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Create level playing field for pvt, public housing cos

DBH MD tells press conference

STAR BUSINESS REPORT

A leading private housing finance company yesterday urged the government to create a level playing field for both the private and public sector companies.

"The government should either subsidise the private sector housing finance companies or stop giving subsidy to the state-run Housing Building Finance Corporation (HBFC) to ensure a level playing field," QM Shariful Ala, managing director of Delta Brac Housing Corporation (DBH), told reporters at a press conference at a local hotel.

The MD identified high bank interest rate, higher yield in savings certificate as barriers hindering the development of private housing finance companies and demanded that the government introduce a system for providing fund at low interest rate.

Disclosing a study on "The Future Growth of Real Estate Sector in Bangladesh", he said the country has a projected market of 1.25 lakh apartments in the capital Dhaka alone.

"But due to the discrepancy it would be difficult for the private sector to fulfil such projection," Ala said.

He said urban population is likely to reach 31 per cent of the total population by the year 2010, from the current level of 25 per cent. "As a result, expectation from the private operators would be tremendous to cater to such growing demand."

Dhaka is the fastest growing urban area in the country with over 10 million people, 70 per cent of the residents in Dhaka live in rented accommodation, which indicates there are serious scarcity of self-owned dwelling units, Ala said.

He identified high cost of land and high transfer fees as the barriers to development of the country's real estate sector.

He, however, said the government recently lowered the transfer fees to 13.5 per cent from 30 per cent previously. "But some new criteria have been hindering the transfer process of land and apartments."

Quoting the study, Ala said until recently most of the developers were focusing on the top end of the market, apartments of 2,000 sft to 3,000 sft sizes, catering to the very rich people.

However, this rich segment has got saturated and some of the developers are now building smaller apartments from 1,000 sft to 1,500 sft, costing between Tk 12,00,000 and Tk 25, 00,000.

He said Dhaka has one of the most expensive real estate markets in the developing world with the house price to income ratio in Dhaka estimating at 16.7 times in 1998, compared to 7.7 times in India and 7.2 times in Malaysia.

Because of such high price of the property, buying an apartment at the current price levels in the market remains a dream for an average middle-income customer, earning average Tk 18,000-20,000 per month.

At present, about 200-250 developers are building projects in different parts of Dhaka city. Out of them, 78 developers are enlisted members of the Real Estate & Housing Association of Bangladesh (REHAB).

The study revealed that per capita GDP (gross domestic product) in Bangladesh is comparable to that of the neighbouring countries in the region, namely India and Sri Lanka.

The study conducted by Monitor Group, an internationally acclaimed survey group, was presented by Istiaq H. Chowdhury, head of Operations of DBH. A. Farjad Ahmed, head of Credit and Business Development, and S.H Aslam Habib, head Resources & Company Secretary, among others, attended the function.

Taiwan probes Microsoft

Unfair competition charges

AFP, *Taipei*

Taiwan has launched an investigation into Microsoft for alleged unfair competition practice here, a report said Tuesday.

The Fair Trade Commission formed a taskforce in May to probe allegations Microsoft had abused its software dominance to manipulate prices in Taiwan, the United Daily News said.

The FTC planned to question representatives from Microsoft's headquarters in the United States after having talked to its branch operations in Taiwan and Singapore, the paper said.

Commission officials confirmed investigations were underway but declined to elaborate.

The newspaper said corporate clients in Taiwan buying Microsoft software are required to sign contracts with Microsoft's Singapore office while its local agents provide clients with authorisation codes to use the products.

Microsoft's Singapore office also barred Taiwanese clients from switching local agents without its approval if they wanted to buy additional Microsoft products.

The restrictions might involve unfair competition practice and violate Taiwan's fair trade law, the paper said.

Microsoft's Taiwan spokeswoman Cheng Wen-yen denied the accusations, saying that "local corporate clients are allowed to change their agents here after notifying Microsoft."

Lawmakers from the opposition People First Party had charged Microsoft with overcharging Taiwanese customers for its operating systems.

They also demanded the justice ministry halt a crackdown on pirated computer software, mostly from Microsoft products, before the FTC completed the investigation in November.

The ministry in May launched a drive against unauthorised software to safeguard intellectual property rights.

Justice Minister Chen Ting-nan has warned action would be taken against the business and government operations which were found using pirated software.

Nine US states are holding out for tougher penalties against Microsoft's alleged market abuses after Microsoft and the US Justice Department late last year agreed to settle their anti-trust dispute.

Holcim re-issued BSTI certificate

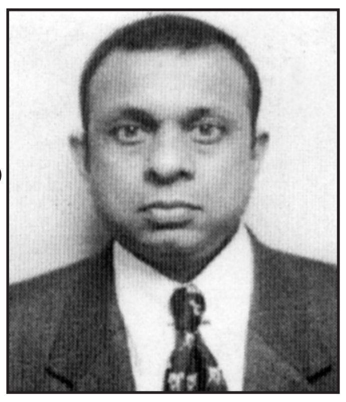
Holcim, country's leading ISO 9002 certified cement company, has been re-issued BSTI certificate recently, says a press release.

Holcim had BSTI certificate even when it was known as Hyundai Cement Bangladesh Ltd.

The renewed BSTI CM license for Holcim is under process now. Both BSTI and Holcim are working on this issue.

Holcim cement was used in many constructions in the country including Jamuna bridge and Syedabad Water Treatment Plant.

Citibank regional treasury capital markets head in city



Vijayan Subramani, head of Treasury Capital Markets for Citibank in South Asia, is in the city on a three-day visit to Bangladesh, says a press release.

He mainly heads the Treasury Capital Markets Group for providing trading and risk management solutions to the clients that include major corporations and investors in the region.

During his visit, Vijayan will meet regulators and important clients of the bank.

He would also review Citibank's treasury business in Bangladesh as well as its opportunities for new products and the growth areas.

WorldCom's Asia business as usual, say executives

AFP, *Singapore*

It is business as usual for the Asian operations of bankrupt US-based telecommunications company WorldCom, its top regional executive said in remarks published Tuesday.

The firm, under investigation for misrepresenting earnings, has not lost any client in the major markets of Taiwan and Hong Kong since June when the irregularities were exposed, WorldCom Asia-Pacific managing director Mark Russel told the Straits Times.

Russell said WorldCom's operations in Asia were "business as usual".

"For us here in Asia-Pacific and specifically for our business in Singapore, our business hasn't changed... We are functioning in the same way we did last month, last quarter, last year," Russel said.

The firm's general manager for Singapore David Rich said WorldCom remained strong in the city-state.

"There are something like 400 multinational companies with regional headquarters in Singapore. We serve at least half of those as customers," Rich said.

"We have lost no major corporate customers during our current situation," he said.

Both Rich and Russell said WorldCom's Asian operations should post "double digit" growth in revenues this year, the report said.

The company, which has filed for Chapter 11 bankuptcy protection in the US, employs 2,000 people in 10 Asian markets where it operates, carrying voice and Internet data.

"Chapter 11 is not the end of anything. It is a period of restructuring. It is a period of protection... and that is relevant only to the US entities that have entered into Chapter 11," Russell said.

WorldCom shook financial markets in June when it admitted to 3.8-billion-dollar accounting "irregularities" by presenting its current expenses as capital outlays and thus boosting its balance sheet.

Earlier this month, the scandal surrounding the firm took a dramatic turn after it admitted discovering an additional 3.3 billion dollars in improperly reported earnings.

The announcement brought to 7.1 billion dollars the total earnings misreported by the once high-flying Clinton, Mississippi-based telecommunications company.

JU Business Admn Deptt holds dialogue

The Department of Business Administration of Jahangirnagar University on Monday held a dialogue titled "Meet the Leader" for its students, says a press release.

The dialogue was a series of a programme where students meet successful entrepreneurs.

In the first meeting, the Department of Business Administration invited Managing Director of Texas Group Limited Syed Farhad Ahmed.

Ahmed made a deliberation on his organisation and business life in today's competitive edge. The students of Bachelor of Business Administration (BBA) and Master of Business Administration (MBA) also took part in the discussion.

As the JU Business Administration Department, does not have Internet facilities, Ahmed offered the authorities the services free of cost from his business organisation.

Global Online Services Limited (GOSL), a sister concern of Texas Group, will provide Internet connectivity to the university soon.

PHOTO: SHAHJALAL BANK

The 3rd meeting of the Shariah Council of Shahjalal Bank Limited (SBL) was held at the Board Room of the bank on Saturday. Professor Dr Mustafizur Rahman, chairman of Shariah Council of the bank and vice-chancellor of Islamic University of Kushtia, presided over the meeting. The meeting discussed various issues relating to banking based on Shariah. Chairman of the Board of SBL Sajjatuz Jumma, Adviser of the bank Ashfaque U Chowdhury, directors of SBL, Managing Director of SBL Matin Uddin Ahmed and other members of the Shariah Council are seen in the picture.

S'pore to open hotel management school next year

Singapore will open a hotel management school next year, says a press release.

To be called the International Hotel Management School (HMS International), it will offer post-graduate and executive development courses in hospitality education.

This landmark development is a joint initiative by the Singapore Tourism Board (STB) and Raffles International Ltd. Other initial founding partners in this educational consortium include Far East Organisation, Pontiac Land, HPL Leisure Holdings Pte Ltd and Millenninm & Copthorne Hotels PLC.

HMS International will be chaired by Jennie Chua, President and Chief Operating Officer of Raffles International Ltd.

At present, there are no dedicated tertiary institutions for hospitality management education. The Tourism 21 plan has identified the need for Singapore to develop a world class workforce for the industry to realise its goal of becoming a tourism capital.

The aim is to develop tourism education as a key component of Singapore's vision to become an education services hub and a tourism hub. HMS International forms part of this larger effort.

PHOTO: CEMS

Conference and Exhibition Management Services (CEMS) Managing Director Meherun N Islam (left) speaks at a press conference organised at a city hotel on Monday on the occasion of CEMS-sponsored three-day 3rd Tex-Tech International 2002 beginning on Friday at the Pan Pacific Sonargaon Hotel. Twenty-Two local and foreign garment machinery and accessories manufacturing companies will take part in the exhibition.

Central Ins holds managers' meeting

The managers meeting of the Central Insurance Company Ltd was held at its head office in the city recently, says a press release.

Md. Nurun Newaz, chairman of the Board of Directors of the company presided over the meeting.

The meeting dwelt on the activities of the company with a focus on the future business policies and growth.

Speaking on the occasion, the chairman urged the managers and executives of the company to put in their best efforts to counter daunting challenges lying ahead and stay competitive in the market.

MA Ali Bhuiyan, managing director of the company, also spoke on the occasion.

The meeting was attended by managers of branches and executives of the head office of the company.

Malaysia securities watchdog threatens to delist 100 firms

Companies have to submit restructuring proposals by August 31

AFP, *Kuala Lumpur*

Malaysia's Securities Commission has warned it will delist some 100 financially troubled firms if they fail to show signs of restructuring their debts, reports said Tuesday.

The companies have until August 31 to submit their restructuring proposals and get them approved in four months for implementation, the commission's chairman Ali Abdul Kadir was quoted as saying by The Star.

"There are some who think we will not enforce the deadline as there are (some) 100 of them and therefore, there could be an impact on the market if they are delisted," Ali said.

"I think they will be surprised. We are not prepared to wait any longer... the axe will fall on August 31."

Ali said the value of the shares of these companies had dropped sharply since they were classified under Practice Note 4 (PN4) as distressed, insolvent and not income-generating.

As such, he said there would be little impact on the stock exchange if these firms were delisted.

"All the investors who cannot stand the heat have moved out of the kitchen, and those who are prepared to face the risk have been given dual warnings," he said.

"Of the 99 companies that are classified under PN4, we are hopeful that at least half of them will be restructured."

Ali said the move would support a drive to boost quality in the bourse and to build up the current market capitalisation of 500 billion ringgit (132 million dollars).

"We want to have more billion-ringgit capitalised companies, maybe 50 of them in 10 years' time and more than 20 in the 10 billion ringgit league as this will generate breadth and depth in the market," he added.

The New Straits Times said since PN4 came into effect in February last year, only 11 of the 99 companies have successfully sorted their finances.

Of the total, 58 have been suspended and others were trading under restrictions, the newspaper said.

Many Malaysian companies, recovering from the country's 1998 recession, were hit last year by a fresh economic slowdown.

But the economy has shown signs of recovery this year, with the government predicting growth of 3.5 per cent after an anaemic 0.4 per cent rise in 2001.

Malaysia's Corporate Debt Restructuring Committee, set up in 1998 to mediate debt disputes, closed shop last month after resolving 57 accounts with a total debt of 45.8 billion ringgit but it said 9.3 billion of problem debts remained outstanding.

Bush won't tap US oil stockpile

AFP, *Crawford, Texas*

US President George W. Bush has no plans to tap the US emergency oil stockpile but wants Congress to approve his energy blueprint because markets may face "risks ahead," the White House said Monday.

Bush "would be very disappointed if Congress momentarily reacted to the calm that has been part of the energy markets for the last year, and did nothing. That would be a big disappointment," said White House spokesman Ari Fleischer.

Fleischer, speaking as the president enjoyed a month-long "working vacation" at his ranch here, noted that energy prices were "in between" spikes and troughs but warned: "It's not a period of calm for the Congress to do nothing."

"It's a warning that there could be risks ahead in the markets, and that Congress needs to act to protect the American people," the spokesman told reporters.

Asked whether Bush meant to tap the US Strategic Petroleum Reserve, Fleischer replied: "No. The reserves are meant for times of emergency."

In early August, US Energy Secretary Spencer Abraham said that the United States was stockpiling crude oil as part of efforts to beef up its national security, though not in preparation for any specific event -- such as possible military action against Iraq.

Iraq holds large oil reserves, but its exports are restricted under UN-supervised sanctions imposed on Baghdad after its 1990 invasion of Kuwait.

But dealers worry that an invasion of Iraq could destabilize the region and lead to stoppages to Middle East oil supplies.

Islami Commercial Ins Board meets

The 30th meeting of the Board of Directors of Islami Commercial Insurance Co. Ltd was held recently at the Board room of the company with its Chairman M Kamaluddin Chowdhury in the chair, says a press release.

The Board discussed different policies and operational issues regarding business of the company and expressed satisfaction over the achievement in the first 6 (six) months of the year 2002.

US oil firms cut imports from Iraq drastically

AFP, *Washington*

US oil companies since April have slashed oil imports from Iraq by 80-90 per cent because of Baghdad's demand for kickbacks and cumbersome UN oil purchasing procedures, the Washington Post said Tuesday.

The cutbacks, from one million barrels a day to between 100,000 and 200,000, equals about 20 million dollars a day and has cut into Iraqi President Saddam Hussein's ability to siphon money from UN-supervised oil-for-food program, UN and US officials told the daily.

The United States normally gets eight per cent of its imported supply of crude oil from Iraq.

The reduction of Iraqi oil imports could also respond to a desire to locate alternative sources of crude in the event of a US attack on Iraq, the officials said.

"If you think that within the next eight months this significant source of crude oil may suddenly be out of reach, you will want to develop alternative sources," said James Placke, a former US diplomat and specialist on the Iraqi oil industry.

Qwest to sell directory business

AFP, *Washington*

Embattled telecommunications company Qwest Communications has agreed to sell its directories business to LBO Group, a consortium led by investment banker Carlyle and Welsh Carson, for 7.05 billion dollars, the Wall Street Journal reported Monday in its online edition.

Qwest, which is seeking to reduce its massive debt estimated at 25 billion dollars, had hoped to get 10 billion dollars for the business, the newspaper reported.

The company revealed last month it improperly accounted for 1.16 billion dollars in revenues from 1999 to 2001, sparking a Securities and Exchange Commission investigation.

Earlier, Qwest said it is unable to file a quarterly report due Monday with the SEC because of uncertainty about a possible restatement of recent earnings periods.

Aid to poor in decline for decade

AFP, *Paris*

Overseas development aid to the world's poor countries stabilised in 2001 after a steady decline for 10 years, as major donors shirked a target set by the United Nations.

The contribution by the 22 member countries of the Organisation for Economic Cooperation and Development (OECD)'s Development Assistance Committee stabilised in 2001 at 51 billion dollars (52 billion euros), 0.22 percent of the donors' gross domestic product.

That is a far cry from the objective of 0.7 percent of gross domestic product set in 1969 by the United Nations and reaffirmed by rich countries at the 1992 Earth Summit in Rio.

That aid lag will be foremost on participants' minds when they seek to tackle the Earth's worsening environment problems and help the planet's poorest at the second Earth Summit in Johannesburg from August 26-September 4.

Overseas development aid was for a long time the main source of cash for the world's poorest countries.

However, as rich countries tightened their purse strings, it has plunged from an average of 0.48 percent of gross domestic product in 1970, to 0.33 percent between 1990 and 1992, to 0.24 percent in 1999 and 0.22 percent in 2000.

The world's poorest countries felt the pinch most, as they were seen as using the donations less efficiently.

In 2001 the main donors were the United States (10.88 billion dollars, 0.11 percent of gross domestic product), Japan (9.68 billion, 0.23 percent), Germany (4.88 billion, 0.27 percent), Britain (4.66 billion, 0.32 percent), France (4.29 billion, 0.34 percent), the Netherlands (3.16 billion, 0.82 percent), Spain (1.75 billion, 0.30 percent), Denmark (1.60 billion, 1.01 percent), and Sweden (1.58 billion, 0.76 percent).

Only four countries, Denmark, the Netherlands, Norway and Sweden respected the UN target of 0.7 percent.

The decline has prompted a worried World Bank and the United Nations to call on donors to double their aid, to help meet the goal of reducing poverty by half by 2015 set at the UN's Millennium summit in September 2000.

The 15-nation European Union, which put up a total of 26 billion dollars in 2001, 0.33 percent of its gross domestic product, agreed in early 2002 to raise the level to 0.39 percent in 2006.

The United States has also stated its intention to increase its foreign aid by half to 15 billion dollars a year, against 10 billion today.

However, non governmental organisation have criticised Washington for setting conditions on the increase, like trade opening and management.

PHOTO: FBCCI

Ahsan N Amin, Bangladesh ambassador-designate to Qatar, called on Yussuf Abdullah Harun, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), at the Federation office in the city on Monday. The FBCCI chief briefed the ambassador about the possibilities of expanding trade between the two countries.