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# The Daily Star BUSINESS

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## Crime-plagued Old Dhaka traders to seek home minister, IGP protection

By Shahriar Karim

As the deteriorating law and order situation coupled with traffic jams are adding extra costs to businesses in old part of the Dhaka city, businessmen yesterday decided to sit with the home minister, inspector general of police (IGP) and the officers in charge of police stations concerned next month to solve their problems.

Representatives of 22 trade associations from old Dhaka met the leaders of the Dhaka Chamber of Commerce and

Industry (DCCI) yesterday at the Chamber building and urged it to take up the issues with the government. They also called upon the government to take necessary steps to improve the situation.

Earlier on Sunday, a DCCI delegation also met Prime Minister Sheikh Hasina to express their concern over the deteriorating law and order situation and discuss other related issues. DCCI in a statement early this month expressed its

concern over the situation and urged the government to take immediate steps.

At yesterday's meeting, the business people of old Dhaka said the increasing incidents of extortion and other crimes coupled with traffic jams are taking hefty tolls on their businesses, making it difficult for them to smoothly carry on with trade, meeting sources said.

They said that the situation has almost thrown them out of market competition.

Unbridled smuggling of foreign goods, poor infrastructure and acute gas and electricity problems are putting extra burdens on their shoulders, they said.

To improve the chaotic traffic situation, they urged the government to shift the central jail from old Dhaka to Gazipur, which was decided during Ershad regime.

The business-people said the merciless killing of people associated with trade and commerce, kidnapping, looting and plundering of business establishments, the avalanche of extortion and terrorism have reached menacing heights.

As the situation is worsening day by day, they said that the business community was feeling scared and helpless.

If remedial steps are not taken immediately, the situation may go out of control and cause heavy damage to the country's trade and commerce, they felt.



DCCI President Aftab ul Islam addresses a meeting of businessmen from the old part of the city at Chamber building yesterday. —Star photo

### Bank Asia opens Gulshan branch

The Gulshan branch of Bank Asia was inaugurated yesterday by the bank's Chairman M Syeduzzaman, says a press release.

With this, the total number of branches of the bank has increased to three. The other two are Corporate Branch at Old Airport Road and the Principal Office at Motijheel in the city.

The fourth branch at Agrabad is expected to commence business soon.

The Gulshan branch has a strategic location at 94, Gulshan Avenue. It is equipped to render the full range of banking services including locker facilities.

The branch expects to deliver high quality services to its clientele, it said.

### Thai economy grows 5.2 pc

BANGKOK, June 19: The Thai economy grew by a healthy 5.2 per cent in the first quarter of 2000, thanks to strong growth in the export sector, reports Reuters.



M Syeduzzaman, Chairman of Bank Asia, inaugurates the Gulshan branch of the bank at 94, Gulshan Avenue in the city yesterday. Managing Director Quazi Baharul Islam and other members of the Board of Directors are also seen in the picture. —Bank Asia photo

## Local expertise yields positive results in banking reforms

BB supervision improves, says Dy Governor

The initiative to carry out banking sector reforms under the guidance of local experts yielded much more positive results than the reforms programme of 1991-95 as prescribed by the foreign experts.

Bangladesh Bank Deputy Governor Ibrahim Khaled told BSS yesterday that even after the conclusion of the World Bank's Banking Sector Reforms programme in '95, the desired level of performance in banking sector could not be attained.

The government of Awami League after coming to power decided to form a national level body for banking sector reforms with veteran bankers while making Dr Wahiduddin Mahmud as its chief. The government's target was to derive

suggestions from the local experts to overcome the pressing crisis that existed for long in the country's both nationalised and private commercial banks.

Khaled said the banking reforms measures suggested by the foreign experts could only introduce a standard method of classifying the bank loans and fixation of bank loan interest but they failed to achieve the desired level of success in improving the overall performance of the banks.

The deputy governor of the central bank said actually the foreign reformers were not much successful in identifying the real problems which had been hampering the process of improving the quality of performance of the banks.

Pointing out one of the major achievements of the local experts, Khaled said supervision of the commercial banks by the central bank and enforcement of financial discipline have improved.

As a result, he said, proportion of classified non-performing loans in local private banks declined from 45 per cent in December 1994 to 26 per cent in December 1999 on a gross basis and 13 per cent on net of provision basis. However, he said in the nationalised commercial banks, scenario has to be improved more where the classified loan has declined to 40 per cent on a gross basis and 33 per cent on a net basis as of December 1999. Insiders' lending has been drastically curtailed and

political or non-economic influence on sanction of loans has become a matter of the past.

Meanwhile, official sources said amendments have been initiated to the Bank Companies Act, 1991 and the Financial Institution Act, 1993 to withdraw the prohibition for a Director of a financial institution or insurance company to become Director of a bank or company. Amendment to the Negotiable Instruments Act, 1881 to increase the amount of penalty for bounded cheques and enactment of a new Bank Deposit Insurance Act to provide for more securities to the depositors are in the final stage. Prudential regulation and supervision have been considerably strengthened.

## Lack of cyber, patent rules may stymie e-trade in Bangladesh

Ex-BCS president says at Daffodil portal launching

Star Business Report

Former Bangladesh Computer Society (BCS) President Mustafa Jabbar yesterday said lack of cyber laws, intellectual property rights and patent rules may hinder the growth of the potential e-business in Bangladesh.

He said the country had already missed the data entry market and it is also not doing that well in software exports.

"Now we are thinking of earning billions of dollars through e-business," said Mustafa Jabbar at the launching programme of an e-commerce site by Daffodil Computers Ltd.

"Our information technology (IT) dreams didn't materialise due to lack of proper policy support from the government," said Jabbar.

"For attaining the objectives, we have to change the regulations," he said, adding "even

after enactment and amendments to the laws, we will have to ensure their implementation for boosting e-business and software exports from the country."

He recognised the government's support to the IT sector by making import of computer hardware duty-free. But he observed that a lot more needed to be done. "We need laws for the acceptance of digital signatures and online banking to facilitate e-commerce, or else dot.com enterprises may meet untimely death due to lack of legal framework."

Speaking on the occasion, BCS President Abdullah H Kafi said that the computer dealers never wanted any financial support from the government, they rather seek policy and infrastructure support.

Kafi said that the proposed

budget did not allocate funds for an IT park or submarine cable, which are the urgent needs of the time.

He also called for immediate enactment of copyright laws for retaining ownership of various e-commerce sites. "In the absence of such laws, anyone can claim the ownership of the portals."

Earlier, Daffodil Computers Ltd. Managing Director Sabur Khan explained its new e-commerce site that provides online shopping facility for computers and other products.

He said that using the online portal, a visitor can also get access to all sorts of information starting from medical goods to information on garments and education. Using a shopping cart, one will be able to visit the site at [www.daffodilonline.com](http://www.daffodilonline.com) and go shopping.

"A shopping cart has been designed just like a shopping basket used for collecting goods at a shopping mall. The visitor can choose his desired products from an array of pages and add those to the shopping cart, which is pretty similar to collecting products from the racks of a shop," the MD said.

He said that after finishing his shopping, a visitor can see the chosen goods and the total bill in a list. Depending on the capacity of his wallet, he can add or eliminate any item to or from the shopping cart. After making the final decision, the visitor can pay the bill with cheque or credit card.

The portal will also provide information on the day's events like fairs and seminars. It will also come up with information on tourist resorts in Bangladesh.

## ADB okays new microfinance strategy for Asia-Pacific

Bid offers poor access to institutional services

Star Business Report

The Asian Development Bank (ADB) has approved a Microfinance Development Strategy which aims at ensuring permanent access to institutional financial services for the most poor people and their small businesses in Asia and the Pacific, says a press release of the bank issued in the city yesterday.

Microfinance includes a broad range of services such as deposits, loans, money transfers, and insurance to the poor and low-income households and their microenterprises.

ADB said despite the rapid growth in microfinance over the last two decades, about 95 per cent of the 180 million poor households in the region still lack access to institutional financial services. Most of the rural poor are subsistence

farmers of agricultural laborers. Many others, especially women, are involved in a variety of microenterprises.

Most financial institutions do not serve the poor because of perceived high risks, high costs involved in small transactions, and the inability of the poor to provide collateral for loans, the release observed.

Yet providing the poor with an improved ability to save and better access to credit and insurance helps them manage risks, build assets, increase income and enjoy a better life.

"ADB has financed microfinance projects in the past but provided this assistance without a well-defined strategy and, as a result, has not been able to harness the full potential of microfinance for poverty reduction," says Jan van Heeswijk.

Chairman of ADB task force on Microfinance.

"Microfinance used to be the domain of donors and experimental credit projects — but it has evolved into an industry. This strategy will help us to be more effective and consistent in meeting the diverse requirements of this sector," he said.

Given the huge amount of resources needed to improve the living conditions of over 900 million poor people in the region, the ADB and other agencies cannot meet the demand individually or as a group. Thus, ADB will play a catalytic role and focus on expanding the supply of microfinance and strengthening the capacity of clients to access the services.

To play this catalytic role effectively, ADB will help to provide and leverage its assistance

to bring about policy reforms essential for developing microfinance; develop critical financial infrastructure; build up microfinance institutions, and help the poor become more aware of, and use, microfinance services.

In many countries, the lack of an enabling policy environment is a major constraint for developing microfinance. The ADB will push to reform microfinance interest rates and to expand the range of microfinance institutions, including the private sector to play a more active role.

To strengthen the financial infrastructure and reduce systemic risk, ADB will help improve legal and regulatory systems as well as strengthen information systems and training facilities.

### Dhaka to get \$18m IDB loan

### Public Works Retender Notice

Tender Notice No-54/(1999-2000)

Sealed retender in Bangladesh Form No 2911 is invited from Special Class 1 under Public Works Department/Class 1 (combined), Class 1 approved and enlisted (building) contractors/contractor firm, Class II approved and enlisted (building) contractors/contractor firms under Public Works Rajshahi Zone, Rajshahi and Class III approved and enlisted (building) contractor/contractor firms under Public Works Circle, Rangpur for the undermentioned work. Tender will be received in all the offices of Executive Engineers, Public Works Division, under Public Works Circle, Rangpur including the office of the undersigned till 28/06/2000 at 12.00 noon and will be opened the same day at 12-15 PM before the tenderer's present.

Name of work : Construction work of boundary wall of Tetulia Thana Fire Station and Civil Defence under Panchagarh Public Works Division during 1999-2000 fiscal year.

Estimated cost : Taka 9,57,878/-  
Earnest money : Taka 19,158/-

Paper related to tender can be purchased and seen on all working days during office hours till 27/06/2000 in all the divisional offices of the Executive Engineers under Public Works Circle, Rangpur and Sub-divisional Engineers, Public Works Sub-division (Civil/E/M), Panchagarh. The lottery of the said work will be held on 19/07/2000 at 12.00 noon in the office of the undersigned.

**Md Mizanul Karim**  
Executive Engineer  
Panchagarh Public Works Division  
Panchagarh

DFP-15196-13/6  
G-1189

## Trade deficit with India up by \$ 302m in '98-99: Jalil

per cent to 100 per cent to that effect.

The commerce minister was replying to a question from Begum Tahura Ali of women seat-15 at the Jatiya Sangsad. He said India has so far allowed Bangladesh 2,014 items for exemption from customs duty.

Besides, India has withdrawn non-tariff barriers from 2,000 items," the minister said, adding "the fourth round of meeting on trade liberalisation will soon take place hopefully to expand regional trade area under the SAPTA agreement."

Jalil said the pre-fixed rules of business of the SAPTA agreement has already been relaxed under the initiative of Bangladesh that helped revise local value addition of LDC's export goods from 40 per cent to 30 per cent.

An initiative for signing "agreement on the promotion and protection of investment" has also been undertaken side by side coordinating the rules on removing double taxation and customs among the SAARC countries, he added.

Besides, he said, the SAARC countries have already formed a Committee of Export (COE) for SAFTA (South Asian Free Trade Area).

The draft of the "Treaty on SAFTA" prepared by the SAARC secretariat is now under active consideration of the SAARC countries, he said. Jalil yesterday informed the

Jatiya Sangsad that goods worth US dollar 5313 million were exported abroad in the last fiscal year.

Replying to a question from Fazlul Azim (BNP-Noakhali) which was earlier tabled in the house the minister said that the Bangladesh missions abroad work for the expansion of trade and commerce. He said the missions operate in 140 different countries for boosting export from Bangladesh of various items including readymade garments, jute and jute goods, frozen fish, leather, chemical fertilizer, tea, agriculture products, handicrafts and petroleum by-products.

Jalil further said that Bangladesh has 17 trade missions abroad. The missions are located in Belgium, China, Japan, South Africa, Switzerland, United Kingdom, United States, Australia, India, Iran, Russia, Spain, United Arab Emirates (UAE), Sri Lanka, Canada and Malaysia. He said there are two trade missions in New Delhi and Calcutta in India.

The minister said that all activities relating to trade missions are managed by the country's missions abroad.

Replying to another question, the commerce minister said that Bangladesh trade export to Bhutan is very limited. He said that an exhibition of Bangladesh goods was organised in Bhutan with a view to expanding Bangladesh's market there.

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FOR DETAILS PLEASE CONTACT  
Md. Rezaul Rahman, Program Specialist, CENCE at  
**BUSINESS ADVISORY SERVICES CENTER (BASC)**  
House # 91, Road # 12/A, Dhanmondi, Dhaka-1209  
(opposite Star Kebab and beside Abahani Ground)  
Phones: 8112467, 8110693-4, 9125079, 9112641  
E-mail: [basc@bangla.net](mailto:basc@bangla.net) Fax: 880-2-8113305

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