

SANYO
COLOUR TV

NEW
Easy installation scheme

Sole Distributor in Bangladesh

Transfin Trading Limited
100, Kazi Nazrul Islam Avenue, Dhaka-1216
Tel: 813307-10, Fax: 813362

Weekend Local Plus Package
Only for YOU, Local Residents

US\$ 65+++ for single/double per night

Check-in on Thu/Fri/Sat - 2 night stay Maximum

Free Breakfast/Health Club/Swimming Pool

THE PAN PACIFIC SONARGAON Dhaka
Tel: 811005 Fax: 813324

BSRS declares 8pc dividend on its First MF

Bangladesh Shilpa Rin Sangstha (BSRS) has declared eight per cent dividend on the First BSRS Mutual Fund for the year 1997-98, reports BSS.

According to a BSRS press release, the dividend was approved at a meeting of the Board of Directors of BSRS held on Monday with Hasnat Abdul Hye, Chairman of the Board and Secretary, Local Government Division, Ministry of LGRD, and Cooperatives, in the chair.

The Board of Directors noted with appreciation that in spite of the depressed conditions prevailing in the stock market the Fund has been managed satisfactorily by BSRS and this dividend could be declared.

The board expressed gratitude to the investors for their continued support and confidence in BSRS.

The board also gave instructions to take necessary measures so that the Fund yields more profit in future.

CPA, govt hailed for withdrawal of penal rent

Shippers' Council of Bangladesh (SCB) congratulated the Chittagong Port Authority and the government for taking a timely decision to withdraw the exorbitant penal rent imposed last month for retention of empty containers as port fees beyond free time, reports BSS.

"We hope, this wise step of the government will go a long way to ease the acute shortage of empty containers at Chittagong Port," SCB Chairman M R Ali said in a press release in Dhaka yesterday.

He requested the shipping lines to reciprocate this good gesture of the government and cooperate with the shippers by bringing sufficient number of empty containers for lifting export cargo from Bangladesh.

Y2K bug fear S'pore experts advise banks to close doors

SINGAPORE, Aug 11: Computer experts in Singapore are so wary of the dreaded Y2K bug that they are counselling banks to remain closed for the first few business days of the new millennium, a newspaper reported Tuesday, says AP.

"If nothing is changed, Singapore banks will be among the first in the world to use such facilities and will take the highest risk," Andrew Lee, a computer consultant working for a major Singapore bank, told The Straits Times.

Singapore banks are scheduled to open for business on Monday, January 3, 2000.

Because of their location closer to the international date line, banks in Singapore, Australia, Hong Kong, Japan and other Asian countries will witness the calendar transition in computer systems before much of the rest of the world.

The millennium bug, in which computer systems use an antiquated two-digit format to mark the current year, threatens to disrupt important computer systems world-wide unless old software is rewritten and tested properly.

UK Law Commission secy meets ICC Bangladesh chief

Star Business Report

The Secretary of the Law Commission of England Michael Sayers recently called on the President of ICC Bangladesh Mahabur Rahman at the ICCB Secretariat in the capital, says a press release issued in city yesterday.

Sayers, who is on a visit to Bangladesh to suggest measures for organisational improvement of the country's Law Commission, discussed with the ICC President various matters relating to the present trade and commerce scenario in the country.

Mahabur Rahman emphasised the need for reforms in the country's existing law to facilitate business. He observed that the age-old laws, specially those relating to trade and commerce, were the main impediments to growth of business in this country.

"Such laws have to be more redefined to keep pace with the changed global economic scenario," he added.

Both the UK Law Commission secretary and ICC Bangladesh president agreed that the Law Commission should be developed into a strong and effective body to recommend and ensure amendments to laws suttling the need of modern time and situation.

Members of ICC Bangladesh Barrister Rokanuddin Mahmud and Manzoor Ahmed, ICCB Secretary Mohiuddin Babar and Secretary of the Law Commission of Bangladesh Kazi Habibul Awal were present at the meeting.

Kibria asks BKB to stimulate loan disbursement process

Finance Minister Shah AMS Kibria yesterday asked Bangladesh Krishi Bank (BKB) officials to stimulate the bank's loan disbursement process to promote the agriculture sector, reports BSS.

"You should increase the disbursement rate through pragmatic plans and simultaneously ensure recovery of loans," he said while inaugurating the 31st central conference of divisional general managers and regional managers of the BKB in Dhaka.

The minister said the loan disbursement target of the bank should be fixed at Tk 1250 crore this fiscal which was Tk 1000 crore in the last fiscal.

Referring to the relationship between the bankers and the clients Kibria said "relations between the bankers and the clients should be very close ... and your relations with clients would expedite the recovery of loans."

The minister underscored the need for providing extensive training to the officials of the BKB for creating skilled bankers.

He urged the officials to take all measures as per direction of the government to rehabilitate the flood-affected people across the country.

Criticising the recent hartal call by the opposition BNP, he said the party wanted to confuse the people capitalising on the miseries caused by the flood.

He urged all political parties to do fair politics for the welfare of the country's common people.



Finance Minister Shah AMS Kibria speaks at the 31st central conference of Bangladesh Krishi Bank's Divisional General Managers, Chief Regional/Regional Managers and Divisional/Regional Audit officers yesterday at BSCIC Auditorium. — Star photo

Test on millennium bug ends with flying colours

NEW YORK, Aug 11: Tests done last month to establish whether computerised trading would be disrupted by the change to the year 2000 were successful, the Security Industry Association (SIA) said yesterday, reports AFP.

The goal of the tests done on July 13-22 was to verify that trading would be done as normal during the last two days of 1999 and the first two days after business resumes following the new year January 3 and 4, 2000.

The problem has been that some computer software and hardware do not read the first two figures in the year and thus would read "2000 as 1900" and "2001" as "1901". The confusion would crash some computers, others would give skewed results and still others would refuse to go on-line after being turned off.

The test was passed with flying colours. Year 2000 problems in themselves were very few and were solved before the test actually started," Don Kittell, SIA Executive Vice-President, said at a press conference.

Just 10 per cent of transactions ran into problems, but less than one per cent were attributable to the year 2000 bug, the association said.

Twenty-eight Wall Street financial firms participated in the tests, another one is set for March 1999.

"The industry test in 1999 will be as successful only if the industry provides the same level of preparedness," he said, adding that the association was in touch with similar groups elsewhere.

"Firms in Europe because of the Euro and Asia because of the problems in that region have a little bit of a late start compared to the US but they are well past the simple awareness of the problem," said Kittell.

First Indian technology fair in Kenya this week

by Chander Mehra

NAIROBI, Aug 11: With repeated overtures from African nations that they wished to benefit from India's technological expertise, the first Indian technology fair in the continent is being organised in the Kenyan capital later this week.

The focus of the India Tech'98, scheduled from August 13 to 16, will be on engineering items in the small-scale sector, computer software, electronics and telecommunications.

"The exposition is aimed at showcasing Indian technologies and capabilities through forging alliances in the manufacturing projects, joint ventures and trade in machinery, equipment and instruments of leading Indian companies," Indian High Commissioner to Kenya Rajiv Bhatia told IANS.

"It particularly aims at presenting appropriate technology relevant to the needs of countries in the region and to sensitize the people about what corporate India has to offer in the late 1990s and the coming millennium," he said.

"India is poised to play an important role in the world economy with its GDP growing at an average of seven per cent in the past several years," Bhatia said.

He stressed that India wished to share its gains, expertise and experience with African countries.

About 70 Indian companies will participate in the exposition, among them the Projects and Equipment Corporation, Advani Gearkan, Exim Bank of India, Electrotherm, Bajaj Maschinen, Videcon International, HMT Super Cassettes and Datamatics.

— India Abroad News Service

Anti-dumping duties on cotton imports India takes EU to WTO

GENEVA, Aug 11: India has filed complaints with the World Trade Organization over anti-dumping duties imposed by the European Union on imports of unbleached cotton fabrics and cotton bed linen, reports AP.

India is claiming the EU's decisions violate WTO rules and have caused its exports of unbleached cloth to decline.

It has asked for formal consultations with the EU through the WTO. If officials from the countries fail to reach agreement within 60 days, the issue will be taken up by the WTO's dispute settlement body.

Dumping involved selling a product abroad at a price lower than in the producer's home market.

The EU imposed anti-dumping duties on imports of cotton bed linen from India last year.

In April this year, the European executive commission imposed duties for a six-month period on imports of unbleached cotton fabrics from India and five other countries — China, Egypt, Indonesia, Pakistan and Turkey.

In July, the commission proposed a five-year extension of these duties on India, China, Egypt, Indonesia and Pakistan. It said the duties on Turkish imports should be ended because they were not causing problems.

July's proposal must be approved by EU ministers by October 9. Once approved, it would go into effect immediately.

The Commission said it will urge unbleached cotton fabric producers in India, China, Egypt, Indonesia and Pakistan to respect minimum EU prices in return for exemptions from the planned five-year duties.

Business Briefs

Syria changes its exchange rate

DAMASCUS: The Central Bank has changed the official exchange rate of Syrian pounds to the dollar, Syria's state-run news agency reported Sunday. The rate had been 45 pounds to the dollar.

This is the third time the Central Bank has changed the exchange rate in less than two years. The move is aimed at unifying the exchange rate and stimulating Syrian exports.

It is also aimed at curbing black markets, the news agency quoted a Central Bank official as saying.

Jordan gets \$54.3m grant from US

AMMAN: The US government signed two grant agreements of \$54.3 million to help increase economic opportunities in Jordan, an embassy statement said.

The agreements bring the total of US grants to Jordan to \$124.8 million.

Under the first agreement, the United States would give Jordan \$50 million in cash transfers to reduce its international debt. The cash transfer is designed to support ongoing economic restructuring and reform and promoting investment, stimulating trade, creating employment and increasing income.

The second grant, totaling \$4.3 million, goes to support USAI initiatives to increase already funded economic activities, the embassy statement said.

Exports from Egypt's duty-free zone up

CAIRO: Exports from Egypt's duty free zones increased by some 7 per cent this year due to incentives and facilities provided by the government, a senior official said Monday.

Ibrahim Fawzi, head of the State Investment Authority, said the total value of exports from the zones totaled \$ 228.6 million in the first seven months ending in July, up from \$ 214 million for the same period last year.

About 12 per cent of the exports went to US markets and 11 per cent to Europe, Fawzi said in a statement.

He said the increase was due to considerable improvement in the quality of the goods and competitive prices.

Last year, some \$ 385 million worth of industrial goods were exported from the zones, while the total Egyptian exports were \$3.8 billion, only \$ 1.4 billion of which were manufactured goods. — AP reports

Indonesia creates holding company for 10 govt firms

JAKARTA, Aug 11: The Indonesian government said yesterday it had created a holding company for 10 "strategic" state-run firms as part of efforts to restructure them ahead of their eventual privatisation, says AFP.

"If these companies join together there will be more synergy," the state enterprises ministry's deputy head of communications, Sofyan Djailil, said.

He said the aim of the holding company, Pt Pakarya Industri, was to "create healthier state-run industries," according to AFP-affiliated financial news agency AFX-Asia.

A director of the new holding company, Muhammad Faisal, said Pt Pakarya will have an authorised capital of 20 trillion rupiah (1.6 billion dollars) and a paid-up capital of 7.5 trillion rupiah.

Firms to be placed under the company include Aircraft M, maker Pt Induri Pesawat Terbang Nusantara (IPTN), steel maker Pt Krakatau Steel, train maker Pt Industri Kereta API and ship builder Pt Pal Indonesia, Djailil said.

The 10 "strategic" companies possess total assets valued at about 20 trillion rupiah.

'Bank fund mobilisation a must for growth'

China plans \$ 12b investment to upgrade urban power grids

BEIJING, Aug 11: China will invest 100 billion yuan (12 billion dollars) to upgrade its urban power grids over the next three years, official media said yesterday, reports AFP.

"Improving urban grids will expand power supply capacity and enhance the quality of life of residents," Wei Guangyao, an official at the State Power Corp told the China Daily Business weekly.

State power planned to upgrade power grids in 280 large and medium-sized cities, many of which are plagued by power supply problems.

While generating capacity had expanded to meet demand for power the capacity of the urban grids to distribute it had not, the paper said.

Many urban residents complain they are unable to use electrical appliances because the power load of their local grid was too low.

The programme was expected to help boost economic growth by stimulating demand for domestic appliances like air-conditioners and electric water heaters, Wei added.

It would also help boost the domestic machinery industry, as most of the equipment needed would be sourced within China, he said.

China has a domestic generating capacity of 254 million kilowatts.

Faced with slowing economic growth since the Asian financial crisis, the government has announced plans to boost growth through government spending on infrastructure projects.

Another report says: The use of China's vast and largely idle banking reserves must be stimulated if economic growth is to be maintained, an official economist said yesterday, reports AFP.

"How to persuade financial institutions to make better use of their huge excess reserves has become a key issue concerning economic growth," Li Guobin, economist with the state information centre, told the China Daily Business weekly.

Unless they did so, China would not see the smooth expansion in money supply necessary to prevent deflation.

China announced in mid-July that its economic growth rate had slowed to seven per cent in the wake of the Asian financial crisis, well under the target of eight per cent set by the government for the year.

Retail prices showed 2.1 per cent deflation in the first six

months of 1998, compared with the same period last year.

Banks in China are required to place eight per cent of their deposits with the central bank, but such reserve deposits were often well in excess of the required proportion, Li said.

China's central bank cut interest rates on loans by an average 1.12 percentage points on July 1, in a fifth cut since May 1996.

The rate on reserve deposits now stands at 3.5 per cent, compared with 7.56 per cent for required reserves and 7.02 per cent for excess reserves.

But the move had not elicited the hoped-for response, Li said.

"Banks are concentrating on the goal of reducing their bad debt ratio by two to three percentage points annually," he said.

relevant to the needs of countries in the region and to sensitize the people about what corporate India has to offer in the late 1990s and the coming millennium," he said.

"India is poised to play an important role in the world economy with its GDP growing at an average of seven per cent in the past several years," Bhatia said.

He stressed that India wished to share its gains, expertise and experience with African countries.

About 70 Indian companies will participate in the exposition, among them the Projects and Equipment Corporation, Advani Gearkan, Exim Bank of India, Electrotherm, Bajaj Maschinen, Videcon International, HMT Super Cassettes and Datamatics.

— India Abroad News Service



Chairman of United Insurance Company Limited M Moyeedul Islam inaugurates a branch of the company at Netaji Subhash Chandra Road in Jessore recently.

Four ailing ROK insurance firms closed down

SEOUL, Aug 11: South Korean financial watchdogs today shut down four crippled insurance firms which will be merged into healthier companies under a shake-up of the troubled financial sector, officials said, reports AFP.

The four firms, deemed to be beyond salvage, were suspended from operations for three months effective Tuesday, after which time they will be folded into stronger companies in the sector, a senior Financial Supervisory Commission (FSC) official said.

A further seven life insurance companies were given a temporary reprieve, with the FSC ordering them to come up with more viable rehabilitation programmes within a month.

"The suspension means that the four companies are out of the market. They will be merged into other sounder companies, although the matching has yet to be decided," he said.

The FSC considers the companies impossible to recapitalize as they are suffering a "dire liquidity crunch with their payability ratio" — the

minimum level of capital that insurance companies should have to cover claims.

The payability ratio of the four companies has fallen below 30 per cent, while they have failed to come up with viable restructuring plans, making their liquidation "inevitable," officials said.

The FSC has turned its sights on the insurance industry after targeting ailing banks weighing down the fragile financial sector.

In June the watchdog body shut down five commercial banks and 14 merchant institutions, while putting seven others on notice to come up with reform programmes.

The four insurance firms which came under the FSC axe were Kukje Life Insurance Co. Ltd., Taeyang Life Insurance Co. Ltd., Coryo Life Insurance Co. Ltd., and BYC Life Insurance Co. Ltd.

Yonhap news agency reported that one of the suspended firms, Kukje, will likely be merged into healthier Samsung Life Insurance.

New branch of Eastland Insu opens

Star Business Report

Mohakhali Branch of Eastland Insurance Company Limited has been opened at GP Ga-19, Mohakhali School Road in the city on Tuesday.

M Azmal Hoque, Managing Director of the company inaugurated the branch.

With this the total number of branches of the company comes to 33, says a company press release.

Discussion on power sector today at FBCCI

A discussion on prevailing situation and prospect of power sector in the context of industrial and commercial needs of the country will be held at the FBCCI conference centre at Motiheel here today, reports UNB.

State Minister for Power and Energy Prof Rafiqul Islam will exchange views on the matter with the Executive Council of the FBCCI and leading businessmen and industrialists at the meeting, said a press release.

Rupali insurance declares 25 pc dividend

Star Business Report

Rupali Insurance Company Limited at its 10th annual general meeting declared a 25 per cent dividend for the year 1997.

M G Quddus, Chairman of the company, announced the dividend, said the firm in a press statement.

The meeting held at Pan Pacific Sonargaon Hotel yesterday also disclosed that the company earned a pre tax net profit of Tk 23.73 million, of which the dividend was declared after keeping a reserve of Tk 11.96 million and provision for tax of Tk 4.20 million.

Most of the directors including the company Chairman, Managing Director, Financial Consultant M Azizul Huq, Law Adviser Barrister Rokanuddin Ahmed were present at the meeting.

Among the share-holders, Iqbal Sayed Liaquat Ali, Abdul Jabbar Hawlader, Anayet Hossain Khan Abdul Alim and Shamsul Huq, spoke at the AGM and demanded transparency in the annual report so that a general share-holder can easily understand the real situation of the company.



Mahabur Rahman, President of ICC Bangladesh, welcomes Michael Sayers, UK Secretary of the Law Commission (1st from right) at the Board Room of ICCB. Members of ICCB Barrister Rokanuddin Mahmud and Manzoor Ahmed, ICCB Secretary Mohiuddin Babar and Secretary of the Law Commission of Bangladesh Kazi Habibul Awal are also seen in the picture. — ICCB photo



Chairman of Rupali Insurance Company Limited Mostafa Golam Quddus speaks at the company's 10th annual general meeting. — Rupali Ins photo