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The Daily Star BUSINESS

DHAKA, FRIDAY, NOVEMBER 12, 1999

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RAKUB starts disbursing Tk 350cr loans

RANGPUR, Nov 11: Rajshahi Krishi Unnayan Bank (RAKUB) has started disbursing a huge amount of Tk 350 crore in sixteen northern districts under Rajshahi division through its three hundred branches during the current fiscal year. The bank also realised the outstanding loans to the tune of Tk 54,89,00,000, says BSS.

The districts are: Rangpur, Kurigram, Nilphamari, Lalmonirhat, Gaibandha, Dinajpur, Thakurgaon, Panchagarh, Rajshahi, Bogra, Chapainawabganj, Naogaon, Joypurhat, Pabna, Sirajganj and Natore.

Of the total allocated loans, Tk 12.67 crore was earmarked for Aman cultivation Tk 4.82 crore for pisciculture, poultry farming, dairy and purchase of agricultural inputs Tk 33.22 crore and Tk 3.16 crore for poverty alleviation programme.

Harvest Rich, DEG sign DM.3m equity accord

An agreement signing ceremony between Harvest Rich Limited and DEG, Germany for DM three million equity investment was held recently at IPDC office, says a press release.

Harvest Rich Limited is an integrated composite textile industry with a project cost of Tk 429 million. Its production facilities include state-of-the-art fabric manufacturing plant, dyeing and finishing plant, wet treatment plant and both knit and woven garments manufacturing plants. IPDC was the advisor and arranger to the syndication of both debt and equity for the project. IPDC, UBICO, DEG, IDLC and Rupali Bank Limited are the financiers to the company.

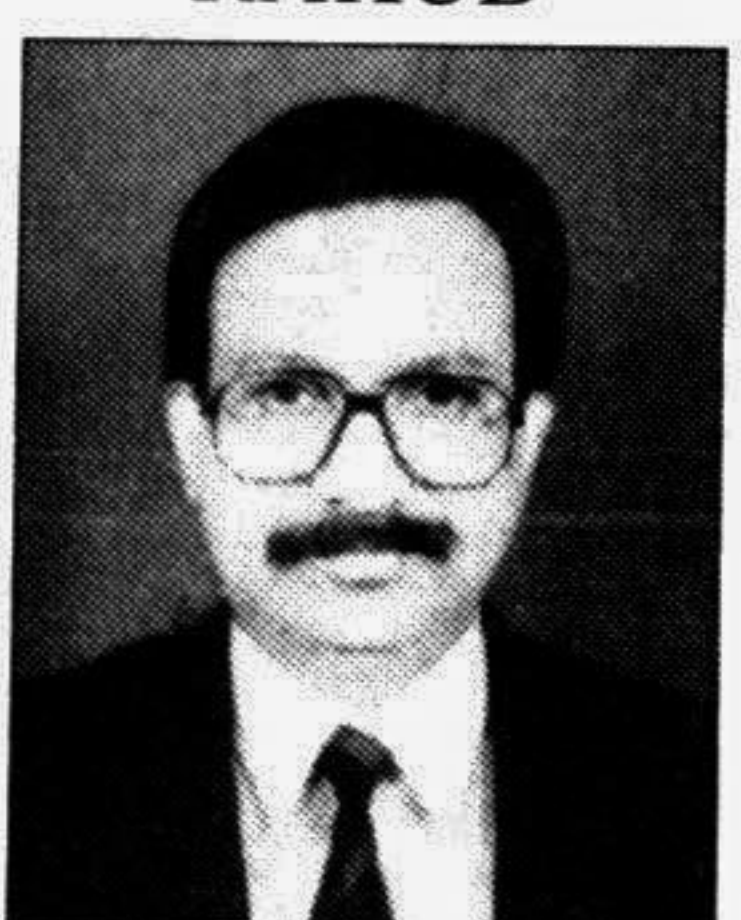
Russia's reserves fall to \$11.7b

MOSCOW, Nov 11: Russia's gold and foreign exchange reserves fell to \$11.7 billion on November 5 from \$11.8 billion on October 29, the central bank said today, reports Reuters.

The figure included \$175 million in assets held by foreign banks in which the central bank has stakes, unchanged from the previous week.

The central bank is gradually separating out foreign assets from the reserve total at the request of the International Monetary Fund.

New MD of RAKUB



The government has recently promoted Akm Sajedur Rahman as Managing Director of Rajshahi Krishi Unnayan Bank.

Prior to this assignment, he was Managing Director (current charge) of the same bank, says a press release.

On completion of his Post Graduate degree in Agricultural Economics, Rahman joined BIBM as a Research Fellow. Thereafter, he joined Bangladesh Krishi Bank in 1979 as Faculty member and was awarded FAO fellowship during 1983-84. Under this fellowship, he studied in the United States and obtained MS degree from the Central Michigan University, USA.

In 1981, he participated in a training programme on Agricultural project course at the College of Agricultural Banking at Pune, India. Rahman attended an international seminar on irrigation management in Colombo, Sri Lanka.

ME e-commerce to grow to \$1b by 2002: Intel

DUBAI, Nov 11: The value of electronic commerce in the Middle East will grow from 100 million dollars today to more than one billion dollars by 2002, US firm Intel Corp.'s regional chief predicted Saturday, reports AFP.

"Even that figure is a very low estimate and it could be substantially more," Robert Eckelmann, Intel's general manager for Europe, the Middle East and Africa, told business delegates at a conference here.

He said the Middle East was recording the highest growth for computer purchases in the world after China, with more than one million people connected to the Internet.

Intel is the world's largest manufacturer of computer chips.

Tk 10,000 per day fine for not holding AGMs SEC mulls new law to crack down on cos

By M Shamsur Rahman

Companies who don't hold annual general meetings could face Tk 10,000 per day in fines under new rules proposed by the Securities and Exchange Commission (SEC).

The SEC drafted the amendments to the 1994 Companies Act in an effort to crack down

on companies who try and hide illegal activities from their creditors.

The SEC has already submitted the proposed changes to the Finance Ministry on Thursday.

Companies don't like to hold annual general meetings be-

cause they have to submit an audited report, which makes it difficult to hide their wrongdoings, an SEC official explained.

The AGM also has the power to appoint a new auditor if the accounts are suspicious, the official said.

Under the new rules, company could declare dividends at the AGM, but must pay them out within 40 days. The money for dividends would have to be kept in a separate bank account.

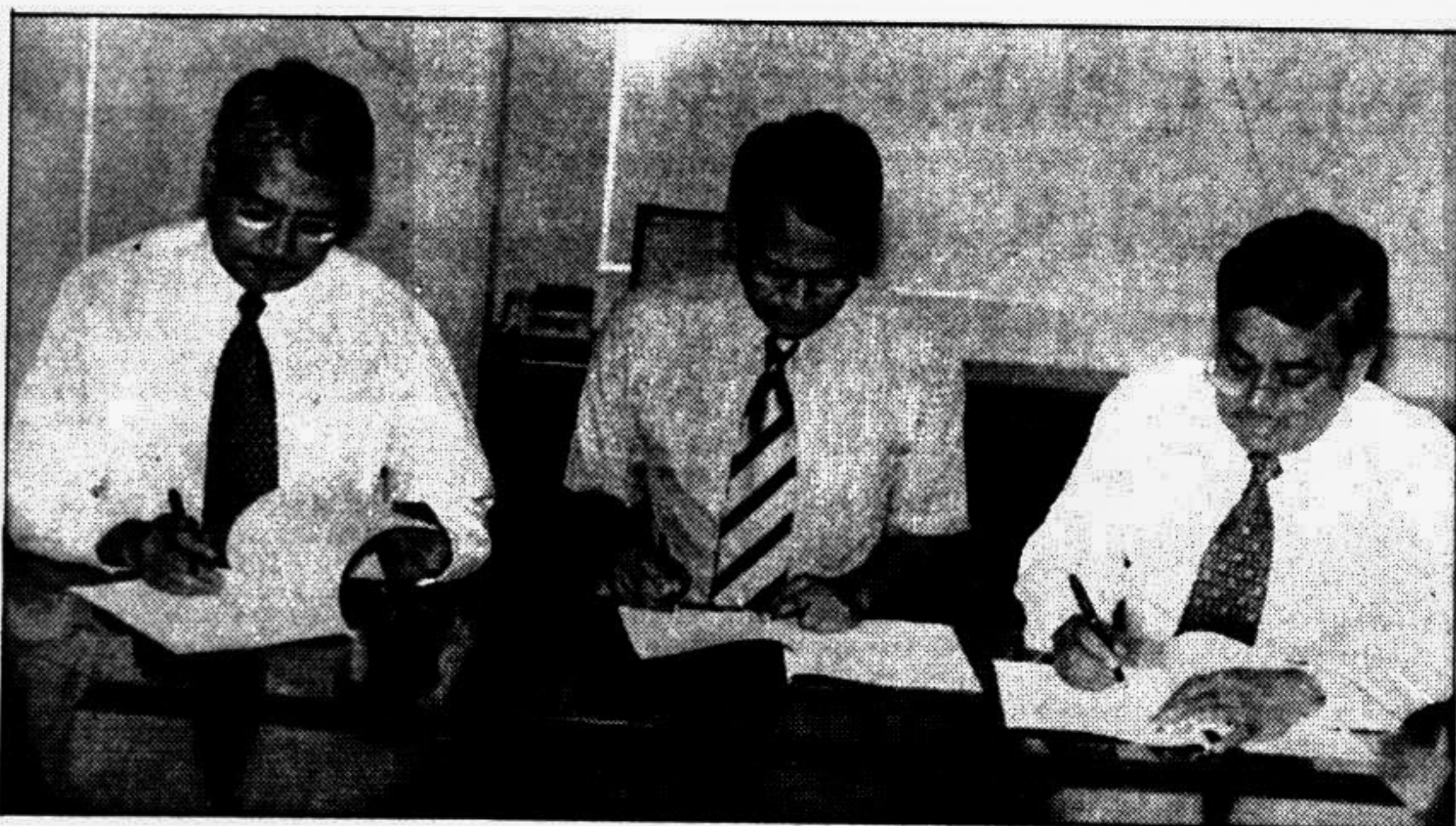
"Details of such account along with the total amount placed in such account shall be furnished to the commission and the stock exchanges concerned within 15 days from dec-

laration," according to the draft.

If companies don't declare dividends for two years running then the SEC would have the power to conduct a financial audit at the company's expense.

The dividends declared by a company will be payable within four days and on default an interest rate at the rate of 18 per cent will be calculated on the unpaid dividend from the date of declaration.

The dividend warrants will have to be sent through post. If company officials break the rules they could spend up to two years in prison or stiff fines.



M A Bari, Managing Director, and Syed Fazle Rabbi, Director, Harvest Rich Limited, sign an agreement with DEG, Germany, for DM 3 million equity investment at IPDC office recently. C M Alam, Managing Director of IPDC, witnesses the signing of the agreement.

Fastest PC now for Tk 2.24 lakh

Star Business Report

The fastest personal computer on earth is now available in Bangladesh for just Tk 2.24 lakh.

The Silicon Intel Pentium III 650 has a hard disk capacity of 37 gigabytes ultra DMA.

The machine's unprecedented hardware that allows someone to complete tasks which would have taken five days using conventional hardware and speed.

The product is mainly targeted at customers in the computer animation and graphics industry.

Microcel, a hardware and customised software distributor, imported the new product along with '3D computer based mini still cinema'.

The new 3D cinema features 50 fixed chairs and special stereoscopic plastic glasses. The 3D movies are currently shown from computers.

The 3-D cinema enables a viewer to get into the depth of the movie in addition to its length and width. The special glasses and the surround sound system gives one a feeling of being into the centre of the movie, according to the distributors.

Currently the movies are being displayed at Wonderland in Gulshan and Microcel's pavilion at the Chittagong International Trade Fair '99. It's the first time an IT firm has participated in the 20 day long fair, which started in the port city on October 29.

UAE oil price to average \$18 in '99

DUBAI, Nov 11: Emirate Oil Minister Obeid bin Saif al-Nasseri is predicting an average crude oil price of \$18 a barrel for the Emirates this year, newspapers reported today, says AFP.

And he added that he expected prices to remain at their present levels until March next year, when an OPEC agreement on production quotas is to be reviewed, the Gulf News said.

Dubai crude prices this week were hovering above the 23 dollars per barrel mark, while Abu Dhabi's crude, which makes up the bulk of the Emirates' oil revenues, generally sells for about 50 cents less.

In March, OPEC and some non-OPEC producers agreed to shave an additional 2.1 million barrels per day (bpd) off their production until March 2000.

Zia Fertiliser suspends production

Production at Zia Fertiliser Factory, a unit of Bangladesh Chemical Industries Corporation (BCIC), has been put under temporary suspension due to PG Cooler leakage problem, a BCIC press release said in Dhaka yesterday, reports BSS.

The usual production at the factory is expected to resume soon after completion of necessary repair work to be undertaken by the foreign experts from November 13.

The present stock of fertiliser at the factory's own godown and also at the buffer godown is 38,000 metric tonnes, the press release said.

It also said there would be no inconvenience in distribution of fertiliser in the factory's command area following suspension of production for a short period.

Korean Air chief faces arrest on tax evasion charges

SEOUL, Nov 11: Prosecutors sought an arrest warrant Thursday for the eldest son of the owner of Korean Air on charges of evading \$55 million in taxes owed by the nation's main carrier, says AP.

Cho Yang-ho, 50 chairman of Korean Air, was accused of being involved in massive tax evasion involving the airline and three other affiliates of its parent group, Hanjin. His father and one of his brothers are also accused.

Government officials said it was the largest tax evasion scheme ever uncovered in South Korea. Hanjin, owned by the Cho family, is South Korea's sixth-largest conglomerate with Korean Air as its holding company.

Prosecutors said the three admitted to most charges filed against them and appealed for leniency. But because of family ties and the father's advanced age, 79, prosecutors decided to arrest only the eldest son.

Foreign banks deny Indian women credit cards

NEW DELHI, Nov 11: Foreign banks are denying Indian women credit cards even if they have high incomes, a newspaper reported Thursday, says AP.

For years Indians did not use credit cards. But aggressive marketing by foreign banks in recent months has produced a boom.

The mass circulation Indian Express newspaper said it received several letters from women who had been denied credit cards by foreign banks even though they had incomes exceeding the minimum required by the lending institutions.

Foreign banks, such as Citibank, Standard Chartered and American Express have been known to automatically reject applications from lawyers and journalists, according to media reports.

The banks usually refuse to comment on the cases, or say that lawyers and journalists are high risk groups because they move from their hometowns on account of work and they default on payments.

Privately, bankers say both are high risk groups because they either file lawsuits or use their influence to stall payments.

The newspaper said that many women were denied credit even though they had incomes of 700,000 rupees a year (dhs 16,500), five times the salary of a government clerk.

Standard Chartered sent some of the women letters saying it rejected their applications because they were home-makers, the report said.

Standard Chartered spokesman V Krishnan said the bank does not have a policy of refusing credit cards to home-makers. He said applications are decided on a 10-point scale based on income and other economic criteria.

Weekly Ctg Tea Sale Market witnesses increased demand

CHITTAGONG, Nov 11: The tea sale here yesterday (Wednesday) was marked by more widespread demand with all grades receiving good support from buyers, though at lower rates, reports UNB.

There was a bit more buying by Pakistan this week whilst Poland was much less active, according to a market report of National Tea Brokers Ltd.

It said there was some interest from Russia and the CIS. Internal buyers operated in greater strength with the blenders lending more support.

CTC Leaf: 11,021 chests, 15,549 gunny sacks, and (179 chests and 84 gunny sacks of old season) on offer met with increased demand, but again mostly at earlier rates.

CTC Brokers: Bold Brokers were virtually neglected and

only a few lines sold between Tk 50 Tk 52. Larger Brokers were a selective market with neater types attracting interest around last levels whilst all others were easier by Tk 2. These realised between Tk 55 and Tk 58.

Medium and smaller brokers were a fairly good market but generally sold at Tk 2. The neater types remained fully firm following competition while the plainer types were much easier, often selling up to Tk 3 to Tk 4 below last levels with fairly heavy withdrawals.

CTC Fannings: Clean good-looking fannings were fully firm to slightly dearer but all others were easier by Tk 2.

CTC Dust: 762 chests, 1,933 gunny sacks, and (19 chests of old season) on offer met with improved demand at firm to dearer rates.

Online database on economy launched

Star Business Report

A website providing database on the economy was inaugurated in the city yesterday.

Bangladesh Economic Chronicle (BEC), the first Bangladeshi web-magazine on business and economy, has launched the online database providing information on macroeconomy, industry, balance of payment and capital market.

The database provides an interactive data retrieval facility. One will need to select and specify criteria from the pull-down menu to make his queries. The query would be processed and the data would then appear on the screen within a few seconds.

At a ceremony at the IDB auditorium yesterday, the BEC

officials said that the website is aimed at providing instant and easy access to all sorts of economic and business data in Bangladesh.

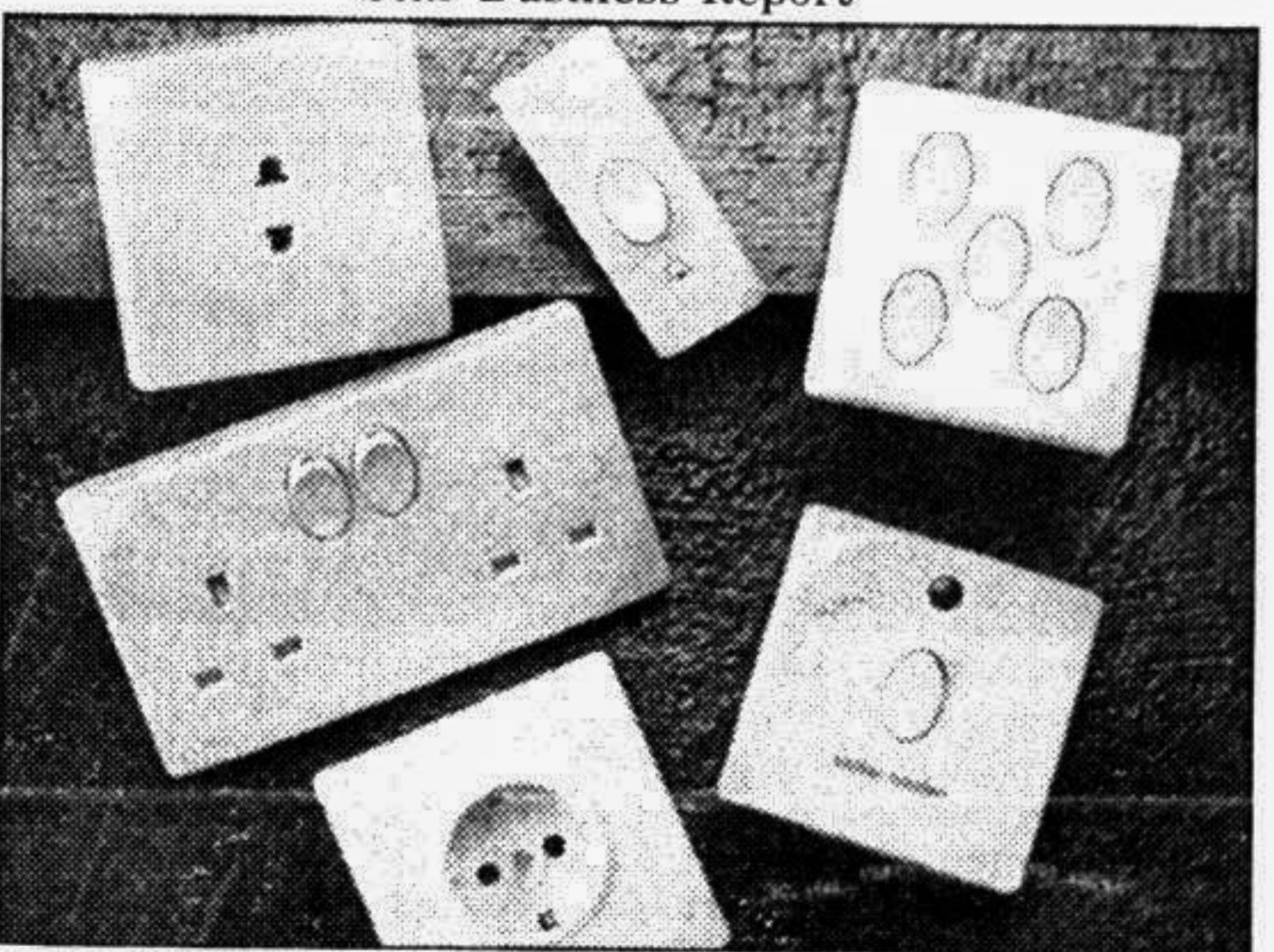
The site will also be enriched with sectoral indices of the stock markets, growth comparisons between different sectors and country and commodity-wise export figures along with foreign exchange reserve positions.

"We have just launched the site to be available at www.bec.org and it would be developed further within a pretty short time, said the officials.

"Within a year, we hope to add five to seven more sectors to the website," said AKM Fahim Mashroor, Editor of BEC.

ABB electrical goods enter local market

Star Business Report



ABB, the global leader in electrical engineering products, is entering into the high-end electrical consumer goods market of the country offering over 50 different products.

The products include line protection equipment like miniature circuit breakers, earth leakage circuit breakers, modular DIN rail components and electrical bus systems.

Besides, ABB will be marketing wiring accessories like switches and sockets, industrial plugs and sockets, energy meters and enclosures and cable systems.

NICC Ltd, a local company is collaborating with ABB to market these goods being imported from Singapore. NICC Chairman Engr. AZM Ali Akbar Khan at a press conference held at a city hotel yesterday said that the components of the products were actually manufactured in Europe while they were assembled in Singapore.

ABB has also opened up a showroom at Gulshan 2 crossing. Such a showroom is the first of its kind in Bangladesh, Ali Akbar Khan claimed.

Though the ABB electrical consumer products proudly claim the highest quality maintaining the British Standard, the price of these items would be within the reach of the customers, he added.

"We are not very aware of the safety issues related to electrical components. Many fire incidents take place due to poor wiring or low-quality components around the world, and specially in Bangladesh, ABB's product line is designed keeping that in mind," Ali Akbar Khan noted.

He added that ABB had already proposed to NICC to set up a joint venture electrical goods assembling unit. "However, this will take some time. ABB would like to study our market more before it invests in a factory here," the NICC chief said.

ABB's most common item - a 10 amp switch-would cost the consumers Tk 54. This can take double the normal load of electricity, a NICC representative told journalists. The most expensive item in ABB product line is a Tk 600 'dimmer' - a stylish fan regulator.

US House passes bill to privatise satellite network

WASHINGTON, Nov 11: The US House has passed legislation seeking to privatise the world communications satellite network and end Comsat's monopoly in giving US companies access to it, says AP.

The bill, approved by voice vote Wednesday, could bring down long-distance calling rates for consumers by allowing US companies direct access to the global satellite consortium Intelsat.

Those companies - mostly large telephone carriers and TV networks - would be able to bypass Comsat Corp. in getting services from Intelsat.

The measure also would clear the way for Lockheed Martin Corp. to complete its proposed merger with Comsat. The defence contractor purchased 49 per cent of Comsat early this fall, but could not acquire the rest of the company because of current Comsat ownership limits written into a 1962 law.

The Senate passed its version of the measure this summer. The bill now heads to conference committee that will seek to merge the bills.

Seeking to reform the international satellite system, the legislation lays out policies for the two intergovernmental satellite consortiums - Intelsat and Inmarsat - to follow on the road to privatisation. If they do not abide by these criteria, their access to the US market could be restricted.

Comsat, based in Bethesda, Maryland, was chartered by Congress in 1962 to keep then-telephone monopoly AT&T from extending its control to international satellite communications.

HK issues dos & don'ts for Y2K watching hour

HONG KONG, Nov 11: Hong Kong has issued a "Y2K Almanac", advising residents against hoarding food or money and to limit water and telephone use around the Y2K watching hour at midnight on December 31, reports Reuters.

The 24-page guide, issued by the Information Technology and Broadcasting Bureau, offers a list of dos and don'ts to prepare for the year 2000 (Y2K) millennium bug.

Hong Kong says its main systems are ready for Y2K, which causes older computer programmes to confuse the year 2000 with 1900.

The booklet suggests having emergency flashlights handy and a battery operated radio to be sure of receiving important New Year broadcasts on the Y2K situation.

It urges the territory's 6.8 million residents to avoid overloading telecommunications networks by calling friends and relatives at zero hour on January 1. People should also keep records of stock transactions and relevant documents.

But the booklet warned residents against withdrawing large sums of cash, which would make them easy targets for criminals, and against stockpiling food.

As for going aboard for the New Year holidays, it suggested travellers check the Y2K readiness of their destination.

Public hospitals had fixed all mission-critical computer systems and medical equipment, and the booklet listed clinics that would be open during the New Year holiday period.

Hong Kong is widely acknowledged to be well-prepared for Y2K, but there are fears it could be affected by problems encountered by its trading partners overseas.

S'pore's economy may grow by 5 pc: Lee

SINGAPORE, Nov 11: Singapore's economy is expected to grow by as much as 5 per cent this year, Senior Minister Lee Kuan Yew said in a newspaper report Tuesday, says AP.

In the report, he added that the economy may grow by as much as 7 per cent next year.

Lee's comments come ahead of economic results due in the middle of November, when the Ministry of Trade posts third-quarter economic results and gives its projection for next year.

Economists share Lee's forecast for this year, but not his prediction for next year's growth.

"We know there are people out there that are quite optimistic," said Ng Bok Eng, an economist with the Daiwa Institute of Research. However, "we don't think it's going to be a straight line recovery."

Ng said uncertainty in the region prevented growth expectations of more than 5 per cent, his firm's forecast for the year 2000.

He said he would revise that forecast only after the region begins to recover.

"I think short term we are not likely to see the kind of growth that we saw in pre-crisis level," he said, adding that now the emphasis is on a process of consolidation, restructuring and reforms.

Lee said Singapore's success in battling the crisis was due to its "no monkey business policy," Singapore daily The Straits Times reported.

Mom and pop businesses shrug off Y2K infection

LONDON, Nov 11: Surely it won't matter much if a few Mom and pop businesses can't handle the millennium computer bug?, reports Reuters.

So long as electricity, telephones, governments and big business are now immune to millennium computer bug infection we're home free, right?

Well - maybe.

In Britain, according to the Federation of Small Businesses, enterprises employing less than 100 people account for around 45 per cent of total economic activity. In the US and Germany, small concerns account for at least that amount of the economy.

And while many experts are coming around to the view that after spending of billions of dollars, the millennium bug has been ousted from the computers in most banks and cru-

cial infrastructure providers like electricity, telecommunications and transport, they are not nearly so sanguine about small and medium sized businesses.

"It's amazing how few small companies have done anything about Y2K," said Simon Levine, a partner at the law firm of Denton Hall.

Y2K is shorthand for the millennium computer bug problem. Experts worry that an old method of recording dates on software could cause mayhem in computers when clocks strike midnight at the end of this year. The theory is that dates recorded in two digits, like 89 or 97, will trip over the two zeros in 2000 and cause computers to crash, or spew out corrupt data.

As there are now few areas of life which do not have an inti-

mate relationship with computers, the possibility of widespread failure has set off all kinds of catastrophe speculation.

Small businesses look vulnerable, and Andrew Rigby, another technology lawyer, is worried.

European firms tardy

"SMEs (small and medium sized businesses) account for an enormous amount of GDP (gross domestic product) across Europe and many have been late in addressing Y2K," said Rigby, a partner at Tario Lyons.

These worries exist in the US too, where big corporations have generally shown how to prepare for Y2K.

"Because thousands of small companies have not published information on their Y2K repair status, the exact overall

state of readiness of the United States remains ambiguous," said Capers Jones of Software Productivity Research Inc in Burlington, Massachusetts.

Margaret Joachim, Year 2000 expert for US computer services company Electronic Data Systems Corp, said small companies are often suppliers of crucial components to big companies.

Joachim said small businesses have often underestimated the Y2K problem.

Not just mainframes

"A lot of companies, small ones in particular, thought it (Y2K) only affected big mainframes. Now they are beginning to realise that it relates to PCs, networks, and communica-

tions," Joachim said.

She said there were broadly two types of small companies:

ones that use technology as a support service, and others for which technology is central to the actual product. The former are often laggards in fighting off the bug.

But not everyone thinks this is a problem for small business.

"Think about the hairdressers, window cleaners, bakers, butchers, estate agents of this world. What is it that Y2K could do to prevent them delivering services. They don't need IT to deliver value," said Andy Kite, analyst with US information technology research company Gartner Group.

Kite also believed that medium sized businesses wouldn't have serious problems, even if they have been slow to fix their computers.

"These companies tend to be run as firefighting outfits. If they have a problem, they deal

with it. That's what you do as a manager. You cope with problems. Yes they are most vulnerable to disruption, but in terms of culture, they're best adapted to deal with problems as they emerge," Kite said.

According to Dr Ross Anderson of Cambridge University's Computer Laboratory who compiled the report, this represented a snapshot of the small and medium sized business world.

The surprising discovery is that although some systems have been fixed or replaced, none of the bugs found so far would have had a serious impact on our business operations even if they had been ignored until January 2000. The average small business owner, who is doing absolutely nothing about the bug, appears to be acting quite rationally."