

BOI Welcome Desk at ZIA for investors

In order to facilitate foreign investment in Bangladesh, the government has entrusted Board of Investment (BOI) to certify relevant documents of the visiting investors arriving without visa to obtain landing permit or visa on arrival (VOA) for maximum of 30 days only, says a press release.

According, BOI has equipped and strengthened its Welcome and Protocol Service at ZIA to operate round-the-clock.

BOI requests all visiting foreign investors and their concerned local representatives to furnish relevant particulars and flight details prior to their arrival at the airport.

Local representatives, if any, should refer to the registration of the projects with BOI.

Bankruptcies in HK hit record high

AFP, Hong Kong

Personal bankruptcies in Hong Kong hit a record high of over 10,000 in the first half of this year, more than double the total for the whole of last year, government figures showed Monday.

A total of 10,173 personal bankruptcies were filed in the first six months of the year, surpassing a record 9,151 cases for the whole of 2001.

Before the Asian financial crisis began to take a toll in late 1997 and 1998, it was typical to see a few hundred cases each year.

The five years since the former British colony returned to Chinese rule have seen its once sizzling economy turn sour with unemployment at a record 7.4 per cent and economic growth shrinking to just 0.9 per cent in the first quarter from a year earlier.

Hong Kong's economy grew only 0.1 per cent last year amid the global slowdown after jumping 10.5 per cent in 2000.

The territory's unemployment rate is widely expected to hit another record high in the three months to June, analysts said.

Salomon Smith Barney economist Ellen Cheuk said the jobless rate for the three months to June is expected to rise to 7.6 per cent from 7.4 per cent in the three months to May.

"A recent poll showed that the business sector cut their workforce again in June. In addition, the collapse of a large restaurant group with 2,000 staff contributed to the rise in unemployment in the month," she said.

Japan's current account surplus doubles

AFP, Tokyo

Japan's current account surplus more than doubled in May from a year earlier to mark the eighth straight monthly gain, backed by brisk exports to the United States and Asia, officials said Monday.

The figures, a measure of trade in goods and services, financial income and monetary transfers, climbed to 1,044.3 billion yen (8.9 billion dollars) from 502.9 billion yen a year earlier.

The trade surplus, a core part of the current account, soared 182.8 per cent to 728.8 billion yen for the month in the third consecutive year-on-year increase.

Exports rose 8.7 per cent to 3,933.5 billion yen, led by growing shipments of cars, computers and steel products, mainly to the United States and Asia, offsetting a slowdown in exports to Europe, the ministry said.

The yen's decline against the dollar also contributed to the export rise. The Japanese currency averaged 126.48 against the dollar, compared with 121.93 yen in May 2001, the ministry said.

A weaker yen makes Japanese products more cost-competitive abroad and boosts the value of repatriated overseas earnings.

Imports for the month declined 4.6 per cent to 3,204.7 billion yen, hit by weak consumer spending amid the nation's economic slump.

Analysts said Japan's current account surplus was likely to continue to expand for the time being.

"Exports, a main contributor to the surplus, are expected to continue expanding at least for the rest of the year," said Kiuchi Ono, an analyst at Daiwa Research Institute.

"And we cannot expect a clear recovery in imports as the domestic economy still lacks strength."

Hideki Matsumura, an analyst at Japan Research Institute, said fast growing exports to Asia were the main factor in the rising surplus.

Analysts predict the June figures will show further gains due to the inflow of travellers to the country for the 2002 World Cup football finals.

Revenue falls short of target by 2.26pc in FY02

STAR BUSINESS REPORT

The revenue collection in the just concluded FY02 amounted to Tk 20,261.13 crore, down by 2.26 per cent or Tk 468.87 crore from the target but up by 7.92 per cent than previous fiscal's collection of Tk 18,774.75 crore.

According to the National Board of Revenue (NBR), the target for the FY02 was Tk 20,730 crore.

Although the revenue earning in June last fiscal went up significantly at the import level, it was not possi-

ble to cover the shortfall of other months. Revenue target could not be achieved mainly due to lower income tax collection and shortfall at the import level, said an official of the NBR.

At the import level, revenue collection was Tk 10478.13 crore, down by 2.16 per cent from the target of Tk 10710 crore but up by 4.41 per cent than last fiscal's same period.

FY02 saw Tk 5389.87 crore in import duty against Tk 5350 crore target.

Collection of value added tax (VAT) at import level amounted to Tk 3755.62 crore against the target of Tk 3960 crore.

Supplementary duty on imports amounted to Tk 1332.64 crore against the target of Tk 1400 crore in the last financial year.

On the other hand, revenue collection from domestic activities amounted to Tk 5753.65 crore, up by only Tk 3.65 crore from the target.

The excise duty collection stood at Tk 285.06 crore against the target of Tk 300 crore in the last fiscal year.

VAT collection from domestic activities surged to Tk 3145.42 crore, which was Tk 145.42 crore higher than the target of Tk 3000 crore.

At local level, the NBR's accrual from supplementary duty stood at Tk 2323.17 crore, which was Tk 126.83 crore short of the Tk 2450 crore target in FY02.

Income tax collection last fiscal amounted to Tk 3876.60 crore, down by Tk 223.40 crore from the Tk 4100 crore target. Tax and duties from other sources in FY02 was Tk 152.75 crore against the target of Tk 170 crore.



DCCI Director K Atique-e-Rabbani speaks at the inauguration ceremony of a training course on "Stores & Inventory Management" held at DCCI Business Institute in the city on Saturday. GTZ Sr Consultant Michael K Nathan (3rd-R), DBI Executive Director Dr Ahmad Neaz (2nd-L), Project Manager Md Emdadul Haque (extreme right), Deputy Secretary (Training) Hasanur Rahman Chowdhury (2nd-R) and resource person Md Akbar Hassan (extreme left) were also present on the occasion.

Workers plan to bid for Indian manganese mining firm

AFP, New Delhi

Workers at India's biggest manganese mining firm are planning to bid for a controlling stake in the highly profitable state-run firm which is being privatised, a trade union leader said Monday.

Sanjeeva Reddy, president of the Indian National Trades Union Congress (INTUC), said the 8,000 employees in Manganese Ore were forming a company in order to make a bid for the 51 per cent stake the government plans to sell to a strategic partner.

"Employee buy-outs are unusual in the Indian privatisation process, but this one is being taken seriously by the government," Reddy told AFP.

According to company sources,

the workers are planning to make a bid of about 18 million dollars for the business due to fears of lay-offs.

They expect to raise a quarter of the money from the staff and the rest from an Indian bank.

The bid faces rivals from the steel-making industry, who are attracted by the importance of manganese to the foundry industry. Other bids are likely to come in from the fertiliser and animal feed industry which use large quantities of manganese.

The 40-year-old firm, which was incorporated in Britain, was nationalised in 1977 and has a turnover of 1.8 billion rupees (37.5 million dollars).

Manganese Ore has a production capacity of 700,000 tonnes and

10 mines in the states of Maharashtra and Madhya Pradesh.

The Indian government has set itself a target of raising 120 billion rupees through privatising state enterprises in the financial year to March 2003.

New Delhi set the same goal last year, but managed to raise no more than 60 billion rupees.

However, hopes have risen for a smoother process after the successful privatisation of sizeable firms such as Bharat Aluminium Company Ltd. despite dogged resistance by labour unions.

The government also plans to sell the nation's biggest shipping company the Shipping Corporation of India, the second-biggest refiner Hindustan Petroleum Corp. and the National Aluminium Company.

Siemens opens handset care centre

Siemens Bangladesh Limited has opened a new customer care centre in the city for the users of its mobile phone sets.

Peter E Albrick, chief executive officer and managing director of the company, inaugurated the centre at a simple ceremony at ZN Tower of Gulshan Avenue on Sunday, says a press release.

Officials of the company, representatives of GrameenPhone, Aktel and Sheba were present on the occasion.

By the installation of this most advanced and state-of-the-art customer care centre Siemens, from now on, will be able to serve its customers' better than ever.

Siemens has already marketed its new model SL45 set.

'Cheney knew about Halliburton accounting practices'

AFP, New York

Vice President Dick Cheney was aware that Halliburton was posting cost overruns as revenue when he ran the oil services company, the current CEO told Newsweek magazine.

"The vice president was aware of who owed us money, and he helped us collect it," David Lesar told the weekly in an interview made public Sunday.

Lesar said Halliburton has always added disputed amounts of cost overruns to its revenues, if it believed it would collect - even before the work was completed.

"We stand behind the accounting treatment," Lesar said in the issue of Newsweek that goes on sale Monday.

US SEC chief won't resign

AFP, Washington

Securities and Exchange Commission Chairman Harvey Pitt said Sunday he will remain in his post despite numerous calls for his resignation in the wake of a widening corporate crisis.

When asked if he would step down as head of the Wall Street watchdog, he said: "Absolutely not." "I'm the right person for the job ... I'm here to do a job for the American people," he said on NBC's Meet the Press.

"And anybody who looks at what we've really done, what our record is, instead of these politically crass sound bites, will understand this is the most aggressive, most effective SEC that there has ever been in the 68 years of this agency."

Numerous Democratic and Republican members of Congress have called on Pitt to resign, accusing him of being too "soft" on companies reporting massive accounting irregularities such as Enron, Xerox, Arthur Andersen and WorldCom, and of having too many links to his former posts in the private sector.

Japan's May industrial output up 4.1pc

AFP, Tokyo

Japan's industrial output in May rose 4.1 per cent from the previous month, the government said Monday, revising upward an earlier estimate of a 3.9 per cent gain.

"We had new data for drugs and railway carriages, so that is why we are making an upward revision," said a spokesman from the Ministry of Economy, Trade and Industry.

The May figure followed a 0.2 per cent increase in April, the ministry said.



Peter E Albrick, chief executive officer and managing director of Siemens Bangladesh Ltd, cuts ribbon to inaugurate the company's customer care centre for mobile phone sets at ZN Tower of Gulshan in the city on Sunday. Officials and representatives of GrameenPhone, Aktel and Sheba were present on the occasion.

Bush knew before selling stock that Harken would lose money

AFP, Washington

President George W. Bush was aware that the oil company for which he worked was about to lose millions of dollars 16 days before selling his stock in the company in 1990, according to The Washington Post on Sunday.

In 1990, while his father, George Bush, was US president, Bush sat on the board of Houston, Texas-based oil company Harken Energy Corp. In order to repay a loan, Bush said, he decided to sell his stock in the company.

He sold only two months before Harken revealed a 23-million-dollar quarterly loss, a transaction that drew the attention of the Securities

and Exchange Commission, the US financial markets watchdog.

The SEC found that there was insufficient evidence to bring case of insider trading against Bush.

"I think it was handled in an appropriate way. No punches were pulled," Richard Breeden, then-chairman of the SEC who was appointed to the post by Bush's father, told Fox News Sunday as the scandal made the rounds of the Sunday morning talk shows.

The president has said he will not bow to requests to release the full SEC file.

"The matter is closed," current SEC Chairman Harvey Pitt said on NBC's Meet the Press on Sunday.

White House officials told The Washington Post that the president

knew the company would lose about nine million dollars, but was himself surprised when the larger loss was posted.

Harken papers have shown that Bush, who was on Harken's audit committee, received a "weekly flash report" warning of a four million dollar loss 16 days before he sold his stock, according to the Post.

Bush has stated that his only motivation to sell the stock was to repay his debts and that had he known Harken's real loss he never would have sold.

"This is nothing but political garbage that the American people are sick and tired of," Commerce Secretary Donald Evans told Fox News Sunday.

'WorldCom executives brushed off warnings about accounting'

AFP, Washington

WorldCom executives had repeatedly brushed off warnings about shady accounting practices that likely started as early as 2000 and brought about the collapse of the telecom giant, a top congressional investigator of corporate fraud revealed Sunday.

Republican Congressman Billy Tauzin, who chairs the House Energy and Commerce Committee, said his panel had obtained five boxes of documents that detail accounting irregularities at the Clinton, Mississippi-based company.

"The documents also reveal a strange pattern of people inside the corporation discovering it, trying to do something about it, and ultimately failing until recently," said Tauzin as he appeared on ABC's "This Week" program.

WorldCom shook financial markets last month when it admitted to 3.9-billion-dollar accounting "irregularities" by presenting its current expenses as capital outlays and thus boosting the balance sheet of the company, which owns MCI, the second-largest US telephone company.

A proper accounting of those funds would have resulted in a

reduced cash flow of 6.3 billion dollars in 2001 and 1.4 billion dollars for the first quarter of 2002, meaning the company would have reported a net loss in 2001, and for the first quarter of 2002.

Instead, WorldCom claimed 1.4 billion dollars in profit in 2001, and 130 million dollars in profit for the first quarter of 2002.

According to Tauzin, the documents in his committee's possession show WorldCom employees who had tried to warn about the dangers of such "creative" book-keeping were stonewalled by management.

US Fed chief tries to calm nervous markets

Appearance before Senate banking body today

AFP, Washington

Federal Reserve chairman Alan Greenspan will seek to calm congressional concern over recent market turmoil in the wake of a series of big corporate scandals when he testifies before the Senate banking committee Tuesday, analysts said.

Greenspan is expected to appear before the committee at 10:00 am (1400 GMT) Tuesday to deliver the Fed's semi-annual report on monetary policy and his usual brief economic forecast.

The slide in stock and currency markets follow corporate accounting scandals involving Enron, Arthur Andersen, Xerox, WorldCom and others.

"The risk is if you have continued financial distress, clearly that's

going to hurt consumption and investments and would trigger a new recession," said John Silvia, chief economist of Wachovia Securities.

Consumption is the main motor of growth for any economy, he said. Last week the Dow Jones industrial average, the best-known Wall Street index, plummeted 7.4 per cent. It has lost 20 per cent of its value since March.

Likewise, Standard and Poor's 500, recognized as a more representative sampling of New York Stock Exchange stocks, fell 6.8 per cent last week alone.

Since early July, consumer confidence has been off sharply, as calculated by the University of Michigan. According to Silvia, the calculations show there is a real danger of putting a break on house-

hold spending in the near future.

Some 80 million Americans have their retirement funds tied up in the stock market. Those 80 million are expected to rein in their spending to make up for value lost from their retirement portfolios.

In the face of such economic turmoil, Greenspan will likely "reassure investors that Fed policy will counter any drag from falling equity prices and continue to foster a return of full employment," said JP Morgan economists in a research note.

He could also say, as he has in his congressional testimony since February, that "the near-term outlook is clouded ... by weak stocks prices, soft business investment and uneven foreign growth," according to David Gilmore, partner at Foreign Exchange Analytics.

WorldCom's merger may be allowed, says FCC

AFP, Washington

The chairman of the Federal Communications Commission said his agency could allow troubled WorldCom Inc. to be taken over by a smaller, regional phone company, the Wall Street Journal reported Monday, signalling a move reversing a long-held anti-trust stance.

Such a decision could revive the spirit of monopoly that reigned at former telecommunications giant AT and T before it was broken up by court order in 1984 into several small, regional so-called "Baby Bell" phone companies.

The FCC regulates broadcast,

media and communications markets.

FCC Chairman Michael Powell told the Journal that "utter crisis" in the telecommunications industry brought about by a wave of bankruptcies, accounting scandals, and plunging stock prices could necessitate a return to the practice of allowing one company to control large parts of two or more markets.

Powell said the industry's beleaguered, debt-ridden condition had left regulators with little choice but to consider such options, especially if the alternatives would disrupt phone and data services to WorldCom's 20 million customers.

"There are plenty of doctrines in anti-trust (anti-monopoly) and competition policy that would take into consideration the duress and state of the market," said Powell, formerly a top anti-trust official in the Clinton administration's Justice Department.

"If a Bell company brought a deal to us, that would certainly be part of the consideration," he said in his first public comments on the unfolding WorldCom scandal.

Powell also called for the federal government to continue billions of dollars in contracts with WorldCom, rather than pulling back, as some White House officials have advised.