

Feature

Banking and Finance

Bank for Expatriates and Repatriates

THE country's banking sector, still reeling from the free-style financial mismanagement. The Islamic Co-operative Bank started becoming weaker and weaker and finally its operation was suspended. Then came BCCI (Bank of Credit and Commerce International) scandal. The shockwave swept across the length and breadth of a good number of countries, including Bangladesh. The direct effect of it was felt by the depositors and the employees of this bank. Indirectly, however, it rocked the economy of Bangladesh. Next came BCI (Bangladesh Commerce and Investment Ltd). The directors of BCI went into hiding, while the managing director has been sent to detention. Irregularity and corruption has also plagued the NCL (National Credit Ltd) and Al-Baraka Bank etc.

The closure of the Islamic Commercial Co-operative Bank could not draw the attention of the public so much. The collapse of the BCCI drew the attention of the general mass. With the chaos in and closure of the BCI (Bangladesh Commerce & Investment Ltd) the broader circle of people became alarmed. With the news of free-style mismanagement, irregularity, corruption and plundering in the NCL and Al-Baraka Bank, the faith and confidence of the people in other nationalised banks were also seriously shaken. An overwhelming number of the people are losing confidence in the banking management of the country.

To add to the alarm, due to violation of the Foreign Exchange Act (1947), the country is being deprived of billions of dollars in foreign remittances every year. According to newspaper reports, a well-organised gang composed of some employees of foreign ex-

change dealing banks, trade unionists, agents of this black business and some travel agencies etc is inflicting a colossal loss to the country. In view of the above facts, question arises about the role of the Bangladesh Bank in managing and controlling the banks, insurances, foreign exchange etc. After so many financial scandals, the general manager, banking control division of Bangladesh Bank (Mr Sultan Mollah) filed a petition to the Chief Metropolitan Magistrate, Dhaka in this regard. Now the Bangladesh Bank is trying for a curative measure. Why the preventive major was not drawn at

by SA Hussain

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Unless the corruption in the banking sector can be comprehensively removed, the expatriates who are not only sending foreign exchanges to the country, rather saving food for lakhs of their countrymen and also making room for employment at home in their (expatriates) places, who balanced the trade gap of Tk 439.64 billion in the nation's critical juncture, who brought home Tk 89 crore till 1989, who are keen to eradicate the unemployment problem will not dare repose confidence in any Bangladeshi bank.

the initial stage when scandals starting with the Islamic Co-operative Bank came to light?

Hundreds of crores of taka have been advanced as loan to the parties who served the interest of the bank officials. It has now turned to be bad loans. These loans amounting crores of Taka were not approved in a single day or by a single person. Bangladesh Bank has floated the list of bank loan defaulters. What was its duty during the process of sanctioning these loans? Under the democratic government, there should be transparency and accountability in the administration. There is legitimate share of the country's poor man in each Taka of these uncollected debts/loans. A handful of corrupted bank officials are getting beefy over night, enabling the blood suckers in building their heaven on the earth. Both the

of no help. The criminals should be meted out the severest of punishment.

Unless the corruption in the banking sector can be comprehensively removed, the expatriates who are not only sending foreign exchanges to the country, rather saving food for lakhs of their countrymen and also making room for employment at home in their (expatriates) places, who balanced the trade gap of Tk 439.64 billion in the nation's critical juncture, who brought home Tk 89 crore till 1989, who are keen to eradicate the unemployment problem will not dare repose confidence in any Bangladeshi bank. The expatriates will prefer to have their deposits with foreign banks at home and abroad, as an alternative safety precaution. That will be a heavy blow to the economy of the country. To save the situation, estab-

lishment of a separate bank for this group of people deserves consideration. Both expatriates and repatriates ought to be the beneficiaries of such a bank to be preferably titled as "Expatriate-Repatriate Bank" and run by Probashi-O-Prottyagoto Kolyan Shangho. The significant fruits of establishment of such a bank will be:

1. Since (a) this bank will be run by the professional members of the Probashi-O-Prottyagoto Kolyan Shangho, Reg No Dha-02219, people involved in it with a stake of their own will utilize and exert maximum devotion, sincerity and hard labour in running their own bank. There will be hardly any scope of its getting stumbled down at any stage. Rather, it is expected to flourish by leaps and bounds.

2. For running this bank by the people of their own feather and with required qualities, the people of this community will naturally develop extraordinary attachment and confidence to and in this bank. As a result, the amount of deposit of foreign exchange with this bank will increase.

3. Through this safe and productive bank the expatriates and repatriates will be able to get rid of the redtapism and left-hand nazrana in conveniently investing in their cherished field of industry, agriculture, cooperative, trade etc.

4. Helping and encouraging through this bank the flour-

ishment of industry, agriculture, cooperative and trade, broader avenues of employment opportunities will be opened.

5. The government has declared a number of extra facilities to attract foreign investment in Bangladesh. Yet it is not possible to hold hundred percent fund of investment in Bangladesh. The expatriates and repatriates can guarantee 100 percent rolling of invested money in Bangladesh. And that is possible through this bank.

6. As per the instruction and advice of the government and the Shangho, expatriates and repatriates will deposit/transact with the "Expatriate-Repatriate Bank." Through this system it will be easier to maintain correct account of expatriates and repatriates.

7. Maintaining deposit and transaction with this bank, the people of this groups will be able to escape the trap of frauds and cheats in investing and running the productive activities.

8. In the second phase, the horizon of this bank will be expanded to cover other members of the society also for their dependable transaction/investment facilities. That will further enlarge the scope of industries, agriculture, cooperative and trade. This is another name of expanding the scope of employment and developing the socio-economic structure.

9. The operation of this bank with sincerity, devotion, hardworking of the experienced professionals will act as a model for other banks in all respects, which is the social service in another shape.

Sooner this banking project materialises, the better for these people and for the nation as a whole.

Taiwan Sets its Targets for 2000

by Stuart Arnold

IN 43 years the island of Taiwan has moved from being a largely poor agricultural-based society to become the world's 15th largest trading nation. Now it aims to reach a per capita income level of \$20,000 by the year 2000.

It is a spectacular advance since the revolution of 1949 divided the Chinese nation between the communist mainland and the nationalist republic of China that moved to Taiwan.

With western support, its 20 million population has developed an import and export trade that last year totalled \$122 billion.

Annual average growth rates in recent years have been nine per cent. This has given Taiwan a new confidence and as a result it is playing an in-

crease in the hi-tech industrial park at Hsinchu, near the capital Taipei, where a factory is turning out 100,000 personal computers a month.

Taiwan's five main industrial products are electronics, machinery, petrochemicals, textiles and foodstuffs. The country's second largest city, Kaohsiung boasts an impressive and generally profitable shipbuilding yard.

All this economic success would not have been possible without a strong Central Bank and a well-organised financial system.

Samuel Shieh has been bank governor since 1989. Largely export-oriented trade policies have left the Central Bank sitting on almost \$80 billion of foreign exchange reserves — the largest in the

ernment hopes to reach full industrialised status with a per capita income growing to \$14,000 by 1996.

The plan includes realistic macro-economic development targets in agriculture, industry and the services sector; the provision of enough resources for continued industrial growth; promoting balanced regional development; and raising the quality of life.

Industrial project will play a particularly important role, and there are plans to establish new high-technology industrial parks and industrial zones in the coastal areas.

The national distribution of service industries and the development of city centres in the larger cities are an attempt to ease the traffic congestion and will have a high priority.

One major project is a high-speed rail link between Taipei and Kaohsiung. A whole new railroad track will have to be built and the 344-kilometre system will include seven stations and cost \$16 billion. It will take eight years to build and should have a daily capacity of 190,000 passengers.

Shieh is also keen that, with its new-found wealth, Taipei should become a regional financial centre. He says: "Our objective is simply to develop a complementary centre to Singapore and Hong Kong."

He agrees certain conditions have to be fulfilled — capital, information and people must be allowed to cross freely national boundaries. Telecommunications facilities must be of good quality and reasonably priced.

"We need trained manpower not only with the trained expertise but with foreign language skills, and the back-up services of accountants, lawyers and related professions should be of a high standard."

As the country makes rapid economic strides its going internationalisation should also bring greater benefits to the island economy. Its huge foreign exchange reserves can be better utilised and more local jobs created.

New life is being injected into the Taiwan economy through dynamic technological innovations, good management and major investment in the research and development sector.

The ultimate aim of a per capita income level of \$20,000 by the end of the century remains, of course, contingent on reasonable relations with mainland China.

— Gemini News

Stuart Arnold has been an international banker for more than 20 years and now is a freelance writer and consultant and travels widely.



Samuel Shieh sitting on \$80 billion reserves

Small Tools for Big Shots

by Vandana Mandlekar

THE executive-on-the-move has arrived. Complete with his notebook computer, portable facsimile machine, portable printer, and mobile phone. He has all the information from his desktop PC bundled into that 3.2kg, A4-size contraption that fits neatly into his briefcase.

He is ready to floor you with an on-the-spot printout of the complex building design he just showed you on his notebook PC. He is even equipped to fax it to other parties while he sits in front of you, and he is going to call up his boss on the mobile phone before giving you the final quotation.

Thanks to the giant strides in computer and communication technology, today's travelling executive can virtually carry his office around — well, almost, minus the boss.

In the fast-expanding and highly competitive world of notebook computers, vendors are ever-anxious to dangle their latest, "upgraded", "advanced", first-time-ever-features-formula carrot in front of you before you've had a chance to say "notebook".

Naturally, they also try to score a point over each other by developing models with improved portability, faster and more powerful processors, VGAs with more grey scales for greater clarity (essential for the popular Windows applications), power-saving features, or by introducing pen-based computing, a unique selling proposition in itself.

Complex applications using spreadsheets, DBMS, Windows 3.0 or CAD call for high clock speeds. In order to cater to the demands of faster notebook computing, vendors have increased the clock speeds from 8 MHz, 12.5 MHz and 16 MHz to 20 MHz and even 25 MHz.

AST now boasts of a "first-ever 25 MHz notebook computer". Its Premium Exec 386-25 also combines a high-storage-capacity 80 MB hard drive (rare in notebooks) and a 4 MB RAM.

Toshiba has gone a step further with its latest T4400 model, a pathbreaker-of-sorts, by introducing the Intel 486SX CPU to the notebook world. It is combined with an 80 MB HDD and 25 MHz clock speed. Apple has gone in for 25 MHz clock speed in its powerbook 170 though the HDD is limited to 40 MB.

However, these are all top-of-the-line models, costing anything from HK \$20,800 (AST) to HK \$36,800 (Apple). Available in Hongkong since the beginning of February this year, the AST Premium Exec 386-25 has been shown to work 25 per cent faster than its 20 MHz counterparts in benchmark speed tests conducted by the company.

This model has been recommended for specialised vertical applications, spreadsheet recalculations, database analysis and CAD applications. According to Data Systems,

AST's distributors in Hongkong, the model has a "good" market and should especially attract CAD users in advertising, interior designing and product designing.

At this writing, Toshiba was due to introduce here the "first-ever notebook computer built round an Intel 486SX processor". The model also incorporates a gas plasma display, which is said to vastly improve the clarity of the screen over the standard LCD

Though desktop fax machines are also trimming down to keep notebook computers company on the road, most of the technically "portable" ones (Xerox, Ricoh, Sanyo) still weigh between 5.5kg and 6 kg and do not really lend themselves to being lugged around.

and have a faster refresh rate.

The computer retails in the US for \$5,599 (with LCD) and for \$5,899 (with gas plasma display).

But is such awesome power really needed in personal computing? Yes, maintain Chevalier (IOA) Ltd, Toshiba's distributors in Hongkong.

According to Chevalier, though the transition to 486SX notebooks is not expected to be as remarkable as the one from 286 to 386SX, its market "will see a significant growth".

And with increasing demand, Chevalier also expects the price of the 486 notebook to come down.

The T4400SX is ideal for high speed graphics requirements, math-intensive applications and powerful Windows processing. The users, according to Chevalier, could range from engineers to actuaries and graphic designers.

With all these advancements, batteries continue to be the Achilles' heel of notebook computers by contributing disproportionately to the weight (20-30 per cent of the total weight of the computer) and delivering too little (average 2-3 hours output). Batteries running out too soon and too frequently can prove irritating to the travelling executive, especially when he is already complaining about the extra battery pack that has to be lugged around too.

Notebook manufacturers are now devising ways of overcoming the hump of power management by advancements in two directions: increasing the capacity of the battery and better power management through the use of power-saving components.

The Nickel-Hydride (NiH) battery, for instance, with higher energy density than the conventional rechargeable Nickel-Cadmium (NiCd) battery is fast making its way into notebook computers.

NiCd battery, it has been incorporated by Toshiba in its T2200SX and T2000SX notebook computers. Others are opting for the 386SL chips, which save power by using fewer chips, and freeing sys-

tem resources from power management chores.

Zenith's MastersPort 386SL, Bondwell's B386SL and NCR's penbased computer, NCR 3125, use the power-saving 386SL chip. Sharp's latest PC-6700 series notebook computers, unveiled in Hongkong on March 16, also have Intel's new 32-bit 386SL microprocessor.

With Intel's VLSI (Very Large Scale Integration) microprocessor, Sharp says it

could maintain the battery power to the maximum while keeping the size to an acceptable minimum.

The "Flash ROM" facility, according to Sharp, is the "most sophisticated 4-level power management system, BIOS (Basic Input/Output System)."

Most other popular brands in the market speak of "advanced power management" techniques such as automatic shut-down of the CPU when the machine is idle and automatic display — and hard drive shut down after a user-specified period of keyboard inactivity.

When it comes to innovation and improvement, the current talk of the town is the notebook. The NCR 3125, available in Hongkong since mid-1991, is a pen-based notebook computer made lighter (1.6 kg) by the elimination of the keyboard.

The first portable computer to recognise hand written script, it translates what the user writes on a digitised screen, with a cordless pen. It has been planned to throw notes, paper forms, pencils, pocket calculators and clip-

boards out of the window by the use of a more familiar and simpler user interface.

The notepad incorporates Microsoft's Windows for Pen Computing and GO Corporation's PenPoint operating systems as well as MS-DOS. While some experts have heralded it as the beginning of a new revolution in personal computing, others dismiss the hype surrounding the notepad and are skeptical of its utility.

According to a senior exec-

utive with a computer company, "NCR's notepad is a complete misunderstanding of the requirements of executives; they type, they don't write." Typing is not a hindrance, he maintains.

While the advantages include its relatively greater appeal with the senior executives and managers unfamiliar with the keyboard, critics point out that (a) even the most advanced software translates the hand writing with only 90-95 per cent accuracy and (b) the fastest hand writing cannot match the speed of fast typing.

With the price ranging from \$47,850 to \$71,610 depending on the mass storage devices provided, a 20 MB hard disk or an 8 MB EPROM (Flash Erasable Programmable Read Only Memory) besides a fax/modem adaptor, the NCR 3125 is still beyond the reach of a significant section of the notebook market.

In a class of their own are the Apple Macintosh Powerbooks incorporating System 7, the newest version of Macintosh system software. They have built-in networking and file-sharing capabilities, a plus point with offices fast moving towards an open sys-

tem environment.

The "remote access software" also enables the user to access his office network and desktop systems from any telephone line. Apple's three Powerbook models are also notable for a built-in palm-rest and a central trackball.

The increasing popularity of Windows applications is forcing even the PC vendors to make the mouse more compact and integrate it with the keyboard, where it is easily accessible and doesn't occupy extra space outside.

Sharp in its 6700 series notebook computers has put a trackball above the keyboard. For those who only want to maintain a diary and an address book or perform low-end word-processing and spreadsheet functions, palmtops serve the purpose well.

Hewlett Packard's HP 951X released last year incorporates Lotus 1-2-3, an advanced financial calculator, a phone book, an appointment book, a memo editor, data communication software and MS-DOS 3.22 in its ROM.

Some users, however, have found the keyboard of this model too small for swift operation.

Sharp's PC-3000 is said to have scored here, with a keyboard that allows two-hands typing. A Hongkong company, ABC, also offers a 1.4kg half-A4 size palmtop called Bloom.

Though desktop fax machines are also trimming down to keep notebook computers company on the road, most of the technically "portable" ones (Xerox, Ricoh, Sanyo) still weigh between 5.5kg and 6 kg and do not really lend themselves to being lugged around.

Toshiba's latest model, TF131, has inched closer to the aim on this score with a weight of 4.9 kg. Other characteristics to look out for are the telephone-fax switching and automatic document feeding capabilities and the resolution.

Portable printers, though, seem to have come of age. Canon's one much-talked-about 2.7-kg bubble jet printer is now facing competition from the Kodak Diconix models weighing only 1.7 kg (with batteries) and the Apple Stylewriter at 2.3 kg. Kodak also offers a colour printer weighing 5.9 kg.

The cost varies with the number of facilities offered, such as different ringing tones, rapid recharge facility, electronic lock, LCD display, picking up incoming calls by pressing any key, automatic storage of numbers dialled, signal strength display, escalating call alert, size of the alphanumeric memory, one-touch memory (one-touch dialling of most frequently called numbers), "hands free" operation for drivers, theft alarm and automatic answering.

(Courtesy: Executive)



Space for a notebook — and more — in the executive briefcase.

Third World Blues Down Under

by Kalinga Seneviratne

AUSTRALIANS these days may sometimes feel like citizens of a struggling Third World country instead of belonging to a resource-rich continent of just 16 million people with an industrialised First World economy.

Their "Lucky Country", as Australians call it, is now suffering through its worst recession in 60 years.

In the last decade, Australia's debt has skyrocketed from US \$6.4 billion to US \$99.7 billion. The current account deficit in 1991 reached US \$11.3 billion.

Unable to compete with cheap imports, local manufacturers are closing shop and relocating overseas. A record unemployment level of 10 per cent is predicted to go up to 11 per cent this year.

High-flying Australian businesses are trying to pay off their debts by selling their assets to foreigners or flee the country to European tax havens, leaving their creditors high and dry.

Overcome by US and European Community (EC) farm subsidies, the farm sector is losing out to US \$757 million a year in export income. Over 1,000 Australian wheat farmers have applied for government aid to walk off their land.

At a high-powered gathering of academics in Melbourne this week, experts soundly thrashed the "economic rationalist" policies of new Prime Minister Paul Keating whom many Australians view as the architect of the recession.

As treasurer of the former Bob Hawke government, Keating was instrumental in pushing through the policies — deregulation of financial markets, slashing of industrial protection and rural subsidies — that have been blamed for the high unemployment, low investment and loss of jobs.

Thundered sociologist Michael Pusey: "Economic rationalism arrogantly assumes that economies, markets and

money can always deliver better than states, bureaucracies and the law. And so we must shut down the public sphere and forget all about national building, national goals, and public money."

Prominent feminist Eva Cox said economic rationalism had wrecked Australia's social fabric. Melbourne academic Belinda Probert called for "those right-wing thugs with economic degrees who dominate the opinion columns of

Australia is feeling down and out as it goes through the worst recession in decades. Kalinga Seneviratne of IPS reports.

leading newspapers" to be given a rest.

Both trade unions and industry now want the government to suspend its rationalist beliefs and return to government intervention in the economy. With an election due within the next 14 months, Keating is under severe pressure to do a policy U-turn.

Political economist Terry Flew of the Sydney University of technology argues the big growth in borrowing came after the 1983 deregulation of financial markets when Keating responded to a foreign exchange crisis by removing all controls.

"Most of the takeovers and speculations (in the stock exchange) that followed was funded by borrowings," Flew told IPS. "The taxation system encouraged borrowing by making all interest payments full tax-deductible. Profits made in speculating on stocks and shares were much higher than investing in productive activities."

What worries many economists is not so much the foreign debt as the current account deficit — the difference between imports and exports.

"We are losing US \$11 to US \$15 billion a year," economist Phil Riven. "We are running the country at a loss."

The problem, according to Riven, is that Australians haven't been saving enough money of their own.

"The problem started a long time ago when we stopped to be a thrifty society, when we used to save about 13 to 15 per cent of our income," he said. "Now it's only four or five per cent and most of it through super-annuation."

Despite Australia's First World status, it has not diversified its export economy away from its commodity base, analysts say.

During the last decade and a half, Australia is the only advanced country not to have achieved a large increase in the value of exports in knowledge-based industries such as computer and financial services.

According to the Sydney-based economic weekly, *The Bulletin*, this recession is different from any that Australia has had before. In other recessions, blue-collar workers lost their jobs and new entrants failed to find any. Casual and part-time workers were laid off and there were no seasonal jobs on offer.

In today's recession, the white-collar workers have been badly hit and even the government servants don't have job security anymore, the paper said.

The trade union movement is organising a series of marches and rallies to protest against public service cuts and to call upon the government to provide protection against unfair competition and introduce income security and job creation measures.

The Australian Financial Centre Committee (AFCC), a pro-business lobby group, has suggested that Australia be turned into the financial and corporate headquarters for the Western Pacific.

— IPS