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The Daily Star BUSINESS

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Mokammel promises to make BOI investment-friendly

Amid widespread allegations of non-cooperation made at a function yesterday against the Board of Investment, BOI Executive Chairman M Mokammel Haque said his office was going to be reorganised for making it investment-friendly, says UNB.

The BOI would be restructured by appointing manpower both from public and private sectors and retrenching some of the existing personnel, he told his audience.

The decision has already been taken at the BOI board meeting, he said while addressing a seminar on "Promotion of Investment: A National Priority" at Dhaka Chamber of Commerce and Industry (DCCI).

The BOI executive chairman listed some of its recent steps to facilitate the investors that included floating Private Investment Equity Fund, setting up of

an investors' club and increasing facilities for the officials of its one-stop-service.

DCCI organised the seminar with its President Atif ul Islam in the chair. It was participated by economists, entrepreneurs, foreign investors and officials. DCCI former President R Maksud Khan presented the keynote paper.

Investors and entrepreneurs pointed out non-cooperation of the BOI's one-stop-service specially in providing support for telephone, power, water and gas connections.

As an economist identified default-loan culture as a barrier to investment, the businessmen encountered the allegation explaining the reason behind loans becoming bad.

The rotten political culture created default loan culture. Unless the political culture is

changed the default culture will be more and more stronger," said former DCCI president A Rob Chowdhury.

Widespread corruption in the administration bred the default culture, added immediate-past president of DCCI M H Rahman.

In his keynote address, Khan identified barriers to investment like lack of political consensus, maligned private entrepreneurs, non-implementation of the policies, legal coverage of BOI, failure of BOI one-stop-service, non-availability of data and lack of sector-wise profile.

He recommended BOI for its restructuring by appointing its executive chairman and at least 50 per cent members of the board from the private sector.

Other members should be nominated from the ministries of Finance, Industry, Com-

merce, Energy, Ports and Shipping and Telecommunications, he added.

He said BOI should have also the monitoring cell, data bank and legal counseling.

Other recommendations included sociopolitical stability, good governance, updating investment-related laws, holding investors forum, discouraging labour unionism in the EPZs, strengthening support services, curbing corruption and banking and administration reform.

Khan, a leading entrepreneur in the country, also identified prospective investment sectors like backward-linkage industries for readymade garments, leather and leather goods, agro-based industries, fisheries and foods, information technology and software, gas-based industries, telecommunications and energy sector.

Against all odds

Pride takes pride in innovation, beats others in price

By Monjur Mahmud

In a time when the local market is flooded with Indian sarees, there are at least a few local companies which did not let the situation go unchallenged.

With their creativity and innovation in designing and marketing, these companies equipped themselves for making quality products, which won them a big chunk of the customers as well.

Pride Textile is one such company to have set an example for others in the textile sector.

"Price as well as quality of products are the most important preconditions for surviving in the market, particularly when we have to compete with the smuggled Indian sarees," said Md Enayet Kabir, General Manager of Pride Textile.

"To ensure the quality of our products, we import yarn and produce gray fabric at hired looms supervised by our employees. Dyeing, finishing and printing are done at our own factory."

"For innovating better designs, we have our own division where specialised persons are working. We have strict quality control mechanisms at the dyeing and printing plants which ensure that the designs are reproduced accordingly," Kabir stated.

At the initial stage, the company targeted the middle and upper middle-class women as its customers, but now, according to Pride Textile officials, around 70 per cent of the well-to-do people prefer local sarees to the Indian ones, particularly in the case of cotton variety.

"We think that the middle class women have found in our products a good substitute to the Indian cotton sarees," he added. Since making debut, the company has kept the prices of its sarees at a very reasonable level. Prices of all cotton sarees are Tk 260, which is pretty affordable for the target group.

Besides, by diversification,

we have taken initiatives to offer a wide range of products to our customers. We are applying different techniques in our products including embroidery, appliqué, cut and sewing, block and brush print etc., and the prices of the sarees with these features range between Tk 400 and Tk 500."

Keeping different national occasions like *Pahela Falgun* or *Pahela Baishakh* in mind, Pride Textile has also taken initiatives to manufacture sarees, adding new dimensions and different aura of pride to these occasions, which have special meanings to the people of our country, the GM stated.

On *Pahela Baishakh*, women like specifically-designed sarees. For the first time this year, the company has developed designs for this occasion and marketed these products.

"We hope this type of initiatives will help increase the company's turnover significantly," Kabir said.

The company has 36 showrooms across the country of which 18 are in the Dhaka city. With these sales centres, the company's turnover was around Tk 15 to Tk 16 crore last year.

"We do not think we have any competitor in the market. Our main target was to beat Indian sarees and we have taken strategies for this," he said, adding "we are increasing our outlets on a regular basis. So far, we have been successful without massive market promotion or publicity drives."

"We have to manufacture yarn and fabric and then go for diversification by setting up forward linkage industries to be

more competitive in the sector," said Mohammad Abdul Moyeed, Managing Director of Pride Textile, emphasising the need for developing backward linkage industries.

The textile industry is not viable in a country where the cost of labour is very high. Because of this reason, the textile industry is being shifted to countries where labour is cheaper, he observed.

Against All Odds is a new series by The Daily Star to highlight how different local companies are winning the market using their innovative ideas. We welcome companies with innovative motto to contact us and we may focus on them if they deserve it. In this series we will also focus on entrepreneurs who are making meaningful contributions to the country's economy.

Second ARENA centre opens at Gulshan

Star Business Report

Arena Multimedia, a division of Apteck Worldwide launched its second centre at Gulshan in the city yesterday.

The centre was formally inaugurated by Lieutenant General Noor Uddin Khan (ret'd), Minister for Science and Technology, adding a new dimension to computer education by Apteck Worldwide in Bangladesh.

Speaking on the occasion, the centre's Director Brigadier Md Zakir Hossain, psc. (ret'd) said that recognising the need of creating trained multimedia professionals, Apteck Worldwide had created ARENA — a network of centres that offers training in the latest technologies in multimedia using state-of-the-art training facilities.

ARENA's mission is to create a pool of high quality multimedia professionals who will meet the ever-increasing needs of organisations for the latest generation of multimedia applications. ARENA centres are currently taught at more than 120 locations across the globe.

The courses that the Gulshan Center is offering are — 6 months Certificate in Multimedia Programme, one-year Diploma in Multimedia Programme, two-year Advance Diploma in Multimedia Pro-

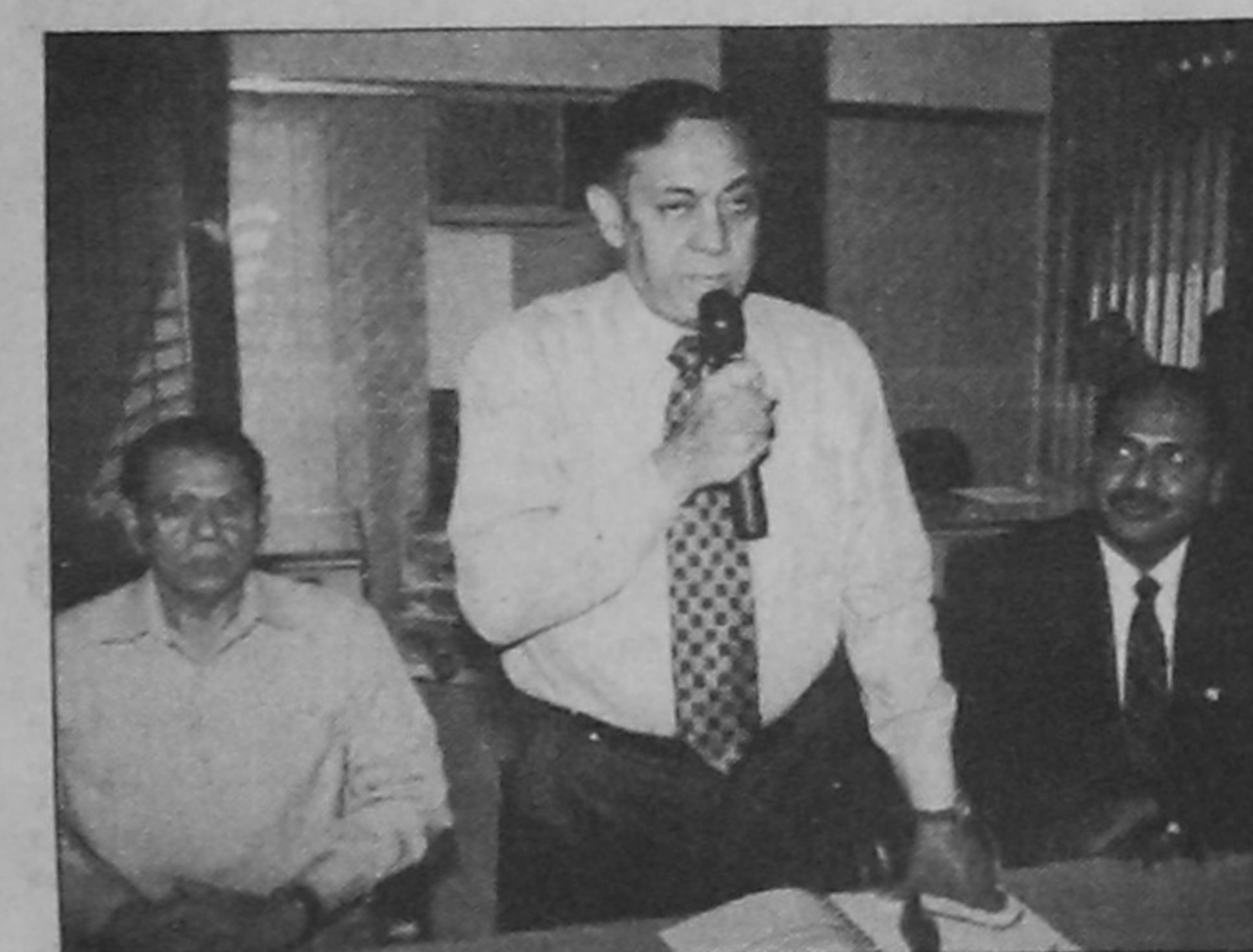
gramme and a Children's course on multimedia.

The centre director also spoke about various career options, ARENA placement opportunities and ARENA's international advantage with Apple Computer Incorporated, Macromedia Incorporated, Adobe Systems Incorporated and Southern Cross University.

Multimedia has in recent times opened up job opportunities for thousands of youngsters. In fact, competent multimedia professionals can look forward to stimulating careers in areas like advertising, printing and publishing, computer graphics, video editing, film making, animation etc with a potential for great success," Zakir Hossain said.

The inaugural function was also addressed by Tarun Mitra, Country Operations, Head of Apteck Worldwide.

In his speech, he emphasised the role of multimedia in Internet web-site. The kind of sophistication that is seen in contemporary web-sites today, requires a whole team of experts to create and run it. And the success of the modern web site will be governed by how effectively multimedia has been exploited on the site, he said.



Science and Technology Minister Lt. Gen. Noor Uddin Khan (ret'd) speaks at the launching ceremony of the second centre of Arena Multimedia, a division of Apteck Worldwide, at city's Gulshan yesterday. —Star Photo

Savings investment may exceed target this year

Investment in national savings projects is likely to exceed target in the current financial year, says BSS.

According to Finance Ministry sources, the target for 10 projects were fixed at 4,953 crore taka whereas the investment achieved during eight months between July 1999 and February 2000 was Tk 3,571 crore, which is 72 per cent of the annual target.

Concerned sources expressed the hope that the quantum of investment may stand at Tk 5,358 crore at the year-end if the current trend of investment continues.

The investments acquired through the projects include Protirokhyo Sanchay Patra (Defence, Saving Certificate), Bangladesh Sanchay Patra, Paribar Sanchay Patra (Family

Savings Certificate), Dak Jibon Bima (Postal Life Insurance), Prize Bond, Wage Earners' Development Bond and Jatiya Biniyog Bond (National Savings Bond).

Authorities fixed an investment target of Tk 4,565 in fiscal 1998-99. The amount deposited during the period was Tk 4475 crore, which was short of Taka 89 lakh 45 thousand.

Concerned sources said the existing system of buying savings certificates and drawing interest on it through the scheduled banks should be improved to attract more investment through the projects.

The scheduled banks, overburdened with other functions and the understaffed Savings Department, allegedly cannot provide speedy services to the savers, the sources said.

Spl ECOSOC meet at UN HQ Dhaka renews call for new economic order

NEW YORK, Apr 20: Bangladesh has once again renewed its call for a new economic order (NEO) so that countries which are economically backward could derive benefit in a world economy where competition has become more fierce, reports BSS.

Dr SA Samad, Principal Secretary to the Prime Minister, participating in a discussion at the United Nations said the developing countries need NEO for their survival.

He was speaking as leader of Bangladesh delegation at the third special high level meeting of the Economic and Social Council (ECOSOC) with Bretton Woods Institution on Tuesday at the UN Headquarters.

In his statement, Dr Samad said that in a new world economic order, the developing countries seek more equitable market access and fairer private flows, rather than more confessional aid.

It was imperative that the trade regime become fairer and

more equitable, he said and welcomed the International Monetary Fund (IMF)'s new poverty and growth reduction facility and hoped that its conditionalities had changed.

A panel of discussion was held on the occasion on the theme "Towards a stable international financial system responsive to the challenges of development, especially in developing countries," with high level delegates from member states.

The panelists were Tarrin Nimmanahaeminda, Minister of Finance of Thailand, Chairman of the Development Committee; German Suarez, President of the Central Bank of Peru, Chairman of the Group of 24; Ulrich Gygi, Secretary of State for Finance of Switzerland, Chairman of the Group of 10; and Stanley Fischer, acting Managing Director of the International Monetary Fund. Sven Sandstrom, Managing Director of the World Bank, contributed to the dialogue.

SCB expresses concern over feeder vessel death at Mongla

The Shippers Council of Bangladesh (SCB) has expressed its deep concern over non-availability of feeder vessels at Mongla port for the last 15 to 20 days.

In a press release issued in the city yesterday, Chairman of the Council, Hasan Maniruzzaman said, "This has resulted in accumulation of 150 container-load exportable frozen foods (fish) in the godowns of the exporters."

This huge quantity of frozen fish he added, is likely to rot if not exported within a reasonable time. Moreover, the foreign buyers will cancel their export orders due to the inordinate delay in export.

The SCB chief said when country needs to export more goods to earn foreign exchange for its development, it is not desirable to allow exportable to perish for want of carrier vessels and export order cancelled by foreign buyers due to delay in shipment.

It may be mentioned that April to October is the peak season for frozen fish export. During this period, feeder vessels should be made available at Mongla port to carry frozen fish.

StanChart's New Head of Institutional Banking



Mahmood Malik has been appointed new head of the Institutional Banking Division of Standard Chartered Bank in Bangladesh, says a press release.

He started his banking career in 1992 and joined Standard Chartered Bank in 1995, where he worked in the Institutional Banking Division until the assumption of his current role.

This division of Standard Chartered supports commercial banks in Bangladesh in their international trade business through its international network spanning over 50 countries.

Globalisation less beneficial to emerging economies

New report published in US newsletter says

NEW YORK, Apr 20: Globalisation helps developing countries boost their economies but few have kept up the pace of growth well enough to close the poverty gap that exists with the richer nations, according to a new report published yesterday, reports AFP.

"Globalisation alone is not sufficient for developing economies to make progress toward industrial country status," Gail Fosler, chief economist at the Conference Board, said in her newsletter StraightTalk.

"What is striking is that the biggest gains in income and living standards are concentrated in countries that already have above average per capita incomes and relatively advanced levels of development," Fosler added.

She found that global trade

and investment increases efficiency but does not foster convergence in economic performance unless the economic structure and general level of technological advance is similar.

Improvements due to globalization after 1985 did not benefit all regions, Fosler noted. While Latin American and Asia experienced growth, the Middle East and Africa stagnated.

Eastern European countries, meanwhile, saw their economies shrink due to fallout from the transition from communism to capitalism.

Fosler's report notes that the challenge for emerging markets is to channel wealth that is created in sectors benefiting from global trade and investment into other sectors of their economy.

Some of the problems the

developing nations encounter is inability to maximise their workforce, many of them only recently turning to manufacturing from agriculture.

And globalisation often encourages trade deficits as fast-growing emerging markets start to import capital goods, technology and foreign consumer goods.

To prevent a meltdown in the exchange rate often involves the use of foreign capital or domestic savings — with some of the emerging markets forced to tighten domestic economic policies "in some cases excessively," according to the report.

Casualties of these experiences were the 1994 Mexican peso crisis, the Asian financial crisis of 1997-98, and last year's recession in Brazil

Govt offloads Berger Paints share

As part of disinvestment drive, the government has offloaded its 42.33 per cent share to major shareholder Berger Paints (Bangladesh) Ltd, says BSS.

Berger Paints (Bangladesh) Limited is a private limited company incorporated in Bangladesh in 1973 and set up a plant in Chittagong on 9.92 acres of land.

The total share of Berger is 5,50,736 including government share of 2,33,128. The face value of each share is Tk 100 against the intrinsic value of Tk 1147 per share.

The Managing Director of Berger Paints (Bangladesh) Ltd, Mash-ul-Karim, handed over a cheque to Privatisation Board Chairman Kazi Zafrullah at a simple ceremony held at his office in the city yesterday.

General Manager of Berger Paints (Bangladesh) Ltd, senior economist of Asian Development Bank (ADB) Dr Nara Hari Rao, Deputy Chief Representative of ADB Dr Omkar Shrestha and other officials were present on the occasion.

Speaking on the privatisation process in the country, Kazi Zafrullah said the present government is keen to encourage private sector for ensuring overall development of the country.

US stocks dip amid worries about tech co revenues

NEW YORK, Apr 20: Stocks lost their grip on the stellar gains of the past two days, slipping yesterday as Wall Street's worries about the revenues of big technology companies overshadowed earnings that beat forecasts, says Reuters.

The Dow Jones industrial average lost 92.46 points, or 0.86 per cent, to end at 10,674.96. A steep slide in the shares of International Business Machines Corp. and Intel Corp dragged the blue chip Dow down.

"We're in the thick of earnings season," said Alan Skrainka, chief market strategist at Edward Jones in St Louis. "Earnings are going to determine the trend in stock prices. In the case of an IBM or an Intel, any disappointment is going to put pressure on the stocks."

Both IBM and Intel beat Wall Street's earnings target but reported declining revenues, opening the door for investors' flight. Shares of IBM, the world's top computer maker, fell 10.5/8 to 104-1/2, while No 1 chip maker Intel lost 9-15/16 to 19-1/16. Those losses offset gains in Exxon Mobil, up 1-1/4 to 77-7/16, and United Technologies, up 2-13/16 to 6-7/8.

The Nasdaq composite index slid 87.16 points, or 2.30 per

cent, to 3,706.41, taking a hit from the tech bellwethers' weakness and backtracking after two consecutive sessions of record one-day point gains.

The broader Standard & Poor's 500 stock index dropped 14.14 points, or 0.98 per cent, to 1,427.47.

Technology investors have struggled to regain their footing after last week's sell-off, but the Nasdaq is still down 8.92 per cent for the year while the Dow is off 7.15 per cent.

Money shifted Wednesday — with some flowing into drug and biotech stocks from computer and Internet stocks — on the back of profit reports, overshadowing last Friday's historic sell-off on concerns about inflation, interest rates and equity valuations. Trading was volatile, but the swings were not nearly as dramatic after three sessions of record-breaking point moves.

Marshall Acuff, an equity analyst at Salomon Smith Barney, said, "Overall, profits are quite strong, stronger than expected in the aggregate."

"But the market is very sensitive and has been sensitive for quite some time in top-line performance," Acuff said, referring to revenue figures in corporate earnings results. "The IBM situation highlights that Intel

highlights that."

News that Bristol-Myers Squibb Co withdrew a request for marketing approval of its anti-hypertension drug Vanlev, also jolted the market. The stock tumbled 15-1/4 to close at 50. That drop helped pull the S&P 500 down almost 1 per cent.

Shares of other drug stocks rallied. Warner-Lambert jumped 7-3/4 to 115 and American Home Products gained 2-15/16 to 59-1/4 after posting quarterly results. The American Stock Exchange's drug index gained 0.38 per cent to 375.93.

Investors continued to run back to biotechnology stocks after battering the sector over the last month. The American Stock Exchange's biotech index held its gains, up 1.12 points, or 0.25 per cent, to 447.98.

Those small-cap gains helped lift the Russell 2000 index by 0.03 per cent, or 0.14 of a point, to 486.23. The much broader Wilshire 5000 mirrored the action on Wall Street, ending down 107.55 points, or 0.81 per cent, to 13,221.41.

The bond market also rallied, shrugging off February's record US trade gap, as investors took positions ahead of the government's third debt buyback.

Nepal's donors urge quick reform in return for aid

PARIS, Apr 20: Nepal's major donors yesterday praised Nepal's commitment to reform, but said aid disbursement would depend on progress in reform and making aid more effective, says AFP.

"The development partners commended the serious commitment" of the Nepalese government "to drive forward a comprehensive agenda of institutional and policy reforms" and reduce poverty, the donors said in a statement at the end of a three-day meeting sponsored by the World Bank here.

But they stressed that "levels of assistance will reflect progress in policy and institutional reforms. Improvements in aid effectiveness," saying that "aid levels could be even higher if the pace of reforms is accelerated."

Nepalese Finance Minister Mahesh Acharya told a news conference that he shared donors' frustration that "40 years of development efforts have hardly produced positive results for the teeming millions in my country," where 42 per cent of the more than 22 million people are living in poverty.

But he said that Nepal would go ahead with its ambitious reform agenda with or without

donor support because it was necessary for the country to move forward in areas such as institutional reform, combating corruption and reforming the financial sector.

And he said he was confident that if the reforms went ahead on schedule Nepal would achieve the eight per cent economic growth needed to make progress on poverty reduction.

The whole of the reform agenda is focussed towards an eight per cent growth rate... it is possible to achieve eight per cent growth" if the reforms go through, he said.

The Nepalese economy grew by an average of 5.5 per cent in 1991-94, but this had fallen to 3.4 per cent in the 1998 financial year, the World Bank said.

The government is forecasting strong gross domestic product growth of six per cent for the current financial year ending mid-July, compared with 3.5 per cent in the year to July 1999.

The reforms include strengthening the financial and banking sector and privatisation, as well as institutional reform and a poverty alleviation fund to ensure that aid is effective in reducing the poverty rate.

Donors said they would provide up to 1.25 billion dollars in aid in the next 18 months, or more if reforms went faster than expected.

The meeting was the first donor gathering in four years, largely because of political instability. The tiny landlocked Himalayan kingdom has had five governments since the last meeting in 1996.

The political turmoil is also a key reason why only about half of the billion dollars in aid pledged at the last meeting has been disbursed.

But gaining funds is not really the problem as donors have traditionally been extremely generous, according to the World Bank.

The real issue is how to ensure that aid funds are used efficiently to reach the poorest residents of Nepal and achieve the government's aim of reducing the poverty level to 10 per cent within a decade.

Aid to Nepal has been higher in per capita terms than to most other South Asian countries, but "the potential of donor assistance has not been fully realised," the World Bank said in a report on Nepal.