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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 Shabbir 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 telephony 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 kilograms per person on exit from Dubai and assistance with entry visa processing is 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 standoff 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 Ballas Tamara Securities analyst, Rosalyn Lazuardi, told AFP.

private capital markets."

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.

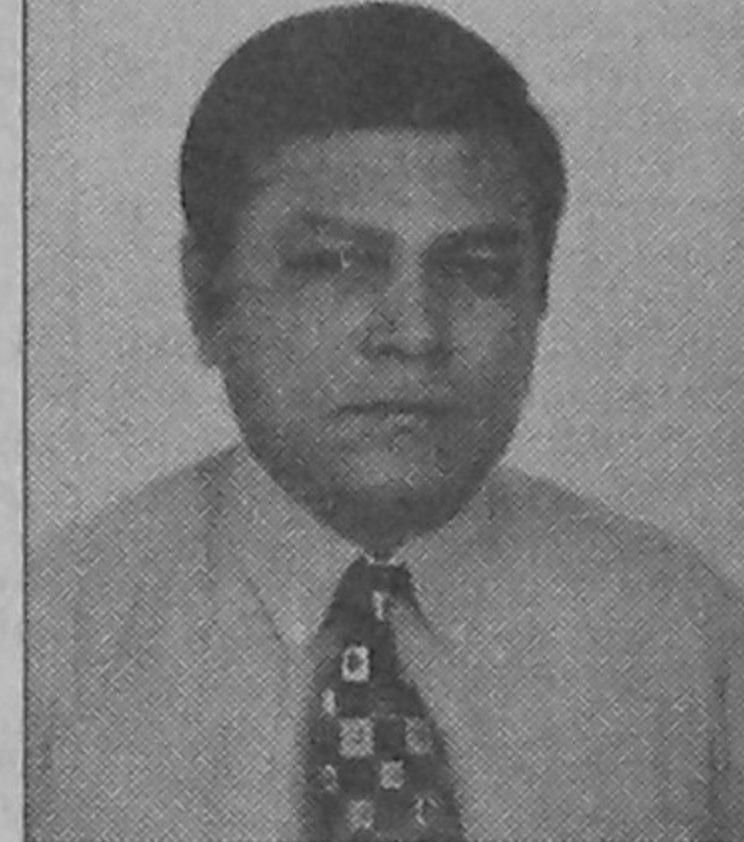
The Indonesian government's reforms also emphasized "institution building and governance," he said.

The IMF statement Friday outlined that the budget announced by the government late January included "social safety measures to protect small households" from the phasing-out of untariffed 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.

New executive body of BCS Taxation Assoc

Star Business Report



K M Sakawat Hossain, President

K M Sakawat Hossain, Commissioner of Taxes and Mahbub Ahmed, Additional Commissioner of Taxes, have been unanimously elected President and Secretary General respectively of Bangladesh Civil Services (Taxation) Association for the 2000-2001 period.

The election was held at the Annual General Meeting of the Association at the Officers' Club in the city on Friday, says a press release.

The other office-bearers of the Executive Committee elected are: Vice Presidents: Md Sajjad Hossain, Asim Kumar Roy and Choudhury Khalequzaman, Joint Secretary Generals: Kazi Emdadul Huq and Md Sajjad Hossain Bhuyia, Treasurer: Mahbubur Rahman, Sports & Cultural Secretary Md Azmal Kabir and Asst Sports & Cultural Secretary Sultana Ahmed, Press & Publication Secretary Mutasim Billah Faruqi and Asst Press & Publication Secretary Syed Masum Ahmed Choudhury, Office Secretary: Magbul Hossain Paik, Asst. Office Secretary: Zakir Hossain Akand, Research Secretary: Sams Uddin Ahmed and Asst. Research Secretary Abu Md Kamrul Hassan.

Meanwhile, the members of another 17-member executive committee elected are: Md Badiul Islam, A S Zahir Mohammad, Ferdous are Begum, Md Delwar Hossain, Md Emdadul Huq, Mohammad Wahid Hossain, Md Basiruddin Ahmed, M A Kader Sarker, Kalipada Akand, Habibur Rahman Akand, Md Harunur Rashid, Ranjan Kumar Bhoomik, Mozammel Huq, Md Sajahan Mia, Md Abdul Baten, Md Nazmul Karim and Md Bazul Kabir Bhuyia.

Metal: Weekly Roundup

Platinum breaks records on strong market demand

Russian exports dwindle on 5pc export tax

LONDON, Feb 5: Gold prices progressed slightly this week in a market which was largely apathetic, although sustained by strong platinum prices, says AFP.

The spot price of gold on the London Bullion Market was 288.25 dollars compared with 286.50 a week earlier.

Prices appeared largely unaffected by interest rate rises by the US Federal Reserve and European Central Bank.

Silver: Dull. The strong price of platinum failed to prevent the price of silver falling.

The price per ounce on the London Bullion market fell to 5.20 dollars compared with 5.29 dollars.

Platinum and Palladium: Prices again broke records this week on strong demand and uncertainty as to when Russian exports will resume.

An ounce of platinum at 502 dollars at the end of the week.

compared with 462 dollars the week before, was trading at its highest levels for two and a half years.

Palladium gained 35 dollars on the week to a record 511 dollars.

The metal has been breaking record levels since mid-December as exports from Russia have dwindled on the imposition of a five-per cent export tax on precious metals.

Meanwhile, exports of platinum from Russia have been paralysed since spring 1999 by a law restricting exports to "state organs."

In January, acting President Vladimir Putin signed an amendment to the law, but platinum exports remain severely restricted.

Base Metals: Alloy. Nickel prices bucked a generally weak trend on the London market to rise to their highest level for 4-1/2 years amid strong global

demand for stainless steel, the metal's leading outlet.

Nickel also gained from production problems in Australia to rise to 8.105 dollars a tonne.

Market reserves have fallen to their lowest level since 1991.

Dealers said that the fundamental outlook for the base metals complex was bright, given strong global demand and low stock levels.

Three-month nickel prices on the London Metal Exchange (LME) rose by 445 dollars to 9.105 dollars per tonne.

Market reserves fell to 41,958 tonnes from 42,708 tonnes.

In contrast, copper lost 70.5 dollars to 1,807.5 dollars per tonne.

Aluminum prices fell by 63 dollars to 1,665 dollars per tonne.

Zinc shed 43 dollars to 1,120 dollars per tonne.

UNCTAD trade meet in Bangkok

Mahathir to highlight globalisation fears

KUALA LUMPUR, Feb 5: Malaysian Prime Minister Mahathir Mohamad Saturday said he will attend a major UN trade conference in Thailand next week to highlight developing countries' fears on globalisation, reports AFP.

"I will go to Bangkok," he told reporters at a Lunar New Year gathering.

Thailand will host the United Nations Conference on Trade and Development (UNCTAD) between February 12 and 19.

"Trade and development seems to be a concern among developing countries because they are unable to adopt to globalisation and free trade," Mahathir said.

Some 3,000 to 4,000 foreign leaders and delegates from international organisations will attend UNCTAD to discuss how to share the benefits of globalisation.

Mahathir said he hoped the conference could provide some

"formula" for developing countries to address their concerns.

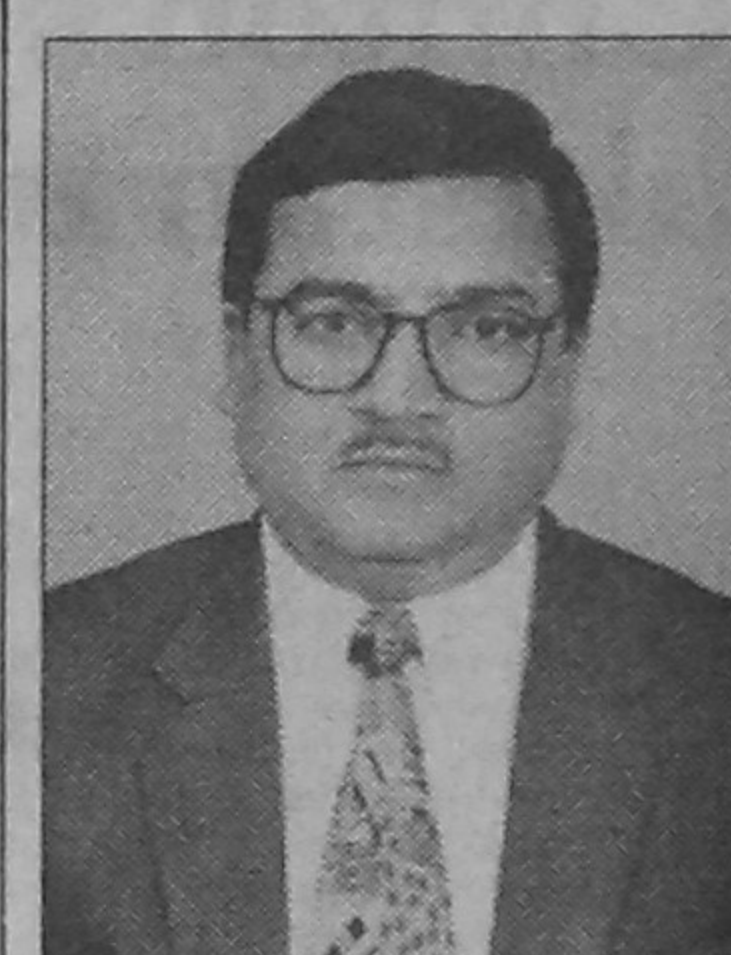
"They find there are too many big corporations which have merged to become larger entities. They do not know its impact on their countries," he said.

Mahathir had recently expressed his fears about the West's interpretation of globalisation.

"To expect corporations in developing countries to compete with corporations from developed countries which have already merged is ridiculous," he said. "And that means that we will be swallowed up."

"I'm not against globalisation but I'm against the interpretation of globalisation."

The 74-year-old premier last month had scrapped plans to attend a high-powered World Economic Forum in Davos after Mahathir, who was initially slated to deliver a key note address, was asked by organisers to be a member of a panel.



New DMD of Prime Ins

Md Moksed Ali Miah has recently joined Prime Insurance Company Limited as its Deputy Managing Director (Development), says a press release.

He started his insurance career with Karnaphuli Insurance Company in 1989.

Later he held various important positions in Provati Insurance Company Limited and Bangladesh National Insurance Company Limited.

Commodity: Weekly Roundup

Oil gains on cold weather in US, falling reserves

LONDON, Feb 5: Crude prices gained from continued cold weather in northeastern regions of the United States and from a fall in US oil reserves, says AFP.

On the International Petroleum Exchange (IPE), Brent North Sea crude for delivery rose to 26.42 dollars a barrel from 25.70 dollars a week earlier.

In New York, light sweet crude for March delivery rose to 28.05 dollars a barrel from 27.62 dollars.

The American Petroleum Institute (API) said that US crude stocks fell last week to their lowest level for 20 years.

Prices remained buoyed by ongoing predictions that OPEC will maintain production cut-back beyond the current March deadline.

global production cutbacks of 2.1 million barrels.

Oil ministers from the Gulf Cooperation Council countries will meet in Riyadh on February 23.

The World Bank predicted that the price of oil products would rise by 10.7 per cent this year.

Rubber: Bounce. Rubber prices remained strong amid extremely tight trading volumes.

Dealers said that prices had gained from low supplies from Asia.

The rubber index rose to 510 pounds per tonne (for February delivery) from 482 pounds.

In Kuala Lumpur, the RSS1 index rose to 2.71 ringgits per kilo from 2.64 ringgits.

SMR 20 rubber, used to make tyres, rose to 2.89 ringgits per kilo from 2.80 ringgits.

Coffee: Mixed. Coffee prices were again mixed on international markets this week, with Robusta posting a modest price

increase, while Arabica lost a little ground.

In London, Robusta for May delivery finished the week at 1,122 dollars per tonne, compared with 1,101 dollars a tonne for the March contract at the end of last week. At the start of the week, Robusta fell to around 1,050 dollars per tonne, its lowest level since 80.

On the New York market, higher quality Arabica for May delivery was trading at 115.60 cents a pound at the end of the week down from 117.30 cents a week earlier.

In the US, the Arabica market was dominated by technical operations as dealers awaited news on the size of the Brazilian harvests which has been hit by drought followed by torrential rain at the start of the year.

Tea: War. Demand was good and prices were generally higher in the Nombasa tea auctions in Kenya, although they were slightly lower in Colombo, Sri Lanka, the London Tea Bro-

kers Association said.

Sugar: Mounting. White sugar prices rallied on the international market this week, primarily for technical reasons.

In London, May contracts finished the week at 171.99 Ears a tonne compared with 170.5 last week, while in New York, sugar for March delivery was selling for 5.61 cents a pound on Thursday compared with a 5.41 cents the previous week.

Vegetable oils: Sliding. The price of US and South American production areas.



Picture shows a worker processing leather at an industry in the city.

—Star photo by AKM Mohsin