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Tofail invites S'poreans to invest in Bangladesh

SINGAPORE, July 14: Commerce and Industries Minister Tofail Ahmed said the present government under the leadership of Prime Minister Sheikh Hasina has turned Bangladesh into a place favourable for investment, reports BSS.

He was addressing a day-long seminar on "Opportunities for investment in Bangladesh" in Singapore today.

It was organised by Metropolitan Chamber of Commerce and Industry (Bangladesh), Bangladesh High Commissioner in Singapore, Singapore Foreign Ministry, the Trade Development Board of Singapore, Singapore Confederation of Industries.

The minister presented the keynote paper in the seminar while Sirajuddin Ahmed, Executive Chairman, Board of Investment (BOI) also presented a paper highlighting the investment Policies and incentives.

More than 200 Singaporean investors and industrialists were present in the seminar.

Richard Cheang and James PKH — two Singaporean investors who are now doing business in Bangladesh — also spoke on the occasion.

They highly praised the package of incentive now being offered to the foreign investors by the present government.

The minister detailed different measures taken by the present government and called upon the Singaporean business community, entrepreneurs and investors to avail the opportunity created by the present government in Bangladesh.

EU removes ban on British beef

BRUSSELS, July 14: The European Commission decided today to lift the worldwide ban on British beef exports imposed over mad cow disease from August 1, a spokesman told Reuters.

The decision ends more than three years of a crippling trade embargo, allowing deboned beef from cattle born after August 1996 back to 10 world markets.

"The decision has gone through," Gerry Kiely, spokesman for farm commissioner Franz Fischler said.

The worldwide embargo had wiped out markets worth around \$1 billion a year, plunged Britain's beef industry into chaos and shattered public confidence in the safety of British meat that farmers admit will take time to rebuild.

The total cost of the crisis has been estimated at above \$6 billion. It could be another five years before all stocks of impounded meat and animal feed can be incinerated.

The ban was imposed in March 1996 after the British government's admission that humans eating infected beef could be vulnerable to a new form of the deadly brain disorder Creutzfeldt Jakob Disease (CJD).

Standard of fish processing unit's satisfies ATDP

From Our Correspondent
CHITTAGONG, July 14: The experts of Agro-based Technology Development Project (ATDP) — a US-aided project after a recent survey expressed their satisfaction over the improvement in the standard of frozen fish processing factories in the country.

On submission of the report and recommendations of the survey, an assistance in training programme to better the conditions of frozen fish factories and marketing of the products is likely to be initiated by ATDP by next month.

Led by Palmi, the ATDP experts during the survey visited twenty fish processing factories in Khulna region last month. Also from July 9-11, they paid visits to 13 such factories in the Chittagong region.

During this survey, the team found that the standard of the factories had developed remarkably.

Labour minister for accountability in manpower business

Labour and Manpower minister M A Mannan yesterday emphasised the importance of more transparency and accountability in manpower business, reports UNB.

"Refrain from evil competition in exporting manpower," he asked the manpower agents, while addressing the office-bearers of Bangladesh Association of International Recruiting Agents (BAIRA).

He also asked the manpower recruiting agents to make sure that Bangladesh workers could go abroad in the shortest possible time without facing any harassment.

BAIRA President Mohammad Noor Ali, Secretary General Golam Mostafa and Executive Member A H M Mostafiz Kamal MP was present at the meeting at the ministry's conference room.

Process to reorganise NCB management

Hunt for Rupali Bank CEO from private sector begins

By Inam Ahmed

For the first time in Bangladesh, the government is going to appoint managing director for a nationalised commercial bank (NCB) from the private sector.

The Finance Ministry has already readied an advertisement for an MD or chief executive for Rupali Bank who will have "the vision and will-power to lead and transform the bank into a viable, progressive and profit-making institution through a process of strategic organisational changes."

The advertisement will be published in the national and international media pretty shortly. International weekly,

The Economist, has been chosen as the toll for launching the international hunt.

The MD will be responsible for overseeing the bank's general operations and co-ordinating of its activities with the view to turning it into a commercially viable one.

The applicants must have 20 years of senior-level experience in commercial banking or working experience with any financial institution with proven leadership qualities in Bangladesh or any other Asian country. They can apply by September 31.

The salary of the would-be MD has not been fixed yet, but

he will be offered an attractive remuneration package.

According to sources, after appointment of the Rupali Bank MD from the private sector, the government will look for a CEO for the Bank of Small Industries and Commerce (BASICO). The term of the current BASIC MD will end in about a year.

The Finance Ministry approved appointment of private bankers as CEOs of NCBs in April this year in a major bid to make them market-oriented.

According to sources, this major move to restructure the NCBs was based on the Pakistan experience where private

talents have been inducted into the posts of CEOs of the state-owned banks.

It may be mentioned here that the Habib Bank, United Bank and National Bank of Pakistan have hired their CEOs from the private sector. All these CEOs came from reputed foreign banks. The first two banks had hired their MDs from Citicorp while the other had its MD from the Bank of America.

They said that this new system of employing private MDs would be introduced in a selected manner and the CEOs will have to fulfill certain targets.

Bourses bar allotment letter trading from Aug 1

By M Shamsur Rahman

In a desperate bid to salvage the capital market from the clutches of fake shares, both bourses of the country have banned trading of allotment letters from August 1.

The crucial decision was taken by the management of both the exchanges with necessary clearance from the capital market regulators following failure of the Dhaka Stock Exchange (DSE) Council to take effective steps for eliminating fake share trading.

The Securities and Exchange Commission (SEC) on Tuesday last approved some DSE proposals for slapping curbs on trading of fake shares in the market.

The new changes will make companies to replace their allotment letters with share certificates after 140 days from the date of closing of subscription.

"The company will have to dispatch all allotment letters

within 40 days of the closing of subscription stating that no allotment letters will be accepted by the DSE after 140 days of subscription closure," according to new amendments in the listing regulations.

During trading of allotment letters on the exchanges, an employee of the share department of the company will sit at the DSE clearing house to ensure that the allotment letters in circulation are genuine, sources said.

To minimise further the existence of forged certificates, the amendments also called for a hologram to be inscribed on the scrips.

As a preventive measure, the DSE has already banned the trading of allotment letters of JH Chemicals from April 24, and that of Sino Bangla from July 10.

It had previously declared a ban on allotment letter trading

of Samata Leather and Fu Wang from August 1, while that of Gulf Food from July 20.

The new decision came in the wake of a scam unearthed by a DSE inquiry committee last month, which revealed involvement of a company management in circulating fake allotment letters in the market.

The committee detected some 32,200 excess shares in circulation against its total issue. In its report, the committee said that the fake shares were circulated by the company management in collusion with a top brokerage house.

The matter was referred to the DSE Council which failed to take any action against the company or the securities firm. After a lengthy meeting, the Council decided to refer the company issue to the SEC without taking any move against the broker.

Market sources said that the

brokerage house had so far replaced as many as 22,000 fake shares of the alleged scam after the scam was reported in the press.

The DSE councillors said that the inquiry committee had failed to prove the allegations it made against the brokerage house.

Some senior brokers are now questioning the motive behind the replacement of shares by the brokerage house, which is claiming to be innocent.

They also say that mere changes in shares are not helping those who had bought fake scrips as the prices of those have already gone down.

The share markets of the country started hitting lows following the 1996 market scam and continued to remain depressed till yesterday. Brokers and traders attribute the depression to the fake share scam.

According to market experts, around 80 per cent of the fake shares were forged allotment letters, which are easy to duplicate.

They said that the size of the fake share market is around Tk 100 crore.

ANZLINK now in Khulna

Star Business Report
Khulna Power Operators Limited has signed an electronic banking agreement with ANZ Grindlays Bank.

The accord was inked by Ann Christine Bjorklund, Financial Controller of Khulna Power Operators Limited and Selim Hussain, Head of International Network Services of ANZ Grindlays Bank in Khulna recently.

Muhammad A. Ali, General Manager and Country Head, KM Sattar, Head of Corporate Banking, Shafiqul Alam, Head of Finance and Administration and Sohail Zaman, Manager Corporate Banking of ANZ Grindlays, were also present at the signing ceremony.

This is the first time that this service is being introduced in Khulna.

ANZ Grindlays' electronic banking service, ANZLINK, allows customers to access their account balances and statements from their offices and to electronically transmit requests for fund transfers and issue of LCs to the Bank, says a press release.

Sattar said that ANZ Grindlays was keen to introduce different electronic banking services in Bangladesh as he believed the key to future success in the banking industry lay in superior value addition.

ANZ Grindlays is the largest foreign bank in Bangladesh with over 60,000 customers and fourteen Sales and Service Centers spread over five cities.

Tk 160 cr BGSL bills lying outstanding

COMILLA, July 14: More than Tk 160 crore gas bills of Bakhrabad Gas System Limited (BGSL) have been lying outstanding.

Officials said that government organisations were the main defaulters with about 99 per cent of the amount, reports UNB.

BGSL, the country's biggest gas distribution company, has already launched a drive for disconnecting supply lines in a bid to realise the outstanding bills.

The company has 2,500 industrial and commercial subscribers.

Though the drive, has slowed down due to various reasons, BGSL has so far disconnected lines of 20 industrial and 40 commercial subscribers, officials said.

As the dues of residential subscribers are not significant, BGSL tried to motivate them into paying their bills instead of disconnecting the lines.



GODSPEED TO ONE BANK: Finance Ministers SAMS Kibria is offered a piece of cake at the launching ceremony of One Bank Limited in city yesterday. — Star photo

Kibria at One Bank launching Reformed banking system to deny defaulters unaccountable loans

Star Business Report

Finance Minister Shah AMS Kibria yesterday said defaulters will no more be allowed unaccountable loans under stricter supervision and a reformed banking system.

"There was a time when loans were used to be sanctioned only in a day's time and by honouring a telephone call. Let this be history," Kibria said, while inaugurating a new private bank, One Bank Ltd (OBL), at Hotel Purbani in city yesterday.

"Under the present banking reform process, loan defaulters will not get any such opportunities as the government has kept a close vigil on the issue," said the minister.

He asked all banks to stand guard against loan default practices as this has almost broken the backbones of some old banks of the country.

"Some bank entrepreneurs consider themselves as the

owners and take loans lavishly which in turn leads to defaults," he said, adding that it is the depositors who are the real owners of the banks.

"The banks which are burdened with bad debts have to offer increased interest rates to depositors and also charge borrowers higher. This has hampered the profitability of these financial institutions. But the new private banks are free from such drawbacks."

OBL is the 20th bank in the private sector with an authorised capital of Tk 100 crore and paid-up capital of Tk 40.50 crore.

Presided over by Chairman of OBL MH Choudhury, the function was also attended by Bangladesh Bank Governor Dr M Farashuddin, former Governor Md Lutful Rahman Sarkar, and OBL MD Ashfaq U Chowdhury.

While recognising that new banks were needed to serve the

expanding economy, Kibria criticised them for "limiting their activities to urban areas, neglecting the rural people."

If the remote villages do not come under the banking network, it will be entirely impossible to boost the economy," he said.

Kibria expressed the hope that the OBL would play a crucial role in the development of the country's economy.

The finance minister also lauded OBL's plans for farm and off-farm credits in rural areas, "seed money" for self-employment and credit programme for women entrepreneurs.

"BB Governor Dr M Farashuddin said the success of a bank depends on its service, quality, marketing strategy and managerial skills."

OBL Chairman MH Choudhury said that the bank would provide diversified banking services to its customers.

Foreign shipping lines raise freight rate Exporters' transportation costs seen doubling

Country's shippers and exporters are to pay more than double for transportation of their exportables as some foreign shipping lines have again unilaterally enhanced ocean freight rate, reports UNB.

The Shippers' Council of Bangladesh President Hasan Maniruzzaman yesterday said that the first increase in shipping lines' freight came on July 1, 1998, the second on January 1, 1999 and the last from July 1, 1999 without prior notice and required consultations.

"As a result, the interest of our shippers, who are also exporters, has been hampered much, as they are to pay more than double in transportation of their exportable goods," he said.

Container	Previous Freight	Present Freight
Per 20 feet	US\$ 800	US\$ 1,750
Per 40 feet	US\$ 1,600	US\$ 3,400
Per HC	US\$ 1,800	US\$ 3,775

The rate of increase is USD 300 per 20 feet container, USD 600 for 40 feet container and USD 775 per HC container.

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The Shippers' Council President urged all shipping lines operating in Bangladesh to discuss with the shippers the reason for such frequent increases in ocean freight rate and justify it under the UNCTAD Conventions.

He also urged the shipping lines to refrain from affecting the decision of increasing freight rate from July 1, 1999.

Maniruzzaman also requested the Shipping Ministry to take appropriate measures so that the shipping lines refrain from increasing freight unilaterally.

N Korea slams South for suspending tourist ties

SEOUL, July 14: North Korea today lashed the rival South for suspending a landmark tourism link between the two countries and pledged to guarantee the safety of South Korean tourists in the communist state, reports AFP.

South Korea suspended the cruise boat tours last month after North Korean authorities detained a Seoul housewife for six days, branding her a spy and accusing her of trying to lure North Koreans into defecting to the South.

From the outset, the South Korean authorities took a double-dealing attitude toward this project," the official Korean Central News Agency (KCNA) said.

"This is a foolish deed of the South Korean authorities to persistently suspend the tour, going against public opinion," it railed in a dispatch monitored here.

The detention of Min Yong-Mi sparked public alarm here and raised fears over the safety of tourists at the scenic Mount Kumgang tourist area, despite Pyongyang's earlier guarantees.

KCNA however insisted that it had lived up to promises to guarantee the safety of the 86,000 South Korean visitors who have been to Mount Kumgang since November, pledging to continue to do so.

take every conceivable safety measure so that South Koreans, who come solely for the tour of Mount Kumgang may see the mountain without any inconvenience," it said.

The comments are seen as an appeal to Seoul to restart the lucrative tours, which have already netted the starving nation about 150 million dollars in precious foreign exchange revenue.

But it protested that, while it believed 36-year-old Min Yong-Mi was a South Korean agent, it had nevertheless sent her home after six days of grilling.

"Min Yong-Mi, too, was sent back unpunished through she conducted an anti-North smear campaign under the guise of a tourist."

As the Mount Kumgang tour has become unexpectedly animated, they planted such sullied elements as Min among tourists to conduct criminal acts against the North in a bid to totally check the tour," it claimed.

Mother-of-two Min was treated for severe shock and stress following her release on June 25.

The government of President Kim Dae-Jung will find it tough to resume the seven-month-old tourism scheme — run by the giant Hyundai Group — amid public fears over safety, analysts said.

Seoul said today it would block the Hyundai Group's next monthly payment of eight million dollars to the North if the tours do not resume by the end of July.

But for the scheme to resume, Seoul insists the North must furnish fresh guarantees over the safety of tourists.

The Mount Kumgang tours are seen as the focal point of President Kim's 18-month-old "Sunshine Policy" of engagement with the North.

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A new way to face share scrip and money forgers

An electronic watermark, which prevents fraudsters copying banknotes, credit cards, share certificates and anything printed, has been developed in southern England, says London Press Service (LPS), reports UNB.

Called MicroBar, it has been eight years in development by William Johnson of Durand Technology, Surrey. It is almost invisible and uses a mathematical chaos theory to encode data into the background of a document, which is claimed to be impossible to counterfeit.

Only a high-powered microscope can reveal the data's pattern.

Using a formula developed by Professor Jonathan Blackledge, Head of Mathematics at Leicester's De Montfort University, English Midlands, to enable military personnel to communicate securely, MicroBar is invisible to the human eye but can be read by a computer decoding scanner.

The encryption system also contains the key telling the scanner how to unlock the data. It can only be printed using the original plates — held by the Bank of England — and any attempt to copy the document blurs the pattern proving it to be fraudulent.

Once the data has been in-

cluded in the MicroBar a mathematical formula turns it into an abstract pattern of dots. A second formula is then used to blend the pattern into a background image for the document being marked.

Successful MicroBar trials have included credit cards, identity cards, stock bonds and banknotes.

Johnson said: "We could put the system into operation tomorrow. Initially it is being used for such things as gift vouchers for bid departmental stores, plastic cards," identity cards and passports.

"Scanners could easily be introduced. But I also see it being eventually used on compact discs, computer software, anything that is in danger of being copied and requires validation."

He added: "There is also a good deal of money being made by counterfeiting medicines which could be prevented by MicroBar. The system is not particularly expensive and I hope that it will ultimately be adopted globally."

The Bank of England's commercial arm, Deben Security Printing, is backing MicroBar. The company has to print banknotes well in advance and recognises MicroBar's value in watermarking them.

New VGD cycle WFP to help five lakh women escape poverty

The United Nations World Food Programme (WFP) has taken an initiative under its new cycle of the Vulnerable Groups Development (VGD) programmes to cover at least five lakh women in a bid to alleviate their poverty, reports BSS.

The new cycle will be formally launched today by State Minister for Women and Children Affairs Professor Zinatunnesa Talukder at NEC building in Dhaka.

WFP has covered about 83,36,000 women world-wide since its inception in 1974.

The new VGD programmes will focus on nutrition and improvements in food management, a WFP press release said.

About 75 representatives from the government and multilateral donor agencies will attend the launching ceremony. Started in 1975 as Vulnerable Groups Feeding (VGF), the programme has shifted its focus from relief to development.

The launching will highlight its development orientation, focus and its successful support to the poorest of the poor, the WFP release said.

The programme provides assistance of 30 kg of wheat to extreme poor women over a period of 18 months, together with human development support training in income-generating activities, awareness raising on legal rights, health and nutrition issues and credit.