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The Daily Star BUSINESS

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ITEXPO 2000 opens in city Aug 22

Star Business Report
The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC) of India in association with the Indian High Commission, Dhaka, will hold the first-ever and largest show cum buyer-seller exposition of Indian synthetic and blended textile items in Bangladesh. The show, ITEXPO-2000, will be held at Dhaka Sheraton Hotel from August 22 to 24, says a press release.

31 member companies of SRTEPC will display their latest range of synthetic, rayon and blended textile items including polyester yarn. Representatives of the companies will also be present at the exhibition to talk business with the buyers.

This will be for the first time a unique opportunity for Bangladesh textile buyers, manufacturers, garment producers, wholesalers, and dealers to see for themselves the entire range of Indian synthetic, rayon and blended textile items under one roof, meet leading Indian textile manufacturers and exporters and win profitable business deals, "the release added.

The exposition will be managed by Conference and Exhibition Management Services (CEMS).

Amadeus Awards top agents

Amadeus, one of the world's largest and most-advanced computerised reservation systems, awarded its top-performing agents for the first time at a special function held at a city hotel, says a press release.

Over the years, Amadeus has built a significant reputation of honouring its esteemed agents. In keeping with this tradition, Ankur Bhatia, Director, Amadeus Indian Subcontinent, and Mustafa Kemal, Country Manager, gave away the awards to Royal Aviation Services Ltd, Victory Travels Ltd, Air Trip International Ltd, Versatile Travels & Tours Ltd, Aero Ways Ltd, The Travel Channel, Vantage Tours & Travels Ltd, Kazi Air International, Air Victory Pvt Ltd and Majestic Travel International.

Speaking on the occasion, Ankur Bhatia said, "These awards are presented each year for consistently encouraging the performance of the agents. This is just one way of expressing our gratitude to our esteemed agents for choosing us as their CRS."

The awards are an ongoing endeavour on Amadeus' part to expose the subcontinent's travel industry and traditional travel agents to global developments and the infinite opportunities arising thereof.

Amadeus is a leading global distribution system and technology provider serving the marketing, sales and distribution needs of the world's travel and tourism industries.

Japan bankruptcy debt reaches record

TOKYO, Aug 14: Total debt owed by Japan's growing ranks of bankrupt firms hit a post-war high last month after the collapse of department store chain Sogo Co, credit research firm Teikoku Databank said today, predicting more failures ahead, says Reuters.

The number of Japanese corporate bankruptcies rose for the ninth straight month, climbing 21.4 per cent year-on-year to 1,617 cases in July, Teikoku Databank said in a monthly report.

Total debt held by firms that went bust more than tripled from a year earlier to 4.26 trillion yen (\$39.21 billion) in July, thanks largely to Sogo's 824.3 T yen Japan's second biggest corporate bankruptcy with 1.87 trillion yen in liabilities.

Sogo accounted for 68.5 per cent of July's bankruptcy debt figure. The retailer's group debt including debts made between Sogo group firms -- totalled 2.92 trillion yen, Teikoku said.

"We believe corporate bankruptcies will increase at a near worst-ever pace in the nation's post-war history," it said.

The Bank of Japan's first interest rate hike in a decade, pushing its key overnight rate on Friday to 0.25 per cent from virtually zero -- is expected to raise the interest burden on firms still saddled with massive debts, a move analysts said could lead to more bankruptcies in coming months.

The previous bankruptcy debt record was marked in March last year when debt totalled 3.18 trillion yen.

Sogo was the eighth listed Japanese company to collapse so far this year, raising fears that more major bankruptcies -- especially among long-troubled builders and retailers -- could be triggered by heavy debt-laden around the corner.

With persistent falls in domestic consumption and public investment, an increasing number of firms are struggling with faltering financial health, overwhelming any restructuring benefits, Teikoku said.

Dhaka business' rare chance to meet world celebrity

Sonargaon Hotel announces 'Business Without Borders'

Star Business Report

The Pan Pacific Sonargaon Hotel yesterday announced an annual event called 'Business Without Borders', which will introduce one internationally-acclaimed personality to Dhaka's business community.

The first of these events will be held next month where Orvel Ray Wilson, President of the renowned US consulting firm Guerrilla Group, will be presented as this year's guest speaker. General Manager of Sonargaon Hotel Hans G. Winsnes told newsmen yesterday.

"The presentation of high-profile people like former presidents or prime ministers from

countries all over the world, will have a very positive impact on the business community here," he said.

As part of the programme, a two-day conference will be organised on September 21 and 22 at the hotel.

The Guerrilla Group, of which Wilson is the president, offers a wide range of programming on sales, marketing, management, and negotiation tactics to help businesses develop their full potentials.

"Company decision-makers are our target groups. The first day of the two-day conference

will be designed for some 150 senior company executives. Besides, around 400 sales and marketing associates and students will attend it on its second day," said Hans G. Winsnes.

"By participating in the conference, decision-makers of the companies will get an excellent chance to successfully implement their future programmes," he added.

Senior company executives will have to pay Tk 10,000 whereas sales and marketing associates and students will be charged Tk 2,300 for participating in the conference. "The

event will introduce the changing global business standards, expectations and excellent networking opportunities at our doorstep," G. Winsnes said.

Apart from Sonargaon Hotel, other sponsors of the event include British Airways, Foreign Investors' Chamber of Commerce and Industry (FICCI), American Chamber of Commerce in Bangladesh (AmCham), Social Marketing Company (SMC), Gramscian Phone, Concord Construction, Standard Chartered Bank and Development Design Consultant.

High share floatation costs, low incentives keep cos at bay

By M Shamsur Rahman

High costs for both going and remaining a public limited company discourage many companies from floatating their shares in the capital market.

These companies now feel that the government should provide the publicly-traded companies with more incentives so that more and more firms can come to the market, meeting the huge unmet demand for shares.

A huge portion of the costs of the public limited companies go into maintaining their separate departments and overseeing share transactions, according

to industry sources.

There are around 240 listed securities in the market now, but an investor will find only a few companies giving regular returns, highlighting the urgent need for increasing the number of investible securities all the more.

But most companies prefer to stay away from share floatation, as raising funds from the market will mean compliance with a number of regulations and extra expenses to ensure business transparency to the general stakeholders.

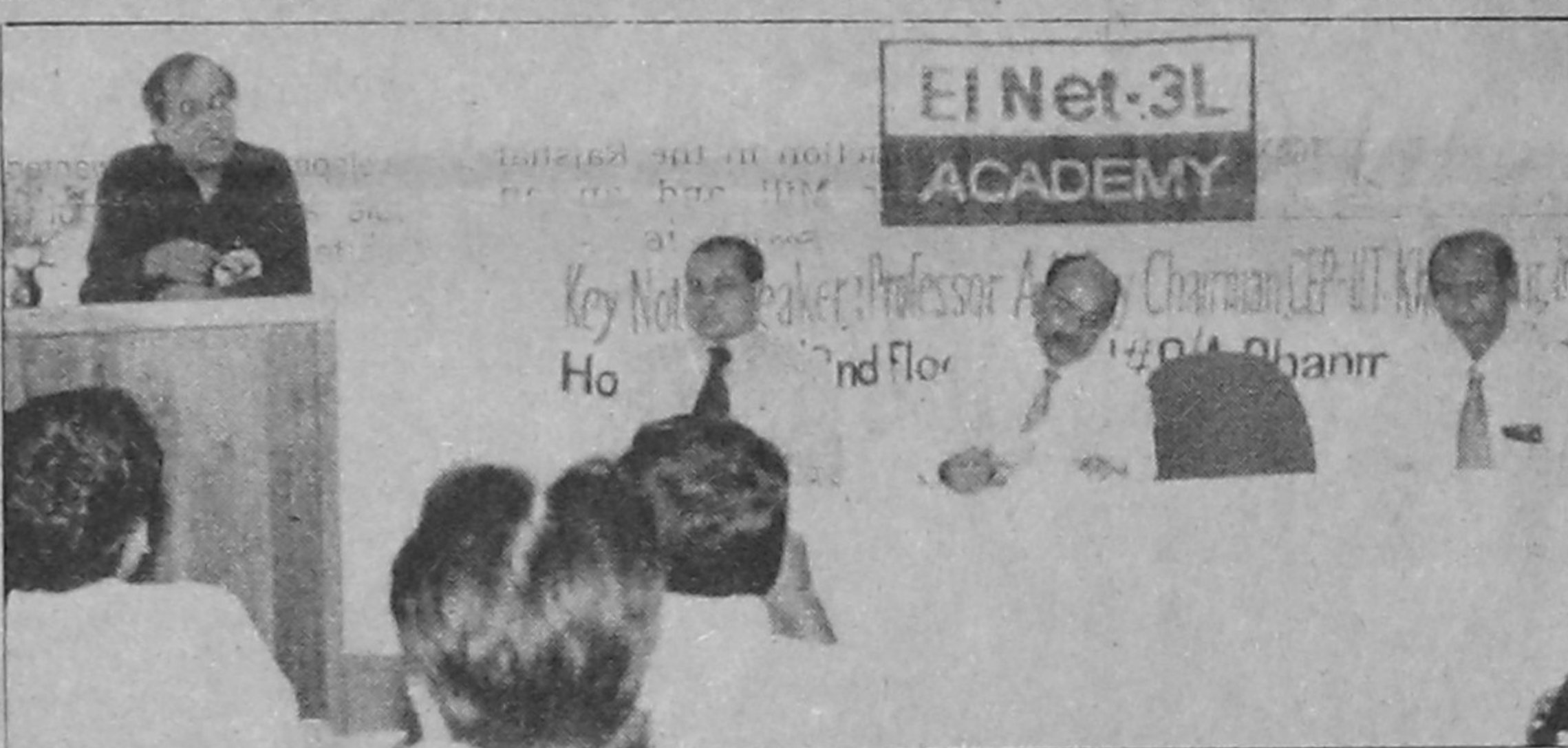
Among many other things, a company has to report its half-

yearly performance, pay listing fees, maintain a full-fledged share department and attach Tk 20 stamp duty for every share certificate.

So most of the companies, which fail to raise debts from banking channel, try to raise money through equity.

There should be more incentives for such companies, so that they feel encouraged to take on the share floatation hassles.

Many say that big margin tax rebate for the listed companies will lure good companies into floating shares and getting listed with the bourses.



Prof Ray, Chairman of CET, IIT Kharagpur (fourth from right), speaks at a news conference arranged on the occasion of the inauguration of El Net-3L at Dhanmondi in the city yesterday also seen are (from right) MA Majid, Chairman, BSM Technologies Ltd, Indrajit Singh, President, El Net-3L Academy and GR Khan, Managing Director, BSM Technologies Ltd. — El Net-3L photo

India allows private firms in long-distance phone sector Industry officials see 20-25pc tariff cuts

NEW DELHI, Aug 14: Indian industry cheered today a government decision to open up domestic long-distance telephone services to private firms and forecast an imminent slashing of calling rates, reports AFP.

"It is a very welcome decision by the government. There will be competition and domestic long-distance rates are bound to come down," said Dilip Chenoy, senior director of the Confederation of Indian Industry.

The government announced Sunday there would be no limit on the number of private operators allowed in the sector, but stipulated an entry fee of one billion rupees (30 million dol-

lars) and a bank guarantee of four billion rupees for each firm.

The private long-distance operators, who will be allowed a foreign equity ceiling of 49 per cent, will also need a minimum paid up capital of 2.5 billion rupees.

Chenoy said the guidelines provided a "transparent policy" and would not burden operators with procedural hassles such as licence fees.

In lieu of licence payments, each firm will be required to pay a 15 per cent share of total revenue.

Until now, long distance telephone services in India have been controlled by the state-owned Department of

Telecommunication -- a monopoly which resulted in long-distance calls being amongst the most expensive in the world.

Industry officials expect tariffs to be reduced by at least 25 per cent as soon as the private firms enter the sector.

Private firms have also been permitted to set up long-distance Internet networks, in which up to 100 per cent foreign equity will be permitted.

The decision, along with a recent move to allow undersea submarine cables for connecting to international Internet traffic, should significantly ease a huge shortage of Internet bandwidth in India.

Weekly Asian Currency

Yen recovers on interest rate policy change

HONG KONG, Aug 14: The Bank of Japan's decision to end its zero interest rate policy recouped losses the yen had made earlier in the week, but the move came too late to affect other markets significantly, says AFP.

Japanese yen: The yen regained its earlier losses as the Bank of Japan scrapped the country's zero interest rate policy, dealers said.

The Japanese unit traded at 108.59 against the dollar late Friday, compared with 108.38 a week earlier.

The yen opened lower during the week against the dollar as

short-term traders bought the greenback, which was supported by soft US employment data, dealers said.

But the yen recovered gradually with speculation growing that the Bank of Japan would scrap its zero interest rate policy later in the day.

Singapore dollar: The Singapore dollar rose to 1.7137 against the US dollar on Friday from 1.7222 a week ago. Dealers said the Singapore unit was lifted by the government's revised full year growth forecast of 7.5-8.5 per cent on Thursday, up from 5.5-7.5 per cent previously.

Hong Kong Dollar: The Hong Kong dollar was trading slightly lower at 7.7992-7.8002 to the greenback, compared with the previous week's 7.7987-7.7993.

Indonesian rupiah: The rupiah strengthened, closing trade Friday at 8,335 to the dollar compared to 8,600 a week earlier. Dealers cited easing political tensions and declining local corporate demand for dollars.

Philippine peso: The peso fell to 44.895 pesos to the dollar on Friday from 44.63 pesos to the greenback on the previous week.

Rahimafrooz holds its dealers' convention

Rahimafrooz held its Dealers' Convention at a city hotel Friday with 145 dealers from all over Bangladesh taking part in it, says a press statement.

Feroz Rahim, CEO of Rahimafrooz Group, chaired the convention. The opening speech was given by Niaz Rahim, Chairman of Rahimafrooz Distribution Ltd, while future plans of the company was presented by GM Kawsar, the Vice President Marketing. The dealers' incentives were announced by Muddasir Murtuza Moin, General Manager, Rahimafrooz Batteries Ltd.

The evening concluded with raffle draw.

El Net-3L centre opens in city

An El Net-3L Centre has been opened at Dhanmondi in the city with a view to offer education and training on IT.

Chairman of CET IIT Kharagpur of India, Prof AK Ray, inaugurated the centre yesterday, says a press release.

The objective of El Net-3L is to provide quality education at affordable cost to the entire satisfaction of its students.

Prof Ray has designed and developed this novel system.

Speaking at a press conference on the occasion, Prof Ray said that the centre would not only provide much-needed training for the "already-employed" group of technical people, but also serve to educate a large body of unemployed manpower to meet the ever-increasing demands of trained technical manpower in the world.

Indrajit Singh, President, El Net-3L Academy, MA Majid, Chairman, and GR Khan, Managing Director of BSM Technologies Ltd (Affiliate of El Net-3L Study Centre) were present at the press conference.

Indrajit Singh said that El Net-3L started its operation in 1997 in India. Over the years, it has progressed from 2 centres in 1997 to 102 centres in August, 2000. Its first overseas centres have been set up in Bangladesh.

Industrial output grows 10 pc in Russia

MOSCOW, Aug 14: Industrial output grew by 10 per cent in the first seven months of 2000, Prime Minister Mikhail Kasanov told a government meeting Monday, reports AP.

The growth figure confirmed that Russia's economy remains strong after more than a year of growth that has been spurred by high prices for oil and natural gas, key Russian exports. Kasanov did not specify which sectors posted the strongest growth.

Russia's economy contracted for almost a decade before 1999. Recent economic growth has some analysts concerned about new inflation. Kasanov said the government would contain price rises by official decree if necessary.

Kasanov also said the government wants to reform the state railroad and electricity monopolies, but must make sure that higher energy or cargo transport prices also don't ignite inflation.

The government "must not make any unfounded decision on raising tariffs to avoid stimulating inflation, while it has to carry out the restructuring of two natural monopolies," Kasanov said.



The Rahimafrooz dealers' convention was held at Dhaka Sheraton Hotel Friday. Feroz Rahim, CEO of Rahimafrooz Group, chaired the convention. Muddasir Murtuza Moin, GM Kawsar, Vice-President Marketing, Ismail, Managing Director, Rahimafrooz Distribution Ltd, and Mesbah Murtuza Moin, General Manager, Rahimafrooz Batteries Ltd, were also present. — United photo.

Exchange Rates

Following are yesterday's Standard Chartered Bank foreign exchange rates (indicative) against the major currencies to Taka. Central bank buying and selling rate of USD:BDT 53.85/BDT 54.15.

Selling		Buying	
TT/OD	BC	TT clean	OD sight
54.2500	54.2800	53.8150	53.6464
49.5401	49.6270	47.7266	47.5432
82.0774	82.1194	80.2583	79.9918
32.5662	32.5907	29.5537	29.4612
0.5068	0.5069	0.4878	0.4866
31.7409	31.7654	31.0323	30.9378
5.8988	5.9040	5.7995	5.7819
36.8708	36.8953	35.9886	35.8950
6.9908	6.9921	6.8673	6.8496
32.177	32.1980	30.9940	30.9502
14.8919	14.9096	14.5023	14.5242
14.5799	14.5983	14.2402	14.2035

Selling		Buying	
TT Doc	30 Days	60 Days	90 Days
53.7041	53.7327	52.9304	52.4217
51.8688	51.8988	50.6303	

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TT Doc	30 Days	60 Days	90 Days
53.7041	53.7327	52.9304	52.4217
51.8688	51.8988	50.6303	

Market commentary
On Monday, trading was dull in the local foreign exchange market as the market is taking time to adjust to the new USD/BDT rates. The money market was stable.



The inauguration of the 2nd branch of Global Insurance Limited was held at Osman Court, Agrabad Commercial Area, Chittagong, on Sunday. The opening of the branch was followed by milad mahfil. Md Shahabuddin Alam, Adviser of the company, inaugurated the branch while Chairman Architect Mubasshar Hussain, other directors, Chief Adviser RA Howlader, managing director A R Bhuiya and a large number of guests from the industrial and business community attended the function. — Global Ins photo



M Khairul Alam, Managing Director of Eastern Bank Limited, addresses the Branch Managers and Officers of Chittagong during his recent visit to the region. On his right are Ahmed Ismet, Executive Vice President, and KS Nazmul Hasan, Head of HRD, and on left is Fakhrul Alam, Manager, Agrabad Branch. — EBL photo



The award-winning agents of Singapore Airlines pose with their prizes at a dinner held at a local hotel recently. — SIA photo

Current oil prices fair: Venezuelan President

TUNIS, Aug 14: Venezuelan President Hugo Chavez said yesterday that current crude oil price levels were fair and brushed off US criticism of his visit to Iraq, says Reuters.

Chavez, who became the first head of state to meet Iraqi President Saddam Hussein since the 1991 Gulf War, urged fellow OPEC states to close ranks to stem outside pressures towards cooling down crude oil prices.

"The current prices are fair. The only pressure that really matters for us is the one coming from our peoples and their interests. For other pressures we don't much care," he told Libyan state television.

His reply drew a cheerful and loud applause from Libyan leader Muammar Gaddafi who sat at his side. But Gaddafi did not make any direct comment on the issue.

US Energy Secretary Bill Richardson on Friday condemned Chavez's Thursday visit to Iraq and said it was unhelpful for governments to try to talk up the price of oil.

The Venezuelan president defended his trip to Iraq, saying: "Venezuela now has an aware and revolutionary government which cares only about the interests of its people. The government has a unified people behind it."

New three-door version of Honda Civic next yr

TOKYO, Aug 14: Honda Motor Co will introduce a new three-door version of its mainstay Civic sedan next year, industry sources say -- a model which is expected to be built at its British plant in Swindon, says Reuters.

The Nihon Keizai Shimbun business daily reported over the weekend that Japan's second-largest car company would make all of its three-door Civics in Britain and import 10,000 units per year back to Japan.

The report comes at a time when investment in Britain by car companies is a particularly sensitive issue after Ford Motor Co shut down its biggest UK plant and BMW AG sold loss-making Rover to the Phoenix Consortium.

The company announced in May, however, that it planned to begin exports from Britain as a measure to increase output levels, hit by a fall-off in revenue from the continent because of the pound's strength against the euro.

Honda officials have said that although the pound's strength against the euro is a major headache, the euro's weakness against the yen is much more painful. A stronger yen shrinks the yen-based value of income earned overseas.

SIA awards its 20 best agents

Singapore Airlines (SIA), Bangladesh has given away the best awards to its 20 agents, says a press release.

The awards were given to the 10 best cargo agents and the 10 best passenger agents for their revenue support to the airline during the year 1999.

Yameen Kabir, Sales Manager of the airline, thanked the agents for their overall support towards increasing the total awareness of SIA through selling holiday packages and diversifying long haul traffic to USA, Europe and SW Pacific.

He said Dhaka remains an important market for Singapore Airlines, which is growing steadily.

All the top 20 agents who were present at the function received their plaques from Paul Dorai Raj, GM of Singapore Airlines, Bangladesh.