

NBL declares 30pc cash dividend

National Bank Limited has declared a 30 per cent cash dividend for the shareholders for the year 2001, says a press release.

The dividend was approved at the 19th annual general meeting and 14th extra ordinary general meeting held at the bank's premises at Kawran Bazar in the city on Monday.

Abu Taher Miah, chairman of the Board of Director of the bank, presided over the meeting.

In "B" group shareholders election, Rahman Selim and Tafsir M Awal nominated by A & A Investment Ltd. were elected unopposed as directors of the bank.

SF Ahmed & Co was also re-elected as external auditors for the year 2002.

Rafiqul Islam Khan, managing director of the bank, said the bank made a net profit of Tk. 40 crore after tax, deposit of Tk. 2489.64 crore, advance of Tk. 2020.06 crore, export of Tk. 2207.10 crore, import of Tk. 2077.32 crore and foreign remittance of Tk. 497.90 crore during the year 2001.

Besides at large numbers of the shareholders, Khalilur Rahman, Moazzam Hossain, Habibullah, Mahbubur Rahman, M Nurul Islam, Ali Akbar Khan, Mahbubur Rahman Khan, Shahadat Hossain Salim, Tabith M Awal, Khalilur Rahman Majnu directors of the bank, and Abdur Rahman Sarker, secretary to the Board, were also present in the meeting.

New chairman, vice-chairman of ocean-going ship owners' assoc



Chairman Vice-chairman

Bangladesh Ocean-Going Ship Owners' Association (BOGSOA) in its Annual General Meeting held on June 21/02 elected Mr Sayeed H Chowdhury its chairman and Md Shah Alam Vice-Chairman, says a press release.

Sayeed H Chowdhury is the Chairman and CEO of HRC Shipping Ltd and Md Shah Alam is the Managing Director of Continental Liner Agencies.

Educated in London, UK from where he obtained BSc (Honours) degree in Economics, Sayeed H Chowdhury joined his family business in 1981 and was based in Middle East until 1987. He settled down in Bangladesh in 1987 and worked for family company Kamaphuli Group as its Director for Finance and Planning until 1991.

In March 1991, Chowdhury founded HRC Group, a reputed business house in Bangladesh.

Md Shah Alam has been associated with shipping business since 1987.

Nitol, Chinese co sign deal to set up glass sheet plant

Nitol Group of Bangladesh and China National Technical I&E Corporation have signed an agreement on the setting up of a new modern glass sheet plant.

The deal was inked by Abdul Matlub Ahmed, Chairman of Nitol Group of Bangladesh, and Shan Wei, vice president of China National Technical I&E Corporation, at a city hotel on Monday, says a press release.

The total cost of the project will be Tk 30 crore with a working capital of Tk 6 crore.

The annual production of the factory will be 40 metric tons of glass per day and 1000,000 sq meters of glass sheet per year the value being US\$ 3 million per year.

The estimated turnover will be over Tk 40 crore per year.

This mill is likely to start production by June 2003 and is expected to fulfil the total needs of exported glass sheets in Bangladesh including tinted and clear glass of 2, 5, 6 and 8mm thickness.

Considering the booming of new housing and construction projects in Bangladesh, glass sheet project of export standards achieves new dimensions of importance.

TMIB plans to invest \$150m in network expansion

Aktel subscribers top 100,000

STAR BUSINESS REPORT

Telecom Malaysia International Bangladesh (TMIB), the owning company of Aktel mobile phone, will invest US\$150 million in its network expansion programme to increase the number of its subscribers to 500,000 from existing 100,000 by 2005.

The company will expand its network by setting up of 100 additional base stations to cover the whole country by 2005, TMIB Managing Director Dato' Ezanee Ab Aziz told a news conference yesterday.

He said his company has signed agreements with equipment ven-

dors for supply and installation of necessary equipment. He, however, declined to give further details.

The press conference was organised to celebrate Aktel's 100,000 subscriber-base. The conference was attended, among others, by Salahuddin Kasem Khan, director of TMIB and Managing Director of A.K Khan & Co, Zui Kili Awang, general manager (finance), Yusli Yusoh, general manager (marketing), Ahmad Salleh, general manager (technical), and Fazlur Rahman, director co-ordination of TMIB.

"Now we have the capacity to provide our service to 200,000 subscribers but we have restricted it

to only 100,000 to ensure quality service," Dato' Ezanee Ab Aziz said.

Aziz hoped his company will increase its subscribers to 200,000 by the end of 2002.

The company soon will sign contracts with foreign operators for international roaming facility early next year, he said.

Salahuddin Kasem Khan said now Bangladesh has more cellular mobile telephones than fixed telephones. But the tele-density is only one per 100 people in the country despite this impressive growth of cellular phone services over the past few years, he added.

Commenting on the mobile project of the state-run BTB, he said there should have level-playing

field for all operators, both private and public sectors.

Salahuddin Kasem Khan said the BTB should develop the fibre optic backbone network for the growth of information communication technology.

He praised the recent initiative of the BTB to allow the use of its infrastructure by private operators at lower prices.

The TMIB, a joint venture between Telekom Malaysia Sdn. Bhd of Malaysia and local A.K Khan & Company, is providing GSM (Global System of Mobile Communication) service under Aktel brand name.



Abu Taher Miah, chairman of National Bank Ltd, speaks at the 19th annual general meeting and 14th extra ordinary general meeting of the bank held on its premises at Kawran Bazar in the city on Monday. Khalilur Rahman, Moazzam Hossain, Habibullah, Mahbubur Rahman, M Nurul Islam, Ali Akbar Khan, Shahadat Hossain Salim, Tabith M Awal, directors, Rafiqul Islam Khan, managing director, and Ahdur Rahman Sarker, secretary of the Board, are also seen.

Some budget proposals deserve second look

MD MATIUL ISLAM

The finance minister is in a dilemma. First, he gives the good news of drastic reduction of tax incidence on property transfer from 30 per cent to 13.5 per cent and then comes up with the bad news that the registration officers will be vested with powers to deny registration of undervalued property. The minister has doubts that the epoch making reduction of land registration charges will automatically reduce propensity of undervaluing property. An additional check post is needed to be established in the land registration department to ensure that the loss of revenue suffered in the swing would be fully recouped in the round about. Finance minister perhaps is right, but the citizens also deserve a chance to prove that they are corrupted by the system and should be presumed innocent unless proved otherwise.

The minimum tax proposed for an individual also deserves reconsideration on the ground of inequity

which arises from the fact that it puts assessee with taxable income of Tk 76,000 and Tk 99,000 in the same tax bracket. Cost of assessment and collection are important for pegging the minimum tax at a higher level, but cost effectiveness should not be an important factor for Bangladesh. In the USA, the minimum tax payable is US\$1 for income between US\$5 and US\$15. There is a good case for reducing the minimum tax payable by an individual assessee to Tk 500 or even less.

Drastic reduction of import duty on small to medium size new cars is welcome news for the middle class. This, in itself, would dampen the popularity of reconditioned cars and discourage their imports. Total ban might not be necessary. On the other hand, equally drastic reduction of tax incidence on gas-guzzling luxury cars imported new, already a symbol of power and wealth, would make the class distinction in the society more obvious and visible. There is a case for higher tax inci-

dence on luxury cars to discourage its large scale imports.

Proposal to encourage untaxed income into productive investment, although can be questioned on moral grounds, is not an unusual move. All martial law regimes have used it in the past with minor variations to dig out black money. The question is whether there are enough productive investment opportunities in the economy to have a visible impact of this dispensation. On the other hand, many a black money holder is also a big bank defaulter the two sides of the same coin. Perhaps, the government may allow an additional dispensation that 'no question' would be asked for repayment of bad bank loans with untaxed money. A similar proposal was mooted by the governor of Bangladesh Bank a few years ago, but was not entertained by the government. Perhaps, this can work to contain and reduce classified debts.

The writer is a former finance secretary



Abdul Matlub Ahmad, chairman of Nitol Group of Bangladesh, and Shan Wei, vice-president of China National Technical I&E Corporation, shake hands after signing a contract on the setting up of a modern glass sheet plant at a city hotel on Monday.

US outlook broadly favourable: IMF

REUTERS, Washington

The International Monetary Fund's latest report on the US said the economic outlook was "broadly favourable" and the Federal Reserve can afford to wait until the recovery gathers steam before raising interest rates.

In the lender's annual assessment of the world's richest economy, placed on the US Treasury's Web site without fanfare late on Friday, the IMF said, "The Fed has some room to wait until the recovery is more clearly established before acting, given the minimal signs of impending inflation pressures and the still uncertain economic out-

look."

The powerful US central bank last cut its key short-term interest rate target in December to 175 per cent, a four-decade low. The Fed meets this week to set interest rate policy and is expected to leave rates unchanged.

The IMF cautioned the Fed will have to remain wary, "to be balanced against the possibility that delaying action would require larger and more disruptive policy adjustments later on."

The report was critical of the Bush administration's handling of fiscal policy, saying, "The fiscal outlook has deteriorated markedly over the past year." It also was

highly critical of recent US trade policy actions.

Another report from Little Rock, Ark says, with tremors running through US financial markets and nagging doubts about the pace of the economic rebound, Treasury Secretary Paul O'Neill said on Monday he had faith in the world's largest economy.

The Treasury chief, on a stop in Little Rock kicking off a tour through the middle of the country, reiterated his long standing prediction that the US economy would be growing at an annual pace of 3 to 3-1/2 per cent by the end of 2002.

O'Neill told the Greater Little Rock Regional chamber of com-

merce that a deep look at the economy reveals "that housing is unbelievably strong, automobiles continue to be strong, the consumer continues to be strong. We're headed toward an end of year real growth rate of 3 or 3-1/2 per cent."

In a speech that touched on familiar themes, such as the unfairly tax code and the need for President George W. Bush to have expanded trade negotiating authority, O'Neill said nothing on the hot issues of the US dollar's weakness, the stock market, Latin America's woes and the government debt ceiling.



International Chamber of Commerce (ICC) Bangladesh President Mahbubur Rahman speaks at a press briefing held at Dhaka Club yesterday. Two ICC-B vice presidents, Latifur Rahman and ASM Quasem, are also seen in the picture.

ICC-B urges G8 to grant LDC exports free access

STAR BUSINESS REPORT

The International Chamber of Commerce-Bangladesh yesterday said the G-8 leaders should grant duty and quota-free entry to exports from LDCs including Bangladesh and remove all non-tariff barriers for trade liberalisation and poverty alleviation.

ICC-Bangladesh President Mahbubur Rahman told a press briefing while releasing a policy statement by International Chamber of Commerce (ICC) to the heads of government ahead of a two-day G-8 summit beginning today in Kananaskis, Canada. Vice presidents Latifur Rahman and ASM Quasem of the National Committee were also present at the briefing.

Speaking on the occasion, Mahbubur Rahman said such access of LDC products to G-8 countries should be accompanied with relaxation of rules of origin so that their capacity building can integrate with the global economy.

"We feel that least developed countries including Bangladesh would be benefited most if the rich countries remove all tariff, para-tariff and non-tariff barriers," Mahbubur Rahman said.

The ICC policy statement to the head of G-8 countries addresses

several key issues of particular concern to world business, with the focus on promoting the conditions that would enable the developing countries to participate in the benefits of the global economy.

Mahbubur Rahman said Bangladesh being one of the LDCs hopes the deliberations at the summit would follow up on the Doha Declaration for creating an enabling environment for trade with particular emphasis on the special needs of the LDCs.

The developing countries side by side their efforts to liberalise trade should also try hard to bring their vast population out of abject poverty. Both these needs have to be addressed through a coordinated approach to trade liberalisation and poverty alleviation, he said adding 'the rich and affluent countries including those in the G-8 Club, we feel, have a strong role to play in this respect'.

The ICC has expressed its fear that the spirit of cooperation demonstrated in Doha meeting is under threat due to new outbreak of protectionism. The world business organisation has found the WTO to be overburdened with dispute settlements, Rahman mentioned.

"The ICC has brought to the notice of the G-8 leaders the need

for taking the new round of multilateral trade negotiations agreed upon at the WTO Doha Ministerial Meeting, to a successful conclusion within the agreed time frame. It, however, has maintained that the prospects for the new round of negotiations have not been improved by the new trade disputes in the recent months, particularly between the world's leading trading nations."

The ICC, in the statement, has highlighted how globalisation can raise the living standards of billions of people in the poor developing countries provided peace and stability, good governance, growth of entrepreneurship and strong links to the outside world through trade, investment and technology flows are ensured.

The world business organisation has demanded of the G-8 government actions, not merely declarations, to refuse protectionist demands including those from business in their own countries, Rahman noted.

The ICC, in the statement, has strongly appealed to the G-8 countries to promote an agreed international approach to health and safety standards and regulatory requirements to facilitate the global diffusion of new technologies and reduce potential for trade conflict, he added.



Abul Bashir Chowdhury, chairman of Asia Insurance Limited, presides over the 2nd annual general meeting of the company held at its head office in the city on Thursday.

Delhi allows 100pc FDI in tea plantations

AFP, New Delhi

India announced Tuesday it would allow 100 per cent foreign direct investment in tea plantations to attract much-needed funds into the beleaguered industry.

Until the Tuesday ruling by the Indian cabinet, foreign business houses were not allowed to hold more than a 26 per cent stake in the sprawling British-built colonial Indian tea estates.

Indian Parliamentary Affairs Minister Pramod Mahajan told reporters the government had put a rider that foreign firms had to give up

26 per cent equity after five years of making the investment to either an Indian partner or the public.

Foreign firms would need prior approval from the federal government to invest in the tea industry, Mahajan said.

"State government approval will be required if there is any change in the present land use," he added.

India is the world's largest tea producer and accounts for more than 30 per cent of global tea production, but its growers have been losing out on the global market.

India's tea production dropped from 870 million kilograms (1.9

RAKUB opens new branch

Rajshahi Krishi Unnayan Bank (RAKUB) has opened a new branch at Sonachandihat of Nachole Upazila of Chapainawabganj district.

With this, the total number of branches of the bank stands at 347, says a press release.

The Chairman of the bank, Ruhul Kabir Rizvi, inaugurated the branch at a function on Thursday.

Japan adopts new economic package ahead of G8 meet

AFP, Tokyo

The Japanese cabinet Tuesday adopted a package of budget and tax reforms but analysts criticised it as a lightweight attempt to head off criticism of Tokyo's economic management at a meeting of world leaders.

The package is the second introduced this year by Japanese Prime Minister Junichiro Koizumi and the cabinet approval came ahead of his departure early

Tuesday evening for a meeting of Group of Eight (G8) leaders in Canada.

As with the first round of measures, financial markets gave the measures a cool reception, with analysts again criticising a lack of concrete policies.

Already a key member of Japan's ruling Liberal Democratic Party (LDP) has urged the government to put together a third package of measures, including more government spending to boost con-

sumption. Koizumi, who faces opposition from within the LDP and from vested interests to his structural reform plans, said it was essential the latest reforms were implemented.

"It is necessary for us to implement the reforms by unifying the public and private sectors to tackle important issues," he said.

Koizumi wants to reassure other world leaders he can revive the world's second largest economy after a decade-long slump.