

BIA hails move to reform FBCCI

Bangladesh Insurance Association (BIA) has hailed the commerce ministry efforts to reform the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), says a press release.

"We have keenly followed the recent development in the FBCCI and observed with interest the reform package prescribed by the Ministry of Commerce, and hail the sincere efforts made by the commerce minister for bringing about timely reform in the apex trade body and wish its successful implementation," said the BIA.

Peoples Ins declares 26pc dividend

Peoples Insurance Company Ltd has declared a 26 per cent dividend, says a press release.

The dividend was declared at the 17th annual general meeting of the company held in the city on Thursday.

As the chairman of the Board of Directors Mohamed Mizanur Rahman was abroad, immediate past chairman Amir Humayun Mahmud Chowdhury presided over the meeting, which was attended, among others, by Directors Md. Rahim Uddin Bhariosha, Nurul Islam Patwari, M Abu Taher, Md. Karim Uddin Bhariosha, MP, Md. Abul Bashar, Md. Shamsul Alam, Hasan Ahmed, AKM Aminul Mannan, MA Rashid, Md. Motaaher Hossain, Golam Faruk Ahmed and Md. Farhad Ahmed Akanda and Managing Director Syed Zahrul Huq.

Shareholders attending the meeting expressed their deep appreciation for earning a pre-tax profit of Tk. 36.50 million in 2001.

US services sector growth slows again

AFP, Washington

Growth in the US services sector slowed for the second month in a row in July, a survey by the Institute for Supply Management (ISM) showed Monday.

The ISM index of non-manufacturing activity slid further than expected to 53.1 points in July from 57.2 in June. Any figure above 50 points still indicates an increase in activity.

"In July, non-manufacturing business activity increased at a slower rate than in June," said the ISM survey coordinator, Ralph Kauffman.

"The reported growth represents the sixth consecutive month of expansion in non-manufacturing business activity but the second consecutive month of reduced rates of expansion."

An index reflecting growth in new orders slid to 52.6 points in July from 56.9 in June. A barometer indicating the size of the backlog of new orders slid to 43.5 in July from 49.0 in June.

The employment index rose to 45.8 from 44.3, indicating a slower contraction in job levels.

Microsoft moves to comply with anti-trust decree

AFP, San Francisco

Software giant Microsoft said Monday it has taken steps to comply with the terms of an agreement it made with US regulators to curb the company's past anti-trust behavior.

In a statement, the company said it was nearing completion of what it termed several key "milestones" toward compliance with a consent decree, an agreement reached with US anti-trust lawyers and nine states in the wake of Microsoft's conviction on charges it used its market dominance to engage in monopoly strategies to squelch competitors.

That decree has not yet been made binding by a US court hearing the anti-trust case since nine other US states have declined to opt into the decree and continue to pursue the company over anti-trust violations.

Microsoft declared in a statement it was moving ahead to complete contracts that apply uniformly to the top 20 computer manufacturers and that it was issuing updates to some of its Windows titles to allow users to remove unwanted Microsoft features.

The company also said it was going to unlock some internal source codes that would allow software from rival companies to work with Windows, which in various forms runs 95 per cent of the world's computers.

Blow in the beginning

Ambitious revenue growth target tumbles as collection falls short of goal by 9pc in July

STAR BUSINESS REPORT

The ambitious revenue growth target in the current fiscal has tumbled in the very first month as collection fell short of target by around nine per cent.

According to the National Board of Revenue (NBR), the revenue collection was Tk 1439.30 crore in July against a target of Tk 1528.40 crore.

The government has set an overall revenue growth target of 20 per cent in the current fiscal. Of the target, the government expects

about 18 per cent growth in revenue from NBR sources.

The earning at the import level faced a serious setback in July 2002 as the collection was only Tk 764.26 crore against the target of Tk 867.36 crore.

"The country's revenue earning so far was dependent on import. Statistics shows that when the import was robust the revenue increased proportionately. If import was on decline it reflected on the earning," said a NBR official.

Revenue collection from domestic activities amounted to Tk

464.03, up by Tk 37.18 crore from Tk 426.85 crore target. The earning was also Tk 125.71 crore higher than that of last fiscal's same period.

Of the total eight heads at the import, local, income tax and others, only supplementary duty at local level saw an increase of Tk 50.27 crore from the target.

Income tax collection in July amounted to Tk 193.01 crore, down by Tk 21.18 crore from the target. Tax and duties from other sources was Tk 18 crore against the target of Tk 20 crore.

The NBR collected Tk 20261 crore revenue last fiscal year against the target of Tk 20,730 crore and set Tk 23750 crore target for the FY03. Total revenue collection target for the current financial year has been fixed at Tk 33,084 crore, up by 20 per cent from last fiscal year.

NBR chairman Dr Shobeb Ahmed on June 8 at a press briefing said the target for the FY03 is achievable and not ambitious. "We have considered a moderate growth rate of 15 per cent for both income tax and VAT," he told the briefing.

Southeast Bank declares 30pc cash, 10pc stock dividends

Southeast Bank Ltd has declared 30 per cent cash and 10 per cent stock dividends for its shareholders for the year 2001, says a press release.

The declaration was made at the bank's 7th annual general meeting held on Monday at Sonargaon Hotel. The directors' report and audited accounts of the bank for the year ended on December 31, 2001 was placed before the shareholders and was approved by them.

The shareholders thanked the Board of Directors and Management of the bank for declaration of the dividends on the divisible profits of the bank.

Yussuf A. Harun, chairman of the bank, said the bank achieved a deposit of Tk 1263.02 crore and a pre-tax profit of Tk 40.22 crore as on December 31, 2001 registering a growth of 22.51 per cent and 39.99 per cent respectively.

Harun also disclosed that the half-yearly position of the bank till June 30, 2002 was satisfactory and the bank made a pre-tax profit of Tk 22.25 crore during the period.

After the AGM, an extraordinary general meeting of shareholders was held to approve the issuance of one rights shares against every two shares held.

Syed Abu Naser Bukhtear Ahmed, managing director of the bank, also spoke on the occasion.

Unemployment increases in euro zone

AFP, Brussels

Unemployment in the 12-nation euro zone increased to 8.4 per cent in June from 8.3 per cent in May, with 11.6 million people out of work, the EU's statistical office Eurostat said on Tuesday.

It said that in the 15 countries of the European Union as a whole unemployment also increased 0.1 per centage points to 7.7 per cent against 7.6 per cent a month earlier, with 13.6 million people unemployed.

Britain, Sweden and Denmark are the three EU countries not currently in the euro zone.

The figures show an increase in unemployment in the euro zone over June 2001, when eight per cent of the working population was unemployed.

Unemployment increased in June in several countries, notably Germany, France, Spain and Belgium, Eurostat said.

Spain registered the highest unemployment rate in the EU at 11.5 per cent, with Luxembourg having the lowest at 2.3 per cent.

Japan to impose new curbs on short-selling to boost stocks

AFP, Tokyo

Japan's financial watchdog said Tuesday it would introduce new restrictions on short-selling next month to help boost the battered stock market.

The Financial Services Agency (FSA) plans to implement pricing rules on short-selling using margin trades by institutions such as brokerages. The system would be similar to one in the United States.

The rules would not allow short-selling orders at prices the same or lower than a stock's market price when it is falling.

In March, the FSA implemented similar pricing regulations for institutional investors who short-sell by borrowing shares in the stock loan market, which resulted in a sharp decline in short-selling.



PHOTO: SOUTHEAST BANK

The 7th annual general meeting of Southeast Bank Limited was held in the city on Monday. Picture shows (from left) directors Syed Shahid Ali, Jusna Ara Kashem, Jalalur Rahman, Duluma Ahmed, Md. Akikur Rahman, Mohammad Abu Tayub, Azim Uddin Ahmed, Vice-Chairman Ragib Ali, Chairman Yussuf Abdullah Harun, President and Managing Director Syed Abu Naser Bukhtear Ahmed, directors Muhammad Abul Kashem, MA Ahad Mostori Miah, Rabeya Khatun Chowdhury, Rehana Rahman, Alamgir Kabir and Company Secretary AK Qureshi at the AGM.

Politics allegedly played role in business

India cancels 3,500 fuel station, gas licences

AFP, Bombay

The owners of more than 3,500 fuel stations and cooking gas agencies in India said Tuesday they were facing huge losses after Prime Minister Atal Behari Vajpayee ordered their licences be cancelled following a political scandal.

Vajpayee on Monday cancelled all fuel pump and cooking gas licenses handed out since January 2000 after the opposition and media said many were given to members of the ruling BJP party, or their friends, relatives and associates.

"There is a total confusion among the owners who are awaiting directives from the petroleum ministry as to what to do now," said

Mukund Kulkarni, secretary of the BJP in the western state of Maharashtra, who owns a fuel station in Bombay.

Kulkarni said he had invested more than 1.5 million rupees (30,000 dollars) in his station, which has been operational since June and has a daily turnover of around 35,000 rupees.

He said some owners had invested more than 10 million rupees in their fuel stations and finding new owners would be a difficult task.

"I can tell you, its not going to be easy to get this whole issue sorted out."

Some owners said total investment in the affected outlets could be more than four billion rupees, with

the average investment in a fuel station worth around two million rupees.

Despite the confusion, stations and gas agencies continued to function normally on Tuesday.

"It will take some time for a clear cut directive from the ministry, until then our business goes on," Kulkarni said.

"I believe it will take at least two weeks to a month to get the proper guidelines as the government is talking of publicly auctioning these stations. Till then we have to bear the anxiety over what happens to our investments."

In the southern state of Kerala, the local media estimated about 120 petrol stations would lose their licences.

Uruguay banks reopen after six-day closure

AFP, Montevideo

Most of Uruguay's commercial banks reopened their doors Monday, ending a six-day "bank holiday", according to a banking sector labor union, after news of a 1.5 billion-dollar US bridge loan and expressions of support from international lenders.

Banking union official Alberto Garcia said "a majority" of the banks were open for business at 10:00 am (1300 GMT), while more were scheduled to open an hour later.

The US loan and the adoption by Congress of the Banking System Stability Act, aimed at averting a default on international debt payments, were reasons behind the Central Bank's decision to reopen commercial banks.

The legislative measure adopted Sunday also allows the government to block the withdrawal by account holders of hard currency held in state banks for up to three years.

US Treasury Secretary Paul O'Neill, in Brazil on the first stop of his tour of the financially-strapped region, announced the bridge loan as an expression of US confidence that "this enhanced program will

help Uruguay address the intense external pressures it has faced in recent months."

"This confidence stems from the extraordinary actions and commitments by the Uruguayan authorities to address these pressures," he said in announcing the loan, which marks a deviation from the no-bailout stance the Bush administration has taken repeatedly in discussions of global money troubles.

The government closed banks and financial markets last Tuesday to stop the hemorrhaging of bank reserves, a symptom of the contagion of neighboring Argentina's economic crisis.

Three banks have not reopened: the Banco Montevideo-Caja Obrera, the Banco Commercial and the Banco de Credito.

The newly reopened banks could soon be shut down again, as bank union leaders threatened to strike Wednesday over potential job cuts.

Long lines formed Monday in front of cash machines.

Banks, usually only open in the afternoon, opened early in anticipation of increased demand.

KL, Jakarta move to boost palm oil exports

AFP, Jakarta

Indonesia and Malaysia on Tuesday formed a consultative group to boost crude palm oil (CPO) exports.

Indonesian Industry and Trade Minister Rini Suwandi and Malaysian Primary Industries Minister Lim Keng Yaik signed a document setting up the group during a meeting in Bali Tuesday, the state Antara news agency said.

"This cooperation is important especially for the private sector, and the government will facilitate every form of cooperation between the private sectors of the two countries," Suwandi said.

Through the group, private producers from the two countries could exchange input and advice in their efforts to overcome various trade obstacles, Lim said.

He cited various non-tariff barriers or quotas imposed by China and India on CPO from Indonesia and Malaysia.

Lim said Indonesia and Malaysia, as mere producers, were at a disadvantage because they sell a cheap commodity. The buyers reaped high added values after processing it into other products.

Three airlines move stopovers from Bangkok to S'pore

AFP, Bangkok

Three major airlines have shifted many of their international flight stopovers from Bangkok to Singapore, aviation officials said Tuesday, jeopardising Thailand's status as a regional transport hub.

Thailand's Aviation Department said it would seek answers from British Airways, Qantas and Scandinavian Airlines System (SAS) as to why they have increased flights via Singapore at the expense of its regional rival.

So far, a total of 11 flights weekly at Bangkok's international airport -- which now serves 74 international airlines -- have been dropped from the airlines' northern hemisphere summer schedules.

A senior Aviation Department official said the airlines admitted they had increased Singapore stopovers due to complicated fees charged at Bangkok Airport, and the better business traffic on Singapore-bound flights.

"I assume that their decision was more on the ticket yield than the other reason," she told AFP.



PHOTO: PEOPLES INSURANCE

The 17th annual general meeting of Peoples Insurance Company Ltd was held in the city on Thursday. Amir Humayun Mahmud Chowdhury presided over the meeting.

Indian telecom firm seeks \$90m from WorldCom

AFP, Bombay

India's largest international telecommunications operator Videsh Sanchar Nigam Ltd said Tuesday it was in talks with WorldCom to recover up to 90 million dollars from the bankrupt US telecoms giant.

The newly privatised VSNL said it had a exposure of between 2.94 billion rupees and 4.41 billion rupees (61 to 90 million dollars) to WorldCom at the end of July.

It said Worldcom, which filed for bankruptcy protection on July 21, recently paid around 3.36 billion rupees to VSNL to cover part of earlier fees.

"VSNL has been in discussions with management at WorldCom and has been monitoring WorldCom's financial situation since its financial problems were first disclosed," VSNL said in a statement.

"There can be no assurance that VSNL will be able to collect its WorldCom receivables or that VSNL

will not be adversely affected by WorldCom's financial difficulties."

WorldCom is one of VSNL's major telecoms carrier partners and the two exchanged fees for calls between India and the United States.

VSNL said its gross revenues from WorldCom were around 14 per cent of the company's total revenue in the year to March. Fees still to be received from WorldCom amounted to 37.7 per cent of total owed fees.



PHOTO: SOUTH ASIA INS

The second annual general meeting of South Asia Insurance Company Limited was held recently in the city with Ghulam Akbar Chowdhury, chairman of the company, in the chair.

Russia denies waging price war with OPEC

Rising oil exports defended

AFP, Moscow

Russia denied it was waging a price war with the powerful oil-producing cartel OPEC on Tuesday but defended its recent decision to boost exports as justified to meet growing market demand.

Energy Minister Igor Yusufov told reporters after meeting the new secretary general of the Organisation of Petroleum Exporting Countries (OPEC), Alvaro Silva Calderon, that there was no reason to fear a slide in oil prices.

"The rise in oil production in Russia as in other countries in OPEC is aimed at satisfying growing market demand," Yusufov said.

"There is no reason for concern today given the growth of the US and western European economies," he added.

Calderon for his part said he believed Moscow, the world's

second-largest oil exporter, was cooperating with OPEC to stabilise the market.

"There is no price war. No member of OPEC or non-member could imagine such a situation. Russia has supported the stabilisation of oil prices," he said.

The meeting followed criticism by OPEC of recent export increases by major rival Russia in a bid to boost its market share -- particularly of oil sales to the United States.

Russia increased exports by 150,000 barrels a day from July 1, despite OPEC's call for Moscow to limit sales in a bid to stabilize global oil prices.

The 11-member cartel, which produces over 30 per cent of the world's crude, believes world oil prices remain fragile and is concerned that a new increase in global oil supply would send prices back through the floor.

"Russia behaved in a civilized

manner in reducing exports in the first quarter. It was not an easy decision for us but we prolonged it in the second quarter," said Yusufov.

"We abandoned the move judging that there was a balance between OPEC members, non-member producers and consumers," he added.

The Russian minister stressed that Moscow would keep the situation under review and act accordingly.

Moscow decided in mid-May to progressively ease restrictions on its exports, despite a call by outgoing OPEC Secretary General Ali Rodriguez to non-OPEC producers that it was "imperative" that they maintain their ceilings.

Russia had agreed to cut its exports by 150,000 barrels per day in December in a deal to revive oil prices that had slumped sharply to 17 dollars a barrel amid global economic slowdown fears.