

## Vietnam not ready for Y2K bug

HANOI, July 5: With less than six months to go, Vietnamese companies are vastly underprepared to deal with problems arising from the Y2K bug, a report said today, reports AFP.

According to a survey conducted by the National Y2K Prevention Steering Board, just 22 per cent of 1,000 companies surveyed had drafted a plan to respond to the millennium bug, the Vietnam Investment Review reported.

Some 32 per cent of firms cited a lack of funds for their inability to tackle their problems.

According to the steering board deputy head Chu Hao, the effects of the millennium bug on automatic production lines and equipment was the primary concern.

However, he noted because of Vietnam's relatively low level of technology, the country faced less of a risk than more industrialized countries.

Experts have warned some computer systems may break down or malfunction in the transition to 2000, wreaking havoc on financial systems, transport and other technology-dependent activities.

Vietnam Airlines has already spent two million dollars to iron out glitches that could arise at midnight on December 31 from computers which cannot differentiate between the year 1900 and 2000.

## BA Heathrow flight check-in currently at Paddington

British Airways is to make light the work of catching flights from Heathrow by bringing check-in to central London, says a press release.

BA passengers flying from Heathrow can now choose their seat on the flight, pick up their boarding pass and receive baggage check-in at Paddington railway station at any time on the day of departure. Suitcases can be dropped off first thing in the morning, leaving the day free for passengers to see the sights or go back to the office before taking the high-speed Heathrow Express rail to the airport.

At least 600,000 passengers a year are expected to receive the airline's new check-in facility. British Airways will have 13 of the 27 check-in desks at the remote terminal, which will open from 5 am to 9 pm daily with a minimum check-in time of 2 hours. Passengers travelling on British Airways partners Qantas and Canadian Airlines will also be able to use the service.

Paddington check-in is one of BA's range of services aimed at easing passengers' journeys before they take off. The airline currently offers at least 10 different check-in options from London including telephone and self-service check-in as well as check-in at the departure gate.

The new service will complement British Airways' existing central London check-in facility for Gatwick passengers at Victoria and together they'll be called the company's 'Central London Terminals'.

Mike Street, Director of Customer Service and Operations, said: "We're sure Paddington check-in will add to the success of our existing service for Gatwick passengers at Victoria."

## China to tighten foreign tobacco operations control

BEIJING, July 5: China is starting to tighten controls on foreign tobacco companies' operations in China, the China Daily Business Weekly reported today, says Xinhua.

The move aims to step up controls on the number of standing representative offices and the level of sales promotion activities of the foreign tobacco companies.

A circular issued recently by the State Tobacco Monopoly Administration, the Ministry of Foreign Trade and Economic Co-operation and the State Administration for Industry and Commerce stipulate that foreign tobacco companies applying to increase their number of representative offices to over two will have to meet either of the following two requirements.

Over 10 million US dollars in annual cigarette and cigar exports to China in the previous two years on average.

Technical co-operation with Chinese cigarette manufacturers with the permission of the State Tobacco Monopoly Administration.

"We have tightened the controls because they are in a mess now," an official from the State Tobacco Monopoly Administration, told the weekly.

Few restrictions had been imposed on the number of representative offices in the past. As a result, some foreign tobacco businesses have established more than 30 such offices in China.

# Indian, Pak markets gain on Kashmir agreement

BOMBAY, July 5: Indian markets advanced cautiously today following news Pakistan had agreed with the United States that guerrilla forces fighting the Indian army in Kashmir will be withdrawn, reports Reuters.

Shares prices, bonds and the rupee all gained ground, but there was no runaway bull surge.

Traders wanted to be sure Pakistan Prime Minister Nawaz Sharif could fulfil a commitment made to US President Bill Clinton during talks in Washington.

The gains are because a solution to the crisis is in sight now, said Vetr Subramaniam, vice-president of equity sales at SSKI Securities.

The benchmark Bombay index rose 1.85 per cent to 4,272.32 by noon, just below a 15-month high of 4,284.94 registered on an initial burst of buying.

India had no immediate comment on the accord struck in Washington, and a defence official said there was no sign

of a voluntary withdrawal by the infiltrators and the army was pressing ahead with attacks to drive them out.

In Pakistan a leading Islamic militant group said it would not pull its fighters out of Kashmir.

The news from Washington sent the rupee to an early high of 43.245 per dollar, after closing on Friday at 43.39/40, but in noon trade it settled around 43.27/28.

Latest foreign exchange reserve figures showed India has spent close to \$300 million to limit the rupee's fall to just 1.5 per cent since the Kashmir crisis erupted in mid-May.

But India began June with reserves standing at an all time high of \$33.5 billion, and the central bank appeared relatively comfortable with a modest market-led fall in the rupee.

The central bank keeps a tight rein on the rupee and imposed checks on speculative trading last August, when the currency hit an all time low of 43.70 per dollar.

Bankers said they did not

expect the rupee to return to levels seen before Kashmir began chipping away at its value.

"Today's move is on account of long-liquidation in reaction to a very likely resolution in the crisis," Amit Gupta, head of treasury marketing at HSBC Markets said.

"But in the longer term, we feel the rupee is over-valued and needs to correct."

The share market is likely to react more forcibly as Kashmir has been subduing an underlying bullishness.

India has posted a string of positive economic data in the last two weeks, pointing to improving industrial output, exports, bumper crops and strong rural consumption.

The good news was topped off on Sunday by the release of wholesale price index data, which showed inflation at its lowest levels since the early 1980s.

WPI inflation sank to 2.53 per cent in the week to July 19, compared with 7.6 per cent a year earlier.

Another report from

Karachi says, Pakistani stocks jumped today encouraged by news that US President Bill Clinton and Prime Minister Nawaz Sharif had reached an agreement aimed at the withdrawal of guerrillas from the Indian side of Kashmir.

The Karachi Stock Exchange 100-share index KSE was up 18.01 points, or 1.63 per cent, in early trade.

The agreement gives the feeling that the chances of a war between India and Pakistan have subsided," said Salman Ahmed Naqvi, head of sales at Finex Securities.

Naqvi said Indian comments and domestic political reaction to the agreement would be watched closely by market players.

A joint statement released after Sharif met Clinton in Washington said "concrete steps" would be taken to restore the Line of Control dividing Indian and Pakistan-held Kashmir, in order to wind down the worst military standoff between the neighbours in three decades.

## BKB achieves 97pc recovery target

### Star Business Report

Bangladesh Krishi Bank (BKB) achieved a remarkable success in recovering agricultural loan during the just concluded fiscal year in spite of a two-month long devastating flood in the country.

"The bank successfully achieved 97 per cent of recovery target for the fiscal. It recovered Tk 1118.17 crore out of targeted Tk 1150 crore for the year," Shoaib Ahmed, managing director of the bank told a press conference held at the bank's headquarter in the city yesterday.

He claimed that the recovery rate was 107 per cent of the original recovery target of Tk 1050 crore which was revised later.

Addressing the conference, Mirza Abdul Jalil, chairman of the bank, said it was the first time that a state-owned bank, BKB, surpassed the loan disbursement and recovery targets.

"Credit goes to the bank officials and farmers who worked hard for a bumper crop production this year with the help of government and financial institutions," he said.

Shoaib Ahmed said the loan disbursement target of the bank

increased to Tk 1590.31 crore from the original target of Tk 1375 crore soon after the flood.

The bank has 345 loss making branches out of the total 837 branches throughout the country. The number of profit making branches increased to 492 this year from 167 last year.

Losses of the bank came down to Tk 125 crore this year from Tk 206.14 crore last year, the managing director said.

He hoped that the loss would be reduced further after recovery of crop loan disbursed last year.

The bank has fixed disbursement and recovery targets at Tk 1350 crore and Tk 1300 crore respectively for the current 1999-2000 fiscal.

Shoaib Ahmed further said that the BKB took up a poverty alleviation programme under which around 1000 families living in the urban areas would be rehabilitated to their original village homes by December this year.

The bank will provide them with loans so that they can start their lives anew at their homes, reducing the population burden on the metropolis, he said.

## Magazine says CSFB 'best bank' of last 25 years

LONDON, July 5: Credit Suisse First Boston (CSFB) CS-GZ.N. F has won the International Financing Review's award for best bank of the last 25 years, the magazine said today, reports Reuters.

Announcing a range of awards marking its 25th anniversary issue, IFR said CSFB also scooped the title of Best Bond House.

Chase Manhattan Bank CMB.N was named Best Loan House, Goldman Sachs Best Equity House and Deutsche Bank DBKG.F subsidiary Bankers Trust BT.N best derivatives house.

Sovereign debt issuer Italy won the award for best borrower.

IFR called CSFB "the single most important firm in the development of international capital markets", praising what it said was the bank's eye for innovation and adaptable, risk-taking culture.

"CSFB almost single-handedly created the modern M&A model, pioneering new structures and bringing more debut borrowers to the market than anyone else. It was equally influential in the creation of the modern M&A (mergers and acquisitions) market," the magazine said in a statement.

## Indonesian economy on road to recovery: Central bank

JAKARTA, July 5: Indonesia's central bank chief said today there were clear indications the economy was on the road to recovery from the financial crisis that erupted two years ago, says AFP.

Bank Indonesia governor Syahril Sabirin said strong monetary indicators and positive quarter-on-quarter growth in the three months to March had convinced investors that "signs of our economic recovery are clearly seen."

"We have witnessed that rupiah has recovered and now is trading in a range of 6,500 to 6,900 to the dollar," he told a parliamentary hearing on a bank recapitalisation programme.

"Inflation has also been very low... in the past four months we have even seen negative inflation."

"Interest rates have also declined sharply (to) 18 per cent and deposit rates are now at around 20 per cent," Sabirin was quoted by AFP-ASIA, an AFP-affiliated financial news service, as saying.

He added that monetary stability was a result of monetary and banking policy and other areas of economic regulation.

Sabirin said he expected the rupiah to reach equilibrium at around 6,000 to 6,500 against the dollar, adding the stabler rupiah will stimulate imports.

Despite the rupiah's strong appreciation against the dollar, Sabirin said, the existing free float exchange rate system was still the "best option" for Indonesia.

He said his estimate of the rupiah's fair level at between

6,000 to 6,500 to the dollar was based on the fundamentals of the Indonesian economy, including export competitiveness.

"But this range is not Bank Indonesia's target of the rupiah's fair level. The market will decide the fair exchange rate," he said.

He added the stronger rupiah "may have weakened export performance of certain goods, but if we study the characteristics of our exports which carry high import content, the strong rupiah should bring a positive impact because prices of raw materials will be relatively cheaper."

The adoption of a free float system was a consequence of the integration of Indonesian economy into the global economy, he said.

## ANZ launches ATM at Dilkusha

ANZ Grindlays Bank launched the sixth Automated Teller Machine (ATM) at its Dhaka Main Sales and Service Centre at Hadi Mansion in the city's Dilkusha yesterday, says a press release.

The ATM was inaugurated by Abdul Hadi, the owner of Hadi Mansion, Muhammad A Ali, General Manager and Country Head, and other senior officials of the bank were also present.

ANZ Grindlays intends to install a few more ATMs very soon, the release added.

Five other ATMs of the bank are located at Dhanmondi, Gulshan, Kakrail and Sheraton Hotel Sales and Service Centres in Dhaka and at Nasirabad in Chittagong.

Apart from ANZ Access cards, all the ATMs of ANZ Grindlays in Bangladesh also accept Citrus cards and both local and international MasterCard and VISA credit cards.

## BB T-bill auction held

The 43rd auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held in Dhaka Sunday.

A total of Tk 560 crore, Tk 3 crore, Tk 18 crore, Tk 177 crore, Tk 62 crore and Tk 5 crore were offered respectively for the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year bills.

Of these, Tk 560 crore, Tk 16 crore, Tk 125 crore and Tk 10 crore of 28-day, 182-day, 364-day and 2-year bills were accepted respectively.

The range of the implicit yields of the accepted bills were 7.45 per cent-7.60 per cent, 8.85 per cent-8.87 per cent, 9.20 per cent-9.28 per cent and 9.21 per cent-9.29 per cent per annum respectively.

The bids offered against the 91-day and 5-year bills were not accepted, said a Bangladesh Bank press release.

## New MD of City Bank



Syed Nurul Amin has recently joined The City Bank Ltd as Deputy Managing Director, says a news release.

Prior to his new appointment, he had been working as the Executive Vice President and Head of Credit Division of Arab Bangladesh Bank Ltd at its Head office.

Amin, started his banking career with the erstwhile Muslim Commercial Bank Ltd in 1965 as an Officer and held different important positions both in MCBL and Rupali Bank. He joined AB Bank as the Manager or Khatungha Branch, Chittagong, in 1983 and later became the Regional Head of ABBL Chittagong region.

During his long banking career, Amin attended a number of important seminars and symposiums as both at home and abroad. He also attended the "Advanced Credit Management" programme under supervision of US AID/World Bank in USA and Thailand.

## South Korean bank sale to US group postponed again

SEOUL, July 5: The long-delayed announcement of the sale of South Korea's crippled Korea First Bank (KFB) to a US group was again postponed today, officials said, as Seoul's reform process appeared to stumble, says AFP.

Financial watchdogs, the Financial Supervisory Commission (FSC), said the body and Newbridge Capital Ltd. had not yet managed to strike a final accord on the terms of the much-trumpeted sale of KFB.

"We have agreed on the major terms of the sale of the KFB," an FSC spokesman said. "But we have yet to make an official announcement."

It remains uncertain when an official announcement will be made, she added.

Officials said Friday they had agreed in principle to sell the troubled KFB to the US investment consortium after a delay of more than two months in sealing the deal.

News reports said at the weekend that Newbridge had basically agreed to buy a 51-per cent stake in the nationalised bank for 600 million dollars.

The two sides also agreed to value KFB's assets at 95-96 per cent of their book value, Yonhap News Agency reported.

The six-month-old negotiations have been bogged down by differences over how to value

the assets of the ailing institution, share future profits and deal with future non-performing loans.

Total loans extended by KFB stood at 18.8 trillion won (16 billion dollars) at the end of last year.

Seoul last week decided to inject 5.3 trillion won (4.5 billion dollars) into KFB, while ordering the bank to slash its capital, in addition to 1.8 trillion won it has already sunk into the bank.

Earlier Seoul sank 1.5 trillion won into the bank, boosting the state share to more than 93 per cent and effectively nationalising the institution to prevent its collapse.

## WTO leadership sharing Supachai wants to be in office for 2 years

BANGKOK, July 5: The Thai candidate for the World Trade Organisation's leadership said today he was willing to share the post but needed more than two years in the job, says Reuters.

Thai Deputy Prime Minister Supachai Panitchpakdi was referring to a proposal that he and his rival for the job, former New Zealand prime minister Mike Moore, either split the four-year term between them or serve four years each consecutively.

"The idea arose as a way to resolve the tough, protracted leadership battle that has left the WTO without a director-general since April."

"I appreciate everything which could help the organisation," Supachai told reporters. "However, it must be done clearly because this solution has never been tried before and it has to be fair for both (candidates)."

"And I think the two-year term for the position is too short - it should be revised up," he said.

Supachai said he expected the leadership issue would be resolved by September, adding: "If it isn't, the organisation might restart the process and select a new (candidate) instead."

Last week the United States, which Thailand has accused of obstructing Supachai, said it was open to the leadership being shared if the proposal drew a consensus from WTO members.

The 134-member WTO,

which polices global trade agreements, has been without a director-general since April 30, when Renato Ruggiero of Italy stepped down at the end of his four-year term.

Details of how a shared leadership would work have yet to be agreed on by members.

Kobsak Chutikul, director-general for economic affairs at the Thai Foreign Ministry, said Bangkok was considering the proposal but would not enter secret talks with any party.

"All the procedures must be democratic and transparent," he said.

Kobsak said the WTO's governing council discussed the job-sharing proposal on Friday but had not gone into detail.

"The details are: One, do the WTO rules allow sharing of power? Second: if there is going to be a rotation, who comes first? And third, what is the selection method?" he said.

"All these steps must be covered in a transparent and democratic way. And, most importantly, no one should take preconditions into the discussions."

Diplomats in Bangkok have forecast protracted haggling over who takes up the second term, as this would carry advantages in securing reappointment.

Thai Prime Minister Chuan Leekpai's top economic policy makers would not be happy to see Supachai take the second of a split term because it would mean he would have more time to air his contrarian views on the economy.

## HK airport to cut fees for boosting revenue

HONG KONG, July 5: Still deep in the red a year after its long-planned opening, Hong Kong's airport may cut its notoriously high fees in an effort to boost revenues by increasing cargo volume, local newspapers reported Sunday, says AP.

Although lowering airport fees may not directly lead to more visitors coming to Hong Kong, the charges will be reviewed this month or next, said Billy Lam, chief executive of the Airport Authority, which runs the Chek Lap Kok airport and sets its fees.

The measures are aimed at bringing Chek Lap Kok, which posted a 400 million Hong Kong dollar (US\$ 51 million) deficit in the past 12 months, out of the red, the Hong Kong Standard reported.

The airport's opening July 6 was marred by a costly series of failures that severely disrupted passenger and cargo operations.

But after the airport began normal operations, airlines complained of exorbitant aircraft parking charges, which are as much as a third higher than Hong Kong's former airport.

The charges also are about double those of Singapore's Changi Airport, Chek Lap Kok's main competitor as Asia's aviation hub. Singapore slashed its charges by 10 per cent last year.

Airport officials have previously said they have to charge higher fees because they need to repay their debts in four years. The airport and related infrastructure cost US\$ 20 billion to build.



Once child garment workers, these children at H&M skill training centre at city's Mirpur, sure have the reasons for smiling, thinking of a better and promising future.

— Unicef photo

## Readying working children for a promising future

"I am very happy to be here. I have learnt so many things like front face, side join, collar join, pocket sewing etc. Yes, I feel more confident now. Once we complete the six-month training course, we shall become experts like the instructors," said Nahar.

Nahar, today has come halfway of the 6-month training programme. The training at the H&M Training Centre at Mirpur is to build up trainees with basic skills, machine controls and speed. After completing it, the trainees will have a very clear concept of the work pace and the quality which will be required of them in a real job situation.

The specially-designed skill development training programmes launched by H&M, a Swedish company in garment business, has entered into an agreement with Unicef of build up and give children over 14 a better chance to find qualified job and to improve the sewing skills and the quality of garment produced in Bangladesh.

Along with girls and boys of her age, she is taught all the skills necessary to become a first-grade sewing machine operator.

With the signing of the MOU four years back, realisation dawned upon the major partners providing facilities for general education. It was a common feeling that the children would need quality training in addition to the non-formal education package to improve their skills and life prospects.

Accordingly, Unicef and UCEP signed an agreement to provide skill training to more than 10,000 MOU learners.

Also wishing to contribute to this initiative, H&M came forward with its programme in 1998. The need for skill development and training for children was imperative so that those who wished could return to garment factories getting better equipped for production works.

Accordingly, H&M started its programme officially on 15th March 1999 with 12 children from GSS MOU education programme.

The children in their 14 and above, have been selected by H&M training management through a process that included written test, interview and assessment of their intelligence and aptitude.

Each child is provided with personal file, note pad, pen and pencil and instruction materials.

At present, four instructors are there who are receiving very intensive training in teaching methodology and training techniques. They will be able to ensure a high standard of training.

H&M project manager, consultant Eva Maria Nordberg said that 20 machines had been donated by H&M-affiliated factory owners. She also said that 20 children from the BRAC MOU programme will join the next batch, starting in August 1999. The training of the third batch, starting in December 1999, will be participated by 40 students and there will be two shifts.

A gradual increase of competence among the very young garment workers entering the industry will be the outcome of this undertaking in the next few years.

When asked to express her opinion about the learners, Nordberg said through the children can read and write, their aptitude and practical skills need to be developed more.

Considering their background, the overall progress is very positive and satisfactory.

During the first 3-month training, each child will get Tk 10 everyday as transport allowance and a tiffin. A training allowance of Tk 500 to 650 is given as stipend every month. H&M bears 100 per cent of the expenses at the moment, but looks forward to shared responsibilities with factory owners in this respect. After completion of the three-month training, the children will continue receiving training on job in garment factories for additional 3 months.

The H&M training centre organises regular meetings with the parents and guardians to discuss issues concerning their children's welfare. The parents are very enthusiastic about the training programme and are aware of the positive impact it will have on their lives.

According to Samphoe Lhalungpa of Unicef, the H&M skill training programme is a small but high-quality initiative that points the way towards increasing public-private sector cooperation in this complex area.

— Unicef feature