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Bad companies to be further classified on bourses

SEC snubs poor performers' tricky bid for 'A' status

By M Shamsur Rahman

The country's bourses will further classify the bad companies by adding another group 'Z' to its existing 'A' and 'B' categories.

The move has been taken as many companies, which had been bundled together under group B for having bad performance records, tried to outfox the regulators. They held annual general meetings (AGMs) to get group A status without caring for the improvement of their performances.

Earlier in July, the Dhaka Stock Exchange (DSE) introduced group B, spotlighting 71 companies with weak track records.

Companies which have failed to hold their annual general meetings (AGMs) since 1999 or declare dividends for the last four consecutive years, fall under group B.

But as these bad companies took resort to tricks to win group A status, the stock exchanges, after holding consultations with the regulators, have now decided to launch group Z for companies which have been out of operation for more than six months. The Z category shares will also comprise companies with negative net worth.

"Such companies will not enjoy the benefits of the netting system and their share settlements will be made under trade-for-trade system directly between the buyer and the seller within a day of trading," according to a draft regulation expected to be gazetted this month.

The new regulation will come into force from the very publication date of the gazette.

Under the new trading system, a buyer will not be allowed to trade on

a 'day netting' basis. He will rather have to deposit the full amount with the broker before purchasing shares. In case of selling such scrips, the buyer will have to deposit the shares first, sources said.

The netting system will however continue for companies with strong fundamentals. Under this system, shares are bought and sold electronically and the balances are settled by depositing the scrips and money at the end of the day.

Following introduction of the separate boards, many companies held their pending AGMs without declaring any dividends with a view to getting promoted to group A. Securities and Exchange Commission (SEC) officials said.

They also said that three companies held their AGMs and were promoted to group A after the classification was enforced.

"These companies included many which were out of operation but continued to remain in group A, giving wrong signals to the investors," an SEC official said, justifying the need for the new Z group.

"But now the companies which are not in operation and whose businesses are almost in the red, will be included in this fresh group, giving a clear indication to the investors," he said.

Currently a total of 240 securities, including 10 mutual funds and 10 debentures, are listed with the DSE.

Of the 220 listed companies, 143 will remain in Board A, 15 in Board B and 62 in Board Z, according to the latest review of the bourse.



The Service Campaign of Rangs Limited was formally inaugurated at its workshop at Tejgaon by Amanullah Chowdhury, Director, Rangs Group, yesterday. The campaign will be on till September 25. Photo also shows S Hoshino of Mitsubishi Motors Corporation, Japan, Romo Rouf Chowdhury, Director, and other officials of Rangs Group. —Rangs photo

Kibria leaves for IMF-WB meet in Prague tonight

Finance Minister Shah AMS Kibria will leave here tonight to attend the annual meeting of the World Bank-IMF to be held in Prague, the capital of Czech Republic, says BSS.

He will lead a six-member delegation at the three-day annual meeting scheduled to begin on September 26, a press release said.

The other members of the delegation are: Bangladesh Bank Governor Dr Mohammad Farashuddin, Economic Relations Division Secretary Dr AKM Mashur Rahman, Finance Secretary Dr Akbar Ali Khan, Bangladesh Ambassador to Germany Kazi Anwarul Masud, and economic counsellor of Berlin Harun-or-Rashid.

The Alternative Executive Director of Bangladesh in the World Bank Syed Ahmed will also attend the meeting.

The finance minister is expected to return home on October 4.

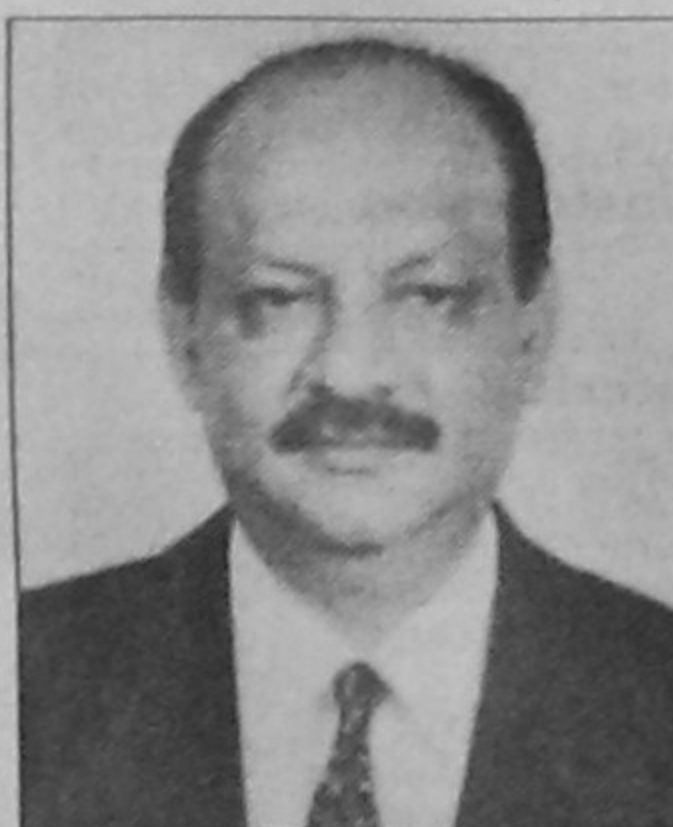
1986 buying kickbacks HC asks Indian govt to stop Airbus purchase

NEW DELHI, Sept 21: The Delhi High Court today said government should not have any deal for new aircraft with Airbus Industrie of France unless they provide information about the Rs 4,200 crore deal for purchase of 31 planes in 1986 in which kickbacks were allegedly received by some middlemen, reports PTI.

No new aircraft should come from Airbus Industrie. Why should we have dealing with such a company? A division bench comprising chief justice Arijit Passayat and Justice D K Jain asked while hearing a petition seeking probe into the alleged kickbacks in the deal signed by the Rajiv Gandhi government.

The bench after perusing the file of chief vigilance officer (CVO), who had investigated the case of missing file relating to the deal, expressed anguish over the manner records were maintained by the civil aviation ministry.

Quddus re-elected Rupali Insurance chairman



Mostafa Golam Quddus has been unanimously re-elected chairman of Rupali Insurance Company Limited.

The election was held at a meeting of the Board of Directors of the company in the city on Sunday, says a press release.

A former police officer, Quddus is the head of the Dragon Group of companies, the largest garments and sweater exporters of the country.

He is also the former president of Bangladesh Garment Manufacturers and Exporters Association.

Sonargaon 'Business Without Borders' makes debut

Star Business Report

'Business Without Borders', an initiative with a difference of the Pan Pacific Sonargaon Hotel in association with some other business groups and chambers, kicked off in the city yesterday.

Orvel Ray Wilson, President of the US-based Guerrilla Group and a certified professional speaker, was the debut guest speaker and spoke on 'Sales mindset: unleash your hidden potential'.

The main objective of Business Without Borders is to give corporate decision-makers some in-depth knowledge on the art of designing better marketing strategies based on unconventional tactics for increasing their product sales and profits.

Wilson shed light on some unconventional strategies for increasing sales and gave innovative ideas and practical tips to help local businesspeople immediately increase their corporate sales and personal income.

Some 90 CEOs, industry leaders and senior business professionals, who are regarded as the movers and shakers in country's business arena, attended yesterday's programme.

Wilson will also speak on the same topic today before 300 mid-level managerial and sales personnel representing different companies and business students from leading educational institutions.

After the programme, Wilson addressed a press conference and said Bangladesh has enormous opportunities and the businesspeople are very much eager to gain knowledge for competing in a competitive world market.

Orvel Ray Wilson is an internationally-acclaimed 'motivating' professional on sales and marketing strategies. The National Speakers Association made him the Certified Speaking Professional in 1997.

Assuring that his tactics would

pay off, Wilson said businesses in many countries have doubled and in some cases even quadrupled their sales with the help of 'Guerrilla training'. Speaking about himself, Wilson said his knowledge comes from experiences and a vast reading of books.

President of the Foreign Investors' Chamber of Commerce and Industry (FICCI) Wali Bhuiyan, who was also present in the press conference, said that seminars like this would prove useful in business expansion.

"Human resource is the biggest strength of our country and we have to make the best use of it," he said.

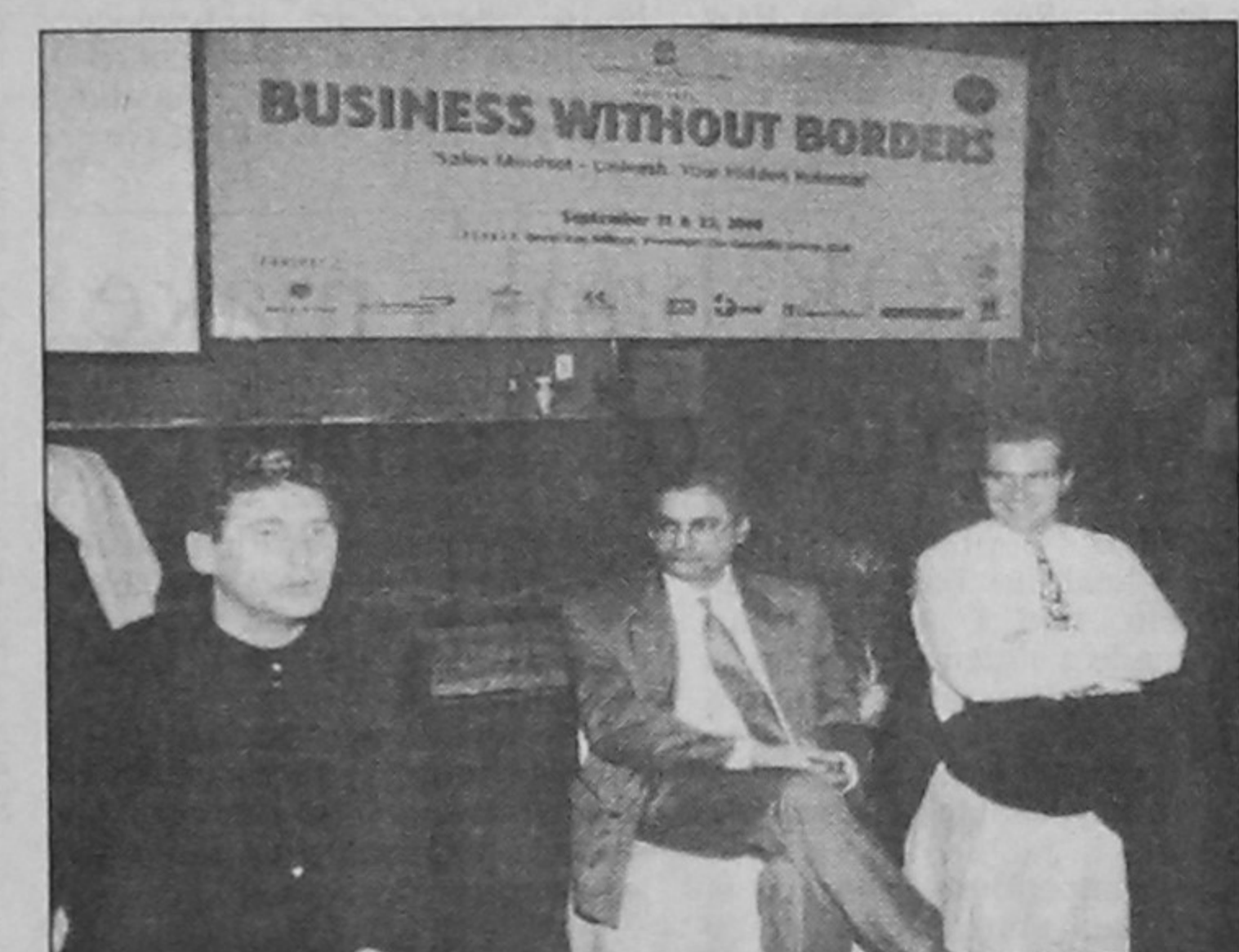
Hans G Winsnes, General Manager of Pan Pacific Sonargaon Hotel, said Bangladesh has more resources than

countries like Hong Kong and Singapore and should perform much better than those nations.

Sonargaon has a plan to make the seminar an annual event where former leaders of the developed countries and internationally-reputed speakers will be invited to deliver their valued speeches.

The organisers expect to earn about US\$ 3000 to \$ 4000 from the seminar and said the proceeds would go to charity.

Apart from Sonargaon Hotel, the other sponsors of the event are British Airways, FICCI, ACI Ltd., Gramophone, Concord Construction, Standard Chartered Bank, Social Marketing Company (SMC) and Development Design Consultants (DDC).



Orvel Ray Wilson, President of the US-based Guerrilla Group and a certified professional speaker, speaks at the press conference after yesterday's 'Business Without Borders' programme at Pan Pacific Sonargaon Hotel in the city. President of FICCI Wali Bhuiyan and Pan Pacific Sonargaon Hotel General Manager Hans G Winsnes are also seen.

Oil jitters spook shares

LONDON, Sept 21: Sky high oil prices took their toll in financial markets today amid growing worries of damage to company profits, economic growth prospects and inflation, says Reuters.

European equities dipped and, although hopes of intervention of this weekend's Group of Seven finance ministers' meeting lifted the euro above Wednesday's lows, the single currency was still some 28 per cent below its January 1999 launch level.

Oil was slightly cheaper after Nymex crude hit a fresh post 1991 Gulf War high of \$37.80 a barrel on Wednesday, boosted by worries that recent OPEC production hikes would not be enough to replenish Western oil levels ahead of the winter.

But prices were still high in historical terms and dealers expected further increases by the end of the day.

"This is a continuation of last night's sell-off, when we had some pretty aggressive brokers selling. But I think we'll find support and bounce back up," said one trader, pointing to support at around \$33.50 a barrel.

On the foreign exchanges, the euro firmed above 80.85, well clear of Wednesday's record low of around 84.40, as dealers

speculated that Saturday's G7 talks in Prague could result in intervention for the single currency. This bolstered European bond prices.

"G7 ministers have a chance of trying to do something for the currency there has been plenty of verbal intervention, and markets are tired of this talk," said Fabio Frascetti, currency strategist at Banca Nazionale del Lavoro in London.

But the euro was struggling to make much progress in the face of ongoing negative sentiment and worries over the state of the eurozone economies.

The euro traded near 90 yen on Thursday, according to Reuters data, before recovering to 90.86/91.

Hopes that Washington would be involved in intervention to bail out the euro took a hit late on Wednesday when US Treasury Secretary Lawrence Summers reiterated support for the US 'strong dollar' policy.

But Summers also said he was "closely watching" world currency and energy markets, leaving the possibility of forex intervention open and that he will support France's suggestion of a meeting between the EU, US and OPEC producers.

Wall Street sets tone for European share falls

In equity markets, France headed the losers, with the CAC-40 index down more than 2.0 per cent by 1015 GMT, hit by steep losses on France Telecom as brokers cut their target prices for the stock.

Alcatel was another big loser, weighed down by disappointment over the level its optoelectronics business is expected to be valued at when tracking stocks in the division are floated next month.

In London, the FTSE 100 index was down 1.78 per cent, at four month lows under pressure from a variety of sectors. Telecoms stocks led the decline, extending recent falls after profit warnings from across the Atlantic.

Tokyo presented a similar picture on Thursday with the Nikkei down 0.89 per cent amid concerns that the US market is in for a rough ride.

All markets are eyeing the oil situation with caution after Wednesday's strong early gains in oil prices, triggered by a batch of American Petroleum Institute data showing US crude stocks fell almost two million barrels in the week to September 15 to 287 million barrels, or 22 million below year-ago levels.

Rangs launches service drive at Tejgaon workshop

Rangs Ltd has launched its Service Campaign at its workshop at Tejgaon.

Amanullah Chowdhury and Romo Rouf Chowdhury, both directors of Rangs Group, jointly inaugurated the campaign yesterday, says a press release.

S Hoshino, Service Manager from Mitsubishi Motor Corporation, Japan, was also present as conductor of the campaign.

The campaign offers free servicing and a discount of 20 per cent off the regular price on fast-moving genuine spares.

The Service Campaign, targeted primarily at Mitsubishi vehicle users, is to ensure and continue personalised after-sales services. The campaign will continue till next Monday.

The initial turnout of Mitsubishi vehicles and their owners was encouraging. Rangs Workshop Ltd, the service centre of Rangs Ltd - distributors of Mitsubishi vehicles - has launched this campaign to assure their customers that after-sales services is an essential part of the marketing of Mitsubishi vehicles.

DHL opens Express Centre at N'ganj

DHL opened its new Express Centre in Narayanganj on September 14, says a press release.

Desmond Quiah, Country Manager of DHL Bangladesh, inaugurated the centre at BSCIC Industrial Area, Narayanganj. This is the second office of DHL in the township to meet the needs of the industries in the BSCIC area. Anselm Quiah, Managing Director of Homebound Packers and Shippers Ltd, Chin Hui, Area Marketing Manager, DHL South Asia and Indochina, and senior managers of DHL Bangladesh also attended the opening ceremony.

Inaugurating the centre Desmond Quiah said, "Opening a brand new express centre in the heart of the industrial area shows our commitment to the growth of the garments industry. DHL, being the pioneer of Air Express Industry, is committed to its efforts to create the infrastructure in Bangladesh that enables our trade and industry to compete in the world market."

"Our service in Bangladesh is unmatched due to continued investments in the infrastructure. This year alone we have doubled our fleet of courier vans to further boost pick up and delivery operation. Although we pick up shipments from our customers' doorsteps, still for their convenience, we have outlets in Gulshan, Motijheel, Mirpur, Savar, Sylhet, Khulna, Agrabad and EPZ in Chittagong. And now we have two in Narayanganj," he said.

Mosharraf off to Hanover

Civil Aviation and Tourism Minister Engineer Mosharraf Hossain left Dhaka for Hanover, Germany, Wednesday night to attend the World Tourism Day to be held on September 27, says UNB.

The minister will hold meetings with his counterparts to explore potential in tourism sector for strengthening cooperation with the European and other countries.

He is expected to return home on September 30.

EU promises free market access to poorest nations

BRUSSELS, Sept 21: The European Union Commission Wednesday laid out a proposal that would give duty-free access to their markets for the world's poorest countries and called on other rich western nations to follow suit, says AP.

The EU's head office laid out a proposal that would open up their 15-nation trading bloc to all imports from some 48 countries, listed as the world's poorest, like Bangladesh and Mozambique. The measures would mean that all import duties, quotas and restrictions would be lifted on "all goods."

Restrictions would remain on the arms trade however.

"We want to move to liberalise everything but the arms trade," said EU Trade Commissioner Pascal Lamy, who called the Commission proposal a "new approach" in aiding developing countries.

"We want this to act as an example... Canada, the United States and Japan should do the same thing," Lamy told reporters, adding that it was the leading industrialised countries, as part of the Group of 8 that decided in July to step up efforts to help poorer countries join the global market.

The proposal will include measures to drop tariffs on key "sensitive" imports like bananas, sugar and rice, which have been subject to special import quota rules for several years.

The move is seen by many of the EU's trading partners as getting the poorer members of the World Trade Organisation to back European efforts in trying to relaunch the next round of global free-trade talks after last year's failure in Seattle.

Lamy said it was difficult to calculate the impact the new open trade measures would have on the EU.



The new express centre of DHL in BSCIC industrial area, Narayanganj, was opened by Desmond Quiah, Country Manager, DHL Bangladesh recently. Anselm Quiah, Managing Director of Homebound, Chin Hui, Area Marketing Manager, DHL South Asia & Indochina, and Mohammad Salem, MD of Navy Hosiery, together with other senior DHL managers are also seen. —DHL photo

Euro intervention not a taboo: Koehler IMF defends its right to talk about forex rates

PRAGUE, Sept 21: The International Monetary Fund, under fire for trading on European toes, defended its right to talk about foreign exchange rates yesterday and said action to defend Europe's sagging currency should not be "taboo," says Reuters.

Managing Director Horst Koehler, chairing his first IMF annual meeting and declaring himself a free agent, said rising oil prices increased the risks to the world economy. But the euro currency, trading at record lows, was also a concern.

"There is no doubt... that the euro is undervalued, heavily undervalued," he told a news conference. "In my view, it is also clear that intervention cannot be taboo because it is part of the instruments any central bank of government have available."

The news conference was one of the first events in almost two weeks of top level meetings in the capital of the Czech Republic, which hopes to use the gatherings to showcase progress a decade after the collapse of communism.

Protestors, charging the global lender with ignoring the needs of the poor, have vowed to disrupt the meetings.

But the main protest group said on Wednesday it planned to reverse the pattern of anti-globalisation protests in Washington and Seattle when demonstrators prevented delegates from reaching the meetings.

INPEG, an umbrella group of environmentalists, labour activists and others opposed to the IMF, said it would instead try to block the participants inside the Prague conference centre, a cavernous building

with a glorious view of the city.

"We will lock them in and our demand is that they shut down," said INPEG spokeswoman Alice Dvorska. She said the IMF and World Bank, its sister organisation, were fundamentally flawed and could not be reformed.

The IMF holds formal meetings twice a year and this is the second time that protesters have promised to stop the gatherings. Last April's meeting focused on reforms of the global lender, but this one is expected to concentrate on the euro and on oil, which is trading at 10-year highs.

Koehler's comments and other signs of IMF support for central bank intervention have already infuriated European countries, who say the global lender is interfering in matters which have nothing to do with it.

A German government source said on Tuesday that IMF chief economist Michael Mussa had not right to give the European Central Bank advice when he suggested that the time might be right for intervention.

Portuguese central bank Governor Vitor Constancio said on Wednesday that Mussa's comments were inappropriate. But Koehler said the IMF, which was concentrating on core monetary issues, had to pay attention to foreign exchange regimes and policies. "No one should be surprised if the Fund speaks up on these issues," he said.

An IMF source put it even more succinctly. "Mussa is the chief economist of the IMF," he said. "It's his job to talk about things like that."