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The Daily Star BUSINESS

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**HYUNDAI**

CARS THAT MAKE SENSE

Orion Infusion may be sued

By M Shamsur Rahman

The Securities and Exchange Commission (SEC) is contemplating legal action against Orion Infusion Limited for its refusal to pay fines imposed for its failure to pay dividends.

The company declared a 32 per cent cash dividend and a right share against every two holdings for Tk 100 each when its share price was Tk 263.

The dividends -- 15 per cent for 1995 and 17 per cent for 1996 -- were declared on February 3 last year.

The regulators asked for a compliance report after the company failed to disburse the dividends within 60 days from the declared date. But it failed to come up with a satisfactory answer.

The SEC later had a hearing on June 29 when the company directors committed to pay the dividends by August 15.

It also fined the company one lakh taka on August 6, to be paid within seven days failing which a Tk 10,000 penalty would be added for every single day of delay.

Orion, however, chose to file a writ in the High Court and won a stay order on the SEC decision August 12. The order was later vacated by the court following an application by SEC.

Left with no other alternatives, the company then ap-

pealed to the SEC for a waiver of the penalty in December. The SEC Board rejected the plea.

The market regulators are now thinking of filing a money suit under the "Public Demand Recovery Act" against Orion Infusion to realise an accrued amount which they say is now well above Tk 10 lakh.

The company also failed to give any statement on its rights

offer subscription, regarding which the law clearly states "every publicly traded company has to submit its half-yearly report of the company's performance within 15 days from the end of every half year to the Commission".

Said an SEC official: "The company has been told repeatedly to submit its half yearly report for us to know about the

position of the rights subscription which opened July 1 and continued till July 31".

The share price ranged between Tk 115 and 100 during the subscription period, which indicated that its rights offer might have suffered a huge under-subscription.

A rights offer document obtained by The Daily Star says: "The purpose of raising fund by rights issue is to repay a part of loans taken from banks so as to adjust these loans and to reduce interest expenses."

It also says: "The company has not appointed any underwriter to underwrite the rights issue. In case any right shares are not taken up by any shareholders, the managing director has undertaken to take up or procure subscription for such unsubscribed shares."

Orion was fined before

This is for the second time Orion Infusion is facing such a penal action from the regulators. It was the first company to face a penal action of Tk 50,000 by SEC for furnishing false information in its prospectus when it went public in 1994.

The company would require a minimum Tk 3.2 crore for settling investors' claims and another Tk 3.2 crore for its sponsors.

DSE suspends Orion, forgives Eastern Cable, seeks clarification from Excelsior

Star Business Report

The Dhaka Stock Exchange (DSE) Council yesterday temporarily suspended trading of shares of Orion Infusion Ltd with immediate effect, the bourse announced.

The suspension came after the company failed to pay a DSE-imposed fine of Tk 1,000 a day as it defaulted in disbursing dividends according to the listing rule.

Eastern Cables Ltd, which received a similar treatment for its delay in issuing bonus shares, apologised and gave undertaking to DSE that it would not default in future.

The company told DSE said it had already started distributing bonus share certificates.

Meanwhile, the DSE Council Monday asked Excelsior Shoes for a clarification by 3:00 pm Tuesday as the company failed to declare any dividend at its 1996-97 annual general meeting. The Council pointed out that the company had promised a three crore taka dividend when it floated shares.

Responding to the company's prayer, the Council extended the time till Thursday next.

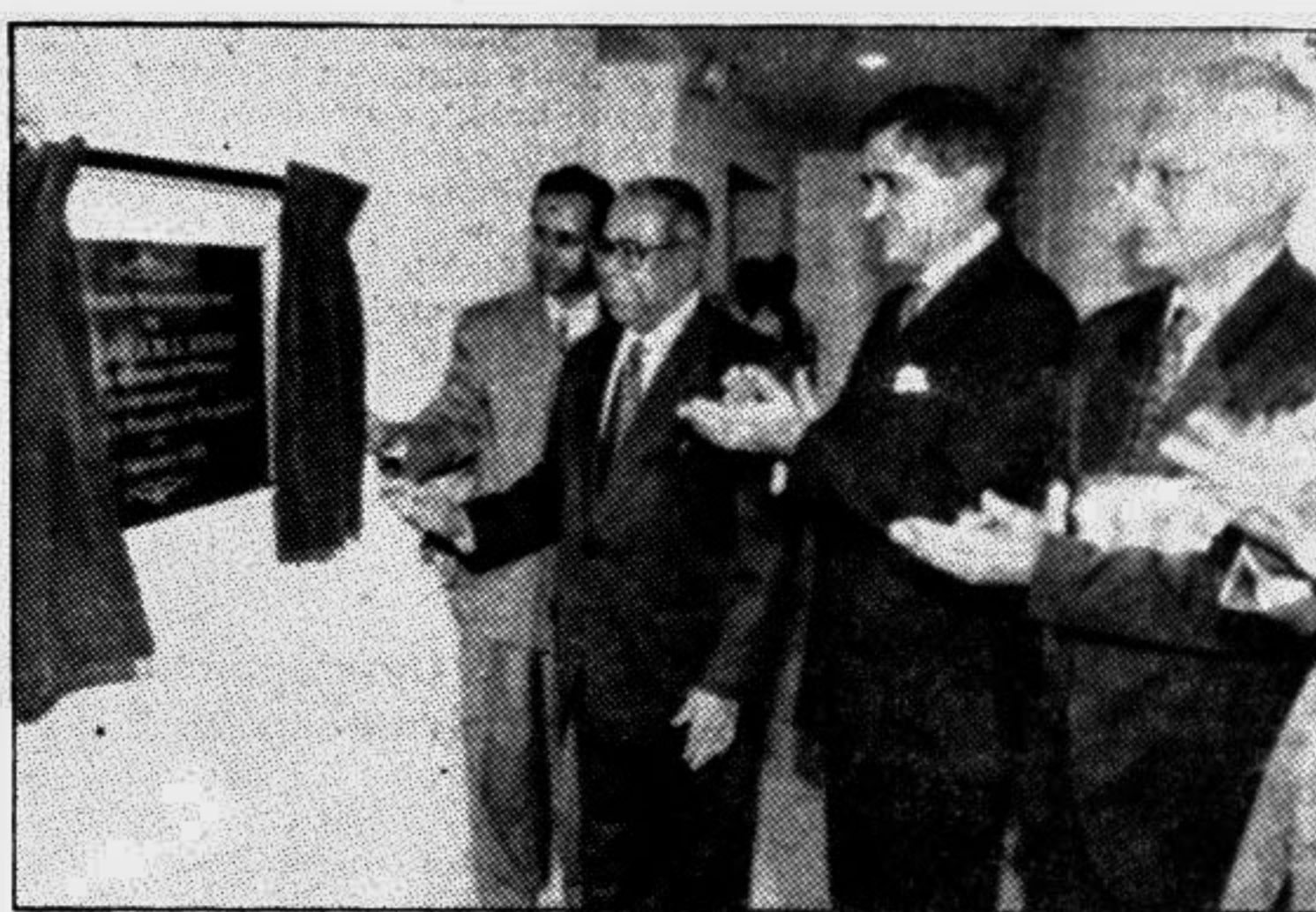
Suharto fires central bank governor

JAKARTA, Indonesia, Feb 17: President Suharto dismissed the governor of the central bank Tuesday's as Indonesia battles its worst economic crisis in 30 years and struggles to keep a lid of rising social unrest, reports AP.

A presidential decree, dated last Wednesday but announced Tuesday, ended Soedradjat Djiwandono's term as governor of Bank Indonesia.

He had served for five years. No reason for the dismissal was given.

Rumours of his imminent departure had been circulating in Jakarta for days.



Finance Minister Shah AMS Kibria inaugurating the new branch of Standard Chartered Bank at Dhanmondi in the city yesterday.

SCB opens Dhanmondi branch

Finance Minister Shah AMS Kibria has expressed the hope that foreign banks in Bangladesh would play a greater role in development efforts of the country, reports UNB.

He was addressing the opening ceremony of Standard Chartered Bank, Dhanmondi branch, as chief guest yesterday.

Governor of Bangladesh Bank Lutfar Rahman Sarkar attended the function as special guest.

Group Executive Director of Standard Chartered Bank, London, Rana Talwar and Chief Executive in Bangladesh Geoff Williams also spoke.

Experts say

FDI linked to shipping policy

Shipping leaders and experts at a seminar here have stressed the need for a national shipping policy for attracting foreign direct investment (FDI) and mobilising local capital in the development of shipping industry and port infrastructure, reports BSS.

"The shipping policy should safeguard the interest of country's shippers, exporters and importers by ensuring adequate shipping service at competitive freight rates," they told the seminar on 'Regional shipping policy' held at a city hotel yesterday.

Inaugurating the seminar the Shipping Minister A S M Abdur Rob said a 37-member national committee comprising representatives from different sectors -- industrialists, businessmen, port users, exporters, importers, chambers -- has been formed to formulate the national shipping policy.

Rob said the policy should be

clear and well-defined to ensure socio-economic emancipation of the people and boost the trade and commerce in the region.

Deputy Minister for Shipping Saber Hossain Chowdhury, Chairman of the Association of Shippers' Councils of Bangladesh, India, Pakistan and Sri Lanka (ASCOBIPS) Abdul Rasheed Jan Mohammad, Chairman of the Shippers' Council of Bangladesh M R Ali, Vice Chairman of Sri Lanka Shippers' Council R D S Wijeyaratne also spoke on the occasion.

Shipping leaders of ASCOBIPS member countries and government officials took part in the seminar and exchanged ideas to share the experiences about shipping policies of their respective countries.

The Shipping Minister said, the committee has been advised to prepare its report for the policy in such a way that it reflects a congenial economic and polit-

ical atmosphere for foreign investment with necessary legal protection, administrative reorganisation, simplification of rules and procedures and attractive incentives.

"Our shipping policy will ensure a harmonious relationship with the regional policy that will play a significant role to increase the overall economic growth of these four SAARC member countries," he said.

Rob said, "Our government has taken necessary steps for efficiently handling increasing container cargo to our two ports and the Internal Container Depot (ICD) established at Dhaka with all facilities for safe and economic carriage of containers by Bangladesh Railway between this ICD and Chittagong Port."

In view of the open market policy, the government has extended such facilities to the private sector also, he said, adding the present government has un-

dertaken a programme for setting up a most modern container terminal at Chittagong Double Mooring to handle the increased volume of container cargo.

Bangladesh policy within three months

The Shipping Minister told The Daily Star that Bangladesh would have its National Shipping Policy within next three months.

Three sub-committees working on inland, ocean going ship and port development activities will submit their reports next month, he said.

Sri Lanka's Wijeyaratne said a regional shipping policy was needed to enable the shippers to bargain with the international ship operators.

"It will also empower the users to resist any unjust charges, such as surcharge, increased freight cost etc," he told our correspondent.

SEA factors don't exist in Bangladesh, says Standard Chartered chief Protectionism is no option to ward off possible crisis

Star Business Report

Although Bangladesh cannot expect to be completely unaffected by recent financial upheavals in Southeast Asia, the impact will be gradual rather than dramatic, and indirect rather than direct, says Rana Talwar, visiting financial expert and Group Executive Director, Standard Chartered Bank, London.

"Granted, Bangladesh will be likely to lose its cost competitiveness to some extent, but this does not mean that it will not -- or cannot -- remain competitive," Talwar argues. He agrees that given its geographical proximity to the Southeast Asian regions, as well as the fact that it has a significant export-led economy to consider, Bangladesh will have to cope with the reality of a changed economic scenario in its larger neighbourhood, as it were.

But the fluctuations, the free fall of the currencies and the instability experienced in the Southeast Asian economies will not continue. Indeed, Talwar points that not only will these economies recover, but also their eventual recovery is almost a foregone conclusion for that is the nature of the business cycle.

The economy of Bangladesh is structured so differently that the recent Southeast Asian currency turmoil is highly unlikely to spread to this country, the expert adds.

Talwar, in Dhaka to attend the opening of Standard Chartered Bank's new branch in Dhanmondi, says he does not believe Bangladesh ought to be worried about a possible domino effect from the recent currency markets turmoil in Southeast Asia.

"The factors which caused the turmoil in Southeast Asia don't exist here," Talwar says. "In Southeast Asia, it all came about as the result of several factors -- willy nilly growth, credit expansion, an unregulated environment, huge speculation and the impact on the share market, real estate market, and so on. These conditions aren't relevant to Bangladesh."

Consequently, predictions of gloom and doom, so to speak, are quite exaggerated. The notion that Bangladesh is also going to be plunged into an economic crisis along the lines of the Southeast Asians is also exaggerated. Cries for protectionism which might stem from a

sense of panic have the potential to seriously damage the country's future, Talwar warns. "The global economy is mov-

ing in one direction and one direction alone -- that is towards more open markets, no barriers, and it would be a serious mistake to try to turn the tide back," Talwar explains.

His view is that irrespective of the extent or nature of pressures on individual countries, as well as the direction which the countries themselves might wish to pursue, the fact of the matter is that there is no turning back against a world-wide trend.

"If countries try to become more protectionist, they will end up becoming marginalised in the world economy," warns Talwar.

The Bangladesh economy will come under some strain, as will the entire South Asian region -- for one thing, currencies in the South Asian countries are bound to come under some pressure, according to Talwar. But he stresses that the pressure will be gradual and reaction ought to be gradual as well.

"Provided that the countries affected react without panic, as I believe they will, and bring about a gradual and managed alignment in the currencies of the region -- they will be able to deal with the negative impact fairly successfully," he says.

As for those analysts who predict that as a result of the changing economic situation, the Southeast Asian region will cease to view Bangladesh as an

investment opportunity, Talwar says they are wrong. Although these markets have become more competitive, Talwar points out that entrepreneurs with vision and ambition continue to exist, as do governments with similar characteristics -- consequently, both private and public capital will continue to explore avenues of investment in Bangladesh, he adds.

That the impact of any investment initiative depends to a great extent on the economic climate in a country is obvious, and that is why Talwar cautions against a reaction in this country along defensive lines. He feels it would be a shame for Bangladesh to opt for a protectionist policy to cope with the impact of current economic changes.

Rana Talwar believes Bangladesh has tremendous potential.

Rated as a success story among the world's emerging economies, the country ought to focus on improving and sustaining quality and standards of excellence, and it ought to pursue a realistic, tougher economic policy which would embrace the global trend of liberalisation, he says.

True, he says, the adoption of tough economic measures causes some pain, but he points out that this pain is experienced by individual cases and units. The overall impact would be, undoubtedly, to strengthen the country's economy. For developing countries like Bangladesh, it is crucial to explore and exploit all the available mechanisms to enhance its economic potential and enable it to overcome its most serious obstacles.

Talwar's bank, Standard Chartered, which celebrates 50 years in Bangladesh this year and 150 years in Bengal as well, has contributed in a significant manner to economic growth in many parts of the developing world, including Africa, the Middle East, South Asia and East Asia.

"Other banks may be seen as glamorous or flamboyant, but our core attribute at Standard Chartered is that we stand for trust," he says.

Stressing the contribution made by his bank

In Bangladesh, the bank grew significantly during the last few years, emerging as the

largest trading bank and as leaders in treasury and custody dealings.

"One major reason for our success in Bangladesh, I believe, has been the calibre of our Bangladeshi management -- it is something I have been thoroughly impressed with," Talwar says. "In fact, I am trying to explore the undoubtedly high quality of management here -- and try to see how we can learn from it and use it throughout our bank."

Talwar now wants to tap the potential of Bangladeshi professional skills for development of Standard Chartered both here and internationally, and says it has been a consistent personal objective on his part to encourage and build Asian management within the Standard Chartered family.

"We are a British bank and therefore, our cultural identity is British, but at the same time, I personally believe that we need Asian management -- from the sub-continent, from Southeast Asia and so on -- and we need to build these resources within our bank in such a way that we all benefit from them."

"And so, we'd not only, or necessarily place Bangladeshi managerial staff in Bangladesh alone, but elsewhere as well."

Standard Chartered in Bangladesh has done a great deal to train all levels of staff, especially managerial staff, says Talwar. He credits Geoff Williams, Chief Executive for Bangladesh, for leading a most effective and dynamic programme in this regard, by offering both overseas and local training opportunities to its staff.

The bank has pioneered the introduction of several new technologies for customer service. The first phone banking system, called Phonelink, and a 24-hour ATM network came from Standard Chartered, currently holding a 22 per cent share in foreign banking in the country.

"With our fifth branch opening in Dhanmondi, together with celebrations this year to mark our 50th year in Bangladesh, we feel extremely proud to be associated with the emerging economy of this country. We are proud to have grown with this country and we are confident our contribution will remain a vital part of the future of Bangladesh," Talwar says.

ADB team meets Energy Minister

A five-member delegation Asian Development Bank (ADB) team, headed by the bank's Director, Programmes Department (west), Geert Van Der Linden, yesterday called on Energy and Mineral Resources Minister Lt Gen (Retd) Mohammad Noor Uddin Khan, at his secretariat office, reports BSS.

They discussed matters relating to mutual interest with special focus on gas and power sector.

Gen Khan said the present government under the leadership of Prime Minister Sheikh Hasina has taken up many pragmatic plans and programmes for strengthening the economy of the country and improve the lot of the teaming millions.

Termining the ADB, as a vital development partner of the country, the minister expressed the hope that ADB would come up in bigger ways and support the development plans and programmes of the country.



Stephen Korte, Vice President of Business Development Bank of Canada and Consultant, Bangladesh Desk of CIDA, called on Sharif M Afzal Hossain, President, Bangladesh Chamber of Industries at its board room in the city yesterday. BCI Secretary Quazi A K Refaul Huq was also present.

CIDA consultant meets BCI chief

Stephen Korte, Vice President of Business Development Bank of Canada and Consultant, Bangladesh Desk of Canadian International Development Agency (CIDA), called on Sharif M Afzal Hossain, president, Bangladesh Chamber of Industries (BCI) at the BCI Board Room yesterday.

They discussed elaborately different commercial and industrial issues of Bangladesh.

Welcoming the CIDA representatives, the BCI president, sought Canadian cooperation in training the Bangladeshi entrepreneurs and managers.

Korte is in Bangladesh on a two-week tour to study the feasibility of giving private sector soft commercial loan.

Dwelling on the activities of his bank, Korte said they give loans to many sectors including manufacturing, infrastructure, hydro-electricity and construction. They give loan worth CD 25000 to 5 million to small and medium size enterprises. The Bank gives the loan as per approval of the CIDA, said he. BCI Secretary Quazi A K Refaul Huq discussed about BCI and its activities, the industries of Bangladesh at the beginning of the meeting.

Emirates achieves 150 int'l awards

Emirates, the international airline of the UAE and recently named Airline of the Year 1998 by Executive Travel magazine in London, has now achieved an impressive 150 international awards for its passenger and cargo services since operations began on October 25, 1985 -- a record unique in the Middle East, says a press release.

Sheikh Ahmed Bin Saeed Al Maktoum, Chairman of Emirates, said: "We are thrilled with each and every award which has been made to us. They confirm our reputation as a quality carrier, highlight our commitment to the highest service standards, and inspire us to continue to strive to provide the best for our customers."

Emirates Group Managing Director Maurice Flanagan said: "The majority of publications around the world making annual awards do so on the basis of readership polls which are then audited by an independent company. This means that most of our accolades have come from our passengers and that is highly gratifying."

BA suspends operation in Sri Lanka

COLOMBO, Feb 17: British Airways is temporarily suspending operations in Sri Lanka due to mounting financial losses, says AP.

In a statement Monday, the airline said its twice weekly flights between Colombo and London via Dubai would stop by the end of next month. The suspension was expected to last at least a year.

BA launches Prestige Plus

British Airways has launched Prestige Plus, an elite group of travel agents.

The launch ceremony was hosted by Terry Doherty, British Airways Manager Bangladesh, in the city recently, says a press release.

The Prestige Plus agents' directors and managers were present during the launch.

These agents will work together with British Airways and Qantas as partners towards business development.

The Prestige Plus agents are: American Express TRS, Ganges Travel Service, International Travel Corporation, James Finlay Plc, Salmon Overseas Ltd, The Travel Channel, Travel International Ltd, Travel Wing Ltd, Travelscene Ltd, Vantage Tours & Travels Ltd, Victory Travels Ltd, Welcome Travel Agents Ltd, and Al-Siraj Travel (Chittagong).

BIBM launches new academic programme

Star Business Report

Bangladesh needs skilled professionals for the banking and financial sector to cope with the competition triggered by globalisation. This was the view of academics and top bankers who attended the launching of a post-graduate degree programme in bank management.

They said the country required skilled bankers to fill up the blanks along with competent experts in the financial institutions under a broad reform programme, now underway.

The Bangladesh Institute of Bank Management (BIBM), which is now offering a Masters in Bank Management (MBM) programme, has developed a new course to meet a huge demand for proficient professionals in banks and financial institutions.

Professor Aminul Islam, vice chancellor of the National University, Bangladesh Bank

Governor Lutfar Rahman Sarkar, renowned economist Professor Muzaffer Ahmad spoke, among others.

The governor said the country's banking sector was badly in need of a sound financial infrastructure and skilled and competent human resources to face the challenges of the globalisation.

Aminul Islam, who attended as chief guest, said the waves of Southeast Asian economic turmoil had begun to hit Bangladesh's economy for which it would require a dynamic and sustainable banking sector to withstand a possible onslaught.

Talking to The Daily Star, Ahsan Habib, a BIBM Faculty Member, said the MBM course was designed to help the young bankers have a comprehensive understanding of financial problems and ways of dealing with them.



Nurul Alam Ataul Hoque
2 new members of BWDB

Engineer Md. Ataul Hoque and AFM Nurul Alam have been promoted to the posts of Member (Implementation) and Member (Operation and Maintenance) respectively of Bangladesh Water Development Board on Monday.

Prior to this posting, Hoque was Chief Engineer at the "Coastal Embankment Rehabilitation Project of the Board," says a press release.

Alam was Chief Engineer, Central Zone of BWDB.

Enam Chy elected UCL chairman

Enam A Chaudhury, a former civil servant, has recently been elected the chairman of the proposed Union Capital Limited.

which has taken over the Bangladesh business of erstwhile Peregrine, says a press release.



The Prestige Plus agents with local British Airways and Qantas managers and sales representatives are seen