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The Daily Star BUSINESS

DHAKA, SATURDAY, AUGUST 12, 2000

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Meghna Ins reconstitutes its board

The third annual general meeting of Meghna Insurance Company Limited was held at the head office of the company on Monday, says a press release.

Zaglur Rahman Khan, Chairman of the Board of Directors of the company, presided over the meeting. Ahsan Karim Jinnah, Vice-Chairman, Nazrul Islam Khan, Managing Director, directors and shareholders were also present.

Zaglur Rahman Khan and Ahsan Karim Jinnah was re-elected Chairman and Vice-Chairman respectively at the company's Board meeting held on the same day.

The members of the newly-constituted Board of Directors of the company are Zaglur Rahman Khan, Ahsan Karim Jinnah, Abu Taleb Chowdhury, Mr Mohammad Enayeturrahman, Mr Md Azizul Haque, Ms Marina Sultana, Mohsina Rahman, Sadat Khan, MA Hashem and Col (Retd) Md Abdul Matin, Ndu, PSC.

TechBangla team visits InTech Online

A delegation of TechBangla, a technology transfer group comprising expatriate Bangladeshi technology professionals, visited the office of InTech Online Limited (IOL) - a new generation ISP - on Thursday, says a press release.

Anir Chowdhury, Secretary, TechBangla, and Md Mostaqur Rahman, Chairman, IOL, held a discussion where Quazi Akhlaque Rahman, CEO, and Atanu Nath, Systems Administrator of IOL, were present. On behalf of TechBangla, Dr Ananya Rahman, TMD Nurul Kabir, and Mridul Chowdhury took part in the discussion.

The discussion addressed avenues and modalities of infrastructure development in the IT sector in Bangladesh, specially the problems and opportunities regarding expansion of e-commerce in the banking sector and targeted areas.

Myanmar kyat hits all-time low in black market

YANGON, Aug 11: Myanmar's kyat currency hit an all-time low Thursday in black market trading, adding to woes facing the moribund economy, reports AP.

Dealers said the exchange rate in Yangon had slipped to 394 kyat to the US dollar, compared with 385 kyat at the end of last week, when it breached a two-year low.

The currency, which is not exchangeable overseas, started the year at 320 kyat to the dollar, then suffered a sudden drop after government servants were given a fivefold pay raise in March.

Dealers suspected that weakness was compounded more recently by a decline in the value of the baht currency in neighboring Thailand.

Banks now free from political influence, says BB gov

Kibria blasts NCBs for huge classified loans

Noted bankers at a conference in the city Thursday said the country's banks are now completely free from political influence which existed during the past regimes and was responsible for bringing indiscipline in the banking sector, says BSS.

Such a bad practice was introduced in the past to favour a vested quarter, they said while addressing the half-yearly conference of Sonali Bank.

Governor of Bangladesh Bank Dr. Mohammad Farashuddin, Chairman of the Sonali Bank Board of Directors Mohammad Ali and Managing Director Enamul Huq Chowdhury spoke at the conference.

"The government will not allow any political influence on banks. If any political pressure comes, I will stand by the bank authorities to check such bad practices," Dr. Farashuddin said.

He put emphasis on ensuring accountability in the banks, developing human resources and introducing technology. The governor said these are the imperatives to help banks contribute to the socio-economic development of the country.

Finance Minister Shah AMS Kibria, who attended the conference as chief guest, expressed his grave doubts as to whether the nationalised commercial banks will sustain in business if their outdated services do not improve.

"Your monopoly is over and now it's the buyers' market," he told senior executives of Sonali Bank, pointing to the growing business of private and foreign banks who are offering packages of new services suiting the modern-day needs.

The minister lambasted the NCBs for their huge classified loans and clumsy lending proce-

dures that rendered many industries non-viable just for want of timely working capital.

He suggested that the state-sector banks should write off old and unrecoverable loans.

He harshly reprimanded the NCBs as their trade financing even turned classified, which he said is ridiculous to foreign bankers.

"This is no longer acceptable... Playing with the depositors' money can't be allowed anymore," he warned.

Referring to the central bank's findings that banks are involved in unauthorised hundi transactions, Kibria warned the bankers of 'criminal actions' if such involvement, direct or indirect, is proved.

"Actions will not be limited to mere transfer or job suspension," he observed that NCBs are still in business just because of people's

faith in government banks.

Dr. Farashuddin lauded the role of Sonali Bank in realising loans from defaulters, but asked what measures the bank authority had taken against those responsible for introducing default culture in the sector.

He said the increase of deposit in the bank is a positive sign, but this will not bring any good if the deposited money is not invested.

He urged the bank authorities to provide money for investment and said there is a bright prospect for investment in the agro-based project and information technology (IT) sector.

Mohammad Ali called for improving the management skills, quality of services and efficiency of those involved in the bank.

He said the increase of deposit in the bank is good, but not enough.



Finance Minister Shah AMS Kibria addresses as chief guest the Half-yearly Conference-2000 of Sonali Bank held at a local hotel Thursday. Bank Chairman Muhammed Ali, Managing Director M Enamul Huq Chowdhury and Director Kushi Kabir were also present.

China's real estate market shows economy surging

SHANGHAI, Aug 11: China's property market has emerged from a slump, with the country's economic recovery laying the foundation for a turnaround in the long-dormant sector, industry officials and analysts said today, reports Reuters.

Skyscrapers and industrial parks from Shanghai to Beijing are seeing rents rise after years of languishing, half empty, with demand fuelled by new high-tech start-ups and foreign firms seeking a foothold ahead of China's WTO entry, analysts said.

Shanghai's office rentals increased three per cent between March and June, the first quarterly increase in five years,

according to a report by one property analyst. Beijing's office rents shot up 45 per cent year on year in July, another said.

Residential sales and prices have also firmed as Chinese snap up apartments, encouraged in part by government incentives for private home ownership, analysts said. Some listed corporations are seeing the impact of housing sales on their bottom lines.

"It's impacted by the economy that we are sitting on," said Tim Bellman, national director of research and consultancy for north Asia at property firm Jones Lang LaSalle in Hong Kong.

China's economy grew 8.2 per

cent in the first half of 2000 and Beijing expects to meet its the year's 7.0 per cent target.

"For the big cities Beijing, Shanghai, Hong Kong and Guangzhou we see very strong demand (for office rent) in the first six months of this year and some of those cities in the last three months of last year," Bellman said.

Rents for top office space in Shanghai averaged \$17 per square metre per month, a rise from the previous quarter, although still 75.7 per cent lower than the market peak of 1995, Cushman & Wakefield said in its latest report.



Jayson Agrovet Ltd organised a seminar for the commercial poultry and hatchery farm owners on mineral, vitamin premix, liquid vitamins, enzyme and MFA at a city hotel on Monday. Dr Wolfgang Spring of F Hoffmann Roche was the main speaker while Md Salimullah, Chairman of Jayson Group, presided over the seminar.

RAKUB to disburse Tk 420cr

Rajshahi Krishi Unnayan Bank (RAKUB) has taken a massive programme for disbursing Tk 420 crore agricultural loan and recovery of Taka 420 crore through its 301 branches in 16 north-western districts under Rajshahi division during the current financial year, says a press release.

The bank management has decided to open 30 new branches and fixed the target for deposit collection of Taka 12 crore during the 2000-2001 fiscal year.

RAKUB has allocated Tk 250 crore for crop sector, Tk 4 crore for fish culture, Tk 27 crore for livestock, Tk 8 crore for irrigation equipment and farm machinery, Tk 40 crore for agro-based industries, Tk 30 crore for continuous loan, Tk 27 crore for poverty alleviation and Tk 34 crore for other sectors.

It has identified seven priority sectors to disburse loans in the interest of equitable socio-economic development of all the corners of the bank's operational jurisdiction.

The bank authority has instructed the field-level officers to achieve 60 per cent of the target within the first six months of the year.

RAKUB has adopted a number of measures to bring dynamism in lending activities of the 5-year investment scheme of the bank's reforms programme. The measures include encouraging commercial farming, using advanced agricultural technologies, establishing hatcheries for promoting the activities of fisheries and livestock sectors, identifying the regularly repaying borrowers as registered graduates and giving importance to them by providing special services.

Creditor, Hyundai launch talks on rescue steps

SEOUL, Aug 11: The main creditor bank of South Korea's Hyundai Group said today it had launched negotiations with the embattled conglomerate on the contents of a self-rescue package to ease Hyundai's liquidity crisis, says AFP.

"The negotiations were kicked off on Thursday afternoon," a spokesman for Korea Exchange Bank (KEB) said.

A KEB manager in charge of corporate lending to Hyundai and a Hyundai executive for financing led the intensive talks.

KEB urged Hyundai to present concrete plans by August 19 to rescue the group's flagship, Hyundai Engineering and Construction Co., whose debt crisis threatens to engulf other units of the country's largest conglomerate.

"We are not currently talking about improving corporate governance or spin-offs because Hyundai needs to discuss with the (government) Fair Trade Commission on these issues," the KEB spokesman told AFP.

A spokesman for the Hyundai Group said the government and creditors want it to include ways to improve corporate governance and to break the group into independent sub-groups when the group unveils a new self-rehabilitation plan.

The government-influenced creditor banks also demanded that Hyundai's founder and patriarch, Chung Ju-Yung, sell his holdings in Hyundai Motor, South Korea's largest automaker, and use the money to help save the construction unit.

But they apparently backed

away from demands that Chung Mong-Koo, a son of Chung Ju-Yung, resign as chairman of Hyundai Motor following a meeting between economic ministers and KEB President Kim Kyung-Lim on Thursday.

KEB Vice President Lee Youn-Soo told journalists the talks will discuss measures to raise funds to improve the finances of Hyundai Engineering and Construction, including the sale of its holdings in other units.

With its holdings in other Hyundai units, Hyundai Engineering and Construction acts like a holding company for the unwieldy Hyundai empire.

Hyundai Engineering and Construction is considering selling its

6.9 per cent holdings in Hyundai Heavy Industries Co. and another construction unit. With the world's largest shipyard, Hyundai Heavy Industries has been considered a cash cow for the whole group and the sale of its shares by Hyundai Engineering and Construction is expected to speed up the separation of the shipbuilding company from the group.

KEB, however, wants Hyundai Engineering and Construction to do more, demanding it dispose of its holdings in Hyundai Merchant Maritime Co. as well. This shipbuilding company, in turn, has a large stake in the group's semiconductor unit, Hyundai Electronics.



Picture shows Abu Hanif Khan, Joint Managing Director of Arab Bangladesh Bank Limited, holding a meeting with the branch chiefs of Chittagong during his visit to the region on Saturday. On his left is Ekram Hussain, Senior Vice President of the Chittagong region.



Tender Notice

Sealed tenders vide this office Memo No. H.V. S/stn./DESA/HI-404/2000/1041 dt. 06/8/2000 are invited in the Form No. T-1 from Dhaka Electric Supply Authority's (DESA) enlisted "A" & "B" class electrical contractors having past experience of such work for the undermentioned works.

Group no.	Name of work	Earnest money	Cost of tender document
a)	Maintenance of Transformer at Monipur (West) 11 KV Feeders under O&M Division, Tejgaon.	2.5%.	700/-.
b)	Rehabilitation of 11/0.4 KV Distribution Transformer under Madhubagh 11 KV Feeder under O&M Division, Tejgaon.	2.5%.	500/-.

Interested contractors can obtain necessary tender documents during normal office hours on all working days up to 09/9/2000 from the following offices on payment Tk 700/- (seven hundred) only for the work -- a & Tk. 500/- (five hundred) only for the work -- b (non-refundable) in the form Pay Order/Bank Draft in favour of "Addl. Director, RAO, DESA" after obtaining written permission from respective offices on showing documentary evidence of their valid enlistment and allied papers.

(i) Addl. Chief Engineer (P&D) & Project Director, Greater Dhaka Power Distribution Project, DESA, House No.-47, Road No.-135, Gulshan-1, Dhaka, (ii) Superintending Engineer (E&I), DESA, House No.-47, Road No.-135, Gulshan-1, Dhaka, (iii) The Divisional Commissioner, Dhaka Division, 1st 12 Storied Bldg., Segunbagicha, Dhaka (only for group-A), (iv) Secretary, Dhaka Electric Supply Authority, 1-Abdul Gani Road, Dhaka-1000, (v) XEN, H.V. Sub-Station Division/Distribution Lines Division/HV Lines Division/Civil Works Division, House No.-47, Road No.-135, Gulshan-1, Dhaka and (vi) Manager, Janata Bank, Gulshan Circle-1 Branch, Dhaka.

Tender will be received by the abovementioned offices up to 12.00 Noon on 10/9/2000. No tender will be accepted beyond this time. Tenders will be opened at 12.30 PM on the same day in the presence of the tenderers, if any. The authority reserves the right to accept or reject any or all the tenders without assigning any reason thereof. No tender will be received by post. Tender not complying with the stipulated conditions shall be treated as non-responsive, and will be summarily rejected.

Executive Engineer
HV Sub-Station Division
Dhaka Electric Supply Authority
Road No.135, House No- 47
Gulshan, Dhaka.

DFP-19316-8/8
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Africa's growth depends on reversing capital flight

UNITED NATIONS, Aug 11: Africa must focus on reversing the flight of capital rather than on aid if it is to achieve the UN target of halving poverty by 2015, the head of the UN Development Programme (UNDP) said, reports AFP.

"Aid is an important issue, but it is subordinate to the real issue of domestic capital formation and investment," Mark Malloch Brown said.

This required "a vision of governance" to encourage "the rule of law, a strong banking system, and a stable business environment," he added in an interview with AFP.

Last month, the UN Confer-

ence on Trade and Development (UNCTAD) called for a doubling of official financing to sub-Saharan Africa, from 10 billion dollars a year to 20 billion.

It said this was "the only feasible way to end aid dependence" and to sustain rapid growth for long enough to allow domestic savings and external private flows to gradually replace official aid.

People bemoan the lack of foreign investment in Africa and they are right to do so," Malloch Brown said, "but I also bemoan the astonishingly high rates of capital flight."

UNCTAD indicated that net capital outflows from Africa more

than doubled between the 1980s and the 1990s.

A study of 16 countries showed that on average for each net dollar of inflow between 1980 and 1989, there was an outflow of 9.5 cents, and that this surged to 23.5 cents in the ensuing decade.

It was essential to reverse that trend "because once that happens, foreign investment will follow," Malloch Brown said.

This meant creating bond and equity markets, strengthening the banking sector to "get private savings out from under the pillow and transforming them into usable capital to grow the domestic private sector," he said.



A memorandum of understanding (MOU) was signed in Dhaka on Thursday between BRAC and five local NGOs of Noakhali and Chittagong for implementation of Tk 3.42 crore 'Char Development and Settlement Project'. Aminul Alam, Deputy Executive Director of BRAC (3rd from right), and leaders of the NGOs signed the MOU.

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Do you have business problems? Write to us at: Saturday Business Solutions The Daily Star 19, Kawan Bazar Dhaka, Bangladesh email: dstar@bangla.net

Q&A

Sarwar Ahmed, MBA (sarwar@asia.com) hosts this column. He heads a business sector of a multinational company in Bangladesh.

The Daily Star introduces a new business solution column which will appear every Saturday. While running your business, you come across problems and wish someone would help. This column will provide you with possible insights to solve your problems.

Pay-day trauma
Q: A major problem in the garments sector is 'pay-day'. The day after pay-day, some of our good skilled workers disappear - usually for a higher salary offered by another garment factory. How can we stop this?

A: People don't leave jobs only for money. A highly skilled production supervisor of our plant was offered a job by another MNC, qu-

drupling his salary. Imagine the worker's quandary - how could he pass this offer? He was literally torn to mental pieces. At the end of the day, he mustered his courage and spoke to our Plant Manager. The Plant Manager advised him to think it over and make the decision.

The next morning, he came and told the Plant Manager - he was staying. What made him stay? In his own words - it's the work environment in our Plant.

Garment production is no easy job. People do not switch jobs for the extra 100 taka offered. What are you doing to improve their work environment?

Let me share a unique experience. Salfuddin owns a garments factory. He realized that illiteracy was a drag on productivity as he had to employ literate helpers to help the illiterate in stitching garments.

He has begun a literacy program. He has volunteered an extra half an hour for literacy after their lunch break. The literate are now teaching the illiterate during this half an hour break.

Within two weeks, the whole environment in the factory has changed. There is an air of excitement as the groups are fast learning their letters and numbers and productivity has increased. The dreaded day after pay day came. Twenty one employees did not turn up. Skeptics smirked at the 'education' program. The next day 11 returned, much to his relief.

So, build a work environment, a culture that will retain your people. Treat them well, they will treat you well. It's mutual.