Rahman, executive vice president of DBL, Shamshad Begum, senior vice president, and Principal, Salahud Din Ahmed, senior assistant vice president & Faculty Member, and Dr M Saiful Karim Chowdhury, assistant vice president & Faculty Member of DBTI also spoke on the occasion.



Nasim Sikder, chairperson of First Security Bank Ltd, inaugurates the bank's 10th branch at Keranihat of Sattakia in Chittagong on Saturday. Salahuddin Khan, Md Abdullah Hasan, Morteza Siddique Chowdhury, Md Didarul Alam, directors, and RA Howlader, advisor, Md Sarwaruzzaman Khan, managing director of the bank, are also seen in the picture.

Declaration of lower dividends SEC downgrades SAFKO Spinning, 2 Beximco cos

BSS, Dhaka

The Securities and Exchange Commission (SEC) yesterday degraded the scrips of three companies transacting their shares in the country's capital market on complaint of failure in fulfilling SEC law in recommending dividend for their shareholders.

According to sources in the stock exchange, the SEC has degraded shares of SAFKO Spinning Mills Ltd, Beximco Knitting Ltd and Beximco Ltd to Group "B" from Group "A", which will be effective from today.

The SEC took the decision on the basis of approval of recommended dividend by the Board of Directors of the companies, which was to be announced in the annual general meeting (AGMs) yesterday.

Group "A", the sources added.

In its AGM yesterday, SAFKO Spinning Mills Ltd was scheduled to announce 8 per cent dividend for the company's shareholders, which is not complying with the SEC law for issues in Group "A". Meanwhile, the Boards of Beximco Knitting Ltd and Beximco Ltd recommended dividends of 5 per cent each for the shareholders of the companies, which were much below the required level of dividend for an issue to be in Group "A", the SEC source said.

Earlier, the SEC degraded the shares of Padma Textile Mills Ltd and Beximco Textiles Ltd to Group "B", effective from June 23. The scrips of Beximco Denims Ltd were also degraded to Group "B" from Saturday. The companies failed to announce dividend for their shareholders required for being rated as



CCCI Senior Vice-President Shabbir Ahmed Khan (middle) addresses a meeting with South Asia Enterprise Development Facility (SEDF) delegation held on Sunday at the DCCI. Dr. Antoine de Wilde, Programme Manager, Einar Risa and Helge Kringstad, consultants to the SEDF, former DCCI presidents R. Maksud Khan, MH Rahman, Benajir Ahmed, Directors Manzur-ur-Rahman (Ruskin), MA Momen, Syed Mosharraf Hossain, Data Magfur, Fazle RM Hasan, K. Atique-E-Rabbani and Absar Karim Chowdhury were also present on the occasion.

AIMS dubs budget as ambitious one

STAR BUSINESS REPORT

AIMS of Bangladesh Limited, an asset management company of the country, has termed the proposed budget for the next fiscal year ambitious, arduous and precarious but understandable.

It viewed the budget a visibly conscious and compulsive shift from the ordinary, albeit with due regard to continuity and specks of compromises.

"The budget is mashed with melloons on poverty reduction, tax-tariff rationalisation, primary education, and financial discipline, and also records an ambitious annual development programme, bulged revenue target, continued borrowing to fund the mid-night SOEs, box the middle class under the belt and the ritual gaur promises on governance issues" the AIMS said.

"The success of the measures hinges on the resilience of the farmers and the middle class, reining imports, diversification of export base, revenue generation and the acceptability of the PRSP by the donor community" it observed.

Besides, cost of living would certainly aggravate consequent to some of the proposed tax restructuring.

AIMS welcomed the decline in projected budget deficit. "The capping of projected budget deficit at 3.9 per cent of GDP in 2002-03 also appears plausible, but it is quite apparent that political compulsion had its finger on the pie and commitments given during whirlwind electioneering had to be given a place on the platter in the bloated ADP. There could very well be compromises on

quality and value for money."

"Foreign assistance and direct investment is necessary to achieve an average 7-8 per cent GDP growth per year to make a meaningful dent in poverty reduction, as is intended in the vision statement, but the proposed budget underplayed its importance," AIMS viewed in its study.

On the capital market it said the direct and by default benefits for the ailing capital market is a welcome step but reduction of exemption limit of tax on dividend income would discourage the small investors. Removal of the anomaly on tax status of mutual fund is an appreciable measure.

"However, the deep-rooted crisis of confidence may not be withered away with fiscal measures only. The reduction of Stamp Duty (SD) on conveyance from 10 per cent to 5 per cent should by default favor asset securitization. However SD at 5 per cent is still very much on the higher side and initiation of a securitized debt market would require total exemption of any tax on conveyance for asset securitisation," the AIMS mentioned.

As per an AIMS study the recapitalisation needs of the banking sector ranges between US\$1.5b to US\$2.9b under different standards. The annual cost of inefficiency and servicing the required recapitalization at market rates varies between 0.88 per cent and 1.18 per cent of GDP. "But the budget does not address the burning issue head-on," it mentioned.



Nurul Islam, chairman of the Board of Directors of National Credit and Commerce Bank Ltd, speaks at the bank's 17th annual general meeting held at a local hotel on Sunday. K Z Mahmud, vice-chairman, directors, Anwar Ahmed, managing director, and Md Tarikul Alam, secretary, were also present.

Rubber production on decline

Use of fertiliser stopped in 15 BFIDC gardens for 4 years

IQBAL SIDDIQUEE, Sylhet

Production in all the 15 rubber gardens under the Bangladesh Forest Industries Development Corporation (BFIDC) has recorded a sharp fall over the last four years as fertiliser supply to the gardens has been stopped.

The production target of the gardens will also not be achieved in the current year like the past years, BFIDC sources said, adding that production will be less than 1,500 tons against the target of 3,000 tons. Sources said the production has been on the decline for the last four years.

When contacted, officials said fertiliser supply has been stopped due to fund shortage for four years.

Officials also said productivity of the plants has gone down by at least

20 per cent due to suspension of fertiliser supply.

Besides, 1700 employees of gardens under Sylhet division have not received their four months' salaries for the last four months. Even, the corporation could not pay its contribution to the Contributory Provident Fund (CPF) for the last four years.

In the face of stiff competition from imported rubber, local product remains unsold in the factories.

However, in the last two years, authorities were forced to sell huge amount of rubber below production cost only to lessen the stockpile. BFIDC sources said now the stock will be about one thousand tons worth about Tk 5 crore.

However, the situation is now showing a slight improvement with an upward trend in the prices of rubber

following price-hike in international, officials claimed.

Official sources said about 33,000 acres of land in the country are under rubber cultivation by the BFIDC. Of the 15 rubber plantation gardens, four are in Sylhet zone, seven in Chittagong and four at Madhupur in Tangail.

The gardens in Sylhet produce about 50 to 60 per cent of the total production of BFIDC and the quality of the product from these gardens is better than that of others.

The country's annual consumption of rubber stands at over 30,000 tons. Of this, about 2,000-3,000 tons come from the BFIDC and 2,000-2,500 tons from the private sector factories while the rest is imported.



Commerce Minister Amir Khosru Mahmud Chowdhury distributes certificates among the students of Apteck Dhanmondi Centre, who completed three years of computer education, at a function held at Sonargaon Hotel on Sunday.

First Security Bank opens branch at Keranihat in Ctg

First Security Bank Limited has opened a new branch at Keranihat in Chittagong.

With this, the total number of branches of the bank stands at 10, says a press release.

The chairperson of the bank, Nasim Sikder, inaugurated the branch at a function held on Saturday.

Speaking on the occasion, the chairperson said through the operation of the branch the economic activities of this rural area will be accelerated.

RA Howlader, advisor of the bank, Sarwaruzzaman Khan, managing director, and Md Abdul Barik, manager of the branch, also spoke on the occasion.

Salahuddin Khan, Md Abdullah Hassan, Al-Haj Morteza Siddique Chowdhury, Md Didarul Alam, directors, and Khandaker Mohiuddin, senior vice president of the bank, were also present.

Dnata Cargo sees rise in capacity thru' freezone operation

Trans Mediterranean Airways (TMA), customer airline of Dnata Cargo, plans to establish a permanent base in the UAE and operate more services between its Beirut base and the Far East via Dubai, says a press release.

In April, TMA upgraded its flights through Dubai by operating an Airbus A310-300F in place of the Boeing 707F. The flights operate through Dnata Cargo's Freezone Logistics Centre in the Dubai Airport Free Zone.

Fadi Saab, airline's chairman and president, has announced that the range of the A310-300F will allow TMA to reinstate some of its Far East services from Beirut via Dubai.

He highlighted the importance of Dubai as a major gateway for multimodal transport between Europe and the Far East.

He also cited the significant increase in sea-air freight from the Far East using Dubai as a gateway to the Gulf, Europe and Africa and the contribution of the Jebel Ali Free Zone to the growth of the air freight industry.

Russia, US move towards deal on steel tariffs: Putin

AFP, Moscow

Russian President Vladimir Putin said Monday that real progress was being made in efforts to resolve a trade row with the United States over tariffs on imported steel.

"On the subject of steel and the United States, we have to say that the administration is moving towards Russia, agreeing with some of the Russian proposals, in any event there is progress," Putin told a press conference at the Kremlin.

On March 5, US President George W. Bush announced a three-year hike in tariffs on selected steel imports, intended to protect the US steel industry which has been losing out to foreign competitors.

The move was slammed by steel producers in Europe, Russia and Asia who said it was anti-competitive.