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# The Daily Star BUSINESS

DHAKA, FRIDAY, AUGUST 13, 1999

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## ECNEC okays 5 projects involving Tk 15.34b

The Executive Committee of National Economic Council (ECNEC) has approved five projects involving over Tk 1,534.50 crore, including Tk 998.04 crore project aid, says UNB.

The approval was given at the 63rd meeting of ECNEC held with its Chairman Prime Minister Sheikh Hasina in the chair at NEC conference room on Wednesday.

The approved projects include important road rehabilitation of Patuakhali and Barguna, survey and evaluation of small-scale irrigation development, crop diversification programme (second phase) (amended) and rural development project-11: infrastructure, greater Rajshahi, Bogra, Pabna and Dhaka districts (rural roads and bazar development and maintenance project-2) and BMRE of the equipment of vertical extension and film laboratory complex of Film and Publication Department Bhaban.

Search for talents and training in division, district and thana headquarters and construction of a post office at Mujibnagar Complex in Meherpur district, approved by the State Minister for Planning at a cost of over Tk 8.57 crore, was placed before the meeting.

It was informed in the meeting that a total of 1,293 projects are included in the Annual Development Programme (ADP) of the 1999-2000 fiscal.

## Tokyo to help Dhaka buy TV programmes

Japan will provide 39.50 million yen equivalent to Tk 17 million as grant assistance to Bangladesh for the purchase of TV programmes, says UNB.

The programmes are based on Japanese nature, culture, sports etc.

The two countries signed an Exchange of Notes to this effect here yesterday.

Japanese Ambassador to Bangladesh Yoshikazu Kaneko and ERD Secretary Mashur Rahman signed the agreement.

## EU-Bangla investment forum SOON

A European Union-Bangladesh Investment Forum will be formed while a European Desk be opened at Board of Investment (BOI) to explore benefits to come from the European countries to Bangladesh in a systematic way, a BOI press release said here Wednesday, reports BBS.

The decision was taken at a meeting on European Union-Bangladesh Joint Venture Programmes held here Wednesday at BOI under the chairmanship of BOI Executive Chairman Sirajuddin Ahmed.

The meeting discussed how to increase the European Commission's assistance programmes for joint ventures creation between EU enterprises and Bangladeshi enterprises.

The meeting was attended by ambassadors and representatives from EU countries in Dhaka, representatives of FBCCI, DCCI, BCI, MCCI, FICCI and Bangladesh Specialised Textiles Mills and Powerloom Industries Association, IPDC and BOI.

A number of speakers dwelt on different aspects of the programmes and described the increasing EU-Bangladesh joint venture investment in various potential sectors in Bangladesh.

Speaking on the occasion, the Executive Chairman of BOI gave a resume on the activities of BOI for attracting foreign direct investment in the country.

## Uttara Bank's half-yearly profit Tk 19.93cr

Uttara Bank Limited has made a half yearly profit of Tk 19.93 crore for the period ending June this year.

This profit is against Tk 16.54 crore during the corresponding period of last year, says a press release.

The operative profit of the bank was Tk 38.65 crore at the end of 1998.

The bank's deposit stood at Tk 1945.18 crore and the advances amounting to Tk 1388.69 crore in the June 1999 where the deposit and advances were Tk 1699.88 crore and Tk 1239.67 crore respectively during the corresponding period of 1998.

The bank has handled Import and Export business to the tune of Tk 1472.67 crore during the first six months of this year which was Tk 1228.87 crore during the same period of 1998.

The bank also handled Tk 157.07 crore remittances from expatriate Bangladeshis, which was Tk 152.27 crore during the corresponding period of the 1998.

It distributed Tk 20.07 crore to 8,357 consumers till June this year under UTTARA, a Consumer Credit Scheme. The rate of recovery of this programme is about 100 per cent.

## Move to bid adieu to fake share trading DSE to provide custodian services to members

Star Business Report

To prevent fake share trading in the vault of the bourse (DSE) has decided to provide custodian services to its members by keeping shares in its vault instead of distributing them on the stipulated day.

The DSE will begin the new 'experimental service' with Rangpur Foundry Ltd from September 1, 1999.

At a press conference yesterday, DSE Chief Executive Officer (CEO) GQ Chowdhury said that the new service would enable members to keep their shares with the exchange from the T+5 (settlement day) instead of taking deliveries.

"Trading of shares deposited in the vault of the bourse will take place in the form of the book entry system," Chowdhury said.

He said that the process would eliminate the existence of fake shares, as on resale, the DSE will accept the verified shares only.

"As a precautionary step, an official of the company will also be present at the DSE clearing house to certify the authenticity of the shares," he said.

Regarding the existing fake shares in the market, the CEO said that a committee had been formed to identify the members

responsible for pumping forged these shares into the market.

The six member committee is headed by Councillor Enayetur Rahman. The Council is especially looking into the fake share cases of JH Chemical and Sino Bangla, DSE Secretary Rezaur Rahman said.

"This the second step," the secretary said. "As a first move, we stopped trading of all allotment letters from July 22."

DSE banned trading of share allotment letters to curb frauds. The crucial decision was taken as fake allotment letters had turned a major problem for the exchanges.



Emirates' Chairman Sheikh Ahmed bin Saeed Al-Maktoum (third right), presents the cheque for US\$100,000 to Khaleefa Nassir Al Suwaidi, Chairman of the Board of Directors of UAE Red Crescent Society. Also picture are (from left) Tariq Ali Ghaleb, Director of UAE Red Crescent Society, Ali Al Malood, Al Suwaidi, Sheikh Ahmed, Maurice Flanagan, Emirates' Group Managing Director, and Mohammad AlKhaja, Emirates' Director Group Training, Safety & Standards.

## A bit more patience can buy you a locally-made car!

If you are planning to buy a car, you could wait only 18 months to have a locally-manufactured eco-friendly one for only Tk 2.98 lakh, reports UNB.

With the vision, a memorandum of understanding (MOU) was signed between UK-based D&P Engineering Service Ltd and Bangladesh Automobile Assemblers and Manufacturers Association (BAAMA) at the Board of Investment in Dhaka Wednesday.

Nitol group chairman Matlub Ahmed and the British company's managing director, Peter Langston, signed the deal for respective sides to set up a joint-venture car industry in Bangladesh.

BOI executive chairman Sirajuddin Ahmed and representatives of different chambers,

Bangladesh Bank, state-run banks and private banks were present at the signing ceremony.

In accordance with the agreement, the project worth US dollar 66 million will produce 20,000 high-quality (EU standard-2) cars and pickups every year. The cars are expected to hit the roads from December 2000.

A consortium of local banks is expected to finance US \$33 million, while the British company will invest US \$20 million and the local investors US \$13 million.

The local entrepreneurs are expected to include BAAMA members Nitol Motors, Uttara Motors, Navana, Progoti Industries.

National Car Co Limited, the

proposed first ever car-making industry in Bangladesh, will produce the low-priced but quality cars that will be able to replace the imported reconditioned cars.

"We will be able to sell the cars at the price as we could source the manufacturing plant at a minimum price," he said, adding a plant of Rover Metro, now merged with BMW, will be collected at a minimum price.

He said their products would be marketed through providing dealership to the auto traders who are now selling reconditioned cars.

Government support with similar tax of 5 per cent on buses and doubledeckers instead of 25 per cent on cars will help set up the industry in the country.

## Fashion Denims gets Tk 38cr consortium loans

Star Business Report

Fashion Denims Mills Ltd yesterday signed a consortium loan agreement under which the company will get Tk 38.44 crore for producing denims fabrics.

The consortium loan agreement involving Fashion Denim Mills Limited and Janata Bank, Agrani Bank, Rupali Bank and Eastern Bank was signed at a ceremony held at a local hotel yesterday.

As the lead bank, Janata Bank will finance Tk 13.05 crore, Sonali Tk 11.45 crore, Rupali Bank Tk 5.72 crore, Agrani Tk 5 crore and Eastern Bank Tk 3.43 crore.

The project will go into production by the end of 2000, creating employment opportunities for at least 343 people, the company officials claimed at the signing ceremony. All the managing directors of the four financing banks were present on the occasion.

The total cost of the project is estimated at Tk 68.44 crore, 60 per cent of which will be financed by the banks.

Chairman of the project M. Shajad Ali and Managing Director Shahriar Ali addressed the ceremony.

## Emirates donates \$100,000 for reconstruction of Kosovo

Emirates' passengers are helping in the reconstruction of Kosovo through their generous onboard donations to the UAE Red Crescent Society, says a press release.

Last year, Emirates passengers donated a heartening US\$408,267 (Dh1,498,340), in loose change and unwanted foreign currency to the onboard 'Care for Life' project.

US\$100,000 has been allocated from the funds for the society's reconstruction projects in the Kosovo region, including the rebuilding of schools and hospitals.

Emirates' Chairman, Sheikh Ahmed bin Saeed Al-Maktoum, who presented the cheque to Khaleefa Nassir Al Suwaidi, Chairman of the Board of Directors of the UAE Red Crescent Society, said: "On behalf of our passengers, it gives me great pleasure to contribute in this way to the humanitarian work by the society in Kosovo."

## SCB workshop on comprehensive banking ends

Standard Chartered Bank, Bangladesh, organised a three-day workshop on Comprehensive Banking for the executives of One Bank and Mercantile Bank recently, says a press release.

The executives of Standard Chartered Bank also participated in the workshop. The workshop was inaugurated by M. Taheruddin, Managing Director of Mercantile Bank Ltd.

The workshop was organised under the initiatives of the Institutional Banking Division of Standard Chartered Bank.

The topics included Banking and Banking System; Foreign Exchange Management; Basic Credit; Negotiable Instrument Act; Cheques, Deposit Accounts & Clearing House; International Trade; Fraud & Forgery Management in Retail Banking; and Customer Service.

Kaiser A Chowdhury, EVP of One Bank Limited, Ahmedul Hoque, Faculty Member of BIBM, Dr. Toufic A Chowdhury, Senior Faculty Member of BIBM and Ehsanul Huq, Chief Operating Officer of GSP Finance, were the guest speakers at the workshop.

At the concluding session Sethu Venkateswaran, Chief Executive of Standard Chartered Bank in Bangladesh, expressed his optimism that the workshop would greatly benefit the participants in understanding in banking.

FICCI President A K M Shamsuddin was the chief guest at the concluding session and distributed certificates.



Shahjahan Sarkar, a small entrepreneur, started a beehive project in a small village in Sonargaon with a small loan from Bangladesh Small and Cottage Industries Corporation (BSCIC). Now he bottles the honey, seals it and brings the product for selling at city's Baitul Mokarram mosque premises. Priced at Tk 200 a kg, he makes a good living out of the small insects' deposits.

— Star photo by AKM Mohsin

## Malaysian share sell-off seen running out of steam

KUALA LUMPUR, Aug 12: A sell-off of Malaysian shares may be running out of steam as a handful of foreign funds pull out before September when capital controls ease, reports Reuters.

Analysts said the funds' withdrawal coincided with a corrective phase and slack volumes, helping push down the Kuala Lumpur Stock Exchange's main index over the past month.

The sell programmes are now winding down, and September 1 may not see the massive retreat of foreign investments that had earlier been feared, they said.

The KLSSE's Composite Index has fallen 20 per cent in the past month, from a peak close of 815.67 points on July 9 to

688.50 on Wednesday. The index rebounded on Thursday, and was up by more than three per cent in late morning trade.

The recent decline followed a three-month run-up that took share prices to a level three times higher than they stood last September 1 when Malaysia slapped controls on capital flows.

One year later, a 10 per cent levy on repatriated principal of portfolio investments made before February 15 is due to drop to zero on September 1.

Much of the recent selling came from two or three large regional funds with substantial exposure in Malaysia which decided they did not want to run the risk of a possible outflow on September 1.

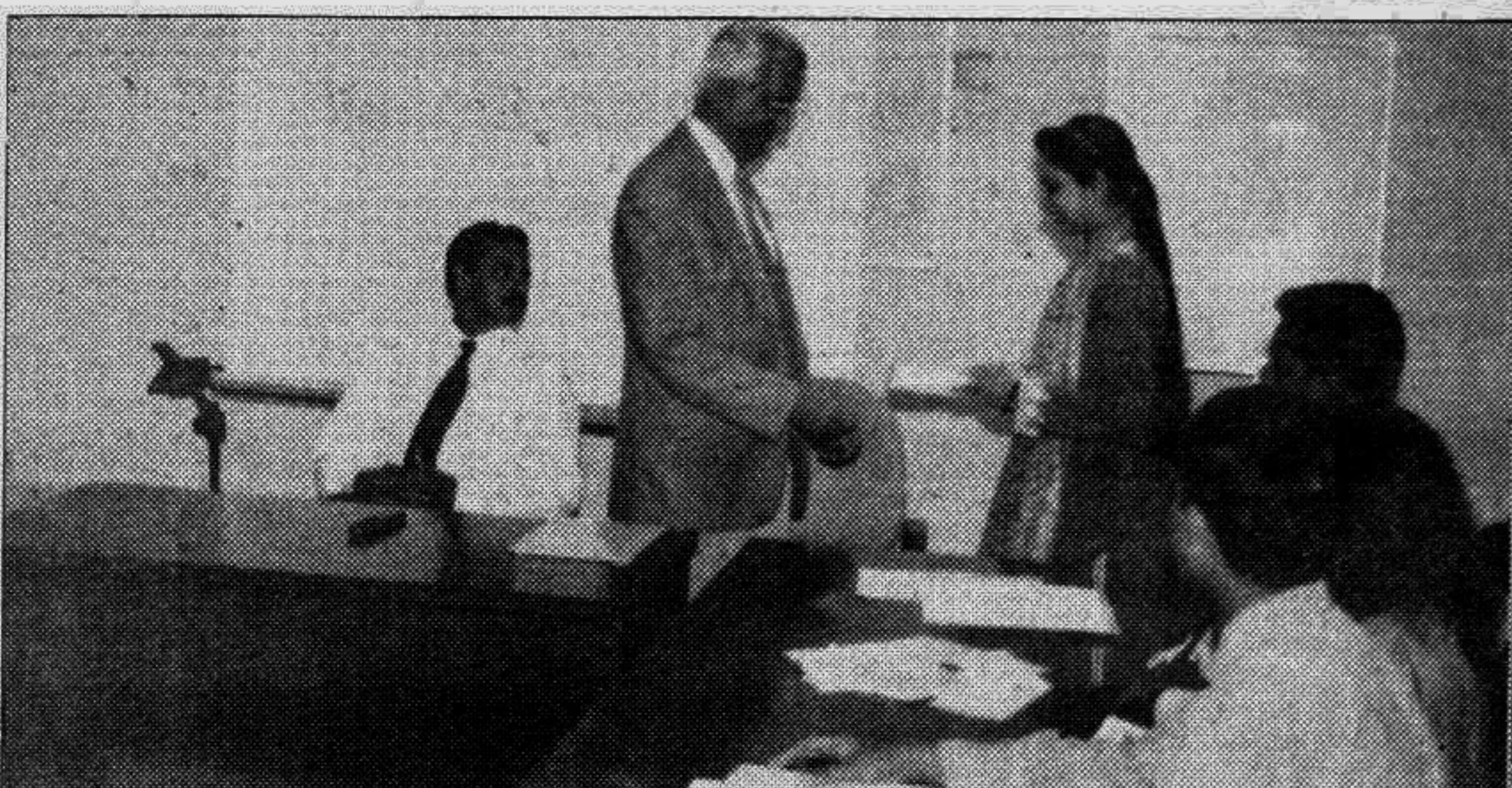
"It looked like it was time for

a correction, and the fear of outflows on September 1 triggered the selling," said Manokaran Mottain, an economist at SBB Securities in Kuala Lumpur.

Dealers said much of the selling pressure came from Templeton Emerging Markets Fund Inc, which said last month it was pulling money out of Malaysia.

Reuters Who Owns What Plus (WOW+) showed Templeton had \$65.8 million in equity investments in Malaysia as of April 8, making it one of the largest single fund managers in the country.

Analysts estimate the group has sold off about 90 per cent of its investments, converting them to cash, and that it has reached the end of its sell programme.



A K M Shamsuddin, President of FICCI, distributes certificates as chief guest among the participants of the 3-day workshop on comprehensive banking for the executives of One Bank and Mercantile Bank organised by Standard Chartered Bank, Bangladesh, in the city recently.

—StanChart photo

## Tourists not amused by Myanmar funny money

YANGON, Aug 12: Myanmar, hungry for foreign exchange, prizes \$300 out of every visitor to the country and in return issues them with its own, unique brand of currency.

But neither foreign tourists nor the country's local merchants find Myanmar's funny money at all amusing.

The paper trail starts at the airport, where tourists are obliged to swap their coveted hard currency for foreign exchange certificates, or FECs, which are worthless outside Myanmar.

The government keeps the real money, and the FECs, denominated in dollars, begin their unloved journey through the country's crippled economy.

"We don't refuse to take them, but we prefer dollars where possible," said one hotelier in the capital, Yangon.

"This is simply because they (dollars) are acceptable throughout the world but the FECs' domain is strictly within Myanmar."

"And another thing, although one FEC is officially pegged at one US dollar, it is not worth as much as the dollar when they are exchanged for kyats," he said. Kyats are the local currency.

This also makes FECs a headache for tourists, who not only find it difficult to exchange FECs at what they consider a fair rate but also cannot convert them back to hard currency on departure.

"We find most shopkeepers reluctant to give the prevailing exchange rate values when we pay them in FECs," said one foreign tourist who declined to be identified.

erode in value as soon as they are put to use. Restaurants, department stores, jewellers and other retailers are all loth to give the prevailing exchange rates.

On August 10 an FEC bought 345 kyats, while the dollar itself fetched 352 kyats.

The military government, considered a political and economic pariah in the West because of its human rights record, can ill afford to leave tourists feeling cheated.

Agency reported in May that only 477,362 tourists visited the country in the year ended March. The government is unhappy, but does not see FECs as the culprit.

"National traitor destructive elements are spreading fabricated news on Myanmar in collaboration with some foreign

broadcasting stations and so tourism has not developed as it should be due to their plot to be little the dignity of the state," the agency quoted Lieutenant-General Khin Nyunt, powerful Secretary. One of the ruling State Peace and Development Council, as saying.

Myanmar's opposition National League for Democracy, led by Nobel Peace Prize winner Aung San Suu Kyi, and its international backers want a boycott of Myanmar in support of democracy. But Myanmar's rich history and beauty keep the visitors trickling in.

The FECs saga goes back to February 1993 when they were introduced to earn a guaranteed stream of tourist dollars for cash-strapped Myanmar. They were also promoted as a way to help tourists beat the vagaries of an official exchange rate.

Tourists could go into the open market and get value for their dollars via the FECs at kyat rates that truly reflected market exchange rates as closely as possible.

**Aimed at saving tourists from black market**

A central bank official told Reuters the foreign exchange certificates were introduced with "very good intentions."

"We did not want foreign visitors to suffer because of the huge difference between the government-controlled rates and the floating rates in the parallel (informal) market."

The official rate of six kyats to the dollar still exists, but only on paper.

at 10 authorised exchanges in the capital.

The central bank official said FECs should not have hit problems because all local shopkeepers were allowed to accept and exchange them for kyats with authorised dealers.

The government recently announced it was allowing all telephone subscribers to make overseas calls directly and pay for them with FECs.

But shopkeepers are still scratching their heads. One said he did not even know where to convert the FECs into kyats.

"Some people don't even know if it is legal to accept FECs," said one local analyst. Other knew it was legal but worried that sudden exchange rate changes could set them back, he added.

—Reuters Feature

## Prime Bank holds course on lending risk analysis

A six-day training course on "Lending risk analysis" was organised by the Prime Bank Limited at its training institute, says a news release.

A total of 16 credit officers working at the Head Office and at different branches participated in the course.

In the valedictory session, Deputy Managing Director Naser Bukter Ahmed delivered the concluding speech and distributed certificates among the officers.

He emphasised the need for training course on lending risk analysis and advised the participants to learn the acumen and technicalities of credit risk management. The Executive Vice President M Zubaidur Rahim and the Principal of the training institute Shamshad Begum also delivered their speeches on the occasion.