

DAEWOO
ELECTRONICS

29" Colour TV with
8 Picture in Picture &
Nicam 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, WEDNESDAY, APRIL 26, 2000

Beauty & Barber Salon

10 am-7 pm
for Ladies

SALVY

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 • Waxing • Permanent Hair • Many more...

THE PAN PACIFIC SONARGAON
Dhaka: 8111025 Ext: 4144 (Gents) 4143 (Ladies)

Banking sector computerisation unsatisfactory, says BB gov

Wrong management notion, trade unions stand in way

Star Business Report

The pace of computerisation in the banking sector has so far been unsatisfactory because of some wrong perceptions of the management of different banks and obstacles created by trade unions, said Bangladesh Bank Governor Dr Mahabub Farashuddin.

Besides, the banking sector automation hinged on poor information technology (IT) infrastructure, he said, while speaking as chief guest at a workshop on 'Banking Software: A Few Proposals' held at BIBM auditorium in the city yesterday.

Pointing to the nationalised commercial banks (NCBs), the BB governor hoped that they would soon be automated, offer-

ing a big boost to the country's budding software industry. NCBs can bring about a significant breakthrough in the computerisation of their services as the Finance Ministry has already approved a mid-term plan for it, which allows them to procure as much computers as required.

Mahboob Zaman, Managing Director of DataSoft System Bangladesh Ltd, and Dr Muhiul Islam, Director General of the Bangladesh Institute of Bank Management (BIBM), also addressed the inaugural function while Doreen Schmidt-Siddiqui, partner of CSB GmbH of Germany, presented the keynote paper at the workshop jointly organised by BIBM and

DataSoft Systems Bangladesh Limited. Doreen Schmidt-Siddiqui pointed out foreign software is not customised and therefore cannot provide required maintenance support.

"It is possible to develop local software at a low cost and easy maintenance support can also be made available too," she said, calling for gathering global experience and foreign experts. Doreen also underscored the need for changing banking laws in this regard.

Mahboob Zaman, Managing Director of DataSoft System Bangladesh Ltd., said ready software from outside the country cannot solve local

problems. "We are just in the beginning of a process of developing software which will be developed all by ourselves. We have to come up with software after our own needs with the aid of hired foreign concepts," he observed.

There is a need for complete, customised and user-friendly software for the sector, Zaman said, adding that different services like on-line banking and credit card transactions need such software.

Dr Muhiul Islam, Director General of BIBM, identified non-availability of customised and user-friendly software as one of the main barriers facing speedy computerisation of some of the local banks.



Deputy Governor of Bangladesh Bank Khondkar Ibrahim Khaled hands over the STUDANZ loan agreement documents and first instalment to a student of a private university under ANZ Grindlays Bank's new education loan programme for undergraduate students at a function held in the city yesterday. —Star photo

Dhaka, Tokyo discuss aid for Kaptai power plant expansion

Bangladesh and Japan yesterday discussed possible assistance from Tokyo to finance the expansion of Kaptai Hydro-electric Power Plant to help the country overcome power shortages, reports BSS.

The plant, situated in the Chittagong Hill Tracts with a present capacity of producing 230 megawatts of electricity, is expected to add another 100 MW when two 50 MW generators will be installed with an estimated cost of over Tk 600 crore.

Kaptai Hydro-electric Power Plant is one of the four projects which came up for discussions at a meeting held between Bangladesh and a visiting Japanese delegation at the Economic Relations Division (ERD) of the Ministry of Finance yesterday, official sources said.

The other projects discussed in the meeting are Rupsha Bridge, Greater Faridpur Rural Infrastructure Development Project and Rural Electrification.

The projects were put forward for Japanese funding under yen loan, sources said. The Bangladesh side explained the significance of each and every project to the visiting Japanese team.

A ten-member Japanese delegation led by Yutaka Yokoi, Director of Loan Aid Division, Economic Co-operation Bureau, Ministry of Foreign Affairs, arrived in the city Monday to participate in the two-day bilateral Yen Loan Consultation Meeting which began yesterday in the Economic Relations Division.

During consultation the Bangladesh side was led by Faisal Ahmed Chowdhury, Additional Secretary of ERD, and the Japanese team was led by Yutaka Yokoi, senior official of the Japanese Ministry of Foreign Affairs.

The Japanese team leader explained the ODA loan policies. He also pointed out the objectives of the delegation and prospect of Japanese ODA to Bangladesh. Bangladesh team leader highlighted the policy of the government which emphasised growth and development of the national economy.

Survey reveals widespread corruption in Nepal

KATHMANDU, Apr 25: Over 98 per cent of Nepalese believe corruption is prevalent among all levels of the country's administration and 75 per cent have bribed officials, a survey revealed yesterday, reports AFP.

Media Services International (MSI), a non-government organisation which conducted the survey, said corruption was seen as permeating officialdom from lowly administrators to the 'highest levels.'

The survey also revealed that 10 per cent of local government officials and nine per cent of revenue officials were thought to be corrupt, MSI executive director Ram Pradhan said.

Revenue officials were thought to be the country's most corrupt administrators, followed by customs officials, the police and the judiciary.

Medical workers, journalists and members of the armed forces were considered among the least corrupt, the study revealed.

Many of those questioned for the survey said that paying bribes to officials was often the only means of ensuring a speedy service.

Around 60 per cent of respondents said that their requests would be processed immediately once money had exchanged hands while only two per cent said bribery did not work.



US Ambassador John C Holzman inaugurates the US Trade Centre at the American Embassy in Dhaka yesterday. MCCI President Latifur Rahman and DCCI President Aftab-ul-Islam were present at the inauguration. —USIS photo

US investment in Bangladesh may hit \$2 billion soon

Holzman at new Trade Centre opening in city

Star Business Report

US Ambassador John C Holzman, mentioning the increasing US investments and the number of projects in Bangladesh, said that US investment in the country could hit US\$ 1.5 billion to US\$ 2 billion soon if those projects go ahead.

He was addressing the inauguration of the US Trade Centre at the Embassy premises in the city yesterday. Earlier, the trade centre was located at Moghbazar.

The services at the trade centre include market contact, market assessment, trade promotion, business counselling, trade delegations, catalogue, video and trade shows. The centre also has a comprehensive data bank on world trade.

Political and Economic Counsellor of the US Embassy Dan Mozena also spoke on the occasion while different chamber leaders and leading businessmen and the Embassy officials were present.

A BSS report adds: During the tenure of the present government, US investment in Bangladesh shot up thirty times to hit 750 million dollars, a fact also mentioned by top American leaders including Secretary of State Madeleine Albright during President Bill Clinton's visit to Bangladesh last month. Most investments made so far are in the energy sector.

Bangladesh's annual export to USA is around 2 billion dollars worth of goods, mostly ready-made garments (RMG) while import from there is approximately 275 million dollars.

Bangladesh mostly imports primary products like wheat and cotton. Computers and electrical equipment are also included in Bangladesh's imports from America. Timothy L Forsyth, Chief of Economic and Commercial Affairs of the US Embassy, told BSS.

Describing the bilateral

trade as "distorted", Holzman said that efforts should be taken by businessmen to raise US export to Bangladesh to strike some sort of balance.

He mentioned that while Bangladesh's export to USA is steadily increasing, US export to this country is almost 'static'. The Ambassador expressed his hope that the centre would be able to perform as a great catalyst in making the activities of the embassy more business-related.

He said the centre would meet three purposes which included market information of the two countries and a database on the important aspects of bilateral trade relation.

The centre will also organise seminars and other type of projections aimed at promoting trade activities between the two countries.

A catalogue of exhibition under the auspices of US Trade Mission will be held at DCCI in late May.

Aussie Transport Management Group team meets Kibria

A delegation of the Australian Transport Management Group (TMG) led by its chairman Ian Nibloe met Finance Minister SAMS Kibria at his office in the city yesterday, says UNB.

During the meeting, they discussed the proposal of TMG international and the Aus Rail Consortium submitted to the government to supply of locomotives and wagons to be used for the transportation of coal from the Barapukuria mine and hard rock from the Madhyapara.

The minister said the present government has laid emphasis on railway development as it is a major mode of transportation in the country, said an official handout.

Railway was neglected in the past, he said, adding that the present government has taken initiatives to modernise the railway.

The minister also said that the government would procure locomotives and wagons in a competitive and transparent manner.

Deputy High Commissioner of Australia to Bangladesh Julienne Ifrene was present at the meeting.

DHL unveils new Millennium Courier this month

DHL Worldwide Express this month unveils the new DHL Millennium Courier, a re-outfitting of DHL couriers, which highlights a updated and standardised uniform in the region, says a press release.

DHL Millennium Courier embodies the company's core qualities of reliability, efficiency, friendliness, security and its vision for innovating global air express delivery services in the new millennium.

In order to serve the customers better, DHL Bangladesh also revamped its courier fleet by doubling courier vans and redesigning the routes for greater efficiency. This enables the couriers, each of whom services a particular area, to reach the customers at the shortest possible time. For better coordination of the overall pick-up and drop service, every DHL courier in Bangladesh carries with him a mobile telephone so that pick-up requests can reach him instantaneously from the centralised customer service desk.

"DHL Millennium Courier is the epitome of customer satisfaction in express delivery. Our customers have told us that they want a courier who is friendly and helpful, trustworthy and reliable, and who is able to respond quickly to their needs," explained Dalip Handa, Country Manager, DHL Bangladesh.

Both boards met last week and they have not come up with a final decision," a World Bank official told the agency, adding that a decision was likely this week.

IMF, WB mull Ugandan debt relief

WASHINGTON, Apr 25: The International Monetary Fund and World Bank had not made a decision yesterday about extra debt relief to Uganda, which has come under fire for spending \$36 million on a presidential plane, reports Reuters.

"Both boards met last week and they have not come up with a final decision," a World Bank official told the agency, adding that a decision was likely this week.

World Bank President Jim Wolfensohn said last week that the bank and the fund could decide within days whether Uganda should qualify for an enhanced version of the international community's Highly Indebted Poor Countries' initiative.

ANZ edn loan for pvt 'varsity undergraduates launched

Star Business Report

ANZ Grindlays Bank yesterday formally launched its new product STUDANZ, an education loan programme for undergraduate students of the private universities in Dhaka.

Deputy Governor of Bangladesh Bank Khondkar Ibrahim Khaled handed over the loan agreement documents and first instalments to 38 students of the East West University and Independent University at the function.

According to the bank officials, ANZ will pay 50 per cent of the total tuition fees that a student may have to pay during the entire period of his undergraduate programme. The tenure of the loan is 72 months with a 9.5 per cent interest rate. The students do not need to give any cash security against their loans. However, the guardian of the student has to provide personal guarantee while the certificate of the student, to be given after the completion of his studies, will be regarded as the loan collateral. The stu-

dents have to approach through their respective universities.

The new scheme also allows the students to do their internship assignments at the bank during their semester breaks so that they can pay quarterly interest side by side repaying part of the principal amount.

At the launching ceremony, ANZ officials said the scheme has been designed in such a way that about 50 per cent of the loan can be realised from the internship allowance received from the bank.

Speaking on the occasion, BB Deputy Governor Ibrahim Khaled said that former governor of the central bank Lutfur Rahman Sarkar had tried to introduce such products in the banking sector, but it tumbled due to various reasons.

He also said the now-defunct Bank of Credit and Commerce International (BCCI) through a foundation introduced this student loan scheme, but it failed to generate interest in the peo-

ple. Later, the government took over the charge of the foundation and continued the loan scheme, he added.

"But most of the people who had taken credits under this scheme did not pay their loans back, leading to ultimate demise of the programme," he said.

He also said 9.5 per cent interest rate is not too much in a country where the cost of banking sector fund is about 8 per cent.

The deputy governor also handed over certificates to some management trainees of the NCBs who received four months' on-job training at ANZ Grindlays.

Others who spoke on the occasion are General Manager and Country Head of ANZ Grindlays Bank Muhammad A. Ali, Pro-Vice Chancellor of East West University Dr Mohammad Musa and Independent University Rector Bazil M Chowdhury.

Microsoft breakup fears roil US stock markets

NEW YORK, Apr 25: Turbulence returned to Wall Street yesterday as fresh fears about Microsoft roiled the high technology sector and sent share prices into another tailspin, reports AFP.

The tech-heavy Nasdaq composite plunged 160.37

points (4.40 per cent) to close at 3,482.53.

The Dow Jones Industrial Average managed a modest gain of 62.05 points (0.57 per cent) to 10,906.10 while the Standard and Poor's 500 dipped 4.54 points (0.32 per cent) to 1,429.86.

Microsoft's plunge three weeks ago following a federal judge's ruling that the software giant violated antitrust laws set off a huge sell off in the technology sector.

Tech and Internet shares were hit again Monday as Priceline.com closed down 6-1/8

points. The Wall Street Journal reported that Microsoft could be forced to shed its office software business as a way to restore competition in the software industry.

The newspaper added that under this proposal by federal antitrust officials, the company would also face sweeping restrictions on its conduct until the unit could be spun off.

Microsoft's plunge three weeks ago following a federal judge's ruling that the software giant violated antitrust laws set off a huge sell off in the technology sector.

Tech and Internet shares were hit again Monday as Priceline.com closed down 6-1/8

points. The Wall Street Journal reported that Microsoft could be forced to shed its office software business as a way to restore competition in the software industry.

The newspaper added that under this proposal by federal antitrust officials, the company would also face sweeping restrictions on its conduct until the unit could be spun off.

Microsoft's plunge three weeks ago following a federal judge's ruling that the software giant violated antitrust laws set off a huge sell off in the technology sector.

Tech and Internet shares were hit again Monday as Priceline.com closed down 6-1/8

points. The Wall Street Journal reported that Microsoft could be forced to shed its office software business as a way to restore competition in the software industry.

The newspaper added that under this proposal by federal antitrust officials, the company would also face sweeping restrictions on its conduct until the unit could be spun off.

Microsoft's plunge three weeks ago following a federal judge's ruling that the software giant violated antitrust laws set off a huge sell off in the technology sector.

Tech and Internet shares were hit again Monday as Priceline.com closed down 6-1/8

points. The Wall Street Journal reported that Microsoft could be forced to shed its office software business as a way to restore competition in the software industry.

The newspaper added that under this proposal by federal antitrust officials, the company would also face sweeping restrictions on its conduct until the unit could be spun off.

Microsoft's plunge three weeks ago following a federal judge's ruling that the software giant violated antitrust laws set off a huge sell off in the technology sector.

Tech and Internet shares were hit again Monday as Priceline.com closed down 6-1/8

14-month lax policy to end on recovery BOJ sets stage for eventual interest rate boost

TOKYO, Apr 25: Japan's central bank chief today prepared the country for an end to 14 months of easy monetary policy and interest rates near zero, hinting that rates could rise for the first time in a decade as the recovery builds, reports Reuters.

Bank of Japan Governor Masaru Hayami, speaking in parliament, said short-term interest rates can rise when recent improvements in the business sector filter through to personal consumption — a situation many economists expect to occur late this year.

He pointed at bright spots in the economy, such as information-technology (IT) investment, but said personal consumption — a crucial component of output representing about 60 per cent of gross domestic product — remains directionless. In various regions, IT in-

vestment is becoming active — this is a new development," Hayami said. "On the other hand, personal consumption is in a one-step-forward, one-step-back pattern."

Prime Minister Yoshiro Mori and Finance Minister Kiichi Miyazawa, also appearing in the Upper House Budget Committee, stressed that the world's number two economy was gradually moving towards a self-sustaining recovery.

Mori said he would press on with his predecessor Keizo Obuchi's recovery-first economic policies.

Markets took Hayami's comments in stride. Most economists expect the central bank to maintain its ultra-easy credit policy for the time being, and predictions for a rate hike are already centred around late this year or early in 2001.

Corporate improvements filter through to the public at large, Hayami said. "If they spread to the household sector, we can take the next step."

Hayami, who has long grumbled that the policy of driving overnight rates virtually to zero was abnormal, shocked markets this month by saying he wanted to nudge rates higher as soon as possible.

Miyazawa said he sees no need for a large-scale extra budget for the fiscal year started on April 1 to support the economy as it pulls out of its worst recession in 50 years.

Asked about adverse effect of rise in Japan's long-term rate on economy, Hayami said that if long-term interest rates were to spike higher based on worries about inflation, such a rise "must be prevented by any means necessary".

Solid corporate earnings signal sustained Indian growth

BOMBAY, Apr 25: Solid fourth quarter corporate earnings point to a sustained economic recovery in India despite the wild gyrations of the stock market, analysts said today, reports AFP.

The aggregate net profit of India's top 125 companies between January and March this year shot up 80 per cent compared to the same period in the previous year to 11.44 billion rupees (263 million dollar).

Combined sales also soared more than 38 per cent to 104 billion rupees.

While the 125 top companies are only a fraction of the 6,000 firms listed on India's stock exchanges, they do account for 20 per cent of the share market capitalisation.

has been textiles and petrochemicals firm Reliance Industries, which alone accounts for more than 60 per cent of aggregate turnover and 75 per cent of aggregate net profits of the top 125 companies.

Reliance has shown how to be tough and also make money. It has been a role model company," said Sharma.

The other driving force has been the performance of information technology firms.

Earnings of the top 30 IT firms soared 131 per cent to nearly five billion rupees.

Technology is undoubtedly the future, globally. And with India leading the way in software supply and skilled manpower, it will be the pace setter in this sector too," said Abhay Alma, chief investment officer with Bombay-based HDFC bank.

roller coaster path set by the technology-heavy Nasdaq index in the United States.

"Investors need to be selective and invest in companies with sound business models," warned Nikhil Khanna, of foreign investment firm Sun F and C.

Meanwhile, another Reuters report says: The Reserve Bank of India (RBI) is expected to simplify commercial paper (CP) issue rules for corporates and announce tougher norms for bank investments in long-term debentures in its annual policy statement on April 27, bankers say.

The RBI cut interest rates and banks' cash reserve requirement at the beginning of the month and bankers do not foresee further action on interest rates or liquidity just yet.

But they expect Reserve Bank of India (RBI) Governor Bimal Jalan to adjust micro-level policies to create a healthier banking system.