

# Star BUSINESS

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## America Week to begin in Ctg Sept 18

STAFF CORRESPONDENT

America Week is expected to begin in Chittagong on September 18. The weeklong programme to be held under the aegis of the US Embassy in Bangladesh and the Chittagong Chamber of Commerce of Industry (CCCI) will feature catalogue show, seminars and receptions.

The plan for holding the programme conceived during a visit of the Embassy officials to the CCCI on July 11.

## Siemens opens new showroom at Panthapath

A new exclusive Siemens showroom has been opened at Panthapath in the city.

Christian Laufer, executive director and CFO of Siemens Bangladesh Limited, inaugurated the showroom on Monday, says a press release.

Aminur Rashid, general manager of Consumer Product Division and Tofazzul Hossain, manager of Home Appliance of the company were also present on the occasion.

Speaking on the occasion Laufer said this is part of the company's ongoing commitment to the Bangladeshi consumers to bring in the world class products and services in their vicinity.

All Siemens consumer durable products like refrigerators, washing machines, small and kitchen appliances as well as Osram lighting products will be displayed and sold from this exclusive showroom.

## Singer introduces five-blade ceiling fan

Singer has introduced a five-blade ceiling fan with a remote, says a press release.

This 52-inch fan named "Classic Super" is the new addition to the company's product line. It can deliver speed up to 290 rpm and ensure smooth air at a minimum power consumption of 76 watt. The remote is operable from a distance of 20 feet. The fan is available in all Singer showroom cum sales centers and exclusive sales agents.

## Pak industry sceptical on export goals

AFP, Karachi

Pakistani industries on Tuesday welcomed a raft of new trade liberalisation measures announced by the government but dubbed its export target of 10.4 billion dollars optimistic.

The steps to free up trade are part of a new trade policy unveiled by Commerce Minister Abdul Razzak Dawood for the fiscal year that began July 1, after exports for the last financial year failed to reach the government's 10 billion dollar target.

Exports for the year ending June 30 reached 9.1 billion dollars.

The government of President Pervez Musharraf blamed the shortfall on the impact of the September 11 terrorist attacks and the subsequent US-led military campaign in Afghanistan, which saw many overseas buyers cancel orders from Pakistan.

## Islami Ins holds 2nd AGM

The 2nd annual general meeting of Islami Insurance Bangladesh Limited was held at a city hotel on Saturday, says a press release.

Janab Tofazzal Hossain, Director of the company, presided over the meeting.

The shareholders as well as the Managing Director of the company ABM Nurul Haq were present at the meeting.

The chairman told the meeting that during the year 2001 the company registered an increase of 55 per cent in premium income, 39 per cent increase in the fixed asset and 49 per cent increase in the total reserve.

During the two years of its operation, the company occupied 14th position among 42 General Insurance Companies and top position among the 19 new General Insurance Companies established during the end of 1999 and early 2000.

The meeting approved the annual accounts and balance sheet for the year ending December 31, 2001.

# Discriminatory taxation of imported spices at Ctg port

ABDULLAH AL MAHMUD, Ctg

Discriminatory taxation of imported spices by customs has been reported at Chittagong port, depriving the government of huge revenue.

Sources with the port said, a section of dishonest importers and officials of pre-shipment inspection (PSI) company and customs are involved in the malpractice.

The dishonest traders manage to procure clean report findings (CRF) from PSI company showing much lower price of the imported goods. And then with the help of some dishonest customs officials they manage to get the assessment and taxation of the consignments done as per the shown CRF value, which is much lower than the actual rate, sources said.

According to the sources, though the price of cardamom (elachi) in the

international market ranges between \$7000 and \$9000, price of a consignment of the product imported from Guatemala by a trading house, Ambar Trading of Khatunganj, was shown \$ 2114 per ton in April.

At the same time, two separate consignments of the same Guatemalan cardamom imported by another two trading firms-- JS Corporation and Hashem Trading-- were priced at \$ 2233 and \$ 2065 respectively.

As such, the taxation at 105 per cent on the different CRF values resulted in difference in prices of these three consignments of the same cardamom that ranged from Tk 9000 to Tk 10,000 per ton.

The price of black pepper (golmorich) in the international market varies between \$ 1400 and \$ 1600. But a consignment of black pepper imported from Indonesia and Malaysia by a firm-- Aushim

Traders-- was assessed at a price of \$ 503 per ton while another consignment of the same product of Indonesian and Malaysian origin imported by another trading firm -- Red Rose-- was assessed at a price of \$725 per ton. It made a difference in the price of the same black pepper of Tk 10,500 per ton.

Three consignments of cumin (zira) were assessed at a price of US\$ 1200 per ton though they showed a much lower CRF value of US\$ 610 per ton in last May.

Interestingly, only ten days back the same cumin of another importer was priced at \$ 593 per ton on the basis of the assessment as per the shown CRF value of \$ 593 each ton and arrangement was made for their quick delivery.

Though the China produced cinnamon (daruchini) imported by one trader-- Hashem Company-- is priced at \$ 643 per ton the same goods imported by another firm -- East West Trading-- is priced at \$

910 though the price of cinnamon in the international market is around \$ 750.

The taxation at different rates created a price difference of Tk 8500 per ton for the same goods of the two trading firms.

When asked a customs official preferring anonymity said, "We tax the spices after assessing them as per the CRF value provided by the PSI companies. So if there is a difference in the CRF values, the taxation must be different accordingly and we have nothing to do in this connection."

However, the rules of taxation have that if there is an unusual difference between the prices of the same types of imported items, the transaction value of the international market and usual price are to be considered for making assessment and taxation of the items.



PHOTO: STAR

Mahfuz Anam (sitting-right), editor and publisher of The Daily Star, and Das Deba Prasad (sitting-centre), managing director of Delta Life Insurance Co Ltd, sign Deltacare Hospitalisation Plan contract on behalf of their respective organisations at The Daily Star office yesterday. Syed Fahim Munaim (sitting-left), managing editor, Gupesh Chandra Saha, finance manager, AFM Jamaluddin, establishment manager of The Daily Star, Dr Ashraf Uddin, joint senior vice-president, and Kazi Feroze Ahmed, assistant vice president of Health Insurance Department of Delta Life Insurance Co Ltd were present on the occasion. Under the deal, The Daily Star staff and their spouses will get annual health insurance coverage of Tk 45,000 each.

# Pakistan liberalises trade policy to stimulate growth

AFP, Islamabad

Pakistan Monday announced a new trade policy to liberalise exports in a bid to boost exports and stimulate economic growth.

Trade Minister Abdul Razak Dawood said the export of petroleum products will be open to the private sector and no longer a privilege of state-owned firms.

"It has been decided to remove this restriction and make petroleum products freely exportable," the minister said in a statement reported on television and radio late Monday.

The new policy sets the export target for the current financial year ending June 2003 at 10.4 billion dollars, up 13.4 per cent from last year.

The country's imports this year are estimated at 11.1 billion dollars and the trade balance is expected to drop by 0.7 billion dollars, Dawood said.

He said the new policy was designed to develop export capacity of enterprises, enhance market access and encourage growth of a new generation of exporters.

The government would give a freight subsidy of 25 per cent for

new products made by companies whose annual exports had not exceeded more than five million dollars in any single year in the past three years.

The subsidy will apply to exports to markets in Latin America, Africa, East Europe and Oceania and to any country where Pakistan's total exports have averaged less than 10 million dollars in the past three years.

The minister also announced the scrapping of a tax on agricultural produce and licences for importing gold and silver imports. Earlier only six import licences had been issued.



PHOTO: BANK ASIA

Photo shows Syed Anisul Huq, managing director of Bank Asia, with the participants, guest speaker and senior executives of the bank at the inauguration of a ten-day training course on 'International Trade Finance' in the city on Saturday.

# South Korea indicts 51 for misusing reform funds

AFP, Seoul

South Korean prosecutors said Tuesday they had indicted 51 people for misusing or embezzling billions of dollars in state funds intended for economic reforms.

The Supreme Public Prosecutor's Office said 27 executives and officials from 10 companies and financial institutions had been arrested and indicted since an investigation into the misuse of

public funds started last December.

Twenty-four people, including former Sindongbang group chairman Shin Myoung-Soo, have been indicted without detention, while five company bosses are still wanted, it said.

Former Daewoo group chief Kim Woo-Choong has been the most wanted fugitive since the collapse of his empire forced him into exile three years ago.

Those indicted were accused of embezzling state money through

accounting fraud, manipulating books to take out illegal loans or stashing away money abroad, it said.

They were charged with diverting a total of five trillion won (4.27 billion dollars).

"They have been involved in fraudulent accounting, loan fraud and embezzlement," senior prosecutor Min Yoo-Tae told AFP, adding his team had questioned some 400 people.

## AB Bank ups dollar buying rate

AB Bank raised dollar buying rate by 0.25 taka with effect from Monday in compliance with government instructions for facilitating remittances from wage earners abroad, says a press release.

The present rate will now be Tk 57.75 per US dollar instead of Tk 57.50 per US dollar.

The exporters will receive Tk 57.50 per US dollar instead of Tk 57.2250 per US dollar against negotiation of export bills, according to the release.

## Dhaka Bank raises dollar buying rate

Dhaka Bank Limited has raised the dollar buying rates by Tk 0.25.

The new rate became effective from July 21, 2002, says a press release.

The exchange rates have been revised to help increase foreign currency inflow into the country. The increase in the conversion rate of foreign currency to Taka will significantly benefit exporters and beneficiaries of inward remittance.

The new rate for buying dollars would be up to Tk 57.6200 per dollar.

Readjustment of the rates would as well be applicable for other major foreign currencies from the same day.

## Premier Bank increases dollar buying rate

Premier Bank Limited has increased the buying rate of US dollar by Tk 0.30 for narrowing the gap between the buying and selling rates of foreign currencies, says a press release.

Buying rates of other foreign currencies also have gone up accordingly.

The readjusted rates are: Tk 57.70 per US dollar for inward remittance and Tk 57.5077 per dollar for exports.

Previously, these rates were Tk 57.4000 per dollar & Tk 57.2087 per respectively. The new rate became effective from July 23, 2002.

Though the buying rate has been increased by Tk 0.30 for exporters and remitters, selling rate for imports & outward remittances has not been increased.

However, the selling rate has been kept unchanged leaving the importers of the country unaffected.

## Court okays fund to keep WorldCom operating

REUTERS, Philadelphia

A day after filing the world's largest corporate bankruptcy, WorldCom Inc WCOME.O Monday got court approval for \$2 billion in funding to keep operating during a reorganisation that, if successful, could erase more than 75 per cent of its debt.

WorldCom, the No 2 US long-distance telephone and data services company, filed for Chapter 11 bankruptcy protection on Sunday, brought down by a \$3.85 billion accounting scandal and a mountain of junk-rated debt. The bankruptcy does not include its international operations.



PHOTO: CITIBANK NA

Finance and Planning Minister M Saifur Rahman speaks at the inauguration of a daylong workshop on 'Treasury Products and Services' organised by Citibank NA at a city hotel yesterday. Rabiul Hossain, managing director of Sonali Bank, Christopher W Webster, deputy chief of US mission in Bangladesh, and Mamun Rashid, chief executive officer of Citibank NA Bangladesh, are also seen.

# Smuggling in name of export

## Brass, bronze and zinc enter India mainly through Sona Masjid land port

UNB, Dhaka

Taking advantage of the country's tariff policy, a large quantity of brass, bronze and zinc is being smuggled into India in the name of export.

This is depriving the government of a huge amount of revenue and also pushing the local industrial units involving brass, bronze and zinc on the verge of collapse, industry sources said.

An investigation found that Sona Masjid land port in Chapainawabganj district is being used a safe route for smuggling of brass, bronze and zinc in the name of export.

Sources at the National Board of Revenue (NBR) also said 25-30

truckloads of items under these three categories pass through the land port to India every month showing those as export.

Some 30 truckloads of brass, bronze and zinc became stranded at the check post during the recent strike. In the second week of current month, BDR personnel in Rajshahi also seized trucks laden with such items.

People in industrial units involving brass, bronze and zinc said the three items come mainly from local ship-breaking industries.

The local price of per ton bronze ranges from Tk 110,000 to 125,000 while that brass from Tk 78,000 to Tk 92,000 and zinc Tk 44,000 to Tk 85,000.

But some invoices showed that per ton brass, bronze and zinc is being exported to India at US\$ 300-\$350 or about Tk 18,000 to Tk 21,000.

The owners of local metal industries wondered how brass, bronze and zinc collected from ship-breakers are exported to India at such low prices when those cost much higher locally.

They said they drew the attention of customs department as well as Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) about the malpractice of under-invoicing, but to no avail.



PHOTO: STAR

Chief Regional Financial Officer of the World Bank Eve Bosak speaks at a CPE discussion on "Challenges for the Professionals-World Bank Perspective" organised by The Institute of Chartered Accountants of Bangladesh (ICAB) in the city yesterday. (From L to R) Bangladesh Bank Governor Dr Fakhrudin Ahmed, State Minister for Energy and Mineral Resources AKM Mosharrar Hossain, ICAB President MA Baree and World Bank Country Director Frederic T Temple are also seen in the picture.

# Oil prices plunge on price war fear, Wall Street woes

AFP, London

The price of oil plunged by more than three per cent Monday on worries over a possible price war and the impact of weaker US stock markets.

Reference Brent North Sea crude for September delivery tumbled 92 cents to 2.51 dollars per barrel.

In New York, benchmark light sweet crude August futures fell 88 cents to 26.95 dollars.

Prudential Bache analyst Christopher Bellow said speculation that the Organisation of Petroleum

Exporting Countries (OPEC) may get involved in a price war with Russia, which has recently scrapped self-imposed output curbs, had hit prices.

He said a press report suggesting that Nigeria might leave OPEC in order to raise extra revenues via higher output was a further negative factor the market was having to cope with.

"I think these are the two main reasons why the market has been weakening," Bellow said.

But OPEC brushed off sugges-

tions Nigeria could bid the grouping farewell as only rumours.

"Nigeria cannot afford to leave OPEC," a source close to the organisation speaking on condition of anonymity told AFP.

According to GNI analyst Lawrence Eagles, the ongoing collapse on Wall Street offered a further explanation for the slide in oil prices, since there was a risk that weaker stock markets would hit the US economy and hence could feed through into weaker demand for oil.

# India's 6 key sectors grow by storming 5.8pc

REUTERS, New Delhi

India's six key core sectors grew a storming 5.8 per cent in June but analysts said the economic outlook hinged on monsoon rains which so far have been patchy, sparking fears of drought in parts of the country.

The figures marked a sharp improvement from last June when the infrastructure sector grew 0.8 per cent.

In the first quarter ended June, the core sector logged 5.7 per cent growth compared with 1.2 per cent in the same period last year, figures

from the Commerce and Industry Ministry showed on Monday.

"These strong numbers in infrastructure translating into overall economic recovery depend on the monsoon," said Charan Wadhwa, economist with the New Delhi-based economic think-tank Centre for Policy Research.

"I would say growth prospects hang in balance on how the monsoons play out." The core sector accounts for a quarter of India's industrial output and strong numbers are viewed as harbingers of robust industrial growth.

But India's annual southwest monsoon, which is a lifeline for the country's economy, has been erratic during the first two weeks of July after a good first spell in June.

The delay in the monsoon has raised fears of drought in some areas which analysts say could stifle economic growth.

The rains which starts in June and ends in September are crucial for the agricultural sector which accounts for 25 per cent of the country's gross domestic product and employs some 70 per cent of its billion-plus population.