



IMF to help  
Dhaka make  
privatisation  
a success

The International Monetary Fund (IMF) has shown keen interest in the privatisation process of Bangladesh and assured all possible assistance and cooperation to make the programme a success, reports UNB.

The assurance came when the visiting six-member IMF delegation, led by Changen Puckathikom, met Chairman of the Privatisation Board Kazi Zafarullah at his office in the city yesterday.

Welcoming the delegation, Kazi Zafarullah briefed them the status of the privatisation efforts in the country and reiterated the present government's commitment to off load the state-owned enterprises in phases.

He said the government is also aware of the interest of the workers and that is why it has taken steps to introduce incentive packages like golden handshake and is also planning safety net programme for the retrenched workers.

Details relating to ongoing and future programmes of the Board, including formulation of a legal framework and public awareness programme, also came up for discussion.

### Workshop on Agro-Ecological Zone held

A day-long orientation workshop on Agro-Ecological Zone (AEZ) and Geographical Information System (GIS) was held at BARC here yesterday, says APB.

BARC executive chairman Dr Z Karim inaugurated the course, organised by BARC with support from FAO/UNDP.

Speaking on the occasion, Dr Karim stressed the need for creating national awareness by using existing GIS facilities and advised the concerned scientists and planners to enrich the existing database through contributing data on forestry, fisheries, and livestock.

At present BARC-GIS maintains various database on climate, land, soil and water resources of the country.

Eighty participants from various disciplines of BARC took part in the workshop.

The workshop took some specific recommendations for future development of AEZ/GIS and for sustainable agricultural development.

### Crisis-hit Garuda airline to sell planes

JAKARTA, Feb 8: Indonesia's state-owned Garuda Indonesia airline plans to sell five Airbus A300-B4s this month to raise funds to help pay \$ 390 million in foreign loans, a report said Monday, reports AP.

"The five aircraft would be sold by the end of the month (February) to repay our debts," said Garuda's Finance Director Emirsyah Satar, as quoted by the Jakarta Post newspaper.

Emirsyah said several parties from Europe and the US had expressed interest in purchasing the aircraft that might be converted from the passenger planes into freighters.

The funds raised from the sale, however, are not expected to cover the company's total outstanding debt, he said.

Garuda has embarked on an major overhaul of its operations after nearly being grounded last year. The company has appointed Lufthansa Consulting GmbH to help boost its profitability and streamline operations.

Other airlines in Indonesia are also facing financial difficulties as the nation grapples with its worst economic crisis in 30 years.

### Foreign workers in HK protest wage cut

HONG KONG, Feb 8: More than 100 foreign domestic helpers took to the streets protesting against the Hong Kong government's announcement of a cut in their minimum wage by five per cent, reports AFP.

The reduction of minimum wage of poor domestic workers by five per cent is no solution to the economic difficulties of Hong Kong families, an Asian migrant coordinating body spokeswoman said.

"Does the Hong Kong government seriously believe that a mere saving of 190 dollars a month will significantly improve the economic well-being of employer families?"

Holding placards that said "government should protect not attack workers' wages" and "unfair and discriminatory", about 120 domestic workers from Sri Lanka, Nepal, Thailand and the Philippines marched in the central district.

The government last week cut foreign domestic helpers' minimum wage from 3,860 Hong Kong dollar (470 US\$) to 3,670 in light of an economic downturn.

It became effective for all new contracts signed on and after February 3.

# Short-selling of shares violates regulations SEC fines two firms Tk1 lakh each

By M Shamsur Rahman

The capital market watchdog yesterday slapped a fine of Tk one lakh each on two members of the Dhaka Stock Exchange (DSE) for violating the securities law.

The two firms -- Sinha & Co and Dawn International -- were charged with short-selling of shares prohibited under the Settlement of Stock Exchange Transactions Regulations, 1998.

#### Sinha & Co

A preliminary investigation by the DSE surveillance officials on September 22 last year revealed that Sinha & Co was involved in short-selling of Zeal Bangla and Rose Heaven Ball Pen stocks.

A spot verification of the books and records of the mem-

ber revealed that the firm failed to deposit 7650 Zeal Bangla and 9950 Rose Heaven Ball Pen shares with the DSE clearing house against purchases on September 16 last year.

In their report, the surveillance officials informed the Securities and Exchange Commission (SEC) that the company was asked to explain the failure.

In response to the DSE queries, the company said, "one of the customers, Md Nuruzzaman asked the company to sell those shares. It accordingly did this. The same customer then asked the company to buy-back those shares, but due to computer malfunctioning, the broker could not carry out the order."

"In support of the client, the

company showed customer-wise trade status report and clients' ledger account, but could not show any sale order for that day," the DSE surveillance report said.

The matter was brought to the notice of SEC which conducted a hearing on December 27 last year.

"The authorised representative of the brokerage house failed to prove that the non-compliance was not deliberate," an SEC official said.

"The representative, however, claimed that due to disturbances in the DSE computers, relevant buying and selling orders could not be maintained as per requirement of the law. But trade records were maintained," the official said.

"But such trade records do

not necessarily prove maintenance of relevant buying and selling orders by the clients as required under the rule. Such violation and non-compliance of the securities law by an exchange member also act as a deterrent to the sound stock market practices and activities affecting the investors at large. Such activities might also lead to short-selling practices which are restricted under the regulations," he said.

#### Dawn International

The DSE had also conducted an inquiry into the books and records of Dawn International. The investigation revealed that the member had failed to deliver 18,250 Zeal Bangla, 44,500 Rose Heaven Ball Pen, 1,500 Beximco Pharma, 11,500 Eagle

Star, 20 Karnaphuli Ins and 800 Shinpepukur shares to the DSE clearing house against a purchase on September 16, 1998.

According to a report of the surveillance team, the member also failed to show relevant selling orders to the team. "It was further revealed that the member resorted to short-selling on the day prohibited under the Settlement of Stock Exchange Transactions Regulations, 1998."

The matter was also brought to the notice of the SEC. The broker also appeared before the SEC, but failed to prove that the non-compliance was not deliberate.

"They, however, stated that out of the net sales position of 44,500 Rose Heaven Ball Pen shares, 28,500 were sold mis-

takenly by pressing wrong computer buttons, while sales of other company shares were carried out as per the clients' orders. They further stated that because of the computerised trading system, formal buying and selling orders of the clients could not be maintained as orders are being placed and carried out swiftly. The broker company was aware of the requirements of the securities law in this respect. But these contents could not be considered acceptable because the stock dealer's licensee issued to the member by SEC says that the member should comply with the securities law."

After detection of the short-selling, the DSE cautioned both the members to refrain from such activities.

Expatriates remit Tk 8.17 cr in Jan

Bangladeshi nationals living abroad remitted over Tk 8.17 crore in the month of January this year, says UNB.

During the period, they remitted Pound Sterling 3,75,936 and US dollar 10,81,540 through foreign money orders.

The amount has been disbursed to the dependents of remitters living in different parts of the country.

Total remittance received through 56765 foreign money orders during the first seven months of the current financial year stands at Pound Sterling 20,00,672 and US dollar 69,55,813.

The exchange value of these foreign money orders is Tk 48,82,26,773, said a press release.

### IBBL finalises business plan for '99

Star Business Report

The Islami Bank Bangladesh Limited (IBBL) has finalised business plan for this year.

The plan was discussed at the two-day conference of the branch managers of the bank which ended at a city hotel on Saturday, says a press release.

The Executive President of the bank M Kamaluddin Chowdhury, presided over the conference while Mohammad Younus, vice-chairman of the board of directors and Chairman of the Executive Committee, was present as chief guest.

The conference evaluated the overall performance of the bank vis-a-vis the performance of banking sector of the country.

It also discussed the problems and prospects of the bank.

Mr Quasem Ali, Prof. Mohammad Abdullah, MP, Prof. Mohammad Sharif Hussain, ANMA Zaher, Engineer Mostafa Anwar, Engineer Es-kander Ali Khan and Shah Abdul Hannan, Directors of the Bank and Moulana Ubaidul Huq, Chairman, Shariah Council, Principal Serajul Islam (Acting), Shariah Council spoke on various issues during different business sessions of the conference.

Nur Mohammad Akon, Ataur Rahman Khan and Mohammad Shihidul Islam, Directors Golam Moulia Chowdhury, Vice President & Zonal Head Comilla Zone, Md Sham-sul Huq, Vice President Foreign Exchange branch, Dhaka, Shafiqul Moulia, Manager, Chawkbazar branch, Chittagong, Muhammad Shahidullah, Manager, Kishoreganj branch and Md Abdul Latif, Manager, Moulvibazar branch also addressed the conference.

### Bid to join WTO

China car market may face 'severe challenges'

BEIJING, Feb 8: China's flagging domestic auto market is expected to face increasing challenges as the country gears up in its bid to join the World Trade Organisation, official media said Monday, reports AFP.

Industry analysts estimate that the auto industry will grow at a low rate this year in spite of policies intended to stimulate car purchases, Xinhua news agency said.

The heads of several major auto groups had blamed the situation on increased restrictions imposed upon car purchases by government institutions, and unjustified fees and arbitrary costs aside from taxes, it said.

Industry statistics projected market demand at 1.72 million autos of all types this year, including 477,000 passenger vehicles, and 672,000 cargo vehicles, up 3.9 percent and 1.5 percent respectively from last year.

While many of world's giant auto groups were eyeing China for future expansion, such factors as the current trend towards mergers, the lingering Asian financial crisis, and over-production in the global auto industry, all posed threats to the industry's growth, Xinhua said.

### Japanesef firms in Brazil fail to hedge positions

TOKYO, Feb 8: Japanese firms in Brazil were hit by the real's fall as most of them, ignoring East Asian precedents, failed to hedge their positions, Japan External Trade Organisation (JETRO) president Noboru Hatakeyama said Monday, reports AFP.

"They assumed that the real will continue to be pegged to the US dollar because that was the promise offered by the Brazilian government," he told foreign reporters here.

The former vice minister in the ministry of international trade and industry said the companies "trusted the Brazilian government so implicitly that they did not hedge their positions."

Companies importing parts from Japan were the worst hit by the nearly 40 percent fall of the real against the dollar.

"Very high interest rates are also a problem for the Japanese companies operating there because domestic demand shrank very severely in Brazil," Hatakeyama said.

# Immediate past FBCCI chief urges politicians Keep industries out of hartal

Star Business Report

be the part of the global village in the next millennium, he said.

"Since 1991, our trade has been liberalised and the industries are no more enjoying tariff protection. As a result, many enterprises were shut down and entrepreneurs became loan defaulters."

"Hartal is suicidal for us in terms of economic losses. We want our industries to be exempted from hartal," said Harun while exchanging views with journalists at a city hotel yesterday.

If political environment remains unstable, we would not be able to prepare ourselves to

comes high. We do not want hartal on top of it to lose more competitiveness."

Dwelling on the economic situation, Harun said that exports were gradually picking up although it missed the target in the first five months of the current fiscal year.

"It is not a healthy situation for the country's industries," Harun said.

"The economy will have to face an adverse impact in the near future unless we go for long-term investment immediately," he said.

Former Governor of Bangladesh Bank, A K N Ahmed, presents a key-note paper at a seminar at the bank's conference room yesterday. Incumbent Governor of the bank Dr Mohammad Farashuddin presides over it.

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