First AGM of Shahjalal Bank held

The first annual general meeting of Shahialal Bank Limited was held on Thursday at a city hotel, says a press

The meeting was presided over by the chairman of the Board of Directors of Shahjalal Bank Limited Sajjatuz Jumma. The meeting discussed various issues relating to banking policies and development of

The speakers expressed satisfaction over the overall performance of the bank. The annual report and the audited accounts-2001 were approved in the meeting.

Mitsui president. chairman may quit over bribery scandal AFP, Tokyo

The president and chairman of major Japanese trading house Mitsui and Co. are expected to resign over allegations that Mitsui employees bribed a senior Mongolian government official to secure orders for a power project financed by the

Mitsui president Shinjiro Shimizu and chairman Shigeji Ueshima will make their final decisions in conjunction with the progress of investigations over the scandal by prosecutors, Kyodo News said, citing com-

The news came about a month after two Mitsui employees were indicted for allegedly interfering in the bidding for another governmentbacked power plant project on Kunashiri Island, one of four Russian-held islands off Hokkaido Prefecture in northern Japan.

The Tokyo Public Prosecutors Office is now investigating the latest bribery case, aiming to indict the firm for violating a law banning bribery of foreign government officials, the Nihon Keizai Shimbun said. Board of Directors of Shahjalal Bank Ltd, presides over the first annual general meeting of the bank on Thursday at a

US regulator clears Phillips merger with Conoco

AFP, Washington

US antitrust authorities Friday cleared the multibillion-dollar merger of Conoco and Phillips Petroleum, creating the third largest US oil and gas firm, contingent on the sale of a number of assets.

From its Houston, Texas, headquarters, ConocoPhillips said the merger was now complete and that it created the third-largest integrated US energy company and globally, the sixth-largest publicly held energy company based on hydrocarbon reserves and produc-

The Federal Trade Commission issued a list of assets that must be sold to protect competition in light petroleum, propane, natural gas and oil refining in some cities and

"The commission's action today reflects our ongoing effort to enforce vigorously the antitrust laws in all aspects of the energy sector," FTC bureau of competition director Joe Simons said in a statement.

Conoco shares rose 2.59 per cent to 24.57 while Phillips increase two per cent to 52.58; the new firm will trade under a new symbol on

Thai current account surplus shrinks

Thailand's current account surplus shrank to 242 million dollars in July compared to a revised surplus of 511 million dollars in June, the central

bank said Friday. The Bank of Thailand said in its report of monthly indicators that there was a trade deficit of 185

million dollars in July against a surplus of 367 million dollars in the previous month Exports in July totalled 5.53 billion dollars, up 7.7 per cent year-

on-year, after rising 4.5 per cent vear-on-vear to 5.62 billion dollars in

Imports came to 5.72 billion dollars, up 11.1 per cent year-onyear, after rising 5.5 per cent yearon-year in June to 5.26 billion dol-

There was a balance of payments surplus in July of 717 million dollars, after a surplus of 1.03 billion dollars in June, the central bank

Order to recast Z group firms in interest of small investors

SEC chairman says at press conference

STAR BUSINESS REPORT

Securities and Exchange Commission (SEC) Chairman Manir Uddin Ahmad yesterday said the Commission had issued the notification for reconstitution of company boards in Z category in the interest of small shareholders

He also the notification will also work as a pressure tactic on the companies to improving their perfor-

At a press conference at the SEC boardroom, Ahmad said most of the Z group companies are incurring losses over the years and the SEC is of the view that these firms will not be able to improve their performances under the same manage-

The SEC chairman said it had ordered special audit of 12 companies under Z category and received seven complete reports. "In six cases, we found anomalies, gross negligence, forgery that caused the companies to suffer losses."

He said a balance sheet of a company is the bridge between the general shareholders and the companies. "And if such balance sheets are doctored general shareholders suffer, which shatter their confidence in the stock market."

He said the capital market watchdog, therefore, decided to bring changes in their boards in order to improve their performances.

The SEC on August 7 through a gazette notification ordered the reconstitution of the existing boards of listed companies, which remained in Z category for one year or more, to improve their perfor-

The notification said the reconstitution should be made through an extra-ordinary general meetings (EGMs) within six months and the

companies should identify specific reasons for their failures, besides identifying people responsible for the failures and take appropriate measures against them

It said the new board has to prepare specific proposals for appropriate action plans for improving the operational and financial performances with a view to running the firm profitably.

It said the chairman of the reconstituted board has to be elected from the directors, other than those from the sponsors group, in the case when holdings of the sponsors group do not exceed fifty per cent of total holdings in the company. The managing director shall be appointed on professional consider-

"In case, the issuer fails to show improved operational and financial performances of the company within twenty-four months from the

date of board reconstitution it shall take appropriate measures for dissolution of the company, including merger or winding up, as per law, after taking the shareholders' approval by holding extra-ordinary general meeting within three months of expiry of the twenty-four

But the Bangladesh Association of Publicly Listed Companies (BAPLC) decried the SEC order. The BAPLC at a meeting last week threatened to go to court against the SEC notification.

Talking on the issue, Manir Uddin Ahmad yesterday told the press conference the SEC is ready to face the challenge in court.

The SEC chairman also said he had the notification vetted from the SEC legal advisor, a former high court justice, and the immediate past attorney general.

GP profit zooms to Tk152.26cr Subscriber base increases by 143pc

MUSTAK HOSSAIN

The net profit of the country's leading cell phone operator GrameenPhone (GP) jumped to Tk 152.26 crore in 2001, thanks to 143 per cent increase in its subscriber base over the previous year.

The company on Saturday disclosed the figures in its annual report. "The net profit of the company increased to Tk 152.26 crore and the entire accumulated loss of Tk 148.10 crore was offset this year...," the report said.

The company went into making profit for the first time in 2000 and earned Tk 1.44 crore.

Talking to The Daily Star GrameenPhone Managing Director Ola Ree attributed the steep jump in net profit to increased subscriber

"GP's success in boosting net profit was the rise of subscribers through offering an efficient service at an affordable price." the MD said

He said the company is expected to record similar progress in 2002. "By the end of the year, the number of subscribers is estimated to reach one million from the present 700,000."

The company started operations in March 1997, having invested more than \$160 million out of \$460 million planned by 2003. With more than 70 per cent of Bangladesh market share, it competes with three other mobile phone operators, all in private

The average growth of the subscriber-base of GP was more than 100 per cent during last five years since its inception. The growth was over 200 per cent in 2000 and 150 per cent in 2001.

Operating revenue of the company jumped by 131 per cen to Tk 7,319,368,000 in 2001 from Tk 3.173.057.000.

GP has managed to earn the budgeted revenue from rapid growth of the subscriber base. Necessary cost control measures were put in place resulting in savings of Tk 350,000,000 on account of operational running costs.

In comparison to total revenue growth of 130 per cent, operational costs have only increased by 59 per

Bangladesh, with a population of about 13 crore, has some 690,000 fixed-line phones operated by state-owned Bandladesh Telegraph and Telephone Board B T T B)

GP is 51 per cent owned by Telenor, a public limited company in Norway, 35 per cent by Bangladesh's Grameen Telecom, 9.5 per cent by Japan's Marubeni Corporation and 4.5 per cent by Gonofone Development Corp, a New York-based development

Shahjalal Bank

Sajjatuz Jumma, Chairman of the Board of Directors of Shahjalal Bank Ltd, presides over the first annual general meeting of the bank on Thursday at a city hotel

Huge Myanmar offshore gas field near Bangladesh

An offshore gas field near Myanmar's border with Bangladesh could be significantly larger than Myanmar's other two operating fields and eventually be piped to India, a report here said.

The reserves could be more than double those found at either the Yadana or Yetagun gas fields, a report in the Myanmar Times cited South Korea's Daewoo International as saying.

There "is most likely around 13.4 to 47.3 trillion cubic feet of natural gas at the site where we are going to drill a test well in November next year," H D Lee, deputy managing director of affiliate Myanmar Daewoo, told the weekly in its edition to be published Monday.

Total assets of Saudi commercial

banks rose by 0.3 per cent in July to

132.3 billion dollars from their levels

in June, as liquidity in the domestic

market remained high, official

10 commercial banks however were

up five per cent in July over end-

2001 levels of 126 billion dollars, the

The consolidated assets of the

figures showed Sunday.

Yetagun are 6.7 and 3.2 trillion cubic feet respectively, he was quoted as

Daewoo International holds a major interest in an exploration project at the field, the report said, which plans to start seismic interpretation and geological surveys of the field off western Rakhine state in

The company reportedly signed a production-sharing contract with Myanmar's Ministry of Energy in August 2000 and in January assigned 20 per cent and 10 per cent stakes respectively to India's Oil and Natural Gas Commission and Gas Authority.

Depending on the quantity of gas found, the consortium will consider transporting the gas by ship or through a direct pipeline to India, the

Saudi bank assets surge

Money supply, which reflects the

level of cash flow in the local market.

increased by 1.43 per cent to 92.4

billion dollars in July from 91.1

billion dollars the previous month,

by 4.9 per cent since the start of the

year and by as much as 8.8 per cent

attributed to a 1.7 per cent rise in

The money supply however rose

The increase in money supply is

The issue of gas pipeline construction in Myanmar is controver-

Last week France's TotalFinaElf faced accusations that it had used forced labour in the construction of the Yadana pipeline, which carries gas from Myanmar to Thailand.

In June, a US court ruled that a lawsuit against Unocal, a partner of TotalFinaElf on the pipeline, would go ahead this month.

The suit also alleges forced labour was used to build the pipe-

Rights activists have estimated that the junta receives around 150 million dollars annually from the Yadana pipeline, cash that they allege bankrolls its.

cent rise from 34.7 billion dollars at

liquidity levels as an indicator of the

return of some Saudi funds from

abroad. Economists say some 11

billion dollars may have been repa-

triated since the September 11

Local banks' claims on the

private sector reached 55.2 billion

dollars at the end of July, a 1.3 per

Local economists see high

the end of 2001

ROK exports post 20pc rise

South Korean exports soared 20.4 per cent year-on-year to 14.16 billion dollars in August, boosted by brisk shipments in automobiles and electronic goods, officials said

The August figure followed a 19.4 per cent increase in July, and it was the first time the country's export growth rate exceeded the 20per cent mark since September 2000, said the Ministry of Commerce, Industry and Energy.

The ministry attributed the gain to a technical rebound but said exports have increased faster than expected from July.

Semiconductor exports in August surged 57.5 per cent to 1.4 billion dollars, it said. Imports in August rose 13.8 per

dollars, producing a monthly trade surplus of 1.24 billion dollars. In the first eight months to August, South Korea posted a combined trade surplus of 6.998

cent year-on-year to 12.92 billion

billion dollars, the ministry said. Eight-month exports rose 2.1 per cent year-on-year to 103.7 billion dollars while imports increased 1.8 per cent to 96.7 billion dollars, it

S'pore's huge biomedical investment vields results

AFP, Singapore

Singapore's billion-dollar development of a biomedical sciences industry has begun to pay dividends as production figures show it to be the star performer in the island's crucial manufacturing sector.

Latest data from the Economic Development Board (EDB) shows biomedical sciences output covering pharmaceuticals and medical technology -- up 60.7 per cent from January to July compared to the same period last year.

In contrast, output from the electronics industry -- the mainstay of the manufacturing sector and accounting for nearly half of its activity -- fell 3.4 per cent in the year to July.

The chemicals and engineering clusters, the other two pillars of manufacturing, grew 9.4 per cent and 1.9 per cent respectively in the first seven months of the year. Singapore has targeted biomedi-

cal sciences as a potential new growth sector, allocating more than one billion Singapore dollars (571 million US) to develop the nascent The EDB will hand out 500

million dollars a year for biomedical PhD scholarships, fellowships and exchange programmes to top overseas universities and institutes. At the same time, construction of "Biopolis" centre dedicated to

biomedical research is under way and slated to be ready by 2003, when it will house 2,000 scientists and professionals. Last year's recession.

Singapore's worst slump since independence in 1965, hastened the urgency to add another pillar to manufacturing as electronics suffered severely from the US downturn in 2001. While gross domestic product

(GDP) shrank 2.0 per cent in 2001, output from the biomedical sciences grew 3.2 per cent in the year to 6.6 billion dollars The fledgling industry now accounts for about 12.3 per cent of

the total manufacturing output, which comprises almost a quarter of GDP, and policymakers see the in poor countries. biomedical sciences' share of the pie growing in coming years.

Indian govt announces \$3b bailout for mutual fund schemes and 60 billion rupees (1.2 comprising of all net asset value-

The Indian government announced Saturday a 145-billion rupee (threebillion dollar) bailout package for the cash-strapped Unit Trust of India (UTI), the country's largest mutual fund, to enable it to repay investors in assured return schemes

The decision was taken at a meeting of the cabinet committee on economic affairs, chaired by Prime Minister Atal Behari Vajpayee in New Delhi, officials here said.

The committee estimated shortfall of 85.61 billion rupees (1.74 billion dollars) on assured income

billion dollars) for the popular US64

The US64 is the largest fund anaged by the state-owned UTI. Since the 145 billion rupees will be raised through the sale of bonds, it will not place a burden on India's widening fiscal deficit, announced

Finance Minister Jaswant Singh. The meeting also decided to split the trust into two companies, Singh

"UTI will be divided into two parts which includes old protected UTI comprising of US64... and assured return schemes, and new UTI-II

based schemes... UTI-II will be

disinvested," he said. "We will be alert and as far as UTI-II is concerned, we will run it on

professional lines," he said. As investor confidence in UTI has been eroded, the government will consider tax concessions on the US64 to provide an incentive to unit holders to remain invested, the minister told reporters after the

BUSINESS ACTION ORSUSTAINABLE DEVELOPMENT

President of the European Union and Danish Prime Minister Anders Fogh Rasmussen addresses yesterday in Sandton, the venue of the World Summit on Sustainable Development (WSSD) in Johannesburg, a meeting of Business Action for Sustainable Development. The Danish Premier is expected to give a speech in front of heads of state and government at the WSSD on today here.

Cross-border Iraqi oil trade down: MEES

AFP, Nicosia

meeting.

Iraq's cross-border oil trade with Turkey and the Gulf has been reduced to a trickle, the Middle East Economic Survey (MEES) reports in its Monday edition.

"There has been a sharp drop in the cross-border oil trade with Turkey and the Gulf since late June." the industry newsletter says.

The loss of the trade, estimated at 60,000-80,000 barrels per day, comes on top of reduced Iraqi oil exports largely due to a price dispute with the United Nations.

"Turkish authorities have in effect reduced the flow of petroleum products traffic (mainly gas oil and

fuel oil) to a trickle," MEES says. "The Turkish military authorities have enforced the shutdown to stop any extra financing of the militant Kurdish opposition group, the PKK (Kurdistan Workers' Party), as well as to reduce funds reaching Iraq's KDP (Kurdistan Democratic Party), headed by Massud Barzani, who is challenging Turkish interests and

influence in northern Irag." MEES notes that Western navies in the Gulf have "effectively blocked the smuggling of Iraqi fuel oil to the lower Gulf, even of the small 300 ton

However, the Nicosia-based weekly added that Baghdad has recently stepped up cross-border oil trade with Syria through the Mosul-Aleppo rail link, which re-opened two years ago, trucks and the Iraq-Syria pipeline system which carries about 180,000 bpd of crude.

EU backs public-pvt energy partnerships in poor nations

AFP, Johannesburg

The European Union threw its weight Sunday behind publicprivate partnerships to give the world's poorest people access to electricity, an approach that green groups warned bore risks for the environment.

The EU's executive Commission unveiled what it called a "major energy partnership initiative" at the Earth Summit in Johannesburg, but offered only sketchy details about how much money it was prepared to

The goal is to use EU cash to lure private capital and know-how in a partnership with local governments

Two billion people do not have

access to adequate or affordable electricity, cutting wood or using dried dung for cooking and heating their homes, exposing themselves to health risks from indoor smoke. "The total capital and manage-

ment capacity required to meet the energy needs are far too high to be provided by donor aid alone," the Commission said.

Funds "must be complemented by bank loans and equity investments from governments and the private sector.

The focus of the initiative will be rural electrification; decentralised energy systems; increased use of renewable energy; and improving

said at a press conference. The provision of more efficient

energy efficiency, the Commission

technologies in fossil fuels -- oil, gas and coal -- comes under the partnership umbrella, but nuclear fuel technology does not, European Development Commissioner Poul Nielson told a press conference. Green sentiment is very strong in

the EU, and environmentalist pressure has crimped or rolled back nuclear energy in many of its coun-Friends of the Earth and

Greenpeace warned that the EU scheme was too vague. It was riddled with potential

loopholes that, they said, could spawn fossil-fuel projects, especially involving coal, which is a big greenhouse-gas polluter, or monster hydro-electric dams that

demand deposits to 38.9 billion monthly report of the Saudi Arabian cent increase over their June level of 54.5 billion dollars Monetary Agency (SAMA), or dollars in July compared to 38.3 central bank, said billion dollars in June, and a 12 per Experts urge KL to cut taxes

SAMA statistics showed.

compared to July last year.

to spur foreign investment AFP, Kuala Lumpur

Malaysia must slash taxes and encourage talent from overseas to boost the country's flagging foreign investment, economists urae.

The call comes as Kuala Lumpur prepares to announce new strategies to attract hi-tech multinational firms crucial for economic growth. Economic pundits say Malaysia

has to introduce attractive incentives across the board to compete with neighbouring Singapore and Hong Kong for foreign direct investments (FDIs).

Nizam Idris, regional economist with Singapore-based IDEA Global. said Kuala Lumpur must cut tax to beat off the competition.

"Corporate tax in Malavsia is way above Singapore and Hong Kong," Nizam told AFP. Corporate tax in Singapore is as

low as 16 per cent while in Malaysia it is 28 per cent. Nizam added that barriers stop-

ping the influx of foreign expertise must be reduced. The talent-base would make it viable for companies like Microsoft to consider setting up plants in Malaysia. Prime Minister Mahathir Mohamad last month said the new

strategies to bring FDIs to Malavsia would be unveiled in the 2003 budget to be tabled on September Mahathir, who is also the finance minister, said there was reason for

hopes to achieve its projected 3.5 per cent growth this year. Nizam said Malaysia could provide tax holidays and reduce taxes for expatriates to encourage

them to work in the country.

concern about the stiff competition

from other countries. Malavsia

"Malavsia can cut the taxes gradually to 20 per cent over a fivevear period since the budget deficit of four-five per cent is very high," he Malaysia, Nizam said, has to

urgently address its shortage of

skilled labour, adding that the ringgit

peg made it difficult for investors to bring in and repatriate money. "I am concerned about the quality of the workforce," he said.

AFP, Seoul