The Daily Star BUSINESS

SEC readies Draft Public Issue Rules '98

Star Business Report

The Securities and Exchange Commission (SEC) has prepared the Draft Public Issue Rules, 1998 to switch to full and adequate disclosure requirements from the present merit examination.

An SEC press release yesterday said that the new rules would enable investors to make informed decision in respect of investment in initial public offerings (IPOs).

"The SEC is keen to receive valuable and constructive suggestions and comments on the draft in writing within September 10," the release added.

Transcom launches MAYBELLINE products Sept 4

Star Business Report

Transcom Distribution Co Ltd will formally launch MAYBELLINE New York cosmetic products in Bangladesh on the 4th of September.

The launching programme will be held at Sonargaon Hotel at 4:30 pm, says a press release.

The brand is the highest selling cosmetic products in USA and is owned by L'Oreal Paris.

The L'Oreal products are also being marketed and distributed by Transcom in Bangladesh.

ROK economy marks worst quarterly performance in 18 years

SEOUL, Aug 27: South Korea's economy shrank by 6.6 per cent in the second quarter of this year, the worst quarterly performance in almost 18 years, the Bank of Korea said Thursday, reports AP.

The economy, as measured by the gross domestic product, grew by 6.6 per cent in the same period last year and contracted by 3.9 per cent in the first quarter of this year, the central bank said.

The second quarter's contraction was the worst since the economy shrank by 7.8 per cent in the fourth quarter of 1980, the bank said.

The bank attributed the contraction to weakened consumption, which led to lower production and investment, amid the worst financial crisis in years. Reduced exports caused by the recent appreciation of the Korean won were also blamed.

Private spending declined 12.9 per cent in the second quarter, compared to a 4.8 per cent increase in the same period last year, the bank said.

The manufacturing sector recorded a 10-per cent contraction, compared to 7.2 per cent growth during the same period last year, it said.

Facility investment fell 52.4 per cent, compared to a 1.8 per cent contraction last year, the bank said.

The bank predicted that the economy would contract even further in the latter half of this year.

Eight projects involving Tk 1094 cr approved

The Executive Committee of the National Economic Council (ECNEC) yesterday approved eight projects involving Tk 1094.23 crore, including project aid of Tk 222.43 crore, reports UNB.

The approval came at a meeting of the ECNEC held at NEC Bhaban with Prime Minister Sheikh Hasina in the chair.

The projects are: Pabna-Natore-Sirajganj Integrated Area Development Project (Tk 102.7 crore), Rural Development Project-22 (Tk 79.12 crore), Sylhet Division Infrastructure Development Project (Tk 71.5 crore), Social Mobilisation Project-2 (Tk 26.77 crore), Rural Livelihood Project (Tk 345 crore), UNDP-assisted Village Mobilisation Project in Kishoreganj (Tk 25.2 crore), Small-scale Flood Control, Drainage and Irrigation Project (Tk 169.78 crore) and Model Village Project (Tk 274.13 crore).

The meeting also approved a proposal for relaxing development project approval procedure for the flood affected area in order to meet urgent requirements.

It discussed in details the progress towards implementing the projects approved earlier by the ECNEC.

The Prime Minister directed the concerned ministries to speed up implementation of projects which have been making slow progress for various reasons.

She also suggested for taking up integrated area development projects to ensure balanced development in all areas of the country and called the officials to mobilise foreign aids in this regard.

The Prime Minister called for taking up river dredging projects besides the projects for flood protection.

Opening of jute purchase centres

BJMC reels under political pressure

By Rafiq Hasan

Political pressure often forces Bangladesh Jute Mills Corporation (BJMC) to open extra purchasing centres, which add to the losses in the state-owned jute mills, according to BJMC sources.

BJMC, which manages the state-owned jute mills, has only 65 permanent raw jute purchasing centres throughout the country, but every year the corporation opens more than 100 centres responding to political pressure.

According to BJMC sources, opening a centre cost around Tk 5 lakh. This year 150 buying centres would be opened throughout the country to procure raw jute. The number was higher last year as raw jute was bought from 196 government centres.

Talking to the Daily Star, BJMC chairman Abu Osman Chowdhury said that opening of extra centres caused an upward pressure on prices of raw jute, which meant the public sector mills paid an extra Tk 25-30 per maund.

Higher prices of raw jute eventually increase the production cost of jute goods. And the production cost often exceeds the export price in the international market, which is cited as one of the main reasons for incurring losses by the BJMC mills.

Abu Osman Chowdhury said the BJMC was always against opening any new purchasing centre but cannot maintain due to political pressure. "Opening a purchasing centre in an area is at times a political decision," he said.

"Basically the government asks us to open a centre considering the request of the local political leaders, particularly parliament members," he said.

Jute harvesting season has already begun, and the BJMC purchasing centres have so far bought around 2 lakh bales of raw jute, corporation sources said.

The number of purchasing centre has been reduced this year due to a prediction that the raw jute production would fall drastically because of lower prices last year.

Last year, around 60 lakh bales raw jute was produced in the country which may go down to 30 lakh bales this year. A bumper production last year took the price of raw jute down to Tk 100 per maund last year in some places like greater Rangpur and Dinajpur districts.

According to jute ministry sources, total losses of 33 jute and other mills under BJMC reached as high as Tk 2316 crore till June 30, 1997.

A new jute policy which is being proposed suggests gradual privatisation of these loss-making industries to get rid of the huge burden. But, BJMC chairman thinks that the government should not sell out the mills on a case-by-case basis because it might not bring much benefit.
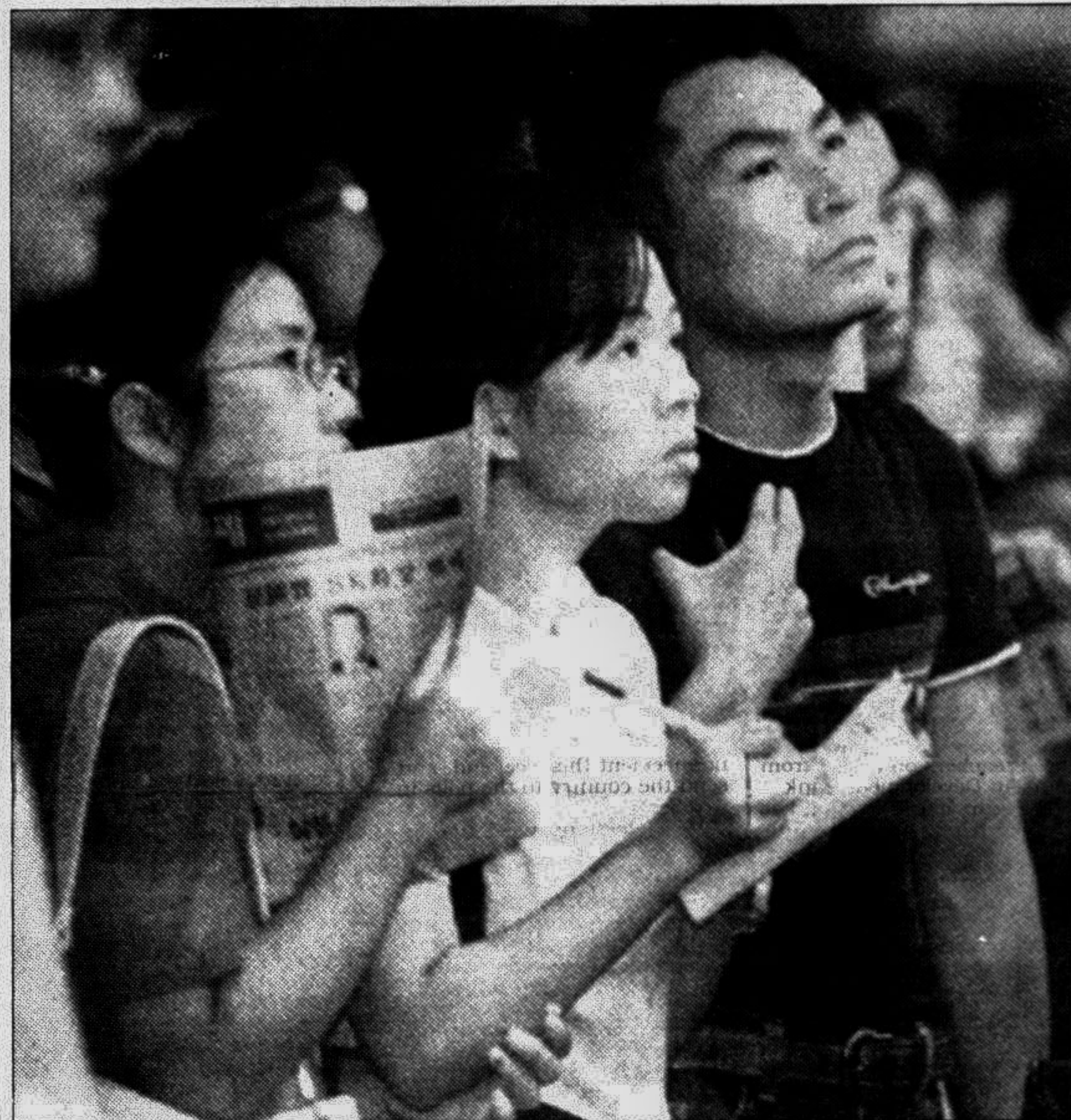
"Most of the jute mills which had been privatised earlier are not doing well," he said. He further said that half of their looms remain idle throughout the year. "Instead, the government can consider a corporate privatisation process," the chairman observed.

He said the whole BJMC could be privatised through floating shares, which could be sold among the workers and employees. "It will take much time and the government may not face any resistance from the workers and political circle," he observed.

The average price of raw jute this year is little higher than the previous year's averages. The price of white jute at BJMC purchasing centres ranged between Tk 250 and Tk 300 while that of high quality tossa jute was between Tk 300 and 350.

According to the chairman, the BJMC would buy around 12 lakh bales this year as it has around 8 lakh bales of raw jute as last year's carry over. During the previous season, the mills under BJMC bought around 20 lakh bales raw jute.

South Korean students look at a bulletin board to search for jobs during a seminar for job-seekers at the Korea Exhibition Centre in Seoul on Thursday. South Korea's soaring unemployment rate hit a 32-year high of 7.6 per cent in July, with 1.65 million people out of work, the government said Wednesday. — AP/UNB photo

S'pore to create 20,000 new jobs

Major Japanese cos to axe number of jobs

TOKYO, Aug 27: Japan's major companies are to cut the number of jobs for new college graduates for the year starting April 1999 with the nation's economy trapped in a biting recession, a daily said today, reports AFP.

The number of jobs would fall by an average 15 per cent from a year earlier, the Nihon Keizai Shimbun said after surveying 106 of the country's major corporations.

The survey found information and electronics companies such as Japan's Nippon Telegraph Telephone (NTT) and Fujitsu Ltd would sharply cut the jobs for the college graduates.

NTT plan to hire only 1,350 college graduates for the year starting April 1999, down from 1,800 hired a year earlier, the business daily said.

Meanwhile, new investments made in Singapore despite the economic slowdown will create 20,000 new jobs this year, but retrenched workers must upgrade their skills to meet requirements, an official was quoted as saying today, reports AFP.

"The irony will be when we create jobs, but don't have enough Singaporeans trained for these," Economic Development Board (EDB) Chairman Philip Yeo was quoted in the press as saying.

Around 15,000 new jobs in the manufacturing sector areas of electronic components, petrochemicals and aerospace will be created this year from new investments coming on stream, Yeo said in the comments on Wednesday.

Another 5,000 jobs in the areas such as communications, media, courier service and headquarter operations will also be available, he added.

He said that the new jobs would still be short of the estimated 25,000 to 30,000 to be retrenched this year, but added that workers had to undergo skills retraining to prepare for the time investment commitments come onstream.

"We have a strong pipeline of projects to last for two to three years so we are confident we can create jobs," he said.

The Singapore government has said it is targeting new investments amounting to 7.8 billion dollars (4.4 billion US) in manufacturing this year, slightly down from the 8.5 billion dollars in investments it attracted in 1997.

"Next year, we hope to maintain about the same number" as in 1998, Yeo said.

Special Japan budget for aid to ailing Asia sought

TOKYO, Aug 27: Japan's Foreign Minister is seeking a special budget for aid to trouble Asian economies as part of its overall spending plan for the next fiscal year ending March 2000, reports said yesterday, says AFP.

The ministry wants a "special framework budget" of 15.8 billion yen (110 million dollars), JiJi press reported.

Course on computer operations in banks ends at BIBM

Star Business Report

A 15-day training course on computer operations in banks ended at the Bangladesh Institute of Bank Management (BIBM) yesterday, says a institute press release issued in city on the day.

Dr Muinul Islam, Director General of BIBM, distributed the certificates among the course participants.

In his speech, the director general said: "We have no other option but to adopt the modern technology to face the challenges of the 21st century. To modernise our banking operations and to serve our valuable clients we must gear up our effort to catch up with the modern computer technology."

BIBM conducted the training course with a view to familiarising the participants with computer and its operating system as well as developing knowledge and skills about its application in banks.

The course mainly dealt with the various aspects of computer application in banks such as hardware and software, operating system, DOS, MS Word, spread sheet analysis, internet and globalisation of financial markets.

Dr Islam strongly felt that the course would help the participants handle a large volume of business.

The training course was participated by forty-three officers from different international and domestic banks and other financial institutions. Kazi Amarat Hossain and Mahbubur Rahman Alam jointly coordinated the course.

New MD of BSRS

Faisal Ahmed Choudhury took over the charge of Managing Director of Bangladesh Shilpa Rin Sangstha (BSRS) yesterday, reports BSS.

Prior to his joining BSRS, he was the Vice-Chairman of Export Promotion Bureau.

Choudhury joined the erstwhile Central Superior Services of Pakistan in 1970 and held many important positions.

He also worked as a Member of the Board of Directors of two leading development financing institutions like BSRS and BSB.

Most Japanese cos keen to beat Y2K

TOKYO: Most listed companies in Japan are still unprepared to prevent their computers from failing when the millennium computer bug strikes, the Tokyo Stock Exchange said Thursday.

Of the 1,549 companies that replied to a survey conducted by the TSE, 1,258, or 81.2 per cent, say they are still trying to reprogramme their computer systems to protect themselves from the glitch, known as the Y2K problem.

Only 145, or 9.4 per cent, replied that they have successfully completed preparations to ensure smooth computer operations into the new millennium, a TSE spokesman, who requested anonymity, said.

Experts fear that computer systems around the world will be paralysed in the first days of the Year 2000. That's because they have been programmed to recognise years by their last two digits, and are likely to mistake 2000 for 1900.

In the TSE survey, sixteen listed companies replied they have not begun addressing the Year 2000 problem at all, and 48 companies, or 3.1 per cent, say they are still investigating whether they need to do so, the spokesman said.

A total of 79 companies or 5.1 per cent have decided that it is unnecessary for them to prepare for "millennium bug" problems, he said.

All 97 of the banks that answered the survey say the haven't completed work to fix the glitch. Five listed banks declined to respond.

Jordan gets $40.3m German grant

AMMAN: German has given Jordan grants and loans totaling 68.5 million Deutsch Marks (840.3 million), the German Embassy announced Wednesday.

The finance was made over in four agreements signed by the Jordanian Minister of Planning, Nabil Ammari, and the German Ambassador to Jordan, Peter Mende.

Nearly 60 million Deutsch Marks (S 35 million) is earmarked for various water projects in Jordan, an embassy spokesman told The Associated Press.

The remaining 9 million Deutsch Marks (S 5.3 million) is to be spent on the computerisation of data at various ministries.

Lebanon to reduce int'l call charges

BEIRUT: The government is reducing the cost of international telephone calls by up to 55 per cent in a bid to compete with private "call-back" services.

A director-general at the Post, Telecommunications and Telephone Ministry, Abdel-Monem Youssef, said the reductions of 35 per cent during daylight hours and an additional price cut of 10 to 20 per cent at night will take effect Oct. 1.

In remarks published in Beirut newspapers Wednesday, Youssef said the decision will drive the call-back services out of business.

The call-back services connect customers with the US telephone system to place calls at a lower rate than the PTT Ministry.

But even with the planned reductions, the call-back operators remain tough competition. The government will be charging 2,100 Lebanese pounds (S 1.4) a minute for a call to North America in October. The call-backs charge 85 US cents a minute for calls to the United States and one dollar a minute for calls to Canada.

Australia sees surge in airline passengers

CANBERRA: Numbers of airline passengers into and out of Australia were returning to normal after falls earlier this year blamed on the Asian financial crisis, figures released Thursday show.

Federal Transport Department monthly statistics showed passenger numbers in April increased by 6.7 per cent compared with the same month in 1997.

But in 12 months to April, the increase was only 3.3 per cent. In the same period a year earlier, the rise was 8.5 per cent.

The Asian economic crisis cut the growth in passenger numbers to just 0.1 per cent in January when compared with figures for the same month in 1997, followed by falls of 3.2 per cent in February and 7.7 per cent in March.

Singapore provided the greatest increase in visitors to Australia, with a rise of 11.5 per cent in the 12 months to April, followed by Britain with a 7.6 per cent increase and Malaysia with 7.2 per cent.

Among Australia's major source countries, Korean tourist numbers fell by 22.9 per cent, Hong Kong by three per cent and New Zealand by 1.5 per cent.

New Zealand is the biggest contributor, with 2.6 million visitors to Australia making up 18.4 per cent of the total market of 14 million visitors. — AP reports

Part III

The Y2K: Mother of all Viruses

In the Third Part, **Mahbub ur Rahman** discloses that the Personal Computer-based systems are not immune to Y2K bugs. The more an organization depends on systems running on PCs for office automation, the greater are chances that the organization is prone to Y2K bug, one way or another. If a Y2K non-compliant PC is used only for preparing flat documents (sheer wastage of resources!) that may not cause much problem. But an independent, tailored application, for instance Accounts Receivable or Accounts Payable that manipulates date data in part or whole, has possible chances to get infected itself or triangulated when it is used in a Y2K non-compliant PC.

The fact is, it is fairly easier to get a year 2000 capable personal computer if your vendor confirms it (do not forget to ask your vendor to have it tested first before you pay for a new PC), but the independent application software your organization is already using for a long time may totally be a new era of disaster!

Very often I have been asked by the corporate executives that how critical it is for their systems to get stumbled down by the millennium bugs since they are widely using PC (Personal Computers) based systems for their office automation. I must tell them first that I am absolutely incapable of assessing the effectiveness of the year 2000, until their PCs and associated systems pass the rigorous 'year 2000 capable' future date tests. There are possibilities that some systems in PCs may behave strangely once the millennium rolls over but the extent of its devastating effect lies on how effectively those PCs have been used.

The more an organization depends on systems running on PCs for office automation the chances are more that the organization is prone to Y2K bug, one way or another. If a Y2K non-compliant PC is used only for preparing flat documents (sheer wastage of resources!) that may not cause much problem. But an independent tailored application, i.e., Accounts Receivable or Accounts Payable, that manipulates date data in part or whole, has possible chances to get infected itself or triangulated when it is used in a Y2K non-compliant PC. The aftermath is very straight forward: if the system is not fixed before too late, it is simply never too early to kneel down in despair. Replacing the infected application itself in a Y2K compliant new PC is not necessarily going to solve the problem, because the bug remains, if there is one, activated within the application which may not be year 2000 capable.

Then, what does the term 'year 2000 capable' mean? As Intel, the microprocessor giant, said, "A system is year 2000 capable when, upon installation, it accurately stores, displays, processes, provides, and /or receives date data from, into, and between the twentieth and twenty-first centuries, including the twentieth and twenty-first centuries, including leap year calculations, provided that all other technology used in combination with said product properly exchange date data with it." Note that a PC alone is not the system, it is rather all the applications and associated peripherals altogether make a system. Simply, 'year 2000 capable' means, in our PCs there are several mechanisms, in hardware and in software, or the peripherals associated within, where date information is manipulated and if each of those manipulation, individually and integrated, can advance properly to the next millennium in terms of relative backward and forward date manipulation is fairly year 2000 capable.

The year 2000 issue is a system-level issue which requires appropriate testing at several levels. No one component alone in a system (either hardware or software) can guarantee that the system will operate correctly in the year 2000 onward. At first, for all personal computer systems we need to : Check that the system clock on a personal computer can handle the rollover (this is usually managed by the BIOS in PC architecture), both switching on and off. Next, check that the operating system and application software can correctly store, recognize and compute dates beyond 1999 including communicating dates with other software.

For a start, the hardware itself should be year 2000 capable in a desktop infrastructure. Let's take a further deep down stroll into how the date issue is involved in our Personal Computers. Personal Computers maintain two system dates, one in a chip on the system board (called the real-time clock, or RTC) and one in the operating system. When IBM first designed the IBM AT machines in late 1984, they included RTC, that in addition to being a clock is also a 100-year calendar, functions from 00 to 99. The advantage of RTC was that the user would not have to enter the date and time every time the system was booted, as it was required in most of the PCs at that time. The RTC device includes native support for only a 2-digit year fields as well as 2 digits each for months, days-of-month, hours, minutes and seconds. Therefore, only the lower 2 digits of the year are maintained automatically. The century byte is not part of the core functionality of the clock feature and is not automatically updated when a century rollover occurs. The clock feeds the date and time to a special non-volatile memory chip called CMOS (Complimentary Metal Oxide Semiconductor) chip, which stores information vital to the PC's working even when the machine is switched off. Fortunately, BIOS (Basic Input Output Systems), that provides the interface between the Operating System and the PC hardware, on many new Personal Computers in these days, is designed to switch the century date stored in the CMOS from 1900 to 2000 if it finds that the clock has changed from 99 to 00 and, if it finds the two digit year byte is less than '80' (i.e., 1980 is the first year supported by the PCs), then updates the century byte to '20'. When we first start our computer the BIOS checks the hardware, memory and the time/date via INT 1Ah (Get Date, Set Date, Get Time, Set Time) and forwards this information to the operating system. Everything that occurs before our computer begins to boot is done by the BIOS.

From the hardware point of view, the BIOS must be year 2000 capable to make your PC as Y2K compliant. Some older versions of BIOS do not perform the century update information and is not year 2000 capable. In such cases, the century part is hard coded as 19 and cannot be updated. Those BIOS are programmed to reject anything less than 80 for the year, thus fail on the transition between 31/12/1999 and 01/01/2000 and reset to 1980. Remember, a new PC does not necessarily guarantee that the BIOS on board is newer version as well.

Next to the Hardware, software installed in a particular Personal Computer should also be year 2000 capable. In general, most of the latest operating systems provide their own time keeping mechanisms that typically read the current date and time from the BIOS services once during initialization, and then maintain the date and time independent of the system BIOS and RTC until the PC is turned off or rebooted. In these

DOS. Any other software on the PC will then start giving 1980 dates to new files, muddling them up with any files which date back to the 1980s. For instance, on December 23, 1999, a user powers off his system and leaves for vacation. The user returns on January 3, 2000 and powers on the system. The RTC passes the date 1-3-1900 to the operating system. Since the earliest date MS-DOS recognizes as 1-1-1980, it interprets 1900 as invalid, and sets the date to its earliest known date, 1-1-1980 (or, in some cases to 1-4-1980). Further, if the PC is networked and the date on the server is likewise incorrect, the local system date may remain out of date. This is due to a date reduction technique used to stamp files with the current date, expressed as an offset from the base date 1-1-1980. The technique reduced the date stamp from a total of 23 bits of information: 5 bits for the day of month [1-31], 4 bits for the month [1-12], and 14 bits for the year [0-9999], down to 16 bits. This was accomplished mainly by limiting the year field to 7 bits.

So, when the BIOS and the operating system are proved year 2000 capable, individually and combined, the system you are using in your office automation is free of millennium disaster. Wrong! Wrong! And Wrong! Only the Personal Computer you are using is thereafter bug free, but a system means the PC as well as the associated application software and the independent application used in that PC. It is fairly easier to get a year 2000 capable personal computer, comparatively, if your vendor confirms it (Do not forget to ask your vendor to have it tested first before you pay for a new PC), but the independent application software your organization is already using for a long time may totally be a new era of disaster! The aspects of programming scenario that may wreak havoc on your PC based systems will be discussed in the next part.

category, the newer versions of Windows 95, Windows 98, Windows NT version 4.0 and so on are somehow year 2000 capable—they are all 32 bit operating systems and provide a four digit century data representation. Windows 95 and Windows 98 takes control of date-time information from DOS, and maintain the consistency in their own operation provided the BIOS is safe at the first place. But Windows NT 4.0, an exception, bypasses the RTC problem and never asks the BIOS for the date, and there is no DOS under NT. Instead, NT goes straight to the RTC, and assumes that year 00 is year 2000. All of theses schemes will work through the year 2099, but thereafter we may have the problem all over again. Perhaps it's reasonable to assume that none of theses systems will be running then—but then again, that's the same flawed-assumption made by the people who brought us the year 2000 crisis in the first place. So may there will be a year 2100 crisis!

Some older versions of 16 bit operating systems, i.e., MS-DOS and its derivatives, stores century into 2 digits exhibit a further peculiarity dating back to its roots, which compounds the RTC century rollover problem. For some versions of MS-DOS, a significant date marks the "beginning of time;" January 1, 1980 is the earliest date recognized by any version of MS-

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