

## Shahjalal Bank opens branch at Khatunganj

Shahjalal Bank has opened a new branch at Khatunganj in Chittagong, says a press release.

With this, the total number of branches of the bank stands at seven.

Chairman of the Board of Directors of the bank Sajjatuz Jumma inaugurated the branch as chief guest on Tuesday.

Anwar Hossain Khan, chairman of the executive committee, MA Manna, chairman of policy committee, directors Tofazzal Hossain, MD Sanullah, Mohammad Farooq, MD Solaiman, Abdul Halim, Abdul Berek, Syed Nurul Arefeen, Khandaker Sakib Ahmed, Managing Director of the bank Matin Uddin Ahmed and Advisor of the bank Ashfaq U Chowdhury were present on the occasion.

Businessmen, industrialists and clients were also present at the ceremony.

A milad mahfil was also held on the occasion.

## Qwest confirms criminal probe

AFP, Washington

A Telecom giant Qwest Communications, already being scrutinised by regulators for accounting practices, acknowledged Wednesday it was also the subject of a federal criminal probe.

Qwest acknowledged in a statement that the US Attorney's office in the western US city of Denver, Colorado, had informed the firm "that it had begun a criminal investigation of Qwest."

"The US attorney's office did not disclose the subject matter of the investigation," Qwest said, noting its plans "to fully cooperate" with the investigation.

Shares of Qwest, briefly suspended ahead of the announcement, plunged some 32 per cent to close at 1.77 dollars, helping push the major indexes lower in a big selloff on Wall Street. Qwest shares had already collapsed from a peak of 57.88 dollars in July 2000.

Moody's Investors Service and Fitch meanwhile cut their credit rating on Qwest further following the news.

"While details of the investigation have not been disclosed, Moody's is concerned about possible adverse consequences on the company's near-term liquidity should asset sales or planned accounts receivable securitisations suffer any setbacks resulting from today's announcement," said the agency.

Moody's is also concerned about the long-term effects such an investigation might have on the company's ability to grow and retain customers.

On Monday, Qwest said it had no reason to believe it was under investigation by the Department of Justice after the Wall Street Journal reported such a probe had been launched.

## Int'l accounting group adopts 3 steps to raise standards

AFP, Paris

The International Federation of Accountants has adopted three measures to increase the quality of audits, but a leader warned surprises could be in store when companies post half-year results.

IFAC vice president Rene Ricot told AFP that federation leaders meeting in Madrid had agreed to create a panel dominated by experts from outside the profession to study ways of improving controls in the wake of accounting scandals in the US.

"We must get away from political hysteria and make some pragmatic decisions," Ricot said.

"Having said that, I think auditors are coming back to the basics, the lesson has been learned and I think there will be some surprises in the half-year accounts."

Formerly discreet accounting firms have been thrust to the forefront by financial scandals such as those that rocked the US energy trading firm Enron and telecommunications group WorldCom.

Ricot, set to become IFAC president in November, said the working group would include well-respected figures and that all continents would be represented.

Specialists in ethics, business leaders, and retirement fund managers are among those who might be asked to sit on the panel, according to a report on Monday in the French financial daily Les Echos.

IFAC has also decided "to seriously reinforce quality control standards," both within accounting firms before reports are published and following their release, he added.

# Give info on reasons for weak capital market

## Academics urge SEC

BSS, Dhaka

Academics at a seminar in the city yesterday expressed dissatisfaction over the prevailing situation in the country's capital market and said that the Securities and Exchange Commission (SEC) should know the reasons behind the market's weakness.

"The people have many questions about the meager situation of the capital market. But nobody knows the reasons behind it. It is the SEC that can provide the actual information," said Prof M Harunur Rashid, chairman of the Department of Accounting, Dhaka University, at the inaugural session of a seminar on "Investors' Education Programme."

Organised by the Department of Accounting for the senior students of Business Studies, the seminar was attended by high officials of the SEC. The SEC officials were invited,

for the first time to the Business Studies Faculty, to enlighten the student about different aspects of the capital market and other related issues.

Held at the seminar room of the Faculty of Business Studies, the inaugural session was attended by Faculty Dean Prof Dr M Serajul Islam as the chief guest.

Four SEC officials presented papers at the day-long seminar. SEC Executive Director Mansur Alam presented a paper on "Laws relating to Securities and Exchange". Executive Director Mohammad Abdul Hannan Zoarder's presentation was on "Fund Raising and Public Offer of Securities by Security Issuers: Related Laws, Rules and Regulations". A paper on "Central Depository System" was presented by SEC Director Farhad Ahmed. Deputy Director Tariquzzaman presented a paper on "Legal

Environment Covering the Securities Markets in Bangladesh: Related Laws, Rules and Regulations and Functions and Role of SEC, Stock Exchanges and Market Intermediaries".

The presentations were followed by question-answer between the students and the SEC officials.

Abdul Hannan Zoarder said the role of capital market is to transform savings into investment, intermediate between buyers and sellers and provide liquidity to promote capital turnover and reduce costs of capital formation.

He said the investors of the capital market are mostly individuals. "The only state-owned organisation active in the market, the ICB, has also been diminishing," he said.

There are 33 merchant bankers and portfolio managers in the market, most of which are not active, and there is no investment from pension fund and by insurance

companies out of premium income, he added. Foreign portfolio investment is also low, he mentioned.

Zoarder said there are "closely held family-controlled companies" in the market. The companies are owned by families or small coterie of large shareholders. The controlling parties consider even in most basic information on the state of affairs of the company to be proprietary and seldom meet the disclosure requirements.

The SEC Executive Director referred to poor decisions of the companies and alleged that the company insiders very often use corporate assets for their personal benefit.

He suggested that the government, regulatory bodies, law enforcing agencies, the judiciary and chamber bodies must work together for the improvement of the capital market.



Minister for Environment and Forest Shajahan Siraj (R) formally inaugurates the environment-friendly Conpac brick at Concord Centre at Gulshan in the city yesterday as Chairman of Concord Group SM Kamaluddin applauds. Later, the minister opened Concord Fair 2002 at the same venue.



Chairman of the Board of Directors of Shahjalal Bank Limited Sajjatuz Jumma cuts ribbon to inaugurate Khatunganj Branch of the bank in Chittagong on Tuesday. Among others, Chairman of Executive Committee Anwar Hossain Khan, Chairman of the Policy Committee M A Mannan, members of Board of Directors, Managing Director Matin Uddin Ahmed and Adviser Ashfaq U Chowdhury are seen in the picture.

# Dollar may be sold off worldwide: BOJ chief

AFP, Tokyo

Bank of Japan governor Masaru Hayami warned Thursday the dollar might be sold off worldwide with the United States shifting into deficit in terms of both finance and trade.

He said the weakness of the dollar, which has slipped below 118 yen, resembled its instability in the 1960s and 1970s when the United States was dogged by the "twin deficits."

"Based on my long experience, I don't see it as the yen's appreciation this time but the dollar's deprecia-

tion across the board," Hayami told the upper house fiscal and financial committee.

"It somehow resembles the situation when the United States suffered the twin deficits and the dollar became unstable the 1960s and 1970s," he said.

Citing expectations that the United States would end up with twin deficits this year, Hayami said: "It is highly possible that people, who hold dollars overseas, will mount dollar-selling worldwide on speculation that the dollar will get weaker."

"There is the need to closely watch the impact of the foreign exchange trend on the economy," he said.

On the possibility of official intervention in the foreign exchange market, Hayami told AFX-Asia, an AFP owned financial news service, that "we are now watching the forex market movements."

"Japan's situation doesn't justify a strong yen," he said.

The dollar traded at 117.38-41 yen at 5:00 pm (0800 GMT) in Tokyo, against 117.63-67 yen in New York and 117.82-86 yen in Tokyo late Wednesday.

## China FDI jumps 18.7pc

REUTERS, Beijing

China said Thursday foreign direct investment jumped a year-on-year 18.7 per cent in the first half of 2002, showing the country's cheap labour and promise of more open markets are still irresistible to overseas businesses.

China pulled in \$24.58 billion in foreign direct investment, or FDI, from January to June, Vice Minister of Foreign Trade Ma Xiuhong told a news conference in Hong Kong.

The figures indicated a huge \$7.66 billion was invested in June alone. FDI in the first five months totalled \$16.92 billion.

Contracted FDI, an important indicator of future investment was a shade under \$44 billion in the first half, a rise of 31.5 per cent that implied a roaring June after relatively sluggish 7.3 per cent growth in the first five months.

China's cheap workforce and stable economic and political landscapes have long made it a favoured destination for foreign capital.

Its attractiveness has increased since it joined the World Trade Organisation last December and promised to tear down trade and tariff barriers.

"There is a continual production shift from overseas to China, from Japan, Korea and Taiwan. China is becoming a global manufacturing centre. I think this trend will continue," said Pu Yonghao, senior economist for greater China with Nomura International in Hong Kong.

## Fiat to cut output by another 40,000 cars

REUTERS, Milan

Italy's Fiat FIA.MI slashed car production again Wednesday, almost doubling this year's cutbacks as sales continue to sag at the group that was once Europe's biggest automaker.

Fiat said it would cut output by 40,000 vehicles by temporarily laying off staff from August 19 to September 22, bringing this year's total production cut to 90,000 units.

Fiat has seen sales and market share in Italy and Europe slump this year -- a key factor behind the industrial group's net loss of 529 million euros (\$522.7 million) in the first quarter and 3,000 job cuts in Italy announced earlier this year.

As Fiat fails to shift stock out of the showrooms, it has often run to temporary layoffs to stop cars piling up down the production line.

The new round of layoffs would affect workers from Turin to Sicily with between 740 and 21,700 workers laying down tools at over the five weeks, Fiat said.

Five factories will close down over the period, including Cassino, where the new Stilo model is made, and the Arese-Vamia plant which manufactures environmentally-friendly cars including the newer versions of the Punto, Seicento and Panda.

In a bid to help Fiat out of its current crisis, Italy's government last week signed a decree giving tax breaks to anyone selling an old polluting car in order to buy a new eco-friendly compact car in the next three years.

Fiat added to the incentives, cutting the price and offering zero-financing on some of its small low-polluting cars.

# Officials asked to dispose of trademark cases

REUTERS, Dhaka

Industries Minister MK Anwar yesterday asked the concerned officials to dispose of all the 38,681 pending cases of trademarks registration of various commodities applied by the producers and traders over the years.

He asked them to take a crash programme to clear at least 5000 cases within the next one week.

He also asked the officials to make a contingency plan to minimise manpower shortage in some key desks to trademarks office by internal arrangement.

The industries minister was addressing a review meeting on the activities of trademarks registry and patent and design offices, the two

organisations under the ministry entrusted with the preservation of producers' and inventors' rights.

Held at the conference room of the ministry here, the meeting was attended by the Industries Secretary Al-Ameen Chaudhury and officials of the two departments and concerned officials of the ministry.

The trademarks department is providing trademarks registrations of the products manufactured by local and foreign producers as well as multinational companies for marketing. The registration is needed to protect the product from forgery. The activities of the trademarks office are being guided by the Trademarks Act, 1940 and revised Trademarks Rules, 1963.

The patent and design office ensures the inventors' rights to protect their scientific and technological inventions for 16 years and new and basic industrial designs for 15 years on their applications under Patent and Design Law, 1911 and Patent and Design Regulations, 1933.

The meeting was informed that the government is working to amend the existing laws and rules to meet the requirements stated in Trade-Related Intellectual Property Rights agreements under WTO.

Besides, amalgamation of these two departments is underway with a view to providing better services to genuine producers and establish rights to all intellectual inventions at home and abroad.



Mirza Ejaz Ahmed, managing director of ONE Bank Limited, presides over the 4th conference of branch managers of the bank in the city on Wednesday. Kaiser A Chowdhury, deputy managing director and head of Credit, and Farman R. Chowdhury, executive vice president and head of Marketing, are also seen in the picture.

# Japanese govt upgrades economic assessment

AFP, Tokyo

The Japanese government upgraded its key assessment of the nation's economy Thursday, saying there were "signs of incipient recovery" in certain sectors.

"A large increase in exports was seen in July, which helped improve production and the business out-

look," an official from the Cabinet Office said in its monthly report for July.

"The outlook for business investment is beginning to show signs of an end to its decline. The corporate sector is showing signs of an incipient recovery."

Even so, the Cabinet Office said the overall economy remained in a

"difficult situation", with private consumption staying flat and unemployment continuing at a high level.

The rise in exports, however, was feeding through to an improvement in output across the broader economy, rather than the limited rebound seen last month. It was also increasing optimism for the business outlook, the office said.

The Cabinet Office said the economy "was bottoming-out" in June and May, thanks largely to improving exports.

"Industrial production is showing signs of an incipient recovery," the office said, adding that "recovery is seen in broader industrial areas".

The July report also noted the positive impact of the second supplementary budget on public investment, though overall government spending remained weak.

Business sentiment was improving, though some small firms complained conditions were still severe, the report said.

Previously, the office said business sentiment was severe though the deterioration at large companies was coming to a halt.

The upgrade followed the government's announcement on Monday that the nation's private-sector machinery orders in May edged up 0.2 per cent from the previous month, defying expectations and adding to signs of economic recovery.



The half-yearly managers' conference of Mercantile Bank Limited was held in the city yesterday. Md Abdul Jalil MP, chairman of the Board of Directors of the bank, Md Selim, chairman of Executive Committee, Akram Hussain, chairman of Policy Committee, Lutfar Rahman Sarkar, chief advisor, M Taheruddin, managing director, branch managers and executives of head office were present in the conference.



A formal contract was signed between Aziz & Company Ltd and Thyssen Aufzugswerke GmbH recently in Germany. Under the deal, Aziz & Company has become the sole distributor of Thyssen brand elevator in Bangladesh. Picture shows Habibur Rahman Khan, managing director of Aziz & Company Ltd, and Wolfgang Mildenerberger, managing director of the German company, exchanging documents of the agreement.