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# The Daily Star BUSINESS

DHAKA, SATURDAY, SEPTEMBER 30, 2000

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## Danes deal euro another blow

UK govt says Danish rejection won't hurt its decision

COPENHAGEN, Sept 29: The European Union's common currency suffered another blow after voters refused in a referendum to swap their nation's 125-year-old krone for the euro.

The Social Democratic-led government had strongly supported adoption of the euro, and regretfully acknowledged defeat.

"We didn't do well enough. I'm very disappointed about the result but not about the Danes," Svend Auken, the environment minister and leading member of the Social Democratic Party, said after Thursday's vote.

Analysts said arguments that membership in the European Monetary Union would give Denmark more influence in regional fiscal and monetary decisions and improve its already sound economy were

unappealing to the average voter.

The anti-euro camp said the common currency threatened Denmark's extensive welfare state and would lead to an erosion of sovereignty, as more powers are ceded to EU headquarters in Brussels, Belgium, and the European central bank in Frankfurt, Germany.

"There is a huge skepticism in the population. Now the population has said no again," said Holger K Nielsen of the anti-euro Socialist People's Party.

The final count showed that 53.1 per cent opposed adopting the currency, while 46.9 per cent favoured the switch, following a cliffhanger race as exit polls and pre-vote surveys predicted a dead heat. Turnout among the more than 4 million eligible voters was about 87.5 per cent.

"The referendum shows that the elected lawmakers are out of touch with what the population wants and needs," said 26-year-old Kim Boesen, one of more than 300 left-wing, anti-euro activists who marched to the parliament square, where they cheered and held speeches while police looked on. No trouble was reported.

Prime Minister Poul Nyrup Rasmussen said the defeat signalled a need for "a clear debate with the population." Nyrup Rasmussen said he planned to meet with other party leaders to discuss their next step but he expected no new referendum for a long time.

It was the Danes' fifth referendum on EU-related issues since 1972, when they voted to join the European Community—which became the European Union—the next year. Despite a reputation as EU skeptics,

Danes have only said "no" in one of those plebiscites—in 1992, when they rejected the Maastricht treaty for a common currency and a common defense.

A year later, voters approved a revised treaty allowing Danes to stay outside the euro, defense and judicial cooperation. This year's referendum was the government's attempt to remove the common currency opt-out.

European leaders sought to put the best face on the referendum defeat and said they didn't expect it to have a negative effect on the euro, which has declined more than 25 per cent in value against the dollar since it was introduced by 11 EU members in January 1999.

The euro dropped to just below 88 US cents Thursday in late trading but appeared largely stable. "The door will remain open

for Denmark," German Foreign Minister Joschka Fischer said in a statement. The strengthening of European Union reform is the best way to counter euro-skeptic thinking.

Denmark, Britain and Sweden opted out, while Greece, initially barred from membership because of high inflation and a budget deficit, will join on Jan. 1.

Another report from London says: Denmark's rejection of the European single currency won't affect Britain's own decision on joining the euro, the government said Thursday.

"The people of Denmark have made their decision. The British people have the same right to make their decision for Britain," said Foreign Secretary Robin Cook, echoing earlier comments by Prime Minister Tony Blair.



Danes jubilate in Copenhagen after rejection appeared certain in the referendum on Denmark's joining the single European currency, the euro, on Thursday. — AFP photo

### Prime Bank opens its 21st branch at Savar

Prime Bank Limited has opened its 21st branch at Savar. K M Khaled, Chairman of the Board of Directors of the bank, inaugurated the branch as chief guest on Thursday, says a press release.

Kazi Abdul Mazid, Managing Director of the bank, presided over the opening ceremony.

A large number of local clients and businessmen were present. Sponsor Director M A Khaleque, Mazid Ahmed Bhuiyan and Representative Director M A Wahab also attended the function.

Speaking on the occasion, the chairman said Prime Bank will actively participate in rural financing under its small and medium business loan scheme.

He said the bank will also provide housing loans under its housing loan scheme. The bank will also support the industries in EPZs by establishing off-shore banking unit.

The managing director of the bank informed that Prime Bank had earned an operating profit of Tk 38.14 crore as on August 31, 2000, representing a growth of 95 per cent over the same period last year. He also informed that during the period, the bank's deposit grew by 40.68 per cent to Tk 985.13 crore, advances by 70.08 per cent to Tk 645.88 crore only. The foreign exchange business increased by 49 per cent while classified loans and advances remains low under 2 per cent.

### Int'l tender for GSM to be floated soon: Nasim

International tender for Global System Mobile (GSM) will be floated soon. Home and Telecommunications Minister Mohammad Nasim said here on Thursday, says BSS.

The minister said this when a delegation of private investors of a Chinese company called on him at his office.

During the meeting Huawei Technologies Co Ltd of China showed interest in the development of telecommunication sector of Bangladesh especially the GSM (global system mobile) phone.

The company also expressed its eagerness for the modernization of Telephone Shilpa Sangstha, a PID handset said.

The delegation was led by HTC President Ren Zhengfei.



K M Khaled, Chairman of the Board of Directors of Prime Bank Limited, inaugurates the 21st branch of the bank at Savar on Thursday. Kazi Abdul Mazid, Managing Director, Sponsor Director M A Khaleque and Deputy Managing Director Naser Bukhtear Ahmed are also seen in the picture. — Prime Bank photo

## Quality, cost, timely delivery of goods can up export

Experts say at workshop on 'Kaizen Management'

Experts at a workshop on Thursday emphasised the need for appropriate development of human resources in the areas of quality, cost and delivery (QCD) of products and services to boost export, reports BSS.

"Today strict maintenance of quality, low-cost and timely delivery of products and services are the main factors to enter the competitive world market," said experts from home and abroad at a workshop on "Kaizen Management" in the city.

Kaizen, a Japanese word, means continuous improvement of quality, cost and delivery of services and products. When a problem is identified on QCD, a correction action is taken for its improvement. And this very action is called Kaizen.

The experts cautioned that the absence of QCD not only led the country to no confidence, but also threatened the survival of its products in the free market economy.

The two-day workshop was

organised jointly by the Association for Overseas Technical Scholarship (AOTS) and Bangladesh AOTS Alumni Society (BAAS).

Prof Dr Iqbal Mahmood, former Vice Chancellor of Bangladesh University of Engineering and Technology (BUET) attended the opening ceremony as the chief guest. It was also addressed by AOTS representative in Bangladesh Dr A K M Moazzem Hussain and BAAS president Md Anwarul Haq. Workshop Sub-Committee Chairman Jawaherul Ghani gave the welcome address.

Prof Seichi Fujita, an internationally-reputed expert on Japanese style of management, is conducting the workshop while 110 persons from different organisations of the country are participating.

Prof Iqbal Mahmood, in his speech, called for continuous endeavour for the improvement of management skill for a better future. The Kaizen Management concept, he said, was first de-

veloped and spread in Japan. It is now recognised in other countries across the world for its usefulness in contributing to the improvement of quality products, he said, adding that this concept is specially suitable for Asian countries including Bangladesh.

Prof Mahmood also cited various problems facing the public and private sectors and suggested strenuous efforts to overcome those.

He hoped that the deliberations of the Japanese professor with vast experience in the field of management would be beneficial for the participants to enhance their skills and efficiency.

Dr Moazzem Hussain, who also the AOTS representative, said the activities of his organisation has been directed towards human resources development of the developing countries including Bangladesh.

## Premium Securities, Lankan co form jt venture

Star Business Report

With a view to introducing new financial products in Bangladesh capital market, a local stock brokerage firm has joined hands with an investment arm of Ceylinc Consolidated of Sri Lanka.

Premium Securities Ltd of Bangladesh and Asia Global Investments Ltd of Sri Lanka has formed a joint venture company—Electra Financial Services Ltd. An agreement to this effect was signed between the two parties in the city on Wednesday.

This joint venture will concentrate initially to add value to the existing stock broking products and to develop fee-based activities. In the areas related to these services, the company will try to develop strong distribution channels and to offer innovative financial products in the Bangladeshi market.

Ceylinc Consolidated has identified the vast scope and opportunities the Bangladeshi financial markets offer and therefore a serious concentration will be made in the activities involving corporate debt and treasury management.

In order to realise the synergies, the joint venture will further engage itself in providing corporate secretarial and registrar functions and corporate advisory services.

Both the groups believe that strong Ceylinc technical expertise and Premium Securities' market experience will provide a new light and vision to the capital market of Bangladesh through this joint venture.

Speaking on the signing ceremony, Managing Director of Premium Securities Onu Jagirdar said "It is the time to reap fruits from a long and cordial relationship with the Ceylinc group, its chairman and Sri Lanka."

In the context of increased cooperation and cross border trades between the SAARC countries and as a result of the formation of the South Asian Federation of Exchanges (SAFE), this is an example of groups from the private sector taking the initiative to develop and cement relationships between themselves, he added.

Chairman of Ceylinc Consolidated Lalith Kotelawala also spoke on the occasion which was attended by BOI Executive Chairman M Mokammel Haque as chief guest.

The prestigious Ceylinc Consolidated group of Sri Lanka is engaged in insurance, commercial and investment banking, real estate development and trading, diamond cutting and polishing, and providing advanced telecommunication technology.



Picture shows the deal signing ceremony to form Electra Financial Services Ltd, a joint venture company, by Premium Securities Ltd of Bangladesh and Asia Global Investments Ltd of Sri Lanka in the city on Wednesday. Lalith Kotelawala, Chairman of Ceylinc Consolidated (L), and Onu Jagirdar, Managing Director, Premium Securities Ltd (R), signed the agreement on behalf of their respective organisations. M Mokammel Haque, Executive Chairman, Board of Investment, graced the programme as chief guest. — Premium Securities photo

## US to miss WTO deadline in tax row with EU

WASHINGTON, Sept 29: The US Congress is all but certain to miss an Oct. 1 deadline set by the WTO to overhaul a multibillion dollar programme of tax breaks for American exporters, aides said yesterday, increasing the chances of an explosive confrontation with the European Union, reports Reuters.

US lawmakers played down the lapse, since they expected the EU to give Congress more time to complete legislation replacing the so-called Foreign Sales Corporation (FSC) programme before asking the Geneva-based World Trade Organisation (WTO) for permission to retaliate.

But EU officials have refused to rule out taking action if the legislation stalls and talks in Brussels break down. US trade officials fear the EU will seek to impose \$4 billion or more a year in sanctions against US goods.

"It is critical that Congress pass this legislation promptly because that is the only way to meet our obligations in the WTO and to avoid an immediate and unprecedented confrontation with the European Union," Deputy US Treasury Secretary Stuart Eizenstat told the European-American Business Council on Wednesday.

The EU argues that the FSC, which does out tax breaks to big US exporters like Boeing Co, and Microsoft Corp., among others, violates global free trade rules. The WTO agreed, and gave Washington until Oct. 1 to replace it.

In response, the White House drew up legislation to repeal the FSC and replace it with a new system, which would provide \$4.6 billion a year in tax breaks directly to companies, rather than through offshore subsidiaries as under the FSC.

### Business In Brief

#### Biggest-ever budget surplus for Australia

CANBERRA, Sept 29: Extra revenue from a booming economy and tight spending controls delivered Australia's biggest-ever budget surplus, government officials said Friday.

Treasurer Peter Costello and Finance Minister John Fahey announced a surplus of Australian dollars 22.2 billion (US \$12 billion) in the fiscal year ended June 30, 2000, more than five times greater than the Australian dollars 4.2 billion (US \$2.3 billion) in the 12 months through June 1999.

The surplus was the largest ever recorded by an Australian government in dollar terms and the biggest as a proportion of gross domestic product since 1971-72.

It included Australian dollars 10 billion (US \$ 5.4 billion) in proceeds from the sale of 16.6 per cent of Telstra Corp., Australia's largest telecommunications company.

#### Manila port workers back to work

Manila: About 100 striking workers at Manila's container port returned to work after a striker was fatally shot in a scuffle with security guards, company officials said Friday.

The workers ended their strike late Thursday following the issuance of a return-to-work order by the Department of Labour and Employment, said the port's operator, International Container Terminal Services Inc.

The ICTSI workers, belonging to a faction of the Associated Port Checkers and Workers Union, entered the Manila International Container Terminal early Thursday and took over several pieces of equipment and paralyzed operations.

Security guards attempted to protect company property and prevent sabotage, homicide detective Joey de Ocampo said. During a scuffle, one worker was killed, he said.

Police were investigating the shooting and made no immediate arrests.

The terminal handles 70 per cent of Manila's international container cargo.

#### Japan unemployment rate down in Aug

Tokyo: Japan's unemployment rate fell in August for the first time in three months, declining to 4.6 per cent from 4.7 per cent in July as the pace of corporate downsizing slowed, the government said Friday.

The August jobs report comes as the latest evidence that conditions may be starting to improve for workers in an economy still trying to pull out of its deepest slump in decades.

Unemployment hit a postwar high of 4.9 per cent in February as companies struggling to stay profitable have increasingly turned to early-retirement programmes and other restructuring measures long resented in Japan's paternalistic corporate culture.

The Management and Coordination Agency said Friday that joblessness fell in August primarily because the number of such "involuntary removals" declined among men over the age of 55—the segment that has been the main target of recent cutbacks.

Employment continued to slump in the manufacturing and retail sectors, however, and a decrease in the number of self-employed workers also remains a concern, he said.

Source: AP

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

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

The Daily Star has introduced a new business solutions column, which appears every Saturday. While running your business, you come across problems and wish someone would help. This column will provide you with possible insights into and solutions for your problems.

### PLAYING FAVOURITES

**Q:** I find that instead of all my hard work and proving performance, my boss is not placing me ahead in comparison to his own man who has hardly any significant achievement and is always highlighting him before the management. Nowadays, my performance is being hurt significantly by this. I am losing the motivation to succeed. What shall I do? Distressed.

**A:** It is distressing indeed to hear this. Sometimes you wonder why we live in such a cruel world without any fairness. How do we go around this problem?

Perhaps your boss unconsciously considers you as a threat because of your hard work and intelligence. So, he may not be easily approachable to solve this demotivating issue.

Make friends around you—your own peers and bosses of other departments. As I am not familiar with the nature of your job, I would suggest you to find excuses to learn something from other departments.

One of the (several) human frailties is that each of us believes he is an expert in his own position. Therefore, bosses are experts in their fields. Link up with the bosses by finding an excuse to learn how your own work fits with their departments.

For example, if you work for a bank on the treasury side, talk to the head of the credit department, asking him how credit is affected by treasury (be more original and intelligent). And learn to listen well! Listening is an art—listen sincerely and don't interrupt. People like to tell their tales.

Build your network this way and in the process you will learn a lot about how your organisation's activities. Take initiatives to do things beyond your department. You'll definitely get noticed as 'hard working' and with a 'proving performance'.

This will make the other bosses discuss about you among themselves and eventually send the message to their boss (= management). To speak well of someone in another department is much easier for bosses to do, by the way. This way they do not feel threatened of their own seats.

Your boss will not risk speaking against you after all these. In fact, if others begin to speak positively about you, your boss will be careful in belittling you.

Maintain your relationship with your boss—ask for his opinions and suggestions while doing your daily works (even if you know the answers)—just to make sure that you know you are doing things the right way. The same principle applies to him too! Any boss likes to feel like the boss i.e. to be asked for advice!

## Microsoft intransigence forced judge to order split

Breakup on hold till end of appeals

WASHINGTON, Sept 29: The judge who ordered the breakup of Microsoft Corp. said yesterday the split has never been his "remedy of choice," but was instead a last resort because of the firm's intransigence, reports Reuters.

"I am full of admiration for the people whose imagination and industry built the enterprise known as Microsoft," US District Judge Thomas Penfield Jackson said in a speech to an antitrust conference.

"I have never conceived of this case as a contest of wills between me and Mr. (Bill) Gates," the company's founder, he said.

Jackson placed his breakup of Microsoft on hold until all appeals are complete, which may take two years or more, and said he had no idea if courts will uphold the action.

Jackson also defended his public discussions of the case, saying they were necessary to help clarify his role and eliminate "public misperceptions of

the case."

When Jackson ordered the split on June 7, he accepted verbatim the recommendations of the Justice Department and a group of states that had sued the company on antitrust grounds.

Then Jackson certified the case on a fast track to the Supreme Court. This week the high court—agreeing with Microsoft—put the appeal on a slower track, sending it back to a lower appeals court.

During his speech, Jackson reflected on his choice of remedies. Jackson said that he would have preferred to do something other than break up the company.

"The structural remedy was never my remedy of choice, and is not even so today," Jackson said. "It was always my preference that the market itself be allowed to rectify the dysfunction disclosed by the evidence, failing which a negotiated settlement was next best."

Instead, Jackson said, the breakup was a last resort. "Microsoft's intransigence was the reason," the judge said.

More than once during the trial Jackson expressed exasperation at the company, and in his decision said the structural remedy was imperative because the firm "as it is presently organised and led is unwilling to accept the notion that it broke the law or accede to an order amending its conduct."

Jackson acknowledged that some have called his order "controversial" or "startlingly radical." "But he said the decision to break up the firm is a well-established part of American antitrust jurisprudence."

"It sets no precedent," Jackson said. "Enterprises as formidable as Microsoft have been disassembled by orders of American courts since long before the First World War."

The judge, a Republican appointed by former President Ronald Reagan, said he has nothing against getting rich and

becoming, in Theodore Roosevelt's phrase, one of the "malefactors of great wealth."

"I'd become one myself if I could figure out how to do it without breaking the law," he said.

In its filings, Microsoft has criticised the judge for speaking to the press and public about the case. Jackson responded by saying he has followed the rules the governing judges. He said he has spoken to correct public misperceptions "some of it attributable to one or more of the parties" in the case.

"I do not and have never aspired to be a federal regulator of the software industry," he said, "nor for that matter to enable the US government to become one."

The appeals court ordered Microsoft to file a proposed schedule by Monday afternoon or, better yet, for the two sides to submit a joint proposal. If they cannot agree, there will be further filings on Oct. 5 and 10.