

BB appoints administrator for Al-Arafah Bank

Bangladesh Bank has appointed Giasuddin Ahmed as administrator of Al Arafah Islami Bank, says BBS.

The bank, in pursuance of the Bank Company Act 1991, has appointed the administrator to act as the chief administrator of Al Arafah Bank till taking over the charge by a regular managing director, a press release yesterday said.

Ahmed has earlier served the Bangladesh Shilpa Bank, Investment Corporation of Bangladesh (ICB) and Bangladesh Shilpa Rin Sangstha as managing director.



Bosnia-Herzegovina envoy in India to visit Bangladesh by end-April

Novak Todoric, the ambassador of Bosnia and Herzegovina in India, will visit Bangladesh by the end of April. Dr. Miss Sabina Knezevic, a physician and one of his relatives, will be his travel mate, says a press release of World Trade Platform.

Novak Todoric will represent Bosnia-Herzegovina with a view to bettering the relationship between the two countries. During his stay in Bangladesh, he will visit the biggest sea beach in the world - Cox's Bazar, largest mangrove forest - the Sundarbans and other historical places.

Besides, he would like to discuss with some Bangladeshi businessmen the existing investment opportunity, special facilities offered by government of Bosnia and Herzegovina to the foreign investors and also foreign businessmen.

ROK auto workers strike to protest planned sale of Daewoo

SEOUL, Apr 6: In a rare show of unity, South Korean auto workers shut down their assembly lines Thursday and held a rally protesting the proposed sale of troubled Daewoo Motor Co to a foreign buyer, says AP.

Union leaders said they tentatively planned to continue the strike for one week, a decision seen as a strategy to put pressure on the government in the run-up to parliamentary elections on April 13.

Leaders warned that the protest could be extended if their demand is ignored.

"No sale of Daewoo to foreigners," some 2,000 mostly Daewoo workers shouted, raising their fists during a 90-minute rally at a park in downtown Seoul.

Hyundai and Kia, whose assembly lines are located in the countryside, sent marketing and maintenance workers in or near Seoul to attend the rally.

A few thousand police were deployed, but there were no immediate reports of clashes.

Prelude to privatisation 10 Saudi Arabian regional power firms merge

RIVADH, Apr 6: The Saudi government yesterday announced the establishment of a merged electricity company with capital of nine billion dollars as a prelude to privatisation, says AFP.

The Saudi Electricity Company (SEC) was born of the merger of 10 regional electricity firms.

Commerce Minister Osama al-Faqih announced the establishment of the firm and said shares would be sold to the public in the near future, the official news agency SPA reported, without giving a date.

The Saudi government approved the merger plan last year and said new electricity charges would be introduced to make the sector more attractive to private investors.

The oil-rich kingdom's electricity network was divided into four companies: SCECO-East, SCECO-West, SCECO-South and SCECO-Central, and a number of smaller northern firms, all of which ran on deficits because of charges lower than costs.

The government plans to invest as much as 117 billion dollars by 2020 to meet growth in demand from a soaring population.

ISPs hit new hitches as 5-yr deal ties them to high costs

Internet cost may not come down in near future

By M Shamsur Rahman

The cost of Internet use in Bangladesh is unlikely to come down shortly even if the government implements its earlier decision to free V-SAT from the monopoly clutches of Bangladesh Telegraph and Telephone Board (BTTB) due to the existing five-year contract between the service providers and the Board.

Most of the Internet service providers (ISPs) may be forced to keep on paying fees at exorbitant rates until the expiry of their contracts.

A high-level meeting in February decided to do away with BTTB's V-SAT (Very Small Aperture Terminal) monopoly, paving the way for cheaper and faster Internet use.

But the service providers say that unless the five-year contract issue was resolved, things would remain the same for the existing operators.

In early 1996, when Internet was becoming popular in the country, the government allowed V-SAT links through signing of deeds between the existing ISPs and BTTB. The

Board has authorised seven foreign V-SAT companies for doing the data transmission job.

Under the agreement, an ISP has to pay a three-month advance money to BTTB as security and a monthly rent of Tk 171,700 along with VAT for 64 kilobytes per second (kbps). In addition to this, they also have to pay the foreign V-SAT companies.

The deal also offers any ISP the option to terminate the deed by serving a three-month advance notice.

But last year, BTTB introduced a different contract for the new ISPs under which a company could terminate or disconnect its V-SAT link only after fulfilment of the five-year contract by issuing a three-month advance notice.

Of the nearly 26 existing ISPs, at least six of the big players are operating under the new pact which they cannot sever without paying the full amount for the remaining contract period. These big ISPs signed the

contract when they opted for higher speed.

BTTB went for five-year contracts with foreign V-SAT companies under the condition that it would own certain high-tech equipment at the end of the deal-term. But now it appears that the scrapping of the contracts with foreign V-SAT companies would deprive BTTB of the equipment.

When contacted, BTTB Chairman Khandokar Abdul Matin said that the matter was yet to be resolved.

But as long as the issue is not worked out, the cost of Internet use in the country is unlikely to come down, said SM Iqbal, Managing Director of Information Services Network (ISN).

He said that the government was still to formalise its decision to open up the V-SAT sector through a gazette notification.

"Even the publication of a gazette will only facilitate businesses of new ISPs and not all the existing ones. The new ISPs will be able to hire V-SATs by personally negotiating with

the companies and paying US\$ 3,500 as license fee per annum to BTTB," said Iqbal.

"This will lead to unfair pricing," said Ershad Chowdhury of Bangladesh Online Ltd, adding "we were the pioneer in Internet business in Bangladesh and it seems that we will have to suffer."

Talking to The Daily Star, the other ISPs also complained that lack of telephone lines was one of the biggest hitches facing the Internet industry in Bangladesh.

This is not only weighing on the quality of service, but also stands in the way of customer increase, says Hassan Qudus, Network Computing Line Ltd (NCLL) MD.

He said that at present the top ISPs of the country were not getting telephone lines despite submitting their applications with demand notes.

Qudus said if BTTB is allowed to act the licensing authority, it should also provide the required number of telephone lines to the ISPs.

ADB adopts new pvt sector strategy

The Asian Development Bank (ADB) has adopted a new private sector development strategy aimed at strengthening the role of private sector as the engine of growth in Asia, says UNB.

"The strategy consists of a systematic and coherent framework that will guide ADB's activities to promote private sector development across the region," said an ADB release yesterday.

It said the new strategy has three thrusts - creating enabling conditions, generating business opportunities and catalysing private investments.

For the first thrust, through its public sector operations, ADB will help member governments establish the right conditions for business to flourish and an environment conducive to pro-poor growth.

For generating business opportunities, the ADB will scrutinise its activities to ensure that public sector investments don't crowd out the private sector, rather crowd in private sector participation.

Mamun Rashid new head of StanChart Corporate Banking



Mamun Rashid has been appointed the new Head of Corporate Banking of Standard Chartered Bank in Bangladesh, says a press release.

Mamun, who started his banking career in 1984, joined Standard Chartered Bank, Bangladesh in 1993 and successfully set up and headed its Treasury and Institutional Banking businesses until 1998.

In 1999, he was appointed Head of Institutional Banking and Group Special Asset Management of the bank in Bangladesh and worked in that capacity until his assumption of the new role last month.

During the last 15 years, Mamun has worked in Corporate Banking, Treasury, Correspondent Banking and Risk Management.

Tk 7.68 crore remitted in Mar through post office

Bangladeshi nationals living abroad remitted Tk 7.68 crore during the month of March through money orders, says UNB.

This included 5,03,818 pound sterling and 7,22,908 US dollars.

With this, the total remittance received during July-March stood at Tk 62,71,29,125, including 31,29,664 pound sterling and 75,65,029 US dollars.

A release of Bangladesh Post Office yesterday said the number of foreign money orders in March was 8,094 while in the previous 9 months 68,357.

The remittances were paid to the recipients.



Sheikh Ahmed Bin Saeed Al Maktoum is seen with Tim Clark, Ghaith Al Ghaith and senior management personnel of Emirates and Dnata prior to the Emirates aircraft's take-off from Dubai International Airport for Sydney. The flight launched its service to the Australian city.

— Emirates photo

Merger medicine mends Asia's moribund banking sector

Economists for having solvent systems

SINGAPORE, Apr 6: The economically debilitating sickness of Asia's banking sector drags on, with the still high level of non-performing loans and debt write-offs leaving many potential lenders close to the edge, reports Reuters.

Economists have long said a priority for governments must be to get their banking sectors in order or see their economic recoveries flounder on the rocks of capital starvation.

But the banking sector malaise is more of a risk to the long-term investor. Short-term players are on safer ground.

"I think it is important to have solvent banking systems going forward, but can these economies continue to operate for three to five years with insolvent banking systems?" said Steve Frost, regional banking analyst at HSBC Securities in Singapore.

"I think that's quite possible... long term they need to sort out these problems, short term I don't really see them impeding economic growth which is mainly being driven by export growth."

Merging sick banks with healthy ones seems a good solution but combining a fit bank with a sick bank will not necessarily lead to a fit bank but more likely a slightly off-colour bank.

Global ratings agency Standard & Poor's argues the consolidation of Asia's banks could actually slow restructuring.

S&P's Asian financial institutions ratings head Ernest Napier said in Australia recently that bigger did not necessarily mean stronger when it came to banks, and mergers did not address the problem of impaired assets.

"By consolidating weak banks into stronger banks, you could be increasing systemic

risk for the banking sector as a whole."

Analysts say many South Korean banks must join forces or face collapse, with heavy loan loss provisions and limited means of raising capital putting on the pressure for consolidation.

"Mergers are inevitable for weak, nationalised banks such as Chohung 00010, KS, Hanvit 00030, KS and Seoulbank 02860, KS, said Samsung Securities bank analyst Lee Hyung-jin. "Otherwise, the government must keep pumping in more public funds."

Such banks find it almost impossible to raise cash via share issues given the collapse in their share values.

Since the start of the Asia crisis Chohung has lost 90 per cent to 2,130 won (\$1.92) as of its close on Tuesday and Hanvit 80 per cent to 1,825 won. Seoulbank shares were suspended in September last year after the bank was deemed non-viable.

In Taiwan state banking reforms are going slowly, although both the government and private sectors say they are eager to consolidate the banking sector.

Analysts say the fact Taiwan escaped the worst of the crisis means institutions lack a sense of urgency although to prepare for accession to the World Trade Organisation they must think hard about consolidation.

"To be honest, if there was no WTO, there would be no sense of urgency," said Elliot Tsung, banking analyst at Fubon Securities. "Banks all belong to conglomerates, and they can use other resources from the parent to fill in banks' losses."

"Actually, banks stopped making money a long time ago, but (conglomerates) can't let (them) go bankrupt, because that would be a big loss of face."

That banks will have a tough time for a few years yet but are probably strong enough to survive alone and resist being taken over by foreigners, analysts said.

"In the short term of, say, three years, their mergers are virtually impossible given the Thai business culture. These original family banks still hold on to their pride," said Paboon Nalinthangkum, head of research at TISCO Securities.

There was good news for the Thai banking sector this week after rating agency Moody's put Thai banks and financial institutions on review for possible upgrade of their short and long term debt and deposit ratings.

Malaysia is kicking off the biggest shake up of the financial sector in decades with the focus in the next few years on how to consolidate 54 financial institutions into just 10 banks.

Malaysian bank shares have also outperformed their Hong Kong and Singapore peers, which have seen their finance sector indices drop so far this year.

The Kuala Lumpur Financial Index KLFBI has risen by 25 per cent this year, outperforming the benchmark Composite Index KLCI which has risen 17 per cent, and some see further upside.

Recapitalisation should improve Indonesia's beleaguered banks but loan restructuring is at a snail's pace and expensive valuations mean there is no rush for investors to buy shares.

Bank's fundamentals have improved after recapitalisation, their equities are no longer negative and some can even be expected to book profits and start lending this year," bank analyst Mirza Adityaswara of Indosuez WI Carr told Reuters.

Experts endorse tech-driven 'new' US economy

But concerns lurk beneath optimism

WASHINGTON, Apr 6: Experts at a White House conference gave a ringing endorsement to the technology-driven "new" economy yesterday but said wild gyrations on Wall Street reflected ominous signs on the horizon, says Reuters.

The day-long conference, weeks in the planning, took on added urgency this week when the tech-heavy NASDAQ fell 500 points before rebounding on Tuesday, reflecting concerns that many Internet stocks are overvalued and the booming US economy might be losing steam.

Enjoying its longest expansion ever, the US economy was hailed by panelists gathered in the White House East Room to the delight of President Bill Clinton, who wants it to be his lasting legacy.

Leading the parade was Abby Joseph Cohen, one of the most influential strategists on Wall Street who chairs Goldman

Sachs Group's investment policy committee. She was bullish on the stock market in spite of the dips it has taken this week.

"Many of you know that my day job is as a stock market strategist and for the past decade we have been enthusiastic about the outlook for US stock prices... and we remain so," Cohen said.

But lurking beneath the optimism were concerns that the party will not last forever.

"There's going to be a correction - probably a sharp one," said Roger Altman, the former US deputy treasury secretary who now works as an investor.

He said stock gyrations reflected "preliminary signs of that type of correction."

The White House Conference on the New Economy gathered economic luminaries including Federal Reserve Board Chairman Alan Greenspan and

Microsoft Corp. Chairman Bill Gates for an all-day discussion on the state of the US economy.

Greenspan was to kick off an afternoon sessions with a speech on "Technology and Its Impact on the Economy."

The term "new economy" refers to the idea that the broad application of information technology throughout the US economy has altered the rules previously thought to govern the business cycle, unemployment and inflation.

Panelists said despite the information boom, the old rules of the economy still applied, like the traditional battle against inflation using higher interest rates. Greenspan has raised short-term interest rates five times since June 1999.

"These are good times, very good times," said James K Galbraith, professor at the University of Texas in Austin.

Dresdner Bank scraps mega merger with Deutsche Bank

FRANKFURT, Apr 6: Dresdner Bank AG stunned investors by calling off its merger with Deutsche Bank AG yesterday in a dramatic end to weeks to management strife that scuppered plans to form the world's largest bank, says Reuters.

Dresdner said its management board had decided unanimously to abandon the \$30 billion merger and accused Deutsche of undermining the deal with its insistence to sell off all or part of Dresdner's investment banking unit Dresdner Kleinwort Benson.

The deal had been condemned by analysts as being ill-conceived and failing to offer enough cost savings.

But is collapse, one of the biggest U-turns in German corporate history marks a setback for restructuring in Germany.

The country is generally regarded as overbanked and lags

behind its European neighbours in terms of consolidation.

"Through its behaviour Deutsche Bank AG withdrew the basis for trust," Dresdner said.

The announcement followed a day of speculation, repeatedly dismissed by sources close to the two banks, that the dispute over Kleinwort Benson had brought the merger to the brink of collapse.

Senior executives at Deutsche, including its investment banking chief Josef Ackermann, had wanted to sell off all or most of Kleinwort Benson, which employs some 7,500 staff worldwide, and retain only its corporate finance division.

Dresdner had resisted the plan, arguing that it was as good or better than Deutsche in key areas of investment banking.

Shares in Deutsche, which had fallen about 30 per cent

since the link-up was announced, jumped 7.5 per cent after the merger failure and closed at 80.01 euros, up 4.15 per cent from Tuesday's close.

Dresdner shares also rose more than seven per cent and ended up 4.26 per cent at 49 euros.

But shares in insurer Allianz AG, which owns about 21 per cent of Dresdner and had been seen as the main gainer under the deal, fell more than 10 per cent and closed down 13.86 per cent at 380 euros.

Analysts said the collapse of the deal leaves Dresdner vulnerable to takeover but it is positive for both banks because the merger had been a bad idea from the start.

The merger failure coincided with speculation that Citibank CN had made a bid for Dresdner. Dresdner and Citibank declined to comment.

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Invitation for Bids (IFB) for Procurement of Gas Line Pipe under Local Cash source

- Tender No PD.2316/17-P(1) Dated: 02-04-2000
- Sealed bids are invited from the bonafide manufacturers/suppliers or their authorised agents for supply of Gas Line Pipe as listed below under Local Cash source
 - Interested eligible bidders may obtain further information from Deputy General Manager (Purchase) at the above address.
 - Tender documents may be purchased by any interested bidder or their authorised representative upon payment of the cost of bid document from Accounts Department of this company at the above address from 09:00 hrs to 13:00 hrs on all working days with effect from 09-04-2000. Copy of money receipt evidencing purchase of tender documents is to be furnished with the bid. No document will be sold on the bid closing date.
 - All bids accompanied by a bid security of 2.5% of bid amount in the form of Bank Draft/Pay Order from any scheduled bank located in Bangladesh or Bank Guarantee issued by a scheduled bank in Bangladesh or from any reputable foreign bank, duly endorsed by a scheduled bank in Bangladesh must be delivered to Titas Gas Transmission & Distribution Co Ltd at the above address on or before 11:00 hrs of the closing date of the tender. The bids will be opened on the same day at 11:15 hrs in presence of bidders, if any. Should this day happens to fall on any holiday, bids shall be opened at the same hours on the first subsequent working day.
 - The company reserves the right to accept any bid or reject all the bids without assigning any reason whatsoever.

আপনার রান্নার কাজ শেষ হয়ে থাকলে
এখনি গ্যাসের চুলাটি নিভিয়ে ফেলুন

Titas/PR-0105/99-2000
GD-314

Deputy General Manager (Purchase)