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The Daily Star BUSINESS

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Int'l Trade Fair begins in Khulna on Mar 24

KHULNA, Jan 31: A 15-day international trade fair will begin at the Circuit House ground here on March 24, says UN3.

India, Pakistan, China and Iran along with some other countries will participate in the fair, first of its kind in the district.

The fair, titled 'KCIT F 2000', will be organised by Khulna Chamber of Commerce and Industries (KCCI) with technical assistance from German Technical Cooperation and Chittagong Investment and Trade Promotion Centre.

Prime Minister Sheikh Hasina is expected to inaugurate the fair while BNP chairperson Leader of the Opposition in Parliament Khaleda Zia will visit it on the concluding day.

Some 150 industrial units and commercial organisations will set up their stalls in the fair.

Tax-free leather goods, handlooms, textiles, garments, cosmetics, house-building materials and electrical equipment will be sold in the fair.

Talking to newsmen, the KCCI president said with a view to attracting the local and foreign investors to the country's southern region.

Women business team to attend entrepreneurs' summit in Delhi

A 15-member delegation of women entrepreneurs, led by Director of MIDAS Board and President of WISE Rokia A Rahman, leaves Dhaka for New Delhi to attend the 3-day 7th Global Summit of Women Entrepreneurs that will begin February 7, says a press release.

The members of the delegation are involved in various businesses including garments, furniture, food processing, jewellery, boutiques, handicraft and IT.

During the conference, they will hold meetings with international women entrepreneurs to further develop their businesses and explore possibilities of joint venture projects.

The delegates are owners of enterprises which were financed by MIDAS under its MIDP Programme and also members of other women entrepreneurship development programmes of MIDAS such as Women in Small Enterprises (WISE), MIDAS Mini Mart, and Women Entrepreneurs Association (WEA).

New GM of Janata Bank

The government has promoted Syed Abdul Hamid as General Manager of Janata Bank, says a press release.

Prior to his promotion, he was the Deputy General Manager of Accounts Division of the bank.

He obtained B Com (Hons) in Management and Master degree in Marketing from Dhaka University. He is a Chartered Accountant.

Government to unbundle power, energy sectors: Ministry official

In view of the unabated inefficiency of the state monopolies, the government plans to 'unbundle' the power and energy sectors blamed for high product costs of industries, reports UNB.

The power and gas industry in the country became inefficient due to its monopolistic market. Energy and Mineral Resources Secretary Dr Tofiqul E-Elahi Chowdhury told industrialists at a meeting in the city yesterday.

Price hike of gas and power for industrial consumption, delays in getting gas and power connections, extension of distribution network and huge security money were cited as the major problems by the textile owners.

Chowdhury said generation, transmission and distribution of power and gas should be allowed to stand competition and should not be held by monopoly.

He apprised the entrepreneurs that the government was able to make good improvements in both gas and power sectors, 'which now need some serious steps for further progress.'

As a result, he said, 'The worst situation of the power sector is over and negotiations for awarding eight gas blocks are at the final stage.'

He said energy can be an engine for the country's economic growth, but there must be some strategic plans.

SEC may present eight-point proposal to JS body today

Move to eke out ways of reviving ailing stock markets

By M Shamsur Rahman

The Securities and Exchange Commission (SEC) is expected to place an eight-point suggestion before the Parliamentary Standing Committee on the Finance Ministry when it meets today to eke out ways of reviving the country's ailing stock markets.

The SEC has suggested that a clearly-defined policy be formulated for the companies listed with the stock exchanges to encourage corporate governance. To this end, the regulators also noted that quick adoption of the proposed amendments to the existing Companies Act, 1994 is necessary.

The SEC came up with the proposed amendments in December last year. The changes will force a company to regularly hold its annual general meetings, submit audited annual reports and distribute dividends among its shareholders on time.

It also said that quick implementation of the Central Depository System was a must to ensure fast settlement of the transactions and bring transparency to the market.

The SEC suggestions also include rehabilitation and reorganisation of the companies, and if necessary, required changes to their management.

It also called for steps to strengthen the bourses' monitoring and surveillance systems so that they can identify the unscrupulous stock brokers and sponsors who deceive investors and cause stock market crash. This will all the more ensure quick disposal of the cases involving share price manipulation.

The Commission also suggested for educating the investors on how to use their funds prudently in the market.

The SEC observed that pumping of huge fake shares by a few company sponsors in connivance with stock dealers and brokers was responsible for the present depressed condition of the market.

It pointed out that a few dishonest stock dealers and sponsors are playing the key role in the voluminous trading of the shares of companies with weak fundamentals.

'The shares of the companies which have been out of market operation for a long time, have been passed on to innocent investors through foxy means,' the working paper said.

Many company directors also do not take required steps for increasing the share prices, the SEC said.

'On the contrary, these companies are involved in activities such as non-distribution of

dividends, withholding annual general meetings (AGMs) and non-submission of the audited accounts on a regular basis, which leave adverse impact on their share prices,' it said.

'Without taking necessary steps to start operation of the factories, the directors create a situation which enables them to sell their shares at high prices and later buy those at cheap rates,' the paper said.

The SEC has also identified some other factors like lack of good governance, quoting illogical share prices by the companies, lucrative interest offered by government bond and savings certificates, lack of confidence in audited accounts, absence of institutional participation and disinterest of the commercial banks to disburse loans against shares, which, it said, hinder orderly growth of the stock market.

Dhaka needs to focus more on shrimp sales in US

Experts at FDA-HACCP presentation calls for more thrust on handling system

Star Business Report

Bangladesh should launch aggressive marketing drives in the United States with special focus on the sales of 'natural' and high-quality shrimp, say experts.

'Bangladeshi shrimps have the quality to match those from any other country around the globe. The country in fact enjoys some added advantages in the case of shrimps as it is naturally cultured here without using any hormones,' said James P Ostergard, an US expert and consultant of the FDA-HACCP systems of ATDP.

He said that for winning a bigger berth in the international markets, the shrimp plants in the country should now concentrate more on the handling procedures -- related activities right from the beds through collection centres and then to the factories.

Ostergard was speaking at a presentation programme on the

findings on value addition products, FDA-HACCP systems and overseas market promotion tours at CIRDAP auditorium in the city Sunday.

Lee Ann Applewhite, Consultant on value addition products, MA Quader, Additional Secretary of the Ministry of Agriculture, DK Chowdhury, Joint Secretary of the Fisheries and Livestock Ministry, and Ronald P Black, Chief of Party, ATDP of IFCC, were present at the presentation.

'In order to maintain high quality of the export products you must start improving the ponds and using plastic containers instead of the bamboo baskets now used for shrimp handling,' he said.

Ostergard said due to poor handling, the factories are currently suffering a 10 per cent loss of shrimps. If these plants could even weather a half per cent of the total losses, then it would have meant a big profit for them, he added.

The upgradation works of the 19 factories can now be a model for the other firms in the shrimp sector to adopt and apply HACCP systems on a broader basis.

Consultant Lee Ann Applewhite said the shrimp produced in Khulna is a quality-product and great care is being taken there to maintain and operate the factories under the current HACCP guidelines.

She said that if only 20 per cent of the total yearly product gets five per cent value added due to processing, presentation, or increased moisture, it would mean a big addition to the country's currently-processed shrimp value.

Observing the limitless possibility of value addition processing in Khulna, Applewhite said that the value addition efforts must continue to help the shrimp industry reach the desired goals.



Picture shows a delegation of women entrepreneurs led by Director of MIDAS Board and President of WISE Rokia A Rahman. The team will participate in the 3-day 7th Global Summit of Women Entrepreneurs which begins in New Delhi on February 7.

BOJ to stick to its zero interest rate policy

TOKYO, Jan 31: The Bank of Japan will stick to its policy of driving short-term interest rates to near zero while watching out for adverse effects from the strong yen, BOJ Governor Masaru Hayami said today, reports Reuters.

Addressing a regular meeting of the central bank's branch managers, Hayami showed the BOJ stuck between his desire to nudge rates up a bit as soon as conditions warrant and government pressure to maintain, or even loosen monetary policy.

'It is appropriate for the BOJ to maintain its zero interest rate policy, since Japan's economy has not reached a situation in which deflationary concerns have been dispelled,' Hayami said.

The Japanese economy was 'turning toward improvement,' helped by rising industrial output and exports, but there are

still no signs of a self-sustaining recovery in private-sector demand, he said.

Hayami added that corporate profits are up but companies continue to feel burdened with excess capacity and payrolls, while household income conditions remain severe.

Hayami's statement on the economy matched the bank's assessment in its latest monthly report. He also reiterated that he had elicited the understanding of Japan's Group of Seven counterparts on monetary policy at a January 22 meeting.

Hayami told his branch managers the bank must keep a close watch on the effects of the yen's rise on the economy and on prices.

A strong Japanese currency erodes the yen value of Japanese companies' overseas earnings and exacerbates deflationary pressure on the economy. The BOJ says it will keep

rates at zero until deflation concerns abate.

At the Tokyo meeting of G7 finance ministers and central bankers, Japan won a statement of renewed concern about the possible effect of the yen's rise on the Japanese and world economies.

In return, the BOJ had to promise anew that it will keep interest rates at zero -- where they have been for almost a year -- to support the world's second biggest economy as it crawls out of its worst postwar downturn.

Hayami has openly chafed at the zero interest rate policy, which he brands 'abnormal' and which he says is generating adverse side-effects. But his G7 promise soothed and edged Japanese government bond market by bolstering the view that the BOJ cannot tighten any time soon.

Japanese bank DG for settlement of Kafco issue

Director General of Japan Bank for International Cooperation (JBIC) Keiichi Tango called on Finance Minister Shah AMS Kibria at his office yesterday, says BSS.

They discussed matters of mutual interest with special reference to Japanese development assistance to Bangladesh, an official release said.

Tango called for expeditious settlement of the KAFCO issue. The JBIC is a recently formed conglomerate of Japan Export-Import Bank and the Japanese official aid agency-OECF.

Kibria said Japan is a very good friend of Bangladesh and he thanked the government of Japan for its continued support to Bangladesh's development efforts.

He stressed large scale Japanese investment in Bangladesh in the interest of both the countries.

The visiting DG lauded the investment opportunities in the country and said he would pursue for continued development assistance to Bangladesh.

The Finance Minister informed Tango that the government wants to resolve the KAFCO issue as soon as possible. A committee has been formed to examine the IFC report on it, the finance minister said.

Mercantile Bank opens 6th branch Tofail for financing rural projects

Industries Minister Tofail Ahmed Sunday called upon the private banks to take projects aimed at poverty alleviation and employment generation in rural areas in addition to their pure business transactions, reports BSS.

He was inaugurating the 6th branch of Mercantile Bank at Kemal Ataturk Road at Banani in the capital.

Presided over by the chief advisor of Mercantile Bank and renowned banker Lutful Rahman Sarker, the inaugural function was also addressed by Commerce Minister Md Abdul Jalil, Acting Chairman of the bank Toufique Rahman Chowdhury, Managing Director of the bank M Tahiruddin, former student leader and businessman Mahamudur Rahman Manna and businessman Delwar Hossain.

Tofail Ahmed said, the nationalised banks have taken a lot of risks in implementing social development projects. Besides, they are providing loans for agricultural development and small and medium scale industrialisation, he added.

The minister said, the present government gave permission to eight new private banks, 19 general insurance companies and 11 life insurance companies to infuse dynamism into the financial and economic activities of the country. He said, it will definitely create new employment opportunities.

He said, banks are now very cautious in distributing term loans to avoid default loans. He said there are 'willful and circumstantial' defaulters and the present government is taking strong measures against willful defaulters.

He said, industrialisation has been affected by circumstantial defaulters. He said sudden change in policies, adverse international movement of business, inadequate provisions for working capital, halt, unavailability of utilities are some of the many causes that created circumstantial defaulters.

The present government has brought discipline in the financial sector and made relentless efforts to make available the utilities, Tofail Ahmed said. 'We are also trying to create a business-friendly environment where political stability is the main precondition,' he said.

EBL records Tk 53.50 crore operating profit

Star Business Report

Eastern Bank Limited earned an operating profit of Tk 53.50 crore during the year 1999.

This was disclosed at the Annual Conference-2000 of the Branch Managers of the bank held at a city hotel on Saturday, says a press release.

Nurul Hussain Khan, Chairman of the bank, inaugurated the conference as the chief guest.

The profit is Tk 13.20 crore more than that of the previous year.

The performance of the bank during 1999 was reviewed at the meeting projecting new targets for the year 2000.

M Ghazul Haque, AM Shaikat Ali, M Aminuzzaman, among the directors, and M Khairul Alam, Managing Director, spoke on the occasion.

In his speech, the chairman of the bank expressed his satisfaction at the overall performance of the bank, stressing the need for a operational strategy to ensure its financial stability.

M Ghazul Haque, director urged the managers to keep the bank in the safe side from the deadly grip of classified loans and advances.

AM Shaikat Ali, director, emphasised on proper evaluation of credit worthiness of a business customer.

M Aminuzzaman, director, stressed on constant motivation of human resources through team work and team spirit.

Ansar-VDP Bank opens branch at Shibpur

NARSINGDI, Jan 31: Shaifur Rahman, Chairman of Ansar-VDP Development Bank and Secretary, Ministry of Home Affairs, inaugurated the 67th branch of Ansar-VDP Development Bank at Shibpur Thana Parishad Complex in Narsingdi on Saturday, reports BSS.

A discussion and a thana rally of Ansars and VDPs was held at Thana Parishad office premises on the occasion. Bijan Kanti Sarker, Additional Deputy Commissioner (Rev) and Acting Deputy Commissioner of Narsingdi, presided over the inaugural function.

Major General Khandker Nurunnabi, Director General Bangladesh Ansars and VDP, AHM Emdadul Hoque, Managing Director, Ansar-VDP Development Bank, Abu Taher, Thana Nirbahi Officer, Shibpur and Shukand Bikash Chakma, District Ansar Adjutant, addressed the function.



Nurul Hussain Khan (4th from left), Chairman of Eastern Bank Limited (EBL), inaugurates the Annual Conference-2000 of the bank's Branch Managers at a local hotel on Saturday. Directors M Aminuzzaman (extreme right), M Ghazul Haque (6th from left), AM Shaikat Ali (5th from left) and M Khairul Alam (3rd from left), Managing Director, Ahmed Ismet (2nd from left), EVP, Mohammad Hafiz Ahmed (extreme left), EVP, are also seen in the picture.

Asian stocks close mixed

HONG KONG, Jan 31: Asian stock markets closed generally mixed Monday, with the key index slumping 4 per cent in Hong Kong but rising to a 29-month high in Tokyo, says AP.

The Hang Seng index, the Hong Kong market's main indicator of blue chips, tumbled 653.60 points, or 4 per cent, closing at 14,532.34. On Friday, the index had gained 268.13 points, or 1.7 per cent.

Prices nosedived in reaction to Friday's fall on Wall Street, where the Dow Jones industrial average slumped 589.15 points, or 2.6 per cent, to 10,738.87, its lowest level since Nov 11.

Brokers said investors were worried that US Federal Reserve will raise interest rates when it meets next week following news that the US economy grew at a sizzling 5.8 per cent annual rate during the final three months of 1999.

Any increase in US interest rates is usually followed by a similar rise in Hong Kong because the local dollar is linked to the US currency.

Singapore shares prices also closed sharply lower on fears of an imminent US interest rate rise. The benchmark Straits Times Index fell 54.63 points, or 2.4 per cent, to 2,230.28.

19,539.70 points, up 104.92 points, or 0.54 per cent. On Friday, the average closed up 225.06 points, or 1.17 per cent. That was its highest level since Aug 6, 1997, when it ended at 19,604.46.

The expected launch of three new mutual funds this week, as well as prospects for an economic recovery, helped the Tokyo market shrug off Friday's decline on Wall Street.

'The market opened lower today, but hopes for an improved demand and supply situation helped the market recover,' said Kazunori Shimono, manager at Tokyo-Mitsubishi Personal Securities.

In currency trading, the US dollar was quoted at 106.90 yen, up 2.04 yen from its level of 104.86 yen late Friday in Tokyo but below its level of 106.98 yen late in New York Friday.

Taiwan stocks also closed at a 29-month high amid optimism that Taiwan's sound economic fundamentals will continue to push the market higher.

The Taipei market's Weighted Stock Price Index rose 108.51 points, or 1.1 per cent, to 9,744.89.

Elsewhere: Wellington: New Zealand share prices closed lower. The

NZSE-40 Capital Index fell 3.85 points, or 0.1 per cent, to 2,055.22.

Manila: Philippine shares closed mixed, but bargain hunting lifted over sold blue chips and propelled the key index to a firmer finish. The 30-company Philippine Stock Exchange Index rose 20.04 points, or 1 per cent, to 1,989.43.

Sydney: The Australian stock market closed slightly higher despite sharp losses on Wall Street Friday, as gains in the heavyweight media sector offset declines across most sectors. The benchmark All Ordinaries Index closed at 3,096.0, up 3.9 points, or 0.1 per cent.

Seoul: Share prices closed slightly higher on selective bargain hunting. The Korea Composite Stock Price Index rose 2.21 points, or 0.2 per cent, to 943.88.

Kuala Lumpur: Malaysian share prices closed lower on the back of Wall Street's fall. The Composite Index of 100 blue-chip stocks fell 13.47 points, or 1.4 per cent, to 922.10.

Jakarta: The Key Composite Index edged up 1.70 points, or 0.27 per cent, to 636.3.

Bangkok: Thai shares closed mixed. The Composite Index edged up 0.12 point, or 0.03 per cent, to 477.57.