

Bank Asia ups dollar buying rate

In response to the government's efforts to increase the inflow of foreign currency in the country through inward remittance and exports, Bank Asia Limited has raised the buying rates of US dollar effective from today, says a press release.

According to the new rates, exporters will get Tk 57.4615 per US dollar against sight export bills, while beneficiaries of inward remittances will receive Tk 57.6505 per US dollar. Likewise 'unsure export bill buying rate' has also been increased substantially, the release said.

Prime Bank raises dollar buying rate

Prime Bank Limited has raised dollar buying rate by Tk 0.30 in compliance with the directive of the minister for finance and planning to facilitate exports and remittance, says a press release.

The new rate has become effective from July 20, 2002.

The bank announced that the readjusted rate would also be applicable for the buying of other foreign currencies.

BB T-bill auction held

UNB, Dhaka

The 202nd auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held here yesterday.

Some Tk 3455.50 crore, Tk 10 crore, Tk 12 crore, Tk 36 crore and Tk 89 crore were offered respectively for the 28-day, 91-day, 364-day, 2-year and 5-year bills.

Of these, Tk 3349.50 crore, Tk 5 crore, Tk 12 crore, Tk 15 crore and Tk 77 crore of 28-day, 91-day, 364-day, 2-year and 5-year bills were accepted respectively.

The range of implicit yields were 5.00-5.50 percent, 5.69 percent, 6.00-6.20 percent, 6.95-6.96 percent and 8.50-8.64 percent per annum respectively. No bid was offered for the 182-day bill.

Taiwan must undergo painful reforms or go bankrupt: PM

AFP, Taipei

Taiwan Premier Yu Shi-kun on Saturday pledged to push ahead with painful reforms despite the hurdles and a warning that the country may go bankrupt.

Yu, from the Democratic Progressive Party, said he was fully aware that the reforms will definitely meet challenges from existing vested interests.

But he told a group of government officials the reforms are a must. "Otherwise, it would be too late for Taiwan...dramatic measures must be adopted."

Yu put the government debt, a big chunk of which comes from government efforts to bail out ailing financial institutions, at nearly three trillion Taiwan dollars (90.9 billion US). That would account for roughly 30 per cent of gross domestic product.

However, parliamentarian Wang Chung-yu from the major opposition Kuomintang (KMT) warned that "our country could go broke."

"The debts from various government funds, the potential debts from the state-run enterprises, the debts from the development of industrial parks, all these together, the government debts could top four trillion Taiwan dollars," said Wang, former chairman of the reputable China Steel Corp.

Glaxo considers bid for US rival Eli Lilly

AFP, London

British pharmaceutical group GlaxoSmithKline is considering a 36 billion pound bid for US rival Eli Lilly to form a drugs giant valued at more than 100 billion pounds (158 billion dollars, euros), the Sunday Express reported.

The British paper said insiders at Glaxo had told it that the group was casting its eyes over the American firm, makers of the anti-depressant Prozac.

Eli Lilly was understood to be Glaxo's leading target among other candidates such as Bristol Myers Squibb, Schering Plough and Roche Holdings, the Express said.

Rains ruin tea hope

Production likely to dip by 20pc

IQBAL SIDDIQUEE, Sylhet

Untimely and excessive rains may cause 20 per cent decline in tea production in the country this season, official sources said.

Tea production target was fixed at 55 lakh kilograms this year. Last year, 54.47 lakh kilograms of tea were cultivated from 152 gardens against the target of 55 lakh kilograms.

According to Bangladesh Tea Research Institute (BTRI) officials, production is twenty per cent lower till mid July this year over the corresponding period of last year. Tea production season starts in late February and continues until October in the country, which earns about 22 million US dollars annually

by exporting the crop.

While talking to The Daily Star, Ali Ahmed, manager of Fulbari Tea Estate of Komalganj upazila in Moulvibazar, said tea plants require sufficient daylight, but necessary sunshine was absent during most of the days in May and June this year. Photosynthesis of the tea plants was seriously hit by such unfavourable weather, he added.

Besides, sufficient rainfall is needed in early February, but this year the rain started from the first week of March, he said.

In Srimangal area, where most tea gardens of the country are located, rainfalls were recorded at 147 mm in March, 383 mm in April, 617 mm in May and 530 mm in June totaling at 1690 mm in the four

months against 1500mm in the corresponding period of last year, when the production target was almost achieved.

The BTRI officials said possibility of reaching this year's production target is very slim even if the weather is favourable during the next few months. Heavy showers in May and June also washed away fertiliser applied in the gardens, they said.

About 48,000 hectares of land are under tea plantation in 152 tea gardens. Some 10 lakh people are direct or indirectly involved with the country's 150-year old tea industry.

Cut registration, renewal fees

Indenting agents' association urges govt

STAR BUSINESS REPORT

Bangladesh Indenting Agents' Association (BIAA) yesterday urged the government to reconsider recent enhancement of registration charge for indenting firms and their renewal fee.

The Chief Controller of Import and Export (CCI&E) increased the registration charge to Tk 20,000 from the earlier rate of Tk 10,000 and re-fixed the renewal fee at Tk 10,000 from Tk 3,000 on June 29.

The rates of enhancement being 100 per cent and 333 per cent respectively are astronomical, which will surely hurt the indenting business, BIAA President M Jamaluddin told a press conference at the Jatiya Press Club in the city.

He also said, "The disquieting fact is that the intention of bringing

about a revision in registration charge and renewal fee were not discussed in any forum."

BIAA Vice Presidents Mohammad Basirullah and Mohammad Mohsen and other high officials of the association were also present on the occasion.

BIAA also raised some of the problems they are facing and urged the government to solve those immediately.

They also demanded of the government to eliminate Direct Proforma Invoice (DPI) system and restore more accountable system of imports through locally registered indenting firms and rationalise VAT and AIT rates.

They described the DPI system as one of the main obstacles to the growth of their business.

Under DPI system, which was

introduced in 1986, the importers are not bound to go through local agents, they said.

"On the other hand, under the indenting system, we have to pay the annual registration charge, renewal fee, VAT and AIT to run our business and the government earns lots of revenue every year from those," BIAA President M Jamaluddin said.

But in DPI system, the government is fully deprived of the huge revenue.

They also said in an import regime of \$10 billion, the country could earn by repatriating indenting commission amounting to around \$200 million per year at a rate of minimum two per cent commission.

The indenting agents also said they have to submit an annual report to Bangladesh Bank where all types of import related information like

name and number of import items, their prices and amounts of the total transactions are mentioned. So government can easily identify the actual condition of import trade, they said.

But in DPI system, businesses are conducted directly between the importers and the suppliers and the government cannot get the above information.

Under the DPI system, over and under invoicing are increasing, depriving the government of huge revenue.

Quoting the immediate past Bangladesh Bank governor the agents said about one lakh foreigners living in Bangladesh are involved in business through DPI system but they do not pay any taxes, duties or fees.



PHOTO: BIFC

Prime Bank Limited sanctioned a Tk 70 million loan to Bangladesh Industrial Finance Company Limited. An agreement to this effect was signed between the two organisations at a city hotel on Thursday. Photo shows Shah Md. Nurul Alam, managing director of Prime Bank Limited, and Md. Khalilur Rahman, managing director of BIFC, signing the agreement. Quazi Sirajul Islam MP, chairman of Prime Bank Limited, Major (Retd) Abdul Mannan MP, chairman of BIFC, and Md Mukhlesur Rahman, managing director of Dhaka Bank Limited, among others, were present on the occasion.

Pakistan seeks Asian telecom hub status with deregulation

AFP, Islamabad

Pakistan is set to unveil a major telecom deregulation plan in a bid to become a regional hub for communications in central and southern Asia, President Pervez Musharraf said here Saturday.

The liberalisation will be aimed at attracting foreign and local investments into the growing telecoms sector, Musharraf told a meeting here.

"Pakistan holds a great strategic position to become a hub of communications for Central Asia as well as South Asia," Musharraf said, outlining the plan to bridge the digital divide in the backward region.

He said a complete de-regulation of the sector will go into effect when a monopoly on fixed-line phones granted to the state-owned Pakistan Telecommunication Co. Ltd (PTCL) ends in December this year.

The government's policy on de-regulation is currently being finalised and is set to be presented to cabinet shortly, officials said.

"The guiding principle of the policy will be transparency, fairness and non-discriminatory," Musharraf said. "It breaks my heart when people say that there is an under-

hand deal." "With the synergies of the private sector (in communications) Pakistan will be a modern, progressive Islamic state, inshallah (god willing)," Musharraf said.

Science and Technology Minister Atta-ur Rehman said the country's rapidly growing telecom sector had the potential to absorb an investment of about 15 billion dollars in the next five years.

"The stage is set for full de-regulation and opening of the markets," the minister said. "We are laying the red carpet for foreign investors."

"There are two models open to us. One is to grant one or two licences and the other is complete de-regulation on the fast track," Rehman said the policy will be put in place "within three months."

He said experiences in the past three years showed that lowering of tariffs and reducing royalties and easing state control on the country's four cellular operators triggered bigger growth in the industry and paid higher returns to the state.

The PTCL reduced its nationwide call tariffs by 45 per cent last year together with a 35 per cent cut in international call charges, but the

company's profits jumped from 13 billion rupees (216 million dollars) to 18 billion last year with this year's profits projected at 19 billion.

Similarly, the removal of charges on incoming calls in the cellular networks saw a huge growth in the mobile phone market at a time when international telephone companies were facing difficulties, the minister said.

With Pakistan adopting what is known in the industry as the CPP, or call party pays, system in the middle of last year, the number of mobile phone subscribers jumped by over 405,000 subscribers to 1.14 million mobile users.

"People had a mental block with mobile phones. They did not want to pay for incoming calls. When we removed this, the growth was phenomenal," the minister said.

"In the next three years, we may have more mobile phones than fixed lines."

However, the minister admitted that with the ultra rapid growth in the mobile phone market, the level of service had deteriorated with networks unable to handle the call traffic.

Prime Bank extends Tk 70m loan to BIFC

Prime Bank Limited has sanctioned Tk 70 million as loan to Bangladesh Industrial Finance Company Limited (BIFC), says a press release.

An agreement to this effect was signed between the two organisations at a city hotel on Thursday.

Shah Md Nurul Alam, managing director of Prime Bank Limited, and Md Khalilur Rahman, managing director of Bangladesh Industrial Finance Company Limited, signed the deal on behalf of their respective sides.

Quazi Sirajul Islam, MP, Chairman of the Board of Directors of Prime Bank Limited, Major (Retd) Abdul Mannan, MP, Chairman of the Board of Directors of BIFC, and Md Mukhlesur Rahman, managing director of Dhaka Bank Limited with other senior executives of both the organisations were present on the occasion.

Under the agreement, Prime Bank Limited provided a term loan facility of Tk 50 million & L/C limit of Tk 20 million to BIFC for accelerating its lease finance business.

Dhaka Bank earns Tk 30.63 cr operating profit in six months

Dhaka Bank has earned an operating profit of Tk 30.63 crore which is 41 per cent of the target set for the year 2002, says a press release.

This was apprised by the Managing Director of the bank Mokhlesur Rahman at its Half-Yearly Bank Managers' Conference-2002 held in the city on Saturday.

Abdul Hai Sarker, founder chairman of the bank was the chief guest while the Managing Director Md Mokhlesur Rahman presided over the conference.

Altaf Hossain Sarker, Director, Majedur Rahman, Mohammad Abu Musa and Arham Masudul Huq, executive vice-presidents, other senior executives of the head office and all the branch managers attended the conference.

In his inaugural speech, Abdul Hai Sarker appreciated the good performance in the preceding six months when the bank achieved a spectacular growth of 39 per cent in operating profit over the corresponding period of last year and stressed the need for further improvement in all areas of banking service.

Altaf Hossain Sarker, director of the bank, and Majedur Rahman, executive vice-president, also spoke on the occasion.

Nigeria set to leave OPEC

AFP, London

Nigeria could be on the brink of walking out of the Organization of Petroleum Exporting Countries (OPEC), a move that would trigger a crisis in global oil markets, the Independent on Sunday reported.

The British newspaper quoted sources close to the 11-member oil cartel as saying that Nigeria, its fifth-biggest producer, could threaten to resign as soon as OPEC's annual meeting in Osaka in September.

The scenario had arisen because of Nigeria's growing barrel production ambitions, the Independent on Sunday said, adding that such action would produce a level of internal discord not experienced for decades.

Nigeria had an undisciplined history of over-production against quotas, and was pursuing policies that would raise national output still further, according to the Independent on Sunday.

No cash incentive despite govt instructions: BTMA

Weaving, knitting mills run short of working capital

BSS, Dhaka

Weaving and knitting mills of the country have been running short of working capital due to non-disbursement of 50 per cent cash assistance by the banks despite government instructions, textile entrepreneurs said yesterday.

Such a delay has caused enormous financial problem for these mills and currently many of them are on the verge of closure, according to a Bangladesh Textile Mills Association (BTMA) press release issued after a meeting of the forum Sunday.

BTMA president A Matin Chowdhury presided over the meeting.

The meeting also observed that

the woven sub-sector was facing various problems including an uneven competition with the smuggled fabric and leakage from the bonded warehouses. As a result, a huge quantity of fabric is stockpiled with different mills, the press release said.

The BTMA members said the situation was aggravated due to reduction in cash assistance from 25 per cent to 15 per cent, which they said does not cover the cost differentials for imports compared with other competing countries.

Moreover, the release said, Bangladesh is losing export orders in this sub-sector.

The BTMA, however, appreciated the government's recent initiative for narrowing purchase and sale

prices of US dollar but called for limiting this difference to a maximum of 1 per cent. They thanked the government for reducing bank interest rates to 10 per cent for project loans as well as working capital.

But the entrepreneurs alleged that only the nationalised banks are allowing this difference to a maximum of 1 per cent. They thanked the government for reducing bank interest rates to 10 per cent for project loans as well as working capital.

The members urged the government to convince the private/multinational banks to bring the interest down to the level of nationalised banks.



PHOTO: DHAKA BANK

Abdul Hai Sarker, founder chairman of Dhaka Bank Limited, speaks at the bank's Branch Managers Conference 2002 held in the city on Saturday. Altaf Hossain Sarker, director, Md. Mokhlesur Rahman, managing director, and Arham Masudul Huq, executive vice president and company secretary, are also seen in the picture.

Kabul moneychangers gamble on new regime's stability

AFP, Kabul

The money changers of Kabul, who sit in the city's main bazaar with piles of dollars and afghanis at their feet, have honed their trade during Afghanistan's tumultuous regimes of the past 30 years.

They are gambling on this latest administration to finally bring some stability.

In an alley leading to the market, small changers stroll, stopping briefly to change currencies, enveloped by a crowd in perpetual movement, wads of Afghanis in their hands, endlessly counting and recounting notes so used that they are almost threadbare.

The real business is conducted in a block of two-storey houses surrounding a courtyard, where throngs of changers and clients are

locked in conversations about the fate of the Afghani and the latest fluctuations of the dollar.

Established after the overthrow of king Zahir Shah in 1973, the money market has borne witness to the regimes which have ravaged Afghanistan, starting with the Soviet invasion in 1979, the 10-year civil war to drive them out, the reign of warlords after the Soviet's defeat and withdrawal in 1989, and the Taliban regime from 1996 until its downfall late last year.

"In the beginning people changed their money in front of the central bank, and the Sikhs of Afghanistan controlled the market," recalls Khan Djan, an associate of the bank known as Haji Baz Mohammad and Brothers.

His bank, which moves money across Afghanistan's main cities

and into Pakistan, is as modest as the dozens of others that surround it. A simple room fitted with used sofas is used to serve clients tea.

The safe, when it exists, is concealed in a separate room.

"There are about 250 money changer stalls in the bazaar," says Djan, 51.

The money market has no master in Afghanistan, he says, where commerce traverses the ethnic barriers that often surface in political and administrative fields.

"We need all the ethnic groups because we cannot be everywhere. If you do business in Mazar-i-Sharif (in the north) you trade with the Uzbeks, and if you trade with Kandahar (in the south) you are working with Pashtuns," he explained.



PHOTO: PHOENIX LEASING

The 42nd Governing Council meeting of Asian Leasing Association was held recently in Yogyakarta, Indonesia. A Quadir Choudhury (3rd R), managing director of Phoenix Leasing Co. Ltd. and vice-president of Bangladesh chapter of the Association, King Sri Sultan Hamenku Buwono X (9th R), governor of Yogyakarta, and Y.C. Chan (10th R), President of the Association, among others, are seen.