

SANYO Japan
FAMILY SIZE MICROWAVE OVEN
35.9 & 27.1 LITRE OVEN CAPACITY
Free Recipe Book
Transfin Trading Ltd.
Tel: 815307-10, Fax: 813062

The Daily Star BUSINESS

National Housing Finance & Investments Ltd.
Home Mortgage Loans available for:
Construction of houses
Purchase of houses or apartments
Renovation or extensions to existing properties
Purchase of housing plots in approved land developments
Telephone inquiries are welcome
Chamber Building (6th Fl), 122-124 Motiheel, Dhaka-1000
Telephone: 955 9311-2, 955 3387, 955 3254 Fax: 956 8967

DHAKA, MONDAY, JULY 19, 1999

First private mutual fund likely next month

By M Shamsur Rahman

For the first time in Bangladesh, a private mutual fund is expected to be launched next month.

The AIMS First Guaranteed Mutual Fund, raised and managed by Fund manager Asset and Investment Management Services (AIMS) of Bangladesh, is likely to go public in the first week of August, according to company sources.

Major financial houses i.e. IPDC, Sandhani Life Insurance, Pagaea Partners (BD) Ltd, IDLC and Uttara Finance Ltd will sponsor the fund. AIMS is now negotiating with a leading private bank to include it as another sponsor.

Meanwhile, Bangladesh General Insurance Company (BGIC) will act as the trustee of the fund, while Standard Chartered Bank is set to provide the custodial service.

AIMS First Guaranteed Mutual Fund is the first of its kind to be launched after the promulgation of the Securities and Exchange Commission Mutual Fund Regulation in 1997.

Following the 1996 stock market debacle, the market analysts have been voicing strongly about the need for market intermediary forces. The lack of institutional participation was identified as one of the factors behind market depression.

A team of experts from the Asian Development Bank (ADB), which is providing US\$ 80 million for the capital market development, has also directed the SEC to frame necessary laws for allowing these intermediary forces to operate in the market.

The SEC, as part of its capital market reforms and development plan, later formulated regulations to allow merchant banks, portfolio managers and mutual funds in the capital market.

Before AIMS, two other companies sought permissions from the regulators to float private mutual funds, but the SEC turned them down over their failure to meet the criteria.

The size of the new mutual fund will be Tk five crore, 40 per cent of which, amounting to Tk two crore will be provided by the sponsors. The rest 60 per cent will be raised through private placements and public offerings.

The fund will be for a term of five years after which it will be liquidated on maturity.

Talking to this correspondent, the chief executive of

AIMS said that the fund would be a guaranteed one in the sense that investors will always get back the full face value at maturity on redemption.

The face value of each unit will be Tk one and 2,500 of such units will make a market lot.

"Unlike traditional mutual funds available in Bangladesh, our money will be invested in both equity and fixed income securities," according to the AIMS CEO.

Regarding his vision of getting hold of the funds scattered all over the country, the CEO said: "We have a distribution system of our IPOs through branches of commercial banks and agency offices of insurance companies all over the country, apart from the traditional method of distributing through the stock exchange members."



Myanmar Foreign Minister U Win Aung addresses a luncheon meeting hosted by Bangladesh-Myanmar Business Promotion Council (BMBPC) at a city hotel yesterday. Foreign Minister Abdus Samad Azad, State Minister for Jute AK Faezul Haq, BMBPC Chairman R Maksud Khan and CSE President Amir Khasru Mahmud Chowdhury, MP, are also seen. — Star photo



Secretary General of Bangladesh International Hotel Association (BIHA) K S Alam speaks at a press conference in city yesterday. — Star photo

Suppl duty on int'l hotels blasted

Star Business Report

Bangladesh International Hotel Association (BIHA) yesterday decried the imposition of supplementary duty on international standard hotels in the 1999-2000 budget, saying this would hurt the budding service industry.

"The government should provide incentives to help set up new hotels and increase facilities of the existing ones for upgrading them to international standards. But the supplementary duty would definitely discourage investment in the sector," KS Alam, Secretary General of BIHA, said at a press conference at the city's Sheraton Hotel.

He said that the new duty would also make difficult the development of the tourism sector in the country and would affect the government's tourism and hotel industry revenue earnings.

Instead of taking positive

steps, the government has rather imposed 10 per cent supplementary duty, the BIHA leader said and urged the finance minister to withdraw the duty.

The supplementary duty means that a customer will have to pay Tk 41.30 including VAT for a Tk 100 service bill, Alam said.

He mentioned that as many as 200 private guest houses in Gulshan, Baridhara, Banani areas, which have around 1800 beds, were not even paying VAT.

BIHA President HM Hakin Ali and representatives from Hotel Zakaria and Hotel La Vinci also attended the press conference.

Members of BIHA are: Pan Pacific Hotel Sonargaon, Hotel Sheraton, Hotel Purbani International, Hotel Agrabad, Hotel Zakaria International and Hotel La Vinci.

Bangladesh, Myanmar agree to remove trade barriers

With the volume of trade still very insignificant compared to potential, Bangladesh and Myanmar have agreed to address the existing problems for boosting bilateral trade and economic cooperation, reports UNB.

"We are now working closely with our neighbouring countries to overcome the problems for economic development," Myanmar Foreign Minister U Win Aung told a meeting at Hotel Sonargaon yesterday.

Bangladesh-Myanmar Business Promotion Council (BMBPC) organised the luncheon meeting with the visiting Myanmar Minister and Bangladesh Foreign Minister Abdus Samad Azad to discuss the issues hindering bilateral trade and economic relations.

Presided over by BMBPC Chairman Rashed Maksud Khan, the meeting was also addressed by State Minister for Jute AK Faezul Haq, Commerce Secretary Sayed Alamgir Farouk Chowdhury, Bangladesh Ambassador to Myanmar Jahangir Sadat and BMBPC vice chairman Syed Mahmudul Huq.

Aung said since its independence, Myanmar had been busy with domestic problems and still remains a poor country despite its natural and human resources.

"Now it's time for us to change. We need to share with others... you all know what types of obstacles we had to face for long."

Bangladesh is the most important neighbour for Myanmar and the existing problems will have to be solved through bilateral discussion, he said.

"I'm only on a tour to enhance our friendship. I'm here to meet friends, to seek friends and to make new friends," said the Myanmar Foreign Minister.

About preparation for the free market regime, he said that Myanmar was lacking in many things including entrepreneurs, expertise, marketing knowledge and infrastructure.

"Now we need to develop road and rail links throughout our country. We want to develop our sea ports, river ports and airports."

He said: "We have to depend on our own resources giving the private sector companies more autonomy for joint venture investment."

Bangladesh can import jam, jewelry and different sizes of tyres for motor vehicles. Aung said adding Myanmar wants to participate in Bangladesh Trade Fair to display and familiarise its products.

The Myanmar Minister emphasised on more and more visits of the people to both countries and said such visits will further strengthen the friendship.

Speaking on the occasion, Foreign Minister Abdus Samad Azad said that their presence at the meeting manifested the desire to build up close and effective economic and trade relations between the two countries.

In the century old commercial and economic relations between the two countries, regular shipping services between Chittagong, Sittwe and Yangon had existed in the past, he said.

But, he added, after a period of relative lull for some decades, the relationship was again revived for mutual benefit of both the peoples.

"I want to put the entire credit for the revival to the business communities in our two countries," Azad said.

He said: "With the commitment of the businessmen, investors and entrepreneurs of both the countries, it will be possible to equal and even exceed the previous level of our trade and commerce as well as investment for our mutual development."

Foreign Minister Azad said that the signing of the Land Boundary Treaty between Bangladesh and Myanmar in November last year was "a milestone in the history of our bilateral relations."

The Border Trade Agreement between the two countries has opened up an enormous scope for legal trade along the frontiers, he said adding that some other bilateral accords also opened a new vista of broad based cooperation in different spheres of development.

"Both Myanmar and Bangladesh have so much to offer to each other," he said. "Myanmar with its enormous natural resources can look forward to a huge market of 125 million people of Bangladesh."

Bangladesh investors and entrepreneurs are interested in joint venture projects in Myanmar, particularly in paper, paper pulp, cement, fish processing and agricultural sector, Azad said adding that some progress had already been made in this regard.

Bangladesh Ambassador to Myanmar Jahangir Sadat said Bangladesh exports some 25-30 million pieces of jute bags to Myanmar through a third country, Singapore, due to banking problems.

Some 57 pharmaceutical products are registered for use in Myanmar and the list of medicine can be expanded, he said.

On the other hand, the ambassador said, Bangladesh can import cotton for the consumption of its textile mills and cliner for cement factories.

In his welcome address, BMBPC vice chairman Syed Mahmudul Huq said the infrastructure and administrative machinery being put in place would also take care of normal trade across Teknaf and Maungdaw.

With the setting up of the proposed Permanent Display-Sales Centre for products of both the countries at Teknaf under the private sector, the volume of trade across the border is expected to increase further, he said.

Kibria says at BTMA reception

Non-performing business sector loans to stymie banking system

Finance Minister S A M S Kibria yesterday expressed his concern over the growing tendency of non-performing loans in trade sector, reports UNB.

Such a scenario will cripple the country's banking system, he said about the 'Achilles heel' in the country's banking system.

"This will become the fundamental weakness of the business and financial sector," said the finance minister at a reception accorded to him by the Bangladesh Textile Mills Association (BTMA) at a city hotel yesterday afternoon.

There may be some reasons for the industrialists to become defaulters, but there cannot be any reason for the traders to become bank loan defaulters, he observed.

Kibria requested the bank authorities to increase their support for the export-oriented industries.

Turning to the textile sector,

the finance minister said the government is ready to support establishment of backward linkages for the textile sector, but the textile entrepreneurs should demonstrate that they are capable of competing in the global market.

"Backward-linkage industry is viable in Bangladesh," he asserted, refuting allegations of some of the donor bodies who earlier commented that the country cannot be competitive in the textile sector as it does not produce basic raw materials like cotton.

"Efficiency and productivity are the basic criteria to remain competitive. Only government subsidy can't save you," he told the textile mill owners.

Responding to the demand of BTMA for scrapping the SRO issued on June 10, he assured that the matter would be looked into.

Speaking on the occasion,

Commerce and Industries Minister Tofail Ahmed said the government has earmarked Tk 561 crore as cash subsidies for the textile sector in the current fiscal.

To make the sector more competitive, the minister noted, the development surcharge from cotton has been withdrawn.

State Minister for Textile K M Jahangir Hossain disclosed government intentions to build an exclusive textile village.

Referring to some sick textile mills under BTMC, he informed the function that the units would be closed down and the lands handed over to textile sector as industrial plots.

Earlier, BTMA Chairman Salman F Rahman thanked the finance minister for reflecting their suggestions in the budget on textiles.

He said success of the garment sector proved that there

are entrepreneurs in the country and stressed the need for a national consensus to face the situation that may arise following withdrawal of quota system in 2005.

Salman criticised the IFC report that backward-linkage industries in Bangladesh are not viable and cited a recent study showing the viability.

"Now we will have to take the decision on whether we will go for backward linkage or not."

He appealed to the government for taking anti-dumping measures. Policy support of the government will help the textile sector survive, he said and requested the government to ensure term-finance or issue bond for the textile sector.

Secretary general of BTMA Enam Ahmed Chowdhury conducted the programme, while Chairman of the Privatisation Board Kazi Zafarullah attended.

Weekly Currency Roundup

Asian units mostly stronger

HONG KONG, July 18: Asian currencies were mostly stronger over the week, although tensions between China and Taiwan weighed heavily on the Taiwan dollar and the Thai baht, says AFP.

Strong commodity prices were expected to support the Australian dollar in the week ahead while in Japan traders were keeping a weather eye out for possible yen-selling intervention by the Bank of Japan.

Japanese yen: The yen gained ground against the dollar over the past week in trading locked between fears of yen-selling intervention by the Bank of Japan and dollar-selling by exporters, dealers said.

It stood at 120.91-94 to the dollar late Friday, up from 122.65-68 to the dollar a week earlier.

"Exporters quickly moved to sell dollars above 121 yen," a Sanwa Bank dealer said. "But strong fears of intervention (by the Bank of Japan) provided support to the dollar."

The yen opened the week firm, fetching 122.12-15 to the dollar later Monday, and

moved narrowly Tuesday as selling by exporters was offset by remarks by US Treasury Secretary Lawrence Summers supporting the US unit.

The yen zoomed to 121.10-13 to the dollar Wednesday while investors kept a wary eye on the Bank of Japan in the absence of fresh trading leads.

Australian dollar: A continuing run in oil and base metal prices should help the Australian dollar in the week ahead, economists said. The Australian dollar closed in Sydney on Friday at 66.08 US cents, from 66.45 US cents the week before.

"The Australian dollar should hold its own in the coming week," Commonwealth Bank economists said in their weekly briefing Friday.

"Oil and base metal prices have probably got a bit further to run. A bounce in gold and wheat after recent weakness should also help the Australian dollar."

On the Reserve Bank's trade weighted index, the Australian dollar was at 58.8 against 59.2

the previous week.

Singapore dollar: The Singapore dollar ended the week a shade higher at 1.6985 against the US dollar, from 1.6990 the previous week.

Hong Kong dollar: The Hong Kong dollar was at 7.7592-7.7602 to the greenback, from 7.7593-7.7603 a week earlier.

Indonesian rupiah: The Indonesian rupiah strengthened slightly to 6,671 rupiah to the dollar at the close Friday compared to 6,688 rupiah to the greenback a week earlier.

Philippine peso: The Philippine peso closed 0.5 per cent higher week-on-week at 38.30 pesos to the dollar on Friday, from 38.51 pesos to the dollar on July 9.

South Korean won: The won strengthened slightly to 1,180.5 won against the dollar from 1,187.5 won a week ago, partly due to a policy of low money market rates to keep foreign capital flowing into the capital market.

Taiwan dollar: The Taiwan dollar was 0.2 per cent lower against the greenback over the

week, closing at 32.361 Saturday on expectations of the local unit's weakness amid tensions with China. But the central bank had intervened to curb the downturn, dealers said.

The currency's movement would be dominated in the week ahead by the performance of the stock market, central bank intervention and developments in cross-strait relations, they said.

The unit stood at 32.255 Monday and weakened to 32.275 Tuesday. It was slightly firmer to end at 32.272 Wednesday and moved up to 32.270 Thursday. It weakened to end at 32.365 Friday following a steep fall of 6.4 per cent in the stock market.

Thai baht: The Thai baht slipped slightly against dollar due to overseas factors including tensions across the Taiwan Strait and fears that China would devalue its yuan currency, dealers said.

The baht closed Friday at 37.17-20 baht to one dollar, compared to previous week's close of 37.10-15.

Press Conference on the Launch of New Aptech Certified Computer Professional (ACCP) Program

APTECH
COMPUTER EDUCATION
We change lives

Date: July 18, 1999 Venue: Press Club, Dhaka

APTECH Computer Education, premiere brand of APTECH Ltd, has launched a new curriculum named APTECH Certified Computer Professional (ACCP) programme at a press conference at the National Press Club yesterday. Picture shows (from left) Atique-E-Rabbani, Managing Director of the Computers Limited, Rezwan Bin Farouq, Executive Director of Axiom Technologies Limited, Tarun Mitra, Country Operation Head, Mustafa Rafiqul Islam, Flora Systems Limited Managing Director, at the launching ceremony. — APTECH photo

Aptech launches new course

Star Business Report

Aptech Worldwide yesterday launched its new industry-oriented Aptech Certified Computer Professional (ACCP) course in Bangladesh.

"With a view to keep computer professionals up-to-date in the state-of-the-art technologies, we are constantly carrying out surveys to make out where the information technology industry is headed to," said Tarun Mitra, Country Operations Head of Aptech Bangladesh, while speaking at a press conference at the National Press Club yesterday.

"To stay tuned to the industry, we surveyed a large sample of companies and researched in depth the requirements and the directions of these companies

for the next millennium," he added.

He said that in line with the findings of the survey, ACCP updated its curriculum to help students gain strong command over IT fundamentals and programming skills, focus on Internet application development, multi-modal method of teaching.

Speaking at the press conference, Executive Director of Axiom Technologies Ltd Rizwan Bin Farouq said Aptech is now operating in 24 countries and has 11 centres in Dhaka and Chittagong.

It has plans for opening more training centers outside these two cities and bringing quality IT education to the

doorsteps of the people, he added. Farouq said: "Our objective is to develop quality IT professionals and create the backbone of the software industry in Bangladesh."

Atique-E-Rabbani, Managing Director of the Computers Ltd, said computer education is needed to survive in the competitive world.

Mustafa Rafiqul Islam, Managing Director of Flora Systems Ltd, said that it was going through a tremendous change, which also demands upgradation of the IT education as well.

"Changes in ACCP courses will immensely benefit our students," he added.

Imports increase by 15.01 pc in 11 months

Imports increased 15.01 per cent in 11 months to May of last fiscal year when import LCs worth Tk 32894.48 crore were opened by the dealer banks, says UNB.

The LC value and growth rate in terms of the greenback were 6848.74 million US dollars and 8.52 per cent, the Bangladesh Bank said today (Sunday).

The increase was due mainly to substantial growth in opening of LCs for import of food grain and capital machinery," the central bank said.

It said the highest Tk 7915.44 crore worth of LCs were opened against textile fabrics and accessories for garments, followed by Tk 4159.20 crore for rice, Tk 2197.57 crore for chemicals and chemical products, Tk 1679.14 crore for machinery and Tk 1077.19 crore for edible oil.

Against the opened LCs, textile fabrics and accessories for garments worth Tk 2754.13 crore were in pipeline till May 31.

Govt to set up special cells for garments' security

The government has decided to form special cells in Dhaka (DMP) and Chittagong (CMP) under the supervision of Home Ministry to ensure security of garments industry and resolve problems relating to law and order, reports ESS.

The proposed cells would be constituted comprising the representatives of law enforcing agencies and Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Home, Post and Telecommunications Minister Mohammad Nasim told BGMEA President Anisur Rahman Sinha at the latter's office yesterday.

Police patrolling would be intensified on Dhaka-Chittagong highway, adequate safety of garments workers would be ensured and time would be fixed for loading and unloading of garments goods in different places.