

DHAKA, SUNDAY, FEBRUARY 6, 2000

## BB deputy governor says at Al Baraka branch opening Better banking services key to fighting foreign banks

Star Business Report

Deputy Governor of the Bangladesh Bank (BB) Khondker Ibrahim Khaled has underscored the need for improving the services of local banks with a view to competing and keeping pace with the foreign banks.

"The government has been protecting the country's banking system, but in the open market economy it is not possible to uphold the backing for a long time," he said, while inaugurating as chief guest the 34th branch of Al Baraka Bank Bangladesh Limited at the IDB Bhaban in the city yesterday.

Many local banks having 1,000 to 1,500 branches have found it tough to post profits. But a foreign bank with only

three branches has earned Tk 125 crore profit, he said, mentioning that if the foreign banks were allowed and permitted to open more branches, they would definitely capture the entire banking business.

"We have so far allowed 15 foreign banks in the country. We hoped that the local banks would better their services in the light of the foreign banks' operating styles. But we are yet to see any positive result."

The deputy governor said that the performances of some sick banks (identified as problem banks) have improved significantly over the past few years and "we hope one or two of them will leave the hospital

very soon." He suggested the local banks develop their human resource by adopting modern technologies for better services. This will again arm them to compete with the foreign banks.

If the local banks provide improved services, they will be able to fight foreign banks," he observed.

Khaled also mentioned that Al Baraka had been permitted to open its 34th branch on special consideration.

Md Sayef Uddin, Joint Secretary of Economic Relations Division of the Finance Ministry, Md Shamsuddin, General Manager of Bangladesh Bank, Anwar Ahmed, Executive Pres-

ident, Mohiuddin Ahmed, Senior Vice President, M A Khalek, Member of the Board, and Nasim Ahmed Chowdhury, Director of Al Baraka Bank Bangladesh Ltd, attended the inaugural ceremony.

Anwar Ahmed, Executive President of Al Baraka Bank, mentioned that the bank opened the very branch after four long years.

Customer-friendly services backed by modern technology are the key to our success, he said, mentioning that the non-interference of the board in the bank's day to day affairs was the main reason behind its success.

### City Bank holds managers' confce

The annual conference of the managers of The City Bank Limited was held at a local hotel yesterday, says a press release.

Deen Mohammad, Chairman of the bank, presided over the conference.

The overall activities of the bank during the last year were reviewed and the business strategies for the year 2000 discussed.

In his speech, the chairman urged all the managers and executives to take initiatives to boost business of the bank substantially.

The chairman advised the branch managers to take new banking challenge. They were also advised to develop new ideas and products for achieving business target.

Vice Chairman of the bank, Manwar Hossain, Directors Anwar Hossain, Azizul Haque Chowdhury, Mohammad Shobir and Ashraf Aziz and Managing Director Mohammad Faiz also spoke on the occasion.

The managing director of the bank called for achieving the profit target and expressed hope that the year 2000 would be the year of development and progress in all respects.



Deputy Governor of the Bangladesh Bank (BB) Khondker Ibrahim Khaled speaks as chief guest at the inauguration ceremony of the 34th branch of Al Baraka Bank Bangladesh Limited at IDB Bhaban in the city yesterday.

—Al Baraka photo

### US provides loan guarantees for Thai Airways to buy Boeings

BANGKOK, Feb 5: Thai Airways International will receive loan guarantees for \$584 million to finance the purchase of five aircraft from Seattle-based Boeing Co. Lending officials said Friday, reports AP.

The purchase includes four Boeing 777-300 air frames powered by Rolls-Royce engines and one Boeing 747-400 aircraft equipped with General Electric engines.

### Emirates slashes inflight telecoms charges during DSF month

During the Dubai Shopping Festival month, making a phone call or sending a fax on board Emirates flights will cost the passengers just US\$3.50 per minute, down from the standard US\$6.50 rate, says a press release.

This is a 46 per cent reduction from the already-attractive standard rate, and is undoubtedly, the cheapest offered for air-to-ground satellite telephony by any carrier in the world.

Emirates, a major sponsor of the Dubai Shopping Festival, is offering the US\$3.50 per minute telephone rate throughout the festival month of March 1 to 31.

Sheikh Ahmed bin Saeed Al Maktoum, Emirates' Chairman, said: "Emirates believes that the Dubai Shopping Festival has many spin-off benefits for Dubai. It is really a question of widening the exposure and sustaining the awareness that has been the drumbeat behind Emirates' campaign."

Emirates now averages 3,000 inflight phone calls per month. This is the highest rate of calls recorded by any airline in the world, according to SITA, the leading provider of integrated telecommunications and information solutions for the air transport industry.

This year's festival is expected to attract close to three million visitors to Dubai. Emirates' discounted rate for inflight telecommunications is one of the airline's many DSF offers. Emirates passengers already enjoy privileges such as excess baggage allowance of 10 kilogrammes per person on exit from Dubai and assistance with entry visa processing as authorised by the Dubai Naturalisation and Residency Department.



A worker gives finishing touches to some household utensils prior to sending them to the shops through their marketing channel at a brass-oriented cottage industry in old Dhaka.

—Star photo by AKM Mohsin

## IMF approves \$5b loan for Indonesia

WASHINGTON, Feb 5: The IMF said it approved Friday a three-year credit facility of \$3.638 billion Special Drawing Rights (about 5 billion dollars) to support Indonesia's economic and structural reform programme, reports AFP.

Of the total, 260 million SDRs (about 349 million dollars) would be made available immediately, with further disbursements to be made "on the basis of performance targets and program reviews in the period ahead," the International Monetary Fund said in a statement.

The amount of the funding was as had been outlined on January 20, when the IMF said a decision would be reached at the meeting scheduled for this Friday.

IMF officials said then that about two-thirds of the money would be new, the remainder being left over from the program in place before IMF funding for Indonesia was frozen last September.

After Friday's meeting of the IMF's executive board, the

fund's first deputy managing director Stanley Fischer said the IMF had taken into consideration that the Indonesian government was "embarking on a bold and comprehensive program aimed at restoring growth, entrenching low inflation, reducing the public debt, phasing out the dependence on exceptional financing and normalizing relations with

Indonesian shares may again rise

JAKARTA, Feb 5: Indonesian shares, which rose 0.2 per cent last week despite a four-day stand-off between President Abdurrahman Wahid and security minister General Wiranto, are expected to rise again in the coming week if Wiranto did not launch a coup over the weekend, dealers said Friday, reports AFP.

"If nothing happens this week, the market should go up next week," Vickers Dallas Tamara Securities analyst, Rosalyn Lazuardi, told AFP.

In the statement, the Indonesian government's reforms also emphasized "institution building and governance," he said.

The IMF statement Friday outlined noted that the budget announced by the government late January included "social safety measures to protect small households" from the phasing-out of untargeted subsidies, and also included poverty-alleviation and rice distribution programs.

In addition to the IMF funding, the Indonesian government's reform program would be supported by "substantial financing" from the World Bank, the Asian Development Bank and contributions from governments, "especially Japan," the statement said.

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The Indonesian government's program "envisages continuity in monetary and exchange rate policies" which have already gained credibility, and includes measures to restructure the banking sector "in a more integrated manner," he noted.

The Indonesian government's reforms also emphasized "institution building and governance," he said.

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