

## Information about willful defaulters stressed

The top echelon of the country's banking sector yesterday suggested free flow of information about willful defaulters to ensure ethics in the business and banking sectors, reports BSS.

They said it would not be fair on the part of bankers to protect the interest of vested quarters who thrive on unethical practices including defaulting on bank loan.

Their activities should be completely exposed to the public which would work as a catalyst to establish ethics both in business and banking, they told a top management seminar on 'ethics in business and banking sectors' organized by Bangladesh Institute of Bank Management (BIBM).

The speakers observed that the Banking Sector Secretary Act should be updated to enable the honest and dedicated bank officials to have closer relations with general depositors and the lion shareholders of any bank by disclosing the required information to them and protecting their interest.

Dr Mozaffar Ahmed presented the keynote paper on the occasion. Bangladesh Bank Governor Dr Mohammad Farashuddin, Deputy Governor Ibrahim Khalid and Managing Directors of different nationalised commercial banks and private banks took part in the discussion.

Dr Mozaffar Ahmed said the duty of confidentiality with respect to intellectual property is defendable, but confidentiality about unfair practices that militates against society and corporate interests is not defendable even under the law.

"One has a duty to be loyal only if the object of loyalty is one that is morally appropriate. An employee has a responsibility to inform the public of things internal if he acts on moral motive after exhausting all internal channels for redress."

## Japan's wine imports hit all-time high

TOKYO, Mar 3: Move over, sake. The Japanese — encouraged by affordable foreign brands and reports of health benefits — are guzzling wine imports in record amounts, reports AP.

Wine imports more than doubled in 1998 — all-time highs in volume and value to 340,405 kiloliters (88.5 million gallons), worth 173 billion yen (\$1.4 billion), the Tokyo Customs office says.

France was the top exporter, with 111,968 kiloliters (29.1 million gallons), for a 32.9 per cent market share. Next were Italy, with 14.7 per cent and Chile with 9.7 per cent.

The United States was fourth, with 25,314 kiloliters (6.6 million gallons) for a market share of 7.4 per cent.

Wine sales have been climbing steadily since 1994, but a real boost came in late 1997 with reports that wine — particularly red — could play a role in preventing hardening of the arteries.

Red wine-producing countries have benefited. Imports of French wine more than tripled between 1994 and 1998, and sales of Chilean wine — among the most affordable of foreign brands — jumped by nearly 17 times.

## US, Egypt agree to promote cooperation

CAIRO, Mar 3: Egyptian Prime Minister Kamal El-Ghazali on Tuesday met with United States Undersecretary of State for Economic Affairs Stuart Eizenstat, reports AFP.

The talks tackled Egypt's economic policies and ways of boosting bilateral ties, said Egyptian Finance Minister Mohi Eddin Al-Gharib, who attended the meeting.

The two sides agreed to promote cooperation in various domains, he said, adding that consultations are underway on enhancing trade and increasing US investments in Egypt.

During the day, Al-Gharib and Eizenstat also co-chaired a meeting of a joint subcommittee in charge of economic, investment and trade policies established under the framework of the Egyptian-US partnership.

## 3 US Senators for allowing farm exports to Iran

WASHINGTON, Mar 3: A group of US Senators is calling for lifting restrictions on exports of wheat and other agricultural products to Iran, reports AFP.

Byron Dorgan, a Democrat, Republicans Larry Craig and Richard Lugar met Monday with National Security Adviser Sandy Berger to discuss the matter, spokesmen for the lawmakers said.

"Farmers in Idaho and across the nation should not be punished for the actions of foreign governments," Craig argued, adding that "food and agricultural trade should not be used as weapons in battles of foreign policy."

## FBCCI urges visiting team to make joint venture investment

# Thailand keen to increase exports to Bangladesh

Star Business Report

The visiting Thai business delegation yesterday expressed its keen interest to expand trade by exporting more to Bangladesh.

"We hope to boost our exports here. Our main objective is to increase Thai exports to South Asian nations including Bangladesh," said Pisit Kijviriyai, leader of the 16-member trade team, at a meeting with the local business community leaders in the board room of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

In reply, Bangladesh business leaders said that the present trade imbalance with Thailand was not cause for a concern for the country, but trade diversification was very necessary. They called upon the Thai entrepreneurs to invest in joint venture projects here to help improve the buying capacity of the people.

Chaired by FBCCI Vice-President MA Mumin, the meeting was also attended by the Thai Ambassador in Dhaka Pithaya Pookaman.

MA Mumin said that the

volume of trade between Bangladesh and Thailand was not yet significant although the countries have been enjoying good trade ties for a long time.

In the 1997-98 financial year, Bangladesh imported goods worth US \$107.03 million from Thailand while its exports fetched US \$16.51 million, showing a trade deficit of US \$90.52 million against Bangladesh.

"We believe that Thai investment here could help increase Bangladesh's exports to other countries," said Mumin,

adding that Thai entrepreneurs might come forward with joint venture ownership or take part in joint ventures.

He stressed the need for regular exchange of visits of trade teams between the two countries.

The trade mission, comprising businessmen and trade officials, is now on a tour of Bangladesh as part of their trip to South Asia. Earlier, they visited India and Nepal.

A number of FBCCI leaders at the meeting pointed to the "complex" visa procedures and "harassment" by the Thai Embassy staff during issuing visas to businessmen.

In response, the Thai ambassador said that he would look into the matter and try to improve the procedures and services and make the visa issuance system more transparent to ensure due consideration for visa aspirants.

He admitted that the Thai government got tough with the visa system to check influx of visitors some three or four years back.

FBCCI director Abdul Haque drew the attention of the Thai mission to the prospects of setting up joint venture small and medium-scale industries like plastic, rubber, furniture and machinery producing units.

He also saw good prospect for technology transfers and technical cooperation between the two countries.

Haque, however, suggested arrangement of a fair of Thai machinery used in small and medium-scale enterprises so as to help local entrepreneurs get acquainted with them.



Pisit Kijviriyai, leader of the visiting 16-member Thai trade team, speaks at a meeting with local business community leaders in the FBCCI board room yesterday. —Star photo

# Battered Pak economy on the mend

ISLAMABAD, Mar 3: Pakistan has met economic performance targets set by the International Monetary Fund and its battered economy is on the mend, Finance Minister Ishaq Dar said Tuesday, reports AP.

"An IMF mission was in town to review the economy and it has returned to Washington satisfied with Pakistan's performance," Dar told reporters.

Pakistan received a \$1.6 billion loan over the next two years from the IMF in a deal to bail out its troubled economy. As well the Paris Club of international lenders last month restructured Pakistan's debts giving the impoverished nation a \$3.3 billion loan.

Pakistan, whose economy is heavily dependent on foreign aid, was in serious trouble last May after it exploded underground nuclear tests and incurred the wrath of lending countries, most notably the United States.

However, the US administration agreed it wouldn't block loans to Pakistan after this mostly Muslim nation teetered on the brink of defaulting on its deficit payments.

"There was no point of irritation or difference between us. The IMF team has gone back fairly happy," said Dar.

The IMF imposed stiff conditions on its loans, demanding increases in revenue collection, reduction in expenses, en-

hanced tax base, and reduced government bank borrowing.

Pakistan's performance is being reviewed every three months, before each fresh injection of international money. After the underground nuclear tests Pakistan's foreign exchange reserves plunged to \$400 million.

Dar said currently the foreign exchange reserves are at \$1,016 billion.

Inflation was down to 6.5 per cent compared to 9.2 per cent last year, he said.

But Dar said a world economy in recession and in particular Southeast Asia's poor economic performance is hurting Pakistan.



The US Ambassador in Bangladesh, John C. Holzman, formally opens the Dhanmandi branch of American Express Bank on Monday. —Amex photo

## Amex formally opens branch at Dhanmandi

American Express (Amex) Bank's Dhanmandi branch, which commenced operations last month, was formally opened on Monday, says a press release.

The new branch provides a full range of personal banking services to clients in Dhanmandi and its surrounding areas.

At the inaugural function, the guest of honour, US Ambassador in Bangladesh John C. Holzman, formally declared the branch open.

Lachlan Hough, Managing Director and Regional Senior Executive for the bank, attended the opening ceremony as special guest.

Welcoming the official guests, clients, and American Express team members, John A. Spranka, Senior Country Executive of the bank in Bangladesh, commented that the opening of the branch was an expression of American Express Bank's commitment to Bangladesh.

The bank had just celebrated its 80th anniversary but the bank itself was part of the American Express Corporation, one of the largest financial services groups in the world and founded 150 years ago.

In Bangladesh, the bank offers a unique range of both financial and travel services, meeting all its clients' needs under one roof, the release added.

The US ambassador mentioned the long and happy relationship the US Embassy had enjoyed with American Express Bank as a client. The bank served the embassy's needs over many years.

American Express is a founding member of the US-Bangladesh Business Council, which seeks to promote inward US investment and trade links with Bangladesh.

Lachlan Hough kicked off the bank's "Do More" campaign — a pledge to do more to enhance the products and services the bank.

## New corporate dealer of ANZ



Deedarul Huq Khan has taken over as a corporate dealer of ANZ Grindlays Bank Treasury, says a press release. After graduating from India, Mr Khan did his MBA at the Institute of Business Administration of Dhaka University.

He started his banking career as a Technical Analyst with a top ranking DFI in the country in 1993.

He joined ANZ Grindlays Bank in 1995 as a graduate trainee and served in various capacities in Personal Banking and Treasury departments of the bank.

Prior to taking the new charge, Deedarul was a Money Market Dealer in the bank's Treasury Department.



TAIPEI (Taiwan): A Taiwanese central bank worker displays samples of new Taiwan dollar notes, featuring pictures representing the island's endangered animals, as well as subjects relating to education and scientific developments, in Taipei Wednesday. The new notes will be introduced between now and July of next year. —AFP photo

## Drive to ward off ill effects

# SEC may start assessing Y2K compliance in June

By M Shamsur Rahman

In June this year the capital market watchdog is likely to launch a preparatory drive to ward off ill effects of millennium bug, which may cause serious trouble to the listed companies and the brokers' workstations using computer terminals to keep records of their shareholders and clients.

A Securities and Exchange Commission (SEC) team, formed on 31st August last year, is expected to start inspecting the share departments of the listed companies who are using computers to keep records of their shareholders. The team will also pay visits to the two automated bourses and brokerage houses using the computer terminals for trading.

As the century is coming to an end and the world getting ready to welcome the year 2000, the SEC fears that the Y2K bug could spell disaster for the country's stock businesses.

A company may end up with wrong calculations regarding its dividend pay-outs or a security firm may execute transactions that were never ordered by an investor.

These are not mere probabilities, but are very likely as listed companies and security firms are responding very poorly to an SEC warning calling for Y2K compliance of their computer software.

The millennium bug can be so fatal that even if computers at a single workstation used by a broker is not updated to face the Y2K glitch, it can cause the total trading system to collapse.

But of the 230 letters issued by SEC to the listed companies, stock exchanges and merchant banks, only 38 have responded

till yesterday. In their replies, the companies apprised the SEC of the conditions of their machines.

The SEC is currently reviewing the preparatory measures

## Peugeot UK arm breaks 25-yr output record

The English Midlands factory of the French Peugeot car company has shattered a 25-year-old production record by building 2,965 cars in a week, reports UNB.

The UK arm of the company says the plant's output of Peugeot 206 hatchbacks at the end of January, 1999, was the highest weekly total since 1973, according to a report made available to the agency.

"The record crashed as employees began working overtime to cope with the runaway demand for the new 206 range," a spokesman explained.

He said: "An extra shift and 950 new jobs are planned to satisfy the unprecedented level of 206 orders. But the new shift will not start until late April or May and, in the meantime, Peugeot has been forced to introduce overtime to cope with the increased 206 demand."

The spokesman informed that since the new shift and recruitment campaign was announced, Peugeot has received more than 10,000 applications. More than 250,000 Peugeot 206s have been sold across Europe since launch last October.

adopted by the regulatory bodies of other countries. "We would set a standard for our inspection team before they start visiting the companies and bourses."

**DSE**  
In response to SEC queries, the Dhaka Stock Exchange (DSE) said that it had recently formed an IT committee to look into the year 2000 issue.

"DSE's approach is to make sure that all interfacing computing and communications equipment as well as the automated trading system is Y2K compliant," the DSE said in its reply.

It also said that it had not received any response from its hardware and software provider, as the issue was not included in the deal with Tandem, the company which was awarded the automation contract.

The DSE, however, has set its deadline for achieving the Y2K compliance by May this year.

**CSE**  
In reply to SEC queries, the Chittagong Stock Exchange (CSE) said that all of its software were tested before their use and that the Y2K bug will not be a problem for the bourse.

CSE also said that it had already asked its members to upgrade their backoffice software by June 1999. The source has, meanwhile, procured tested software for members' backoffices.

**SEC**  
The proposed SEC Automation System (SECAS) would be year 2000-compliant, which is meant to be implemented by October this year.

# Asian Monetary Fund still years away: Mr Yen

TOKYO, Mar 3: The creation of an Asian Monetary Fund is an increasingly popular idea but still years away, Japan's influential Vice Finance Minister Eisuke Sakakibara admitted yesterday, reports AFP.

Japan has long advocated the idea of a regional fund, together with promoting the use of the yen in international transactions, as a way of exercising greater influence in Asia.

But many critics, particularly Washington, are concerned such an organisation would offer money with far softer conditions than imposed by the International Monetary Fund.

"There has been a change in the international mindset in the last 18 months," Sakakibara said at a press conference

at the end of a World Bank symposium here on reforming the global financial system.

"The need for regional cooperation if there is more strongly felt than 18 months ago."

When Japan pushed the idea in the past it was quickly shot down by United States.

But last year under a new initiative led by Finance Minister Kiichi Miyazawa, Tokyo said it would lend 30 billion dollars to help its troubled Asian neighbours, a move widely regarded as reawakening the concept of a regional fund.

Nevertheless, Sakakibara admitted setting up an actual organisation would take years.

"To create a concrete institution for that now is not realistic, it is now something we could implement right away."

"However we are promoting the so-called Miyazawa scheme and the internationalisation of the yen from a medium-term perspective," said the minister, known as "Mr Yen" for his influence on currency markets.

He said Japan would be happy to work with a partner country to take on such a project.

"But it is something that needs to be considered in a five or ten-year time span," he said.

Japan, and the Finance Ministry in particular, have been pushing for changes to the global financial system, not least the IMF itself, which they believe was too harsh in its conditions for rescue loans to Thailand, South Korea and Indonesia in the past two years.

# Vietnam may overtake India as second largest rice exporter

HANOI, Mar 3: Vietnam could be overtaken by India as the world's second largest rice exporter as rice producing nations increase output for domestic consumption, a rice researcher said here yesterday, reports AFP.

"Countries like Indonesia, Bangladesh and the Philippines are growing more for themselves, and will import less," which would affect Vietnamese exports, said Mercedesita Sombilla of the International Rice Research Institute.

She said steep devaluations elsewhere had caused a foreign exchange scarcity, encouraging domestic production, which in turn will pinch Vietnamese exports.

Sombilla also said favourable climatic conditions

in the last quarter of 1998 would ensure good harvests in those countries in 1999.

According to Vietnamese official figures, rice exports reached 3.7 million tonnes in 1998, making Vietnam second only to Thailand in terms of rice exports.

But the bulk of Vietnamese rice exports are made up of 25 per cent broken rice, which sells for between 30 and 50 dollars less per tonne than higher quality rice sold by Thailand.

That means Vietnam has trouble finding new markets in Japan or Europe, which only buy high quality rice, she said.

Indian rice also sells at a premium to Vietnamese rice of comparable quality.

Rice is Vietnam's number

one agricultural export and a chief source of foreign exchange.

Per Pinstrup-Andersen, Managing Director of the Washington-based International Food Policy Research Institute (IFPRI), said Vietnam needs to diversify agricultural production.

"There needs to be more attention on less favoured agricultural areas," he said. For example while the Red river Delta and Mekong Delta produce rice surpluses, remote areas have inadequate food production.

IFPRI research fellow Francesco Goletti said Vietnam should focus on cash crops like cashews, fruits, and coffee as well as livestock, areas that can generate jobs and alleviate poverty.

# Japanese finance minister calls for IMF shakeup

TOKYO, Mar 3: Japanese Finance Minister Kiichi Miyazawa called today for a shake-up of the IMF, warning failure to change will damage national economies and its own reputation, reports AFP.

The International Monetary Fund started operations in 1946 in the days when flows of money were limited, the 79-year-old minister said in a speech read out to a World Bank symposium.

Abrupt movements of money across national borders were a "fundamental" cause for the escalation of Asia's financial crisis, he said, and the IMF "has not fully attuned itself to addressing this type of crisis."

"If the IMF continues to advise crisis countries such mea-

sures that were appropriate in resolving crises arising from current account deficit, it would not only damage the country's chances to recover from the crisis but also the reputation of the IMF itself," Miyazawa said.

The advice given by the IMF to countries suffering financial crises must be reviewed, he warned, calling for the monitoring of private capital flows to be strengthened.

If needed, the IMF should require private creditors to agree to a debt roll-over or provision of new funds as a condition for public assistance, Miyazawa said.

"As for the monetary and fiscal policies, caution is needed because too much tightening for the sake of defending

exchange rates could lead to overkill of the economy," he warned.

The IMF's role should be limited to policies directly related to resolving crisis, Miyazawa said in a speech read out by political Vice Finance Minister Sadakazu Tanigaki.

Its ability to pump liquidity into crisis-struck countries could be helped with the creation of new lending facility for economies that have a good track record established by regular IMF checks, he added.

"Should a certified country face a crisis, due for instance to the contagion of a currency crisis in the region or to the attack by speculative funds, the IMF would be able to provide large-scale liquidity."