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# The Daily Star BUSINESS

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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 Barisal, 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 BMRs 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 Muzibnagar 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 Mashru 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 BSS.

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 meeting as a positive step for 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 15.07 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 UTTARAN, 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, the Dhaka Stock Exchange (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) GG 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 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 is 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. —Emirates photo

## 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.

The local entrepreneurs are expected to include BAAMA members Nitol Motors, Utara 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 doubledecker instead of 25 per cent on cars will help set up the industry in the country.

## Daewoo faces dismantlement to re-emerge as auto giant

SEOUL, Aug 12: South Korean financial watchdogs today said embattled Daewoo Group will be effectively dismantled to be reborn as an auto giant, reports AFP.

The Daewoo Group will be left only with auto-related businesses after its restriction programme is finished, Financial Supervisory Commission (FSC) head Lee Hun-Jai said.

He promised to speed up the separation of Daewoo units for fire sales in a bid to allay growing market jitters over delays in the conglomerate's restructuring.

If needed, creditors will take over management of some Daewoo units, he said in his strongest remarks yet on the

fate of the second biggest South Korean conglomerate.

"Time is running short," he said, calling for swift hive-offs and sell-offs of Daewoo units to regain foreign confidence.

He promised the quick spin-off of the profitable construction business of Daewoo Corp.

for sale to help the trading arm support Daewoo's domestic and overseas auto operations.

He urged Daewoo to normalize its auto business through alliance with US giant General Motors.

"The separation and sale of other units must be done in September and October at the latest to give firm signs to the market," he said, adding Daewoo's restriction should be

completed by the end of the year.

His remarks herald the demise of Daewoo in its present form and would mark a major victory for President Kim Dae-Jung's troubled corporate reform crusade.

The financial chief said the government would conclude the sale of the group's money-spinning securities house at an early date.

He said the government has almost agreed with the International Monetary Fund to let banks set aside ten per cent of their exposure to Daewoo as possible loan loss provisions this year and another ten per cent next year.

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

## 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.

Friendless, FECs quickly

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.

The official Myanmar News 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

## 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 Denims 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 (Tk1,498,340), 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 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 sell programmes are now winding down, and September 1 may not see the massive retreat of foreign investors that had earlier been feared, they said.

The KLSE'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.

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 investors that had earlier been feared, they said.

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, Ahmed 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 participants would greatly benefit the participants in understanding in banking.

He said the government has almost agreed with the International Monetary Fund to let banks set aside ten per cent of their exposure to Daewoo as possible loan loss provisions this year and another ten per cent next year.

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

Tourists could go into the open market and get value for their dollars via the FECs at market 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 first, FECs could only be exchanged for dollars. But from December 1995 they were allowed to be swapped for kyat.

"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.

Friendless, FECs quickly



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 (BSC