

DHAKA WEDNESDAY MAY 21, 2003

Oil prices higher in Asian trade

AFP, Singapore

Oil prices were marginally higher in Asian trade Tuesday but the gains were capped by technical factors, dealers said.

At 11:30 am (0330 GMT), the New York light sweet crude for June delivery was trading at 28.85 dollars a barrel, slightly higher than its close of 28.83 dollars a barrel in New York.

Dealers said the market was in a correction mood after recent price increases due to concerns sparked by the wave of suicide bombings in Saudi Arabia and Morocco last week.

Mahathir rules out review of currency peg

AFP, Kuala Lumpur

Prime Minister Mahathir Mohamad on Tuesday ruled out a review of Malaysia's five-year-old currency peg of 3.80 to the dollar despite the US currency's depreciation.

Malaysia's dollar income is still good although the US dollar had fallen by 30 per cent in value since 2001, he was quoted as saying by Bernama newswire.

The premier, who fixed the ringgit to the greenback as part of capital controls imposed in 1998 to pull the economy out of recession, said there was no "intention of making changes."

He was speaking at a dialogue with business leaders to discuss the national budget for 2004, normally unveiled in September.

All the capital controls apart from the peg have since been lifted after Malaysia's economy rebounded the following year.

Mahathir, who is also finance minister, has previously said Malaysia may review its peg only if the ringgit appreciates or depreciates against regional currencies and stayed there.

Microsoft to set up product support centre in India

AFP, Bangalore

Software giant Microsoft is planning to set up a global product support services centre in India's technology hub of Bangalore, a report said Tuesday.

The centre, which will employ 100 software professionals initially, is part of the 400-million-dollar investment announced by Microsoft chief Bill Gates during his visit to India last November.

"Microsoft product support services support 54 million customers globally on an annual basis," Rajiv Kaul, managing director of Microsoft India, told the Times of India daily.

"In order to continue its efforts ... Microsoft is announcing a pilot programme in Bangalore to support select Microsoft professional products," Kaul said.

About 250 additional software engineers from Microsoft partner firms such as Infosys Technologies, Wipro Limited and Tata Consultancy Services will also work with the professionals in the centre.

Kaul said Microsoft is also ramping up its development centre in the neighbouring state of Andhra Pradesh's capital Hyderabad.

Malaysia's bio-tech hub kicks off

AFP, Dengkil, Malaysia

Prime Minister Mahathir Mohamad on Tuesday launched an ambitious bio-technology hub as part of Malaysia's push towards a knowledge-based economy but analysts say it faces an uphill climb.

Mahathir, performing the groundbreaking ceremony for BioValley Malaysia, invited foreign scientists and investors to set up base there to tap the country's rich bio-diversity.

He said the government would invest 100 million ringgit (26.3 million US dollars) in the initial phase to build infrastructure and facilities, including three research institutions dealing in genomics, pharmaceuticals and agriculture.

"I do hope that foreign scientists and foreign companies will come to Malaysia and work with our scientists to ensure that we get the best out of nature's gifts to Malaysia," Mahathir said.

Leasing companies seek tax system similar to banks

STAR BUSINESS REPORT

Chairman of Bangladesh Leasing and Finance Companies Association A Quadir Chowdhury while briefing journalists yesterday.

He said leasing is seen as an alternative to conventional bank financing but leasing companies are facing uneven competition with banks due to such discriminatory policies.

Chowdhury said both banks and leasing companies are regulated by the central bank. Some banks are also in leasing business although the Bank Companies Act governs them.

"But leasing companies are not allowed any such facility, making them pay more taxes," said acting

Like banks, leasing companies have to make provisions against

outstanding lease finance (leased assets) at a rate prescribed by the Bangladesh Bank. But unlike banks, leasing companies cannot allow these deductions on tax payments as per the present income tax ordinance.

The leasing association, in a consultative meeting with the National Board of Revenue, pointed out the discrepancy in the income tax ordinance and urged the government to allow similar provisioning system for leasing companies.

Talking to the press, Chowdhury said the government should also give a legal cover to the non-banking financial institutions (NBFI) which extend syndicated lease finance since depreciation allowance due on account of a particular lessee is distributed on a pro rata basis.

Currently, there is no clear government directive on the treatment of depreciation allowances for assets, which are jointly leased out by more than one company.

He said such regulations are required to encourage syndication or consortium financing of lease projects by more than one financial institution in line with present government policy of encouraging large-scale project financing by the non-banking financial institutions.



Aktar Hussain, chairman and managing director of Rangs Electronics Ltd, MA Wazed, director of the company, and Steven, manager of Recording Media and Energy Division of Sony (Asia Pacific), are seen at the launching ceremony of Sony recording media products organised by Rangs Electronics Limited at a local hotel yesterday.

Daewoo keen to invest in transport sector

BSS, Dhaka

able public transport system.

The Daewoo president lauded Bangladesh government's initiatives to ensure environment-friendly transportation systems and express his keen interest in investing in this sector.

During the meeting, Tae Yong Lee discussed use of modern technology for ensuring sustain-

able public transport system.

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Bangladesh government's initiatives to ensure environment-friendly transportation systems and express his keen interest in investing in this sector.

The Communications Minister urged the Daewoo president to assist Bangladesh private sector

by supplying environment-friendly vehicles, including CNG double-decker buses and other light vehicles.

He also invited the Daewoo

president to invest in different sectors of transport, including automobile plant, transport industries, heavy machinery and telecommunication infrastructure development.

WB to discuss policy issues on poverty reduction

Two-day conference on development begins in India today

AFP, Bangalore

statement said.

"India and Indians have been at the forefront of research in development economics," said Michael Carter, World Bank country director for India.

"This conference will provide a valuable opportunity for local researchers to contribute to and benefit from interactions with the wider research community," he said in a statement.

Nicholas Stern, senior vice-president and chief economist of the bank, will open the conference.

The ABCDE has been held every

year in Washington since 1989 and for the past four years a similar conference was also held in Europe.

The World Bank said starting this year such conferences will now be held in a developing country.

"The change reflects the growing importance of research done in developing countries and the desire to bring the conferences closer to participants in the developing world," it said.

Other speakers include Azim Premji, chief of India's third largest software exporter, Wipro Ltd. and Rakesh Mohan, deputy governor of the central Reserve Bank of India.

Karzai meets state governors to realise customs revenue

AFP, Kabul

tive government have been severely hamstrung by the treasury's lack of money. Police officers and civil servants say they have not been paid for the past couple of months.

In a speech broadcast on television Sunday night, a visibly angry Karzai said that if there was no improvement in the next two to three months in Afghanistan's state revenue and administration, he would quit.

"I will again ask to hold the loya jirga (traditional tribal assembly) and I will explain to them that your government could not work and will also give the reason why this didn't work ... until the Afghan nation once again decides in the loya jirga and brings in another government, and that government leads the country toward betterment," he said.

"Every day the people of Afghanistan lose hope and trust in the government, every day new questions rise in their minds and these questions and hopelessness should change to hopes and success."

Karzai summoned the governors to Kabul to demand they hand over all of their customs duty revenue to the central government, saying it was broke.

Karzai said the war-shattered nation could earn more than 600 million dollars a year from customs duty and other revenue sources.

Afghanistan's working budget for the 2003-2004 financial year is 550 million dollars, of which the international community will supply 350 million dollars, leaving the country to find the other 200 million.

The president said some provinces were wealthy from duty on trade with Afghanistan's neighbours, while the state treasury lay bare and the majority of Afghans lived in poverty.

The governors of western Herat and southern Kandahar provinces allegedly earn millions of dollars from customs duty on trade with neighbouring Iran and Pakistan respectively, with little, if any, of the money being handed over to Kabul.

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tive government have been severely hamstrung by the treasury's lack of money. Police officers and civil servants say they have not been paid for the past couple of months.

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Karzai's show down with the recalcitrant and powerful governors of Afghanistan's border provinces is seen as a test of his authority as he attempts to extend the reach of his government.

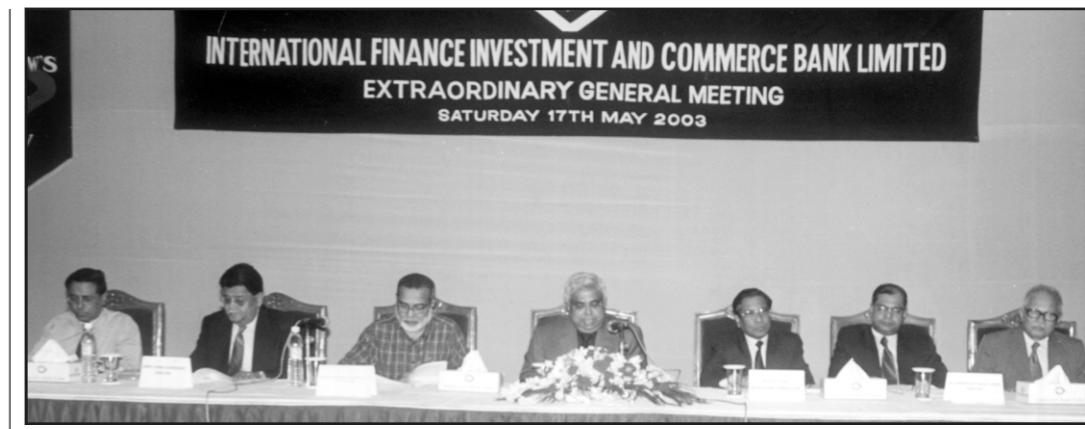
He has threatened to step down if the governors fail to hand over customs duties estimated to be worth millions of dollars to the Kabul administration.

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Shafiu Islam, director of IFIC Bank Ltd, presides over an extraordinary general meeting of the bank at BDR Darbar Hall in Dhaka on Saturday. Directors Maj Gen (Rtd) AR Khan, Abdul Hamid Chowdhury, Mohammed Delwar Husain, Chowdhury Saleh Ahmed and Managing Director Ataul Huq were present.

PHOTO: IFIC BANK

IFIC bank okays joint venture in Pakistan

International Finance Investment and Commerce Bank Limited (IFIC Bank) has approved the proposed amalgamation of the bank's two branches in Pakistan and National Development Leasing Corporation Limited (NDLC) of Pakistan.

The amalgamation will result in a joint venture bank -- NDLC-IFIC Bank Limited -- in Pakistan, where IFIC Bank will have 20 per cent equity.

The approval was given at an extraordinary general meeting of the shareholders of IFIC Bank held in Dhaka on Saturday, says a press release.

Shafiu Islam, director of the bank, presided over the meeting. Managing Director Ataul Haq, directors AR Khan, Abdul Hamid Chowdhury, Mohammed Delwar Husain, Chowdhury Saleh Ahmed were present at the EGM.

Japanese auto giant Nissan will officially set up its huge joint venture with Chinese firm Dongfeng to manufacture commercial and private vehicles in the mainland on June 1, state press said Tuesday.

The widely anticipated billion-dollar deal will see the companies finalise the largest one time investment in a Sino-foreign auto venture on that date, the Business Weekly reported, quoting a Dongfeng official.

Nissan reached an agreement last September to invest 1.3 billion dollars and take a 50 per cent stake in Dongfeng Motor Co. Ltd., which has set an ambitious target to produce 550,000 vehicles annually by 2006.

Production is due to begin in 2003.

Within a decade, the venture expects to build 900,000 units a year in central and southern China, half of which will be cars and light commercial vehicles and the rest buses and trucks.

All passenger cars made by the new company will be Nissan-branded and will be assembled at existing Dongfeng production facilities in Xiangtan, in the central province of Hunan, and in Huadu in Guangzhou, south China.

JB starts month-long loan recovery drive

Janata Bank has started a month-long drive to recover classified loans, says a press release.

The May 15-June 14 programme aims to strengthen the bank's efforts for reducing the rate of classified loans to 20 per cent by December 30 this year and ensure that no loan becomes classified again.

Declaring the period as month of recovery of classified loans, the bank is now holding workshop, seminar and fairs at different places to motivate borrowers to repay defaulted loans.

To make the drive a success, executives, officers and staff of all divisional, area, zonal offices and branches are compulsorily meeting the defaulting borrowers.

A total of 31 mobile teams comprising deputy general managers, assistant general managers and senior officers are making extensive tours throughout the country to speed up recovery of classified loans. Managing director and deputy managing directors are providing necessary guidance to the officers.

As of now, the bank has recovered 1,200 million dollars of classified loans.

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