

**DAEWOO**  
ELECTRONICS

29" Colour TV with  
8 Picture in Picture &  
Micam Stereo Sound  
Also Available 14", 20", 21"

**TRINCO LIMITED**— Authorized Distributor of DAEWOO Electronics  
Dhaka: 8115307-10 CTG: 716353, 723578 Khulna: 720304 Bogra: 6215

# The Daily Star BUSINESS

DHAKA, TUESDAY, MARCH 28, 2000

**Beauty & Barber Salon**

**SALVY**

10 am-7 pm  
for Ladies

10 am-8 pm  
for Gents

Tk. 200 for Lady's & Gent's Haircut

\*Beauty Packages \*Bridal Make-up & Decoration \*Skin Care Program  
\*Manicure & Pedicure \*Facial \*Perm & many more...

**THE PAN PACIFIC SONARGAON**  
Dhaka: 8111005 Ext: 4144 (Gents) 4143 (Ladies)

## Revised estimation increases GDP by 30 per cent

As per revised estimation, the annual average of Gross Domestic Product (GDP) has increased by about 30 per cent compared to old estimates, reports BSS.

This was revealed at a press conference at NEC auditorium in the city yesterday to mark the release of "New National Accounts Estimates".

Finance Minister Shah A M S Kibria, State Minister for Planning Dr Mohiuddin Khan Alamgir and State Minister for Information Prof Abu Sayeed spoke at the press conference.

The GDP in current prices is Tk 2413 billion in 1999-2000 (provisional) in the revised estimation against the old estimation of Tk 1898 billion in the same fiscal.

The per capita income has increased by about 28 per cent with US dollar 386 in 2000 fiscal against the old estimation of \$ dollars 307 in the same period.

In the revised estimates, the

average GDP growth rate for 1999-2000 is 5.5 per cent compared to 6 per cent in the old estimates. The lower growth rates in the revised methodology are primarily due to the relatively higher level of GDP and use of a more current base year.

The sectoral shares of agriculture, industry and services work out more realistically at 25.6, 25.2 and 49.2 per cent respectively in 1999-2000 compared in the previous 32.1, 19.4 and 48.5 per cent respectively.

The revised estimates of the investment-GDP ratio and the levels of domestic and national savings-GDP ratio showed upward adjustment at 19.65, 15.03 and 20.20 per cent respectively compared to 15.89, 7.38 and 14.23 per cent.

Referring to the newly adopted revised and expanded system of national accounts, the finance minister said the revised accounts estimates reflect the expansion and structural changes undergone by the

economy in recent years.

Data should be placed neutrally and there must not be any politics behind compilation and presentation of the same, Kibria said, adding that the revised methodology of compilation was recommended by the UN and also advocated by related donor agencies.

The state minister for planning said local and international experts have endorsed the revised compilation methodology and viewed the increased level of GDP as realistic and consistent with the changes in the economy.

Dr Alamgir said the increased saving rate could spur a higher effective investment, leading to higher development and a increased tax-GDP ratio. Using the revised estimates, Bangladesh is likely to be placed in the higher position in the Human Development Index (HDI) compiled by UNDP, he observed.

The state minister for information said the revised estimation has proved the success of the present government. The trend of national development must be continued through strengthening the hands of the government, he added.

Meanwhile, a UNB report says: Although the finance minister parried the question, a broad hint was given that the government might go for expanding the tax net in the coming fiscal year.

Referring to written document supplied at the press conference, the minister was asked whether the increased savings rate would influence tax rises in the next budget.

"You are right that the increased saving rates would have influence on tax-GDP rate, but I am only ready to answer such a question from the parliamentarians," he told newsmen at a briefing as 'groundwork for preparing 2000-2001 budget already got off.

## Orchid offers forex-making chances to Bangladesh

### Entrepreneurs need govt policy support

By Monjur Mahmud

Bangladesh can earn a substantial amount of foreign exchange by exporting orchids if the government takes necessary measures and extends required policy support to the entrepreneurs, experts say.

Demand for orchids in the local as well as international markets has increased rapidly over the years. Bangladesh has comparative advantages over some major exporters of the item like Thailand and Singapore, they said.

"As a country with both tropical and sub-tropical environmental traits, Bangladesh has good soil, water and weather conditions as well as cheap labour. Its climate is pretty favourable for the production of orchid," said M. Ahsan Ullah, National Production Specialist of Horticultural Export Development Foundation (Hortex Foundation).

Ahsan Ullah said there are

two distinct technologies for orchid production in Southeast Asia -- the Thai and Singapore technology. The Thai technology is labour-intensive and is considered as the most suitable one for Bangladesh.

"The government has declared flower as a thrust sector. But broad-based commercial cultivation of flowers is yet to be started."

The banking sector of the country is yet to perceive the potential of this cash crop, he said, adding that absence of infrastructural facilities was the main problem for commercial production of orchid.

Karst Weening, International Marketing Specialist of the Hortex Foundation, said Bangladesh is now importing orchids, but the current and expected increase in its local demand is actually an ideal base for setting up a national orchid industry.

"The demand for orchids in the local flower market has been increasing quite rapidly over the past few years. In order to satisfy this demand, several companies have started import of orchid-cut flowers as well as plants from Thailand on a regular basis. Thailand is the world's largest exporter of tropical orchids, mostly of the *dendrobium* variety."

For export, the best prospective markets for orchids from Bangladesh might be the countries in the Far East.

In addition, various Middle East countries offer good exporting opportunities for Bangladesh, specially during the initial stage. Though these markets are scattered and comparatively smaller in sizes than the ones in European and America, they may offer some specific advantages for the Bangladeshi exporters, Karst Weening added.

## 4-day seminar on technical trade barriers begins in city

Trade officials of 20 Asian and African countries began a four-day seminar yesterday to discuss strategies for removing trade barriers to boost business activities among the OIC nations belittling new global economic order, says UNB.

Commerce Minister Abdul Jalil inaugurated the seminar on "Technical Barriers to Trade and WTO Agreement: Its Impact on Trade Community" at Sheraton Hotel.

The Commerce Ministry has organised the seminar in collaboration with Islamic Development Bank and International Trade Centre.

The minister said mutual cooperation and exchange of experiences could play an important role in improving and expanding technical efficiency for trade and integrating OIC economies with the multilateral trade regime.

He called for a coordinated approach of OIC, making best use of its vast market of 130 crore people, huge natural and human resources, to face changes and challenges emerging in global trade systems following the WTO Agreement.

Jalil also sought an integrated financial and technical assistance programme from developed nations and international agencies for LDCs to enable them to seize the opportunities emanating from the new trade regime.

Commerce secretary Golam Rahman, additional commerce secretary Fazlul Haque and international Trade Centre representative Shyamkumar Gadadhar also spoke on the occasion.

## Bangladesh to get Japan aid for debt relief

Bangladesh will receive 2,464,732 million yen (approximately Tk 120 crore) as grant aid for debt relief.

A note of exchange to this effect was signed between the two countries in the city yesterday, says a press release.

Under the deal, Japan will provide Bangladesh with a grant assistance of the said amount with the intention of producing the same effect as cancelling the debt.

When the repayment is made by a least less developed country, Japan, instead of reducing the debt, offers the same amount as the repaid debt. In this aspect, the grant will enable the recipient country to purchase commodities and equipment from all member countries of the Organisation for Economic Cooperation and Development (OECD). Since this grant is to be utilised by Bangladesh for import of commodities and equipment especially for power plant, and much-needed investment programme like chemicals, lubricants machineries, cotton, vehicles, pumps, spare parts etc.

It will substantially contribute to the development of various sectors of Bangladesh's economy and social welfare.

It will also contribute considerably to improve the balance of payments of the recipient country.

Kazuoyoshi Urabe, Ambassador of Japan to Bangladesh, and Dr A K M Masihur Rahman, Secretary of Economic Relations Division (ERD), signed the exchange of notes on behalf of their respective governments.



Kazuoyoshi Urabe, Ambassador of Japan to Bangladesh, and Dr A K M Masihur Rahman, Secretary of Economic Relations Division, exchange notes regarding 2,464,732 million Yen (approximately Taka 120 crore) Japanese debt relief grant assistance to Bangladesh. —Japan Embassy photo

## Old ways to find IMF head don't work now, says Camdessus

NEW ORLEANS, Mar 27: Old ways to find heads of international institutions do not work in today's world, and new methods must be found to lead poor countries have a say, the former head of the International Monetary Fund said yesterday, says Reuter.

In his first detailed comments on the bruising selection procedure, that last week handed the job of IMF managing director to Germany's Horst Koehler, Michel Camdessus said the old rule dividing the top jobs at the IMF and the World Bank between Europe and the United States were no longer justified.

## Malaysia's growth may exceed 5.8pc in 2000

BANDAR SERI BEGAWAN, Mar 27: Malaysia's Deputy Finance Minister said Sunday that growth could exceed the official target of 5.8 per cent in 2000 and expected the currency peg to stay for a while, says Reuters.

Shafie Salleh, attending the Southeast Asian finance ministers meeting in the oil-rich sultanate, told Reuters in an interview that the inflation rate was tame and within limits.

"Our (growth) projection for the year is 5.8 per cent. It is conservative," he said.

Asked whether the target could be exceeded, he said: "Yes, confidently."

Malaysia's economy expanded by 5.4 per cent in 1999 after a contraction of 7.5 per cent in the previous year.

A recent Reuters poll of ten research houses forecast gross domestic product to grow by 6.3 per cent in 2000 and 2.1 per cent in 2001.

Shafie said Malaysia's economic rebound, from a crippling regional economic crisis in 1997, was broad-based.

"Inflation is within limits."

Malaysia's inflation rate, measured by the consumer price index (CPI), crept up by just 1.6 per cent in the January-February period.

CPI rose by 2.8 per cent in 1999.

Shafie said Malaysia's fixed exchange rate, which boosted growth and provided confidence to investors, was expected to "stay for a while."

## BR strikes deal on 10 railway locomotives

An agreement to procure 10 locomotives for Bangladesh Railway with loans from India was signed between Bangladesh Railway and RITES of India at the Rail Bhavan yesterday, says a BR press release.

M Shahjahan, Additional General Manager of Bangladesh Railway/Project, and Brahmanand, Executive Director of RITES, signed the agreement on behalf of their respective sides.

M Farhad Reza, Director General incharge, Bangladesh Railway, Reazul Karim Khan, ADG/M&CP, K M A Rob, ADG/RS, Kurshid Anwar, ADG/OP, and other high BR officials were present at the signing function.

P R Chakrabarty, Deputy High Commissioner of India, represented the Indian government while K P Singh, Managing Director, N Narayan Swamy, Controller of Accounts, and M R Parkash, team leader, were present on behalf of RITES.

The locomotives being procured at a cost of Tk 86.77 crore will arrive within a year.



M Shahjahan, Additional General Manager of Bangladesh Railway/Project, and Brahmanand, Executive Director of RITES, sign an agreement at Rail Bhavan Monday to procure 10 locomotives for Bangladesh Railway. M Farhad Reza, Director General incharge of Bangladesh Railway, P R Chakrabarty, Deputy High Commissioner of India, and K P Singh, Managing Director of RITES, are also seen, among others, in the picture. — BR photo

## DHL Aviation Africa wins top industry award

DHL Aviation Africa, a wholly-owned subsidiary of DHL Worldwide Express, the world's leading international air express operator, has achieved first place in the air transport category of Flight International Aerospace Industry Awards this year, says a press release.

The announcement, recognising the significant achievements of DHL Aviation in Africa over the past few years, was made recently at Singapore's Ritz-Carlton.

DHL Aviation Africa was identified as the winner amid tough competition from three other international finalists — Boeing Airservices Australia and Eurocontrol.

Andy Lowe, Managing Director of DHL Aviation Africa, who has been coordinating the aviation development process in Africa since its inception, is delighted with the award and says that development is taking place according to plan, although scope exists for extensive future growth.

## German recovery limited specific sectors

BERLIN, Mar 27: The upturn in the German economy is seen continuing but limited to specific sectors, economic institute Ifo said today in its February survey of companies' expectations, reports Reuters.

While the retail sector was experiencing a strong recovery, growth in wholesale was seen lagging behind and the construction sector was still pointing downwards and had reached an all-time low in east Germany, it said.

In the west, optimism was greatest in the investment and semi-finished goods sectors.

The Munich-based institute said last week that its business climate index of corporate expectations in west Germany rose to 100.9 from 100.2 in January. In east Germany, the index gained to 107.8 from 104.9 in January.

## Drastic reform proposals for IMF naive: DMD

NEW ORLEANS, Mar 27: The International Monetary Fund is streamlining its lending rules and changing a plan which lets countries "pre-qualify" for financial help, but drastic reform proposals are naive, a senior official said, reports Reuters.

IMF Deputy Managing Director Eduardo Aninat, in a weekend interview with Reuters and Reuters Television, said controversial proposals from a Congressional commission would halt IMF loans to many countries and make it harder for poor countries to escape the poverty trap.

"To say that the IMF has to stop lending in countries winning HIPC (debt relief) is very naive because it takes away much of the momentum that Africa and other countries are looking for," he said. "It is like cutting an arm or a leg from an institution."

The commission, chaired by Carnegie Mellon University economics professor Allan Meltzer, said in a report released earlier this month that the IMF should stop lending to poor countries and concentrate on short-term, emergency financing for a small group of countries.

The ideas have won support in the US Congress, where many lawmakers are bitterly opposed to the IMF. But the US Treasury dislikes many of the proposals and IMF officials say they would not work.

Aninat noted that the IMF was already consolidating its broad range of lending windows and working out how to change its new Contingency Credit Line, which was designed as a sort of insurance for countries with strong economic policies.

The CCL, announced with much fanfare a year ago as a

crucial weapon in the IMF's arsenal to counter financial crisis, has never been tapped and potential users say it is deeply flawed.

"The CCL is not really a contingency plan because once you have got it but before you draw on it, you still have to go through the whole process of getting the money," said Daniel Marx, Argentina's deputy finance minister.

Interest rates were high compared to those on other IMF loans and there were no real rules to help IMF staff decide when to grant the facility, he said.

Argentina has asked the IMF for a regular standby loan rather than trying to tap the CCL although officials say they have no intention of drawing on the \$7.2 billion credit, which was approved earlier this month.

## CEO's paradigm and growth of private commercial banks

By M Khairul Alam

Open market standard demands identification of unproductive and habitual negative elements of the bank and then putting them off the main stream, and if necessary, removing them for organisational reasons. In the words of Dag H: "You cannot play with the animal in you without being wholly animal — play with cruelty without losing your sensitivity of mind. He who wants to keep his garden tidy, does not reserve a plot for weed."

Since banking service is a specialised area where customers' trust, confidence, and satisfaction remain at the top, there is no substitute to effective hard work with all sincerity and honesty. Goethe rightly said, "Treat a man as he is and he will remain as he is. Treat a man as he can and should be and he will become as he can and should be." An officer, who shows initiatives, identifies opportunities and problems, and deals with them effectively, is most likely to be recognised rapidly. Poor performers may be given opportunities to improve, but the organisation should not continue with them if they fail.

The CEO should pay special attention to the prudent and quality officers having long and continued commitment to the institution. Long-term attachment shapes one's character indelibly. Praise and positive reinforcement are important parts of management philosophy for long-term attachment, which the CEO should pursue.

The officer should be groomed to become interdependent (instead of independent of others) as an integral part of human unit and it is necessary to evolve a corporate expression and a corporate value. Particularly in our urban society today, values of interdependence are getting withered away for reasons which I believe affects the organisational life. Success means achievement within the group through bondage of relationship. Senior-junior relationship in a PCB should not be a hierarchical requirement, it's a bondage as one's failure or success affects the other.

The CEO should embrace and practice the art of listening and discussing issues thoroughly and recognise those who promote harmonious exchange. The CEO's success depends on his ability to deliver at every level of the institution. At the entry level, technical skill is necessary; at the mid level interpersonal skill plays a significant role in making effective delivery; and at the top level the CEO should display a style which is consistent in the organisational values for promoting a vibrant working environment. The value system thus determines the quality of work and life in an organisation. Successful management evolves and thrives within the fold of the corporate culture, which allows its officers the freedom to operate and the discipline to follow. The officer then can match their professionalism with their instinct, to realise

corporate goals by subordinating their individual goals.

The CEO's priority should be to groom executives and managers to deal with the problems directly and prudently without application of any complaining technique, so that subordinates can learn and contribute.

The executives and managers in particular should be happily engaged to coach their subordinates for bringing them to meetings and lunches where the junior can see them in action and talk about the issues involved. To develop an effective teamwork, the CEO should be accessible to the frontier people to bridge the possible gap and build uninhibited relationship. He should go down to see the officers in person as practicable and acknowledge their good work and carefully praise them in bringing out the gray areas, if any, on any issue. Corporate values, that take years to create in the organisation, may fall apart when the basic foundation of trust and caring are demolished. A great level of participation with caring and trust can achieve remarkable results of the team work.

The CEO should be informal with his subordinates. Since personal integrity generates trust both from within and outside the organisation, he should believe and religiously practice that the banking service is not meant for individual greed, it is to meet the institutional and social obligations. N Eldon Tanner has rightly put, "Service is the rent we pay for the privilege of living on this earth."

The CEO should remain visible and transparent at least to his key colleagues, work long hours and demand the same from them. He should remain single-minded in pursuing the

goals having wills of the champions.

The people around would like to see his personal character, competence, intelligence, fairness in judgement, managerial techniques, and leadership quality which move people to action. A participative CEO helps his colleagues make correct decisions. Since the people are viewed as the critical resource of the organisation, priority should be given to training on institutional values and group feelings besides banking aspects. George Bernard Shaw wrote, "I am of the opinion that my life belongs to the whole community, and as long as I live, it is my privilege to do for it whatever I can. I want to be thoroughly used up when I die. For the harder I work, the more I live." The colleagues around the CEO should believe that the idea he is presenting is genuine taking all facts of perceptions into consideration for the benefit of everyone. Peter Drucker said, "Management is not a mere discipline but a 'culture' with its own values, benefits, tools and language."

The CEO should keep on transmitting to the mind of his colleagues that one's economic security does not rest on his job, it rests on his own intellectual capacity and expertise to generate income of the bank. Profit is the end product of all efforts, and thus has an all-pervading importance in material terms. But profit should not be the reflection of corporate greed but a yardstick of confidence and trust of customers.

Obviously, there is no definite and clear way of success. Each bank has to evolve its own style (which cannot be developed overnight) of management. The CEO's style and personal integrity play a dominant role in shaping a bank. But to bring qualitative changes, he should equally arm himself with necessary psychological and intellectual capacity. There are few instances of problem banks of grave nature which have already been revitalised and achieved commendable success with the untiring and dedicated team work despite various limitations.

Again, the present problems of a number of PCBs in their growth perspective which, I feel, are the result of inadequate management may continue unless inherent issues are addressed properly. The CEO is an architect, a designer, a guide and the captain of the ship. He should have the vision, vigour, vitality and experience required to face challenges ahead. When his style is well fitted to the need of the organisation, both in short and long run, it is possible that a great many individual may attain similar styles — with the departure of a person from the position of CEO, it is likely that the organisation will not suffer from inadequate management.

The writer is the Chief Executive of Eastern Bank Ltd and the views express in this write-up are strictly personal.

(Concluded)