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DHAKA, TUESDAY, SEPTEMBER 14, 1999

Plastic money coming in a bigger way

By Monjur Mahmud

Money transaction has certainly come a long way to reach the latest and most modern form -- Plastic Money.

Plastic Money has in recent days become popular all over the world due to its key ability to eliminate risks and the inconveniences of carrying cash, but the service is yet to be popular in Bangladesh.

This novel service is set to come in a greater way for the masses soon, as only a very few people have access to plastic money in the country.

American International Investment (AII), a US company, has already struck an agreement with Janata Bank to introduce 'ReadyCash Card', the first debit card in the country.

"We have already started our operations. Finance Minister Shah AMS Kibria is expected to formally launch the ReadyCash Card service soon," said an offi-

cial of AII.

ReadyCash is a plastic card with a powerful micro-processor dubbed Smart Chip, which is indeed a micro computer, annexed to it.

Equipped with a more advanced technological prowess, ReadyCash is expected to overcome the existing drawbacks of the plastic money in becoming popular in terms of accessibility, usage, safety and benefit, he said.

The ReadyCash Card will work just as cash. Without having currency notes with him, a card-holder can use the whole amount of money he has in his ReadyCash account.

The AII official said that ReadyCash Card would ensure subscribers a new level of convenience and security. Even a ReadyCash counter at a grocery shop can be a place for paying

bills any time a day, any day a week.

"ReadyCash card-holders will not only be able to make purchases at a wide range of retail outlets including bazaars and groceries, it will also allow them the rare chances of paying electricity, gas, telephone and water bills from the same locations without any hassle or wastage of time."

The plastic money is always secured since the cardholders will have access to their ReadyCash accounts through secret personal identification numbers (PIN).

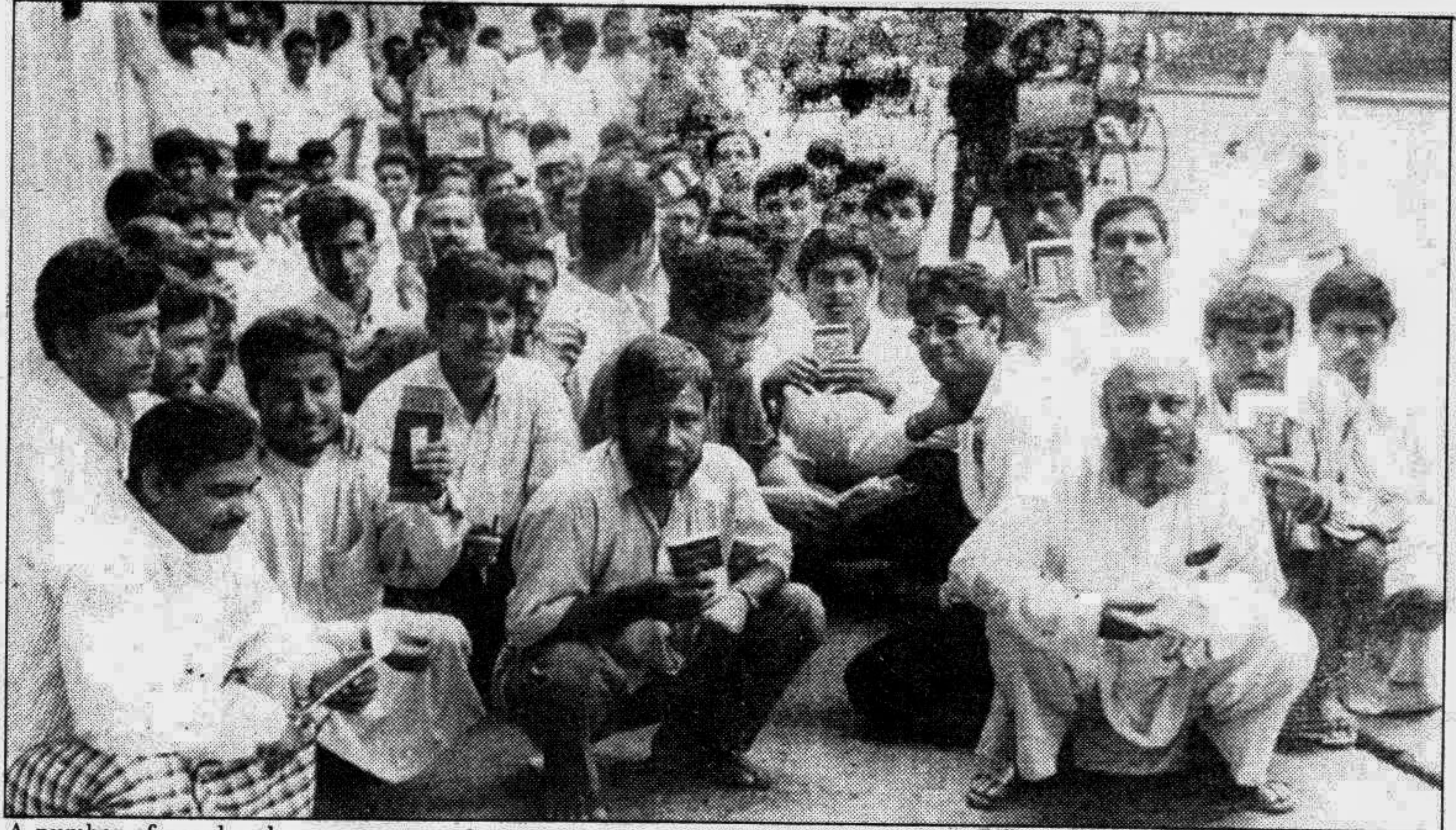
The cardholder doesn't have to be worried even if his card is lost or snatched, he said, adding that the bank will take measures to stop carrying out transactions of the lost card immediately after the fact has been informed.

Anyone will be allowed to have a ReadyCash Card. Even a person who does not have an account with the bank can open a ReadyCash account with any Janata Bank branch.

"At the primary stage, 25 Janata Bank branches in Dhaka city will provide ReadyCash Card service and around 1,000 machines will be set up in different commercial areas in the capital within the next three to four months for providing the service," the official added.

A person has to fill up an application form and pay only Tk 995 to be a ReadyCash Card holder. He has to deposit more money in his ReadyCash account to use the card for payments.

"We have plans to set up 10,000 machines within the next two years across the country," the official added.



A number of people who were supposed to leave the city yesterday for Saudi Arabia with jobs gather in front of Saudia Airlines office to enquire about the fate of their flights amid a three-day Opposition-called countrywide hartal.

—Star Photo by Amran Hossain.

Pacific leaders agree to boost markets, economies

Businessmen blast APEC sloth in freeing up trade

AUCKLAND, Sept 13: Pacific rim business leaders on Monday criticised the Asia-Pacific Economic Cooperation forum, saying it is moving too slowly to meet its free trade goals, reports AP.

They also said governments in the region should stay out of electronic commerce and that any regulation of the rapidly growing sector should be kept to a minimum.

"There must be stronger resolve and urgency to accelerate trade and investment liberalisation" of APEC is to achieve its goal of free trade by 2010 for developed countries and 2020 for its poorer members, the APEC CEO Summit said in a report.

The summit of top business leaders was held in parallel with the annual 21-nation APEC summit.

The report said APEC should ensure that a "robust APEC trade agenda" is presented at a new round of global trade negotiations that is to start in November under the World

Trade Organisation. Business leaders in the region have complained that APEC countries need to streamline and standardize regulations, saying that to sell their products in Europe usually requires just one set of approvals from the European Union whereas they face a multitude of approvals for each country in Asia Pacific.

Criticism of APEC has grown over the past 12 months after last year's APEC summit in Kuala Lumpur shelved plans for early cuts in tariffs in eight key sectors. A compromise statement Friday on the group's position on the upcoming WTO talks said APEC members would not have to commit to further tariff cuts until a full WTO package is ready — probably in three years.

Still, the business leaders said APEC as a forum is still alive despite last year's significant setback.

"The mood has been much more constructive, much more

positive" among the leaders, said Helmut Sohmen, chairman of the Pacific Basin Economic Council. "The attitude at this leaders' summit is let's address the criticism."

The business leaders said that electronic commerce should be kept "free of unnecessary restraint."

"APEC leaders must work fast to develop the core principles required to underpin the development and expansion of electronic commerce," they said in their report.

In particular, "there is a need to further develop... the security of financial transactions across the Web," said John Maasland, a New Zealand businessman who chaired the CEO summit.

Meanwhile, another report says: Pacific Rim leaders agreed Monday to work to strengthen markets and economies battered by the Asian crisis while pursuing avenues for opening world trade.

US President Bill Clinton, Chinese President Jiang Zemin and Japanese Prime Minister Keizo Obuchi were among the 21 leaders at the two-day summit who endorsed proposals for new free trade arrangements to be approved by the World Trade Organisation.

"We challenge the world to move to freer trade, and we challenge ourselves as leaders to bring our people with us to broaden support for the work of APEC," said the host, New Zealand Prime Minister Jenny Shipley, in a brief statement as the conference ended.

As she spoke, APEC leaders stood in a semicircle, wearing black yachting jackets, this year's uniform for the annual informal summit. The jackets were a somber compared with the bright batik they donned last year in Malaysia, but were appropriate in New Zealand, whose sports teams and America's Cup yacht are all decked out in black.



The thirteen-member Pakistan tea delegation on arrival at Zia International Airport Sunday. Mohd Hanif Janoo, Chairman of the Pakistan Tea Association, and AQI Chowdhury, Chairman of Bangladesh Tea Association (4th & 6th respectively from left), are seen in the picture. — Cha Sangsad photo

Pak tea team arrives in city

A high-powered tea delegation of Pakistan Tea Association led by its Chairman Md Hanif Janoo and comprising senior tea traders arrived in Dhaka Sunday on an invitation from Bangladesh Tea Association (Tea Association of Bangladesh), says a press release.

The delegation was received by BCS Chairman, AQI Chowdhury, representatives from Bangladesh Tea Board and other senior tea industry members.

As per programme, the delegation will visit tea estates to see for themselves the various development works that have taken place in the tea estates, which now has the flexibility to produce any kind of tea for the international market. The delegation will also visit Chittagong to see tea auction an interact with the members of the Tea Traders Association and Bangladesh Tea Board.

On their return to Dhaka, the team will meet the finance minister and commerce secretary to discuss improvement of bilateral trade between Bangladesh and Pakistan, particularly tea export from Bangladesh.

Central Insurance declares 15 pc dividend

Central Insurance Company (CIC) declared a dividend of 15 per cent for its shareholders for the year 1998 at the 11th Annual General Meeting held recently at a city hotel, says a press release.

Md Abu Taher Chowdhury, Chairman of the Board of Directors of the company, presided over the meeting, which was attended by large number of shareholders. The meeting adopted the directors' report, auditors' report and accounts for the year.

During the year, the company earned a gross premium income amounting to Tk 135.94 million and settled net claims of Tk 5.31 million. The pre-tax profit in 1998 stood at Tk 15.40 million while reserves and assets of the company rose to Tk 68.07 million and Tk 395.23 million respectively.

The shareholders appreciated the investment policy of the company in the real estate sector.

Abu Mohammad, Mir Rahmat Ali, Showkat Alam, Hosne Ara Begum, S M Nasiruddin, Tulu Kalimullah, Md Golam Kibria, and Shaheda Akther were re-elected directors from 'Group A' shareholders, while Ifteharul Alam, Rokeya Begum, Shafina Shaheen and Rebecca Kalim were elected directors uncontested from 'Group B' shareholders.

The initiative to form the council was welcomed by

Riyadh sees economic renaissance

RIYADH, Sept 13: Saudi Arabia's move to set up a council dedicated to economic policy reflects an economic renaissance in the oil-rich Gulf Arab state, Defense Minister Prince Sultan was quoted yesterday as saying, reports Reuters.

The Supreme Economic Council is an ideological, economic rebirth which indicates the total care given by the Custodian of the two Holy Mosques (King Fahd) and Crown Prince (Abdullah) ... to Saudi Arabia's development plan," the official Saudi Press Agency (SPA) quoted Prince Sultan as saying.

He said he was reassured by Saudi Arabia economic indicators in light of the recent stability in world oil markets and the revival of oil prices.

Saudi Arabia announced last month it was setting up the economic council, headed by King Fahd's heir-apparent, Prince Abdullah, to crystallize economic policy and ways of implementing it.

The council would also put forward regular economic reports to the cabinet, study the kingdom's five-year development plans and financial policy and prepare preliminary budget and spending drafts.

The initiative to form the council was welcomed by

diplomats and analysts as a serious step towards vital economic reform as the kingdom copes with a financial squeeze after decades of oil-boom wealth.

Prince Sultan said that meetings were currently being held to organise consultative bodies for the economic council and that Crown Prince Abdullah was dedicating a great deal of attention to the council and its work.

He said the council would hold its first meeting within the next two weeks.

Diplomats and analysts said it was encouraging that Crown Prince Abdullah was heading the council because he had shown himself willing to face economic realities at a time when the world's biggest oil producer and exporter was recovering from last year's low oil prices.

Crown Prince Abdullah had said the kingdom's development policies aimed at finding more jobs for Saudis, boosting investment in the economy and supporting the government's privatisation drive.

He has played an increasingly powerful role in the day-to-day running of Saudi Arabia since King Fahd fell ill three years ago.

Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to major currencies							
Currency	Selling TT & OD	Selling BC	Buying Clean	Buying OD Export	Buying OD Transfer		
US Dollar	49.7300	49.7700	49.3200	49.1570	49.0850		
Pound Sls	80.9107	80.9758	79.7011	79.4377	79.3214		
Deutsche Mark	26.7538	26.7753	25.7874	25.6955	25.6489		
Swiss Franc	32.1898	32.2157	31.7089	31.6041	31.5578		
Japanese Yen	0.4632	0.4636	0.4521	0.4506	0.4499		
Dutch Guilder	23.7445	23.7636	22.8667	22.7372	22.7638		
Danish Krona	6.9914	6.9970	6.8348	6.8122	6.8022		
Australian \$	33.0555	33.0821	31.7719	31.6669	31.6206		
Belgian Franc	1.2971	1.2982	1.2503	1.2454	1.2436		
Canadian \$	34.0220	34.0494	33.0519	32.9426	32.8944		
French Franc	7.9770	7.9834	7.6889	7.6688	7.6476		
Hong Kong \$	6.4161	6.4213	6.3383	6.3173	6.3081		
Italian Lira	0.0270	0.0270	0.0260	0.0259	0.0259		
Norway Kroner	6.3221	6.3272	6.2186	6.1980	6.1889		
Singapore \$	29.7963	29.8203	28.8421	28.7468	28.7047		
Saudi Rial	13.2957	13.3064	13.1149	13.0716	13.0524		
UAE Dirham	13.5774	13.5883	13.3909	13.3466	13.3271		
Swedish Krona	6.0220	6.0268	5.9471	5.9275	5.9188		
Qatari Riyal	13.7016	13.7126	13.5086	13.4640	13.4443		
Kuwaiti Dinar	168.8912	169.0270	156.7954	156.2772	156.0483		
Thai Baht	1.2668	1.2679	1.2523	1.2481	1.2463		
Euro	52.3259	52.3680	50.4357	50.2385	50.1849		
Bill buying rates							
TT, DC	30 Days	60 Days	90 Days	120 Days	180 Days		
49.2112	48.9090	48.4980	48.0870	47.6760	46.8540		
US Dollar London Interbank Offered Rate (LIBOR)							
Buying	Selling	Currency	1 Month	3 Months	6 Months	9 Months	12 Months
49.0850	49.7300	USD	5.38000	5.51250	5.94250	5.96825	6.06125
79.3214	80.9107	GBP	5.24250	5.47328	5.93905	6.10406	6.27391
Cash/TC	Cash/TC	Euro	2.38250	2.39063	3.11000	3.19613	3.31000
Exchange rates of some Asian currencies against US dollars							
Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won		
43.505/43.555	51.770/51.825	33.300/33.350	3.7995/3.8005	7800/7850	1191.8/1192.0		

Amex notes on Monday's market
The USD/BDT rates held steady at 49.44/48 level, fractionally down from the level of 49.48/53 held last week. High liquidity of USD in the interbank market is the reason for this downward trend. This level is expected to hold steady for the week. Call money market is in the upward trend because of pressure from the market makes to keep the call rates as high as possible. Call rates are slowly climbing as the rates today crept up to 8.50/9.50 per cent level marginally higher from yesterday's level of 7.75/8.25 per cent. This level may go up further in the coming week but only fractionally.

The euro struggled near its life low against the yen by late Monday afternoon in Tokyo, due to increasing optimism about the outlook for the Japanese economy. The dollar also faltered against the yen due to a rise in Tokyo share prices and some selling by Japanese exporters. Market makers assume that the Dollar and Euro were both supported by lingering wariness about possible yen-selling intervention by the BOJ. But others say wariness of intervention had eased somewhat due to the firmness of Tokyo share prices. There was limited impact from comments by former Vice Finance Minister for International Affairs Eisuke Sakakibara, who said the BOJ should cooperate with MOF to stop an excessive rise in the yen through a further easing of its monetary policy. The market did not pay much attention because he is no longer an MOF official. Meanwhile, BOJ Governor said that the central bank plans to continue sterilising forex interventions by draining excess yen funds from the Tokyo money market. Japanese government and BOJ officials seemed to be taking a relatively relaxed stance towards recent rises in the yen now that the government's growth target of 0.5 per cent seemed achievable. The yen remained buoyant in Europe on Monday, bumping against lifetime highs against the Euro set overnight, amid growing optimism over an economic pickup in Japan and an absence of central bank intervention. The yen's positive momentum had accelerated after a surprise increase in Japan's second quarter growth data last week and the BOJ's solo intervention on Friday was woefully insufficient to curb the yen's strength. Assumption is that they did try to sell it (Friday's intervention) as a smoothing operation rather than sort of a line in the sand. At around 07:58 GMT, major currencies closed against USD at 107.80/108.90 JPY, 1.5496/1.5510 CHF, Euro at \$1.0360/1.0366 GBP at \$1.6169/1.6174.

Clinton, Jiang prod negotiators to reach WTO agreement

AUCKLAND, Sept 13: US President Bill Clinton and Chinese President Jiang Zemin on Monday discussed China's efforts to join the World Trade Organisation, prodding their negotiators to reach a deal, reports AP.

Chatting on the fringes of a summit of Pacific Rim leaders, Clinton and Jiang told each other they wanted to conclude an agreement on China's WTO entry, said Gene Sperling, chairman of Clinton's National Economics Council.

US Trade Representative Charlene Barshefsky and Chinese foreign trade minister Shi Guangsheng held two sessions of talks Monday and were trying to schedule the next round of negotiations, Sperling said. The quickening pace of negotiations was one of the few tangible signs of progress in China's fitful 13-year effort to join world trade's rule-making body.

Both sides have refused to provide details on the talks since Clinton and Jiang on Saturday ordered trade officials to re-open negotiations. China broke off in anger after US forces bombed the Chinese Embassy in Yugoslavia during the Kosovo war.

"There remains a lot of work to do," Sperling said, but added that Barshefsky felt that China demonstrated "a positive and constructive tone" in the talks.

To get into WTO, China needs to strike separate deals with the United States, its largest market, as well as with the European Union and several other countries. China is hoping to wrap up the process by year's end before entry becomes harder during the next round of global trade talks.

China and the United States came close to agreeing on Beijing's WTO membership in April. But Clinton, fearful Congress and US business would not support the deal, rejected Premier Zhu Rongji's offer to open many previously closed sectors of the Chinese economy.

Conservatives in the Communist Party and influential managers of state industries lined up against Zhu's concessions, and after the embassy bombing, his offer was branded a sellout to the United States by some opponents.

With opposition still high in some quarters, China is trying to appear none too eager even as it resumes bargaining.

While acknowledging that relations have improved since the acrimonious weeks following the bombing, Chinese Foreign Minister Tang Jiaxuan said Washington still needs to do more.

"There is a need for the US side to do more concrete deeds so as to cure the scars that the bombing incident has left on the heart of the Chinese people."

China to open service sector to foreigners
Reuters says from Beijing: China plans to "experiment" with allowing foreign investment in segments of its service sector including finance and telecommunications. Xinhua news agency reported yesterday.

"More areas will be chosen for experiment to attract foreign investment in the fields of finance, insurance, foreign trade, commerce and telecommunications, as well as accounting, assessing and legal services," the official agency said.

The Xinhua report, from an international trade fair in the southeastern city of Xiamen, gave no details on the market opening offer, nor did it attribute it to any official.

World economy finally shows signs of recovery: IMF

WASHINGTON, Sept 13: The global economy finally is showing signs of an upturn after struggling for more than two years with a virulent financial crisis, the International Monetary Fund said Sunday, reports AP.

The 182-nation lending organisation said in its annual report that threats of economic troubles spreading have lessened considerably since last fall, when the collapse of the Russian rouble was felt around the world.

"This year the worst of the crisis seems well behind us," said the IMF's deputy managing director, Stanley Fischer. "Most of the Asian crisis countries are recovering fast ... Brazil's IMF-supported adjustment programme is succeeding, and growth has been more rapid

than expected. And the Russian economy too is doing better than expected."

The IMF used the report to defend its handling of the current crisis. In August 1998, it looked as if the crisis could drag down economies in the United States and elsewhere after Russia's botched rouble devaluation rocked financial markets from New York to Tokyo.

The agency had assembled billions of dollars in rescue loans but appeared power less to halt the spread of currency troubles that began in Thailand in July 1997. IMF critics also complained of excessive secrecy and a one-size-fits-all mentality toward economic recovery programmes.

Even with improvements in the overall economy, the IMF has been embarrassed again in

recent days.

Russia, the recipient of more IMF assistance than any other nation, is alleged to be involved in financial corruption, including bribery and massive money laundering through a New York bank. On Friday, the IMF announced it was suspended a \$12 billion Indonesian loan programme.

Also last week, the Netherlands government leaked a memo indicating that opposition from members of Congress representing gold-mining states had brought the IMF close to abandoning efforts to sell gold directly to the public.

IMF officials insisted they were near agreement on a deal to use gold but avoid direct sales to the public, which the mining industry feared would depress already weak gold prices.



Md Abu Taher Chowdhury, Chairman of Central Insurance Company Ltd, addresses the shareholders in the 11th Annual General Meeting held recently at the Pan Pacific Sonargaon Hotel. Tulu Kalimullah, Vice-Chairman, M A Malek and Md Abdul Maleque, Directors and ex-chairmen, and Md Shamsul Hoq, Managing Director of the company were also present.

— CIC photo