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DHAKA, TUESDAY, SEPTEMBER 1, 1998

5-member SEC body to monitor computer issues

Star Business Report
The Securities and Exchange Commission (SEC) has formed a five-member committee to review and monitor the compliance of year 2000 computer issues.

The committee is headed by Indadul Huq of Securities and Exchange Commission as its chairman. Other members of the committee are: Emdadul Huq, Local Consultant (MIS), UNDP-TA, Zayed Ali Sorker, Sr. System Analyst, Bangladesh Computer Council, Arunangshu Dutta, Manager, Custodial Service, Standard Chartered Bank, and Syed Sofiqul Hossain, Deputy Director, Securities and Exchange Commission. He will act as member secretary.

It will also make a report on the progress and implementation of the year 2000 compliance by the securities market players.

The committee will submit the report to the Chairman of SEC by December this year.

ADB board of directors' team in city

Star Business Report

A seven-member delegation of the Board of Directors of the Asian Development Bank (ADB) is on a six-day visit in Bangladesh from August 31 to September 5, says a press release issued in city yesterday.

The visiting board members are: Francesco Pittore, Director (team-leader), Jin-Gyu Park, Director, Naoyuki Shinohara, Director, Hans-Jürgen Stryk, Director, John Austin, Alternate Director, Berend Willem Van Gorkom, Alternate Director and M Faizur Razaque, Alternate Director.

The board members are expected to discuss with the government the ADB's lending and operational strategies in Bangladesh and also the impact of the ongoing flood situation in the country. The Board of Directors will call on senior government officials including the prime minister, finance minister, minister for CHD affairs, minister for communication, minister for water resources and deputy minister for shipping.

Besides, they will meet representatives of the private sector and NGOs and make several field trips to familiarise themselves with the development needs of Bangladesh.

Farashuddin takes over as Chairman of Sonali Bank

Star Business Report



Dr. Mohammad Farashuddin, Vice-Chancellor of East West University, has taken over as Chairman of the Board of Directors of Sonali Bank.

In addition to his university job, he will act as Chairman of the bank for the next three years, said the bank in a press statement issued yesterday.

Dr Farashuddin completed his graduation with honours in Economics at the University of Dhaka in 1963 and obtained Masters degree from the same university in 1964.

He obtained his PhD from Boston University, USA in 1978.

In the starting of his career, he was a lecturer of Economics at the University of Dhaka from 1964 to 1966. Later he joined the then Pakistan Civil Service.

After independence, he got the very rare opportunity to work as the Private Secretary to the then head of the government, the father of the nation Bangabandhu Sheikh Mujibur Rahman in 1973 and rendered the service till August 15, 1975.

Prior to joining Sonali Bank as Chairman, he was Chairman of Palli Karmo Sahayak Foundation.

JS body for making TCB a profitable organisation

A meeting of the Parliamentary Standing Committee on Ministry of Commerce was held at the Sangsad Bhaban yesterday with Committee Chairman Rajuddin Ahmed Raju in the chair, reports BSS.

The meeting discussed the process of strengthening the Trading Corporation of Bangladesh (TCB), including its involvement in import and export, administrative structure and manpower.

Asian financial crisis hits regional IT firms hard

SINGAPORE, Aug 31: Asia's financial crisis has seriously impacted the information technology (IT) expenditures of regional companies, jeopardizing plans to combat the feared millennium bug.

At huge risk are millions of small and medium enterprises (SMEs) in the region, on the low level of the supply chain, whose computer glitches at the dawn of 2000 could derail international trade with the United States and Europe, analysts said.

With less than 500 days to go, SMEs are the most behind in Y2K development in Asia-Pacific, Joe Sweeney, research director for the Gartner Group in Hong Kong told AFP.

He noted that firms in Asia most affected by the economic crisis had seen a cutback of 30 to 50 per cent in IT budgets.

"SMEs in Asia do a lot of trading via fax and phone there is a perception that the bug isn't a major issue if they only use PCs," he said.

"Companies don't realize that even minor interruptions on the supply chain... can affect especially when it reaches the level of international trade. It's the poor North American companies that are going to have a rough time," Sweeney said.

With Japan in recession, incapable of lifting Asia into recovery, the region is counting on trade ties with relatively resilient markets in North America and Europe to help boost its sagging economies.

Despite the surge of it in Asia, the technology is merely viewed as an extension for increasing productivity as opposed to the United States and Europe, where it systems are at the heart of companies' operations.

There is also disagreement between IT experts and companies over the severity of damage that the millennium bug can cause. In China, which has

amassed it from various parts of the world over the last decade, huge problems are anticipated in mobilising resources to fix the software glitch.

"China hasn't seriously considered the year-2000 glitch, and many sectors are slow in taking efforts to make their electronics products ready for the 2000 change," said Zhang Qi, chairman of the China Computer Industry Association.

International Data Corp (IDC) IT services analyst Howard Hsu cited a survey this year showing 50 per cent of a cross-section of 500 firms in China had not yet addressed the problem. This figure was down from 69 per cent in last year's survey.

"Most of the systems they run on are locally developed in-house applications, so it's going to be big venture to go out and look for the Y2K bug there," said Sweeney.

Other countries like Malaysia, Thailand, Hong Kong and Singapore used more modern equipment and packaged applications that made it relatively easier to diagnose Y2K bug problems.

The scale of the problem may not be as large as US and Europe, since back then, packaged applications weren't as popular as they are now. Software vendors can provide upgrades that are Y2K compliant, Hsu told AFP.

Japan plans to extend loans at an annual interest rate of 1.9 per cent to small firms through the state-owned Japan Finance Corp. for small business and will enable SMEs to borrow computer programmes from software developers at a low cost.

Singapore's National Computer Board has launched its local enterprises computerisation programme assistance scheme, which will help defray up to 70 per cent of Y2K conversion costs for SMEs.

ICC setting up service to probe pirate attacks

Star Business Report

A Rapid Response Investigation Service is being set up to secure prompt counter measures when merchant shipping comes under pirate attack.

The service will be provided by the International Maritime Bureau, a London-based division of the International Chamber of Commerce (ICC), said the Chamber in a press statement.

The operation will be funded by a \$110,000 grant for two years from the International Transport Workers' Federation (ITF) Seafarers' Trust. It expected to probe between 30-40 serious piracy incidents a year.

The new service aims to provide governments with prompt information about attacks so that they can take action against pirates without unduly delaying voyages.

IMB Director Pottengal Mukundan said the service should thus be able to meet the requirements both of law enforcement agencies and of shipowners. A further task will be to provide counselling for crew members who have been victims of pirate attacks.

"Only governments can be fully effective in suppressing piracy. Yet national law enforcement agencies complain that delays in receiving information about attacks prevents them from reacting fast enough to achieve results," the ICC statement quoted Mukundan as saying.

"For their part, shipowners are understandably reluctant to have their vessels tied up for prolonged periods pending investigations."

Investigators attached to the new service will be rushed to the next port of call of a vessel that reports an assault, interview the crew. They will analyse the extent of losses and make a visual record of injuries or damage. This evidence will be submitted to the relevant law enforcement authority so that it can start investigations early.

In the past, attempts to bring pirates to justice have failed through lack of evidence, aggravated by the reluctance of some ships' masters to break tight schedules in order to allow crew members to testify.

Many of the attacks are in East and South-East Asian waters.

Tk 5cr imported goods stolen from Ctg port

CHITTAGONG, Aug 31: Imported goods worth about Tk 5 crore were stolen from the container shed of the port last week, reports UNB.

Port sources said computerised audio visual appliances worth about Tk 3.5 crore of Bangladesh Open University were stolen from the sealed container.

A container of raw silk yarn worth Tk 1.3 crore of the World Trade Centre in Dhaka has also been missing from the shed.

Both the incidents came to the knowledge of the authorities on Sunday.

Following the incidents, the security director of the port issued a circular that none will be allowed in the port area without having gate pass or identity card and a mobile court will look into the illegal entry.

The port authority has formed two inquiry committees in this regard.

A sub inspector and two guards were in charge of the security of the container shed, the sources added.

Netrakona witnesses rising trend in prices of essentials

NETRAKONA, Aug 31: Prices of essentials are on rise in the district hitting hard the low-income group of people, reports UNB.

Coarse rice is being sold between Tk 14.50 and Tk 15 per kg, fine quality between Tk 16 and Tk 18 per kg and flour between Tk 13 and Tk 14.

The prices of vegetables have also gone up in the local market due to extensive damage caused by the current flood coupled with incessant downpour.

While contacted, local rice traders told the agency that the price of rice would come down if sufficient supply is ensured in the market and if government starts the Open Market Sale programme.

The poor people particularly the day labourers are suffering much due to the sudden price hike of essentials.

Crisis crunch Japanese store says adieu to Hong Kongers after 23 years

HONG KONG, Aug 31: Shoppers looking for final discounts lined up in sweltering heat Monday outside the Japanese department store Matsuzakaya, which is closing after 23 years in Hong Kong, reports AP.

Matsuzakaya, which will close its doors on Tuesday, was one of the several department stores to fall victims to the retail slump caused by the prolonged economic crisis in the region. It employed 100 people in Hong Kong.

Last November, another Japanese retailer, Yaohan Department Stores, closed all of its nine Hong Kong outlets and one in nearby Macau, throwing 2,700 people out of work.

Daimaru, the first Japanese department store to open in the territory after World War II, also announced it would pull out of Hong Kong at the end of this year.

The government reported last week that retail sales fell 16 per cent in June from the same month last year, with sales at department stores plunging 29 per cent in value and 30 per cent in volume.

It was the eighth consecutive monthly decline since October when consumer confidence began to falter.

Many retailers have been laying off staff and cutting salaries to ride out the retail slump. Tourist arrivals fell by more than 20 per cent in the first half of 1998. The government and some property giants have cut rent for retail stores.

Unemployment in Hong Kong is at a 15-year high of 4.8 per cent, and is expected to climb further. The government announced Friday the economy shrank by 5 per cent in the second quarter in an official confirmation that the territory is in recession.

Sonargaon Hotel celebrates its 18th anniversary

Star Business Report

The two-day celebration of the 18th anniversary of the Pan Pacific Sonargaon Hotel starts today.

The Vice-President of the Pan Pacific Hotels and Resorts, Shozo Kita will open the function.

The hotel will offer a 50 per cent discount in all its outlets on the occasion, says a press release.

Besides hi-tea with snacks buffet at Cafe Bazar from 3:30 to 5:30 pm is arranged daily.

Children's attraction is puppet show (putul naach) and magic show on both the days.

There is also a special arrangement of fashion show on the opening day.

It may be mentioned that a portion of the revenue earnings of this two-day programme will be given to Prime Minister's Relief Fund for flood victims.



Tofail Ahmed, Minister for Industry and Commerce, speaks at the ceremonial introduction of Daewoo Motor sponsored by Khansons Automobiles Limited in the city on Saturday. Tae Gyu Han, the Ambassador of the Republic of Korea in Bangladesh, A K M Azizur Rahman, Chairman and Managing Director, Khansons Group, and C K Han, Managing Director, Daewoo (BD) Co Ltd, are also seen in the picture. — Khansons photo

Iraq, India to discuss oil sector cooperation

BAGHDAD, Aug 31: Iraqi Oil Minister Amir Muhammad Rasheed left for India to discuss bilateral cooperation in the oil sector, the official Iraqi news agency reported yesterday, says Reuters.

"I will make intensified contacts with the officials in India with the aim of upgrading economic and trade relations, besides activating oil cooperation between the two friendly countries," INA quoted Amir as saying.

Iraq and India are making headway in mending economic ties which were affected by the UN embargo imposed on Baghdad for its 1990 invasion of Kuwait.

The UN currently allows Iraq to sell 5.25 billion dollars of oil every six months to pay for food, medicine and projects to restore Iraq's electricity, water and education services, to alleviate the suffering of the Iraqi people.

India is looking for trade agreements that come within the scope of the 'oil-for-food' deal and in July signed contracts worth 35 million dollars with Iraq.

'Indian economy poised to gain momentum'

NEW DELHI, Aug 31: Finance Minister Yashwant Sinha said yesterday he was confident the Indian economy was poised to gain momentum and perform better, the Press Trust of India (PTI) reported, says Reuters.

"The feeling of crisis is giving way to confidence and I am sure this sense of confidence will increase in days to come and the economy will gain momentum and put up a better performance," PTI quoted Sinha as saying in the southern city of Hyderabad.

Sinha said political instability was only affecting the sentiment and was not the reason behind the economic slowdown.

Economists say a slowdown in exports, lacklustre capital markets, a fragile rupee and shaky investor confidence have affected growth.

Commenting on the behaviour of the capital markets which have been sliding in the past few months, Sinha said: "some sentiments may result in

Communists shun political peace accord

G7 urges Russia to stay on reform path

LONDON, Aug 31: Leaders of the top industrial nations said yesterday they would continue supporting Russian economic reform after a week in which the Russian crisis has hit financial markets and raised fears of global recession, reports Reuters.

A spokesman for British Prime Minister Tony Blair who discussed the Russian situation by telephone with other Group of Seven leaders in his role as G7 head, said the G7 felt it was in all their interests to ensure Russia sticks to its reform path.

"There is a clear feeling among the G7 leaders that it is in all our interests to make sure Russia gets through this crisis and it will best do so by sticking to the reform path," the spokesman said.

However there were no specific G7 proposal to respond to the growing crisis and analysts said world markets may not have seen the end yet of the sharp declines of the past week.

"Stock markets in the US, the UK and Europe have dis-

counted too much good economic news," said Gerard Lyons, chief economist at banking group DKB International "as the crisis intensified they continue to look vulnerable."

Yeltsin was scheduled to meet US President Bill Clinton next Tuesday and Wednesday in talks likely to be dominated by concerns over the Russian crisis.

However suggestions that European finance ministers may meet next week to discuss a response to the Russian crisis were played down, the British Treasury said it was monitoring the situation but nothing more was planned.

"Finance ministers will be looking at the situation along with everyone else," said a Treasury spokeswoman, referring calls to Austria which currently holds the presidency of the European Union.

The Austrian government said no emergency finance ministers' meeting was planned, though Austrian Chancellor Viktor Klima planned to speak

to Chernomyrdin by phone on Tuesday.

Meanwhile, an AP report says: Russia faced more political chaos Monday as the hard-line opposition said it would block the approval of a new prime minister after a proposed political truce with Boris Yeltsin collapsed.

With the Russian economy crumbling, key parliamentary groups, led by the Communists, rejected the proposed agreement Sunday that would have paved the way for 18 months of political peace.

The breakdown appeared likely to usher in a period of political head-butting and bargaining similar to the one that surrounded the nomination of the previous prime minister, Sergei Kiriyenko, last spring. This time, though, the economic situation is substantially worse.

The rouble appeared to gain Sunday and exchange points across Moscow were buying US dollars at an average 8 roubles,

Russian crisis takes toll on Asian currencies

HONG KONG, Aug 31: Russia's financial and political woes took their toll on local currencies with the yen easing against the US dollar and the Aussie staying under pressure, says AFP.

JAPANESE YEN: The yen eased against the dollar during the week as the greenback urged in a flight to safety from Russia's financial and political woes, dealers said.

The Japanese unit traded at 143.30-35 to the dollar at 5:00 pm Friday, compared with 142.93-95 a week earlier.

The yen traded most of the week in the 144-yen range as worries about the Russian situation kept the dollar hovering.

Heavy profit-taking, however, sent the yen soaring in the New York market Thursday and then early trading here Friday the unit hit a high of 140.20 at one point Friday morning.

But the yen's gains were quickly reversed in the afternoon Friday as a local stock market tumble to a 12-year low triggered concerns about the country's financial sector.

AUSTRALIAN DOLLAR: The Australian dollar remained under heavy pressure Friday after clawing its way from an all-time low on Thursday as international investors dumped commodity currencies in the fallout from a collapsing Russian economy.

The Aussie had climbed back to 56.50 US cents late Friday on the back of short-covering by traders after it slumped to a new low of 55.30 US cents offshore.

But the recovery was not sustained and it closed at 55.99 US cents, well down on the previous week's closing price of 58.75 US cents.

Intervention by the central

reserve bank of Australia in New York on Thursday (US time) had stemmed the slide, but economists were convinced the intervention and more to do with the manner of the fall than the extent.

They said it was aimed at stabilising the fall and had not erased the negative foreign exchange market sentiment on the battered currency.

But the fundamentals were largely irrelevant at present and the uncertain international outlook, pressures on commodity prices and the unsettled state of international financial markets, meant a further depreciation of the Australian dollar could not be ruled out, they said.

NEW ZEALAND DOLLAR: The New Zealand dollar closed at 48.87 US cents Friday, firming with some support from the Australian dollar as the Rus-

sian crisis loomed over international financial markets.

There was stop-loss buying and short covering in the Kiwi, a currency dealer said.

A couple of interests had been buying the Kiwi as part of a flight from Europe to a more stable currency.

HONG KONG DOLLAR: The Hong Kong dollar rose Friday at 7.7495-7.75 to the greenback compared with 7.7498-7.7503 last week.

SINGAPORE DOLLAR: The Singapore dollar ended the week lower against the US dollar at 1.7791 from 1.7577 the previous week.

INDONESIAN RUPIAH: The Indonesian rupiah closed the week at 10,075 to the dollar on Friday compared to 11,250 a week earlier.

MALAYSIAN RINGGIT: The Malaysian ringgit ended the week weaker at 4.2350 to the

dollar from 4.2073 a week earlier.

A dealer said the ringgit was expected to be steadier in the week due to an expected firmer Japanese yen and ringgit buying.

PHILIPPINE PESO: The Philippine peso closed at 44.22 pesos to the dollar on Friday, down 2.6 per cent from the 42.68 pesos to the dollar posted on August 21.

SOUTH KOREAN WON: The won weakened from 1,297.90 won per dollar a week earlier to 1,330 Saturday amid the ongoing global uncertainties.

Officials of the finance and economy ministry said South Korea would seek to build up its foreign exchange reserves to more than 50 billion dollars to help minimize the fallout from the spreading global crisis.

TAIWAN DOLLAR: The Tai-



People queue up for their last shopping chance at the 23-year-old Japanese Matsuzakaya department store on Sunday, which has become one of the victims of the retail slump in Hong Kong. Matsuzakaya will close at the end of August, putting nearly 160 people out of work. — AP/UNB photo