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New office-bearers of Kushtia Chamber

Star Business Report
An executive committee comprising 21 directors has been elected as the new office-bearers of Kushtia Chamber of Commerce and Industry.

The new committee will elect a president and two vice-presidents soon, chamber sources said.

Prior to the election, about 100 candidates decided to withdraw their nomination papers. On October 2, they elected the new committee on a consensus basis.

The directors are: Md Majbar Rahman, Mojaffar Ali, Alaz Uddin Ahmed Zinnah, Bijoy Kumar Kejriwal, S M Alamgir Alam, Majbar Rahman Sham-suljaman (Nanoo), S K Mahboob Ali, Binda Ban Kumar Karmaker, Hafizur Rahman Helal, Nuruddin Ahmed, Haji Liakat Ali, Mokam Hossain Moajam, Shahidul Islam Man-joo, Saraf Uddin Sarwar, S K Kaderi, Mukhtaruzzaman (Mura-d), Khandaker Ziadul Haq, Rejanor Rahman, Khan Chowdhury Mukul, Shahjahan Ali, Mollah and Mahiuddin Daku.

Colgate Palmolive managing dir visits Bangladesh

Derrick Samuel, Managing Director of Colgate Palmolive India and Vice President-South Asia Region, came to Dhaka on a 3-day visit on September 25. He was accompanied by Vijay Rungnathan, Vice President-New Geographies, says a press release.

Colgate Palmolive Company, with a turnover of \$9.1 billion, is a leading global consumer products company tightly focused on oral care, personal care, household care, fabric care etc and sells its quality products under internationally-recognised brand names such as Colgate, Palmolive, Axiol, Fab etc.

As a company, Colgate operates in more than 200 countries in the world. At present, Colgate Palmolive is marketing their Colgate tooth paste, Colgate tooth powder, Colgate toothbrushes, Axiol dish washing paste, Palmolive soap and shaving cream and Fab detergent powder under exclusive marketing partnership with ACI Ltd.

During his visit, Samuel met the ACI sales and marketing team and congratulated them for the progress made so far. He visited the market and met the stockists. He also paid a visit to the ACI factory at God-nail in Narayanganj to see the facilities.

A dinner was hosted in his honour by ACI Ltd at Dhaka Sheraton Hotel where all the senior managers and directors were present. Speaking on the occasion, Samuel said he was happy to see ACI's commitment towards taking the Colgate business forward and hope it will be a long-term relationship.

New brand of tea marketed

A Bangladeshi company has launched the marketing of its new brand of tea namely "Bawani Tea" a press release said, reports BSS.

Chairman of Sonapur Tea Trading Limited, Abdul Momin Chowdhury, opened the sale of the packed tea produced at the company's own tea gardens at a ceremony held in the city on Friday.

The press release said over 100 agents from different districts attended the launching ceremony.

ROK seeks EU investment in DPRK

SEOUL, Sept 5: South Korea's Finance and Economy Minister Jin Nym today urged European businesses to become active investors in cash-strapped North Korea, says AFP.

Jin told a Seoul meeting of European envoys and businessmen that new economic co-operation between the two Koreas offers "an important turning point for greater stability and prosperity" on the peninsula.

"As such, I hope that EU enterprises will actively join forces in taking advantage of increasing investment opportunities offered by this new business frontier," he said.

He said South Korea was ready to pour money into the restructuring of North Korea's moribund economy.

"We stand ready to support the North through infrastructure projects and assistance in the global area for North Korea's induction into the international community such as the World Bank, International Monetary Fund or Asia Development Bank."

North Korea has been invited to a joint meeting of the IMF and the World Bank in Prague this month.

Make IJO survive crisis, PM appeals to member states

Special Council meet begins tomorrow

Prime Minister Sheikh Hasina yesterday urged the member states of the International Jute Organisation (IJO) to continue their support to this Dhaka-based organisation to promote jute and jute goods and help compete with synthetics in the international market, says UNB.

"My fervent appeal to all member states to see that since the organisation has grown into a matured institute over the period of 16 years and is ready to deliver results, it should receive continued support," she said while opening an exhibition of diversified jute products at Hotel Sheraton.

The prime minister said IJO has been facing serious crisis at a time when it was ready to take off in a big way to the benefit of a large number of jute growers and jute producing countries.

"She said a number of ambitious projects of the IJO are awaiting implementation. But

because of the present uncertain situation of IJO, the projects could not be started.

Hasina hoped that the IJO member countries, which will be holding a series of meetings to be followed by a special council meeting between October 9-12, would take some firm decisions regarding the organisation.

Describing jute as environment-friendly natural fibre, she said when the whole world is responding to environmental issues, jute should get high priority because of its availability, quality and price.

She said it would be a great compliment to make the jute survive, as it has all the potentials to be converted into a number of eco-friendly products.

Hasina hoped that the IJO member states would take up these issues seriously when they meet and ensure that the organisation can survive and

fulfil its objectives.

The exhibition has been sponsored by the Jute Ministry and the Export Promotion Bureau in association with IJO and European Commission in Bangladesh.

The inaugural session was also addressed by Finance Minister Shah A M S Kibria, Commerce Minister Abdul Jalil, State Minister for Jute A K Favezul Huq, Charge d'Affaires of EC Delegation J V Ketelson, Senior Project Manager of Common Fund for Commodities G Gebre Medhin and IJO officer-in-charge Dr R Mandal.

The prime minister said the export market of Bangladesh jute had shrunk with the advent of alternative of synthetic products as well as due to the callousness of the post-75 governments.

However, she said since jute is still the second largest foreign exchange earner for Bangladesh and millions of marginal farmers and indus-

trial workers depend on it for their livelihood, it is extremely difficult for Bangladesh to ignore it.

Hasina told the function that her government, realising the importance of jute, has undertaken various projects for diversified use of jute and expansion of its export market.

Referring to multi-purpose uses of jute, she said a number of high technology based products have been developed and are ready for commercial exploitation.

The prime minister assured that the government would extend all cooperation to the non-governmental organisations, producing large variety of handicraft items with jute.

She reiterated that a jute industrial park will be built at Adamjee Jute Mills.

"We shall use the vast unutilised lands of the Adamjee Jute Mills and other nationalised factories for setting up new industrial units," she said.

ICC to hold its Asia Confce in Dhaka November 10

Star Business Report

The International Chamber of Commerce and Industry - Bangladesh (ICCB) has announced the hosting of the two-day Asia Conference on November 10-11 in Dhaka.

Being organised by ICC headquarters in Paris, the conference takes aim at devising an appropriate approach towards the futuristic outlook of the region.

The two-day conference, the first of its kind, will be participated by policymakers, business chiefs, economists, investors, lawyers and professionals from different countries all over Asia and beyond, said ICC President Mahabubur Rahman at a press conference in the city yesterday.

"It is intended not only to create an interaction between the business leaders and discuss various priority issues of development in the region, but also to devise an appropriate approach towards the region's futuristic outlook, particularly in the backdrop of the present-day global economic scenario," the ICC president said.

The theme of the conference is "Investment in developing countries: Increasing opportunities". The inaugural session of the conference will be held at 10 am at Pan Pacific Sonargaon Hotel in the city. Prime Minister Sheikh Hasina will attend it as chief guest.

Six business sessions will be held on the following day - two in the morning and four in the afternoon. Topics including oil and gas, IT and telecom, FDI in the manufacturing sector, transportation, Asian recovery, e-commerce, WTO, trade liberalisation and concerns of the developing world, arbitration and dispute resolution will be discussed in the sessions.

Around 75 to 100 foreign delegates including high-profile dignitaries from different Asian and European countries are expected to attend the conference.

"We have received official confirmation of participation from Dr. Supachai Panitchpakdi, Thai Deputy Prime Minister and Minister for Commerce and Director General

designate of the WTO, Tadao Chino, President, Asian Development Bank (ADB), and Kim Hak-Su, Executive Secretary, ESCAP.

"We are awaiting final confirmation from two more ministers from the region," the ICC president said. "We are expecting about 150 business leaders, high-level professionals and executives from multinational companies as participants," he added.

The delegates will start arriving in Dhaka from November 9. "We have already arranged necessary logistics for ensuring a successful event. ICC - Bangladesh is supported by all its member institutions and organisations including FIU CI, DCCI, MCCCI and FICCI Bangladesh National Committee of International Association for the Students of Economics and Commerce (IAIESEC) and students of North South University (NSU) will work as volunteers."

Established in 1919, ICC has networks in 137 countries with about 100 members.

Artha Rin Adalat quick in giving decrees, but execution falters

Recent BIBM study on loan default reveals

By Monjur Mahmud

Although the Artha Rin Adalat has been considerably quick in terms of passing decrees in default loan cases, only a fraction of the verdicts are actually executed, according to a study by Bangladesh Institute of Bank Management (BIBM).

In many cases, banks have not been able to recover even the expenses incurred as legal fees and protection of the assets while running such suits.

At present, there are backlogs of approximately 500,000 cases. On an average, it takes up to 15 to 20 years for a case to be resolved, as the judiciary is heavily undermanned, the study conducted by Md Liakat Hossain Jalil, Faculty Member, Abdul Jalil Chaudhury, Assistant Professor, and Md Mohiuddin Siddique, Lecturer of BIBM.

The study revealed that the special courts dealing with defaulters settled 42.90 per cent of the cases in 2000, a big jump

from 12.77 per cent in 1991. But the recovery rate of loans, which is more important for a banker, remained at around 9 to 10 per cent.

As on June 30, 2000, 32 banks filed 57,275 suits to realise Tk 8,832.32 crore. Of these, 24,570 cases were settled along with the realisation of Tk 834.40 crore, according to Bangladesh Bank's Banking Regulation and Policy Department (BRPD).

Of the total bank loans, 39.70 per cent has been classified as on June 30, 2000.

"The frustrating factor is that if (classified loan) has been 'creeping up over the years with some exceptions. More importantly, a staggering 88.18 per cent of classified loans is bad," said a central bank source.

As on June 30, 2000, the Artha Rin Adalat passed decrees in 70.39 per cent of the cases filed by foreign commercial banks (FCBs). The number

is 42.95 per cent for nationalised commercial banks (NCBs), 42.94 per cent for private commercial banks (PCBs) and 42.34 per cent for development financial institutions (DFIs).

The settlement rate among all banks is showing an increasing trend over the years. However, for the NCBs, the rate is comparatively lower.

"Better performance has been achieved as far as passing of decrees is concerned, but the problem is pretty acute in the execution of these verdicts," the study said, adding "the pace of passing decrees in Artha Rin Adalat has increased considerably in recent times. The main problem lies with their execution."

The rate at which cases are now being settled is more or less satisfactory. The percentage of recovery, which is more important for a banker, remains at a very lower level and does not show any definite pattern, the study maintained, suggest-

ing a system to sale decrees to a third party at a discount for execution.

An asset management company can be set up to take over debts of the banks which will then recover the stuck-up loans.

The Bankruptcy Act, 1997 was enacted with a view to expediting the realisation of banks' dues from defaulting borrowers by declaring them bankrupt.

Under the Act, the government has set up two exclusive bankruptcy courts in Dhaka and one in Chittagong. It has also approved six CA firms as receivers.

The receivers faced serious obstacles when they opted for taking over the assets. In many cases, they had to come back empty-handed as the parties involved threatened to assault them physically, according to bankers which rendered the system malfunctioning.



Mahabubur Rahman, President of International Chamber of Commerce-Bangladesh (ICCB), addresses a press briefing on ICC Asia Conference at the Dhaka Chamber Business Institute yesterday. Aftab ul Islam, President of Dhaka Chamber of Commerce and Industry is also seen. — Star photo

Int'l groups praise Russia's economic reform plan

BOSTON, Oct 7: International financial institutions yesterday sang the praises of Russia's economic reform plan but cautioned against complacency as a Russian minister pledged the government's commitment to change, says Reuters.

The International Monetary

Fund said at a US-Russian investment conference that it could consider a "precautionary programme for Russia, which would give a stamp of approval to the country's economic policies without providing immediate funds."

The (economic reform) programme being presented by this

government is one we can easily support if we knew it is going to be carried out," IMF Deputy Managing Director Stanley Fischer said.

Energy-rich Russia, flush with cash from a rebound in oil prices to post-Gulf War highs, does not need financial support from the IMF at present, he added, although such a programme would provide the option of borrowing funds if circumstances deteriorated.

Russia's last lending programme with the IMF, worth \$4.5 billion, ended in disarray last year amid doubts about the course of reforms and allegations that previous payments had been misused.

Russia hopes a new IMF programme would open the way to an agreement with the Paris Club of creditor countries on restructuring \$42 billion in debt while boosting foreign investors' confidence in the country's economic progress.

"With growth rates that the IMF says could exceed 7 per cent this year, Russia has bounced back with a vengeance from its August 1998 financial meltdown, which had triggered the devaluation of the rouble and sent the country's already shaky economy into a tailspin."

Yet foreign investment remains woefully low in Russia. The rates of foreign investment relative to gross domestic product in the Czech Republic, Hungary and Poland were twice as high as in Russia last year, Fischer said.

Russian Trade and Economy Minister Gennadi Gref, a key author of the country's reform plan, said that with economic performance improving, Russia would focus on creating stable conditions for investment, including a healthy financial sector and banking reforms.

"The economic policies of the Russian government and Russian president are deeply considered and we will not deviate from them," Gref said at a panel discussion at the conference.

Russian President Vladimir Putin won a key economic victory on Friday when Russia's lower house of parliament, the Duma, passed the government's 2001 draft budget plan on the first of four required readings.

Senior officials from the World Bank and other international financial institutions also heaped praise on Russia's efforts so far, but stressed it must not stray from the reform goals in the current economic plan.

Emirates' daily Dubai-Zurich non-stop flights from Jan 15

Emirates will operate daily non-stop services between Dubai and Zurich from January 15, 2001, a schedule change that will also increase capacity to Istanbul, says a press release.

Of the current six weekly flights to Zurich three are routed via Istanbul. From January 15, the Turkish city will enjoy four non-stop flights a week.

Seating capacity will be increased by a further 155 per cent on the Zurich operation due to the deployment of the bigger and technologically-advanced Airbus A330-200, offering 34 seats in Business Class and 251 in Economy.

The aircraft is capable of carrying 13,000 kg of cargo, in addition to a full passenger load.

In support of its increased operations in Switzerland, Emirates has, for the first time ever, based a sales executive in Geneva.



Derrick Samuel, Managing Director, Colgate Palmolive-South Asia region, recently visited Bangladesh to review the business performance and potential in association with their exclusive marketing partner ACI Limited. The photograph shows Samuel speaking to the sales-force members, S Alamgir, Executive Director of ACI Limited, V Rungnathan, Vice President and S K Notani, Associate Director of Colgate Palmolive, at a function held in the city. — ACI photo

Commodity: Weekly Roundup

Oil hangs around \$30 as US starts stocks release

LONDON, Oct 7: Oil prices bounced around 30 dollars a barrel this week after the US government began pumping oil from its strategic petroleum reserve (SPR), says AFP.

The benchmark Brent North Sea crude oil for delivery in November was selling for 30.12 dollars a barrel in London on Friday, up slightly from 29.88 dollars the previous week.

In New York, meanwhile, November light sweet crude was selling for 30.53 dollars a barrel, against 30.34 dollars at the close of regular trading on Thursday.

On Thursday, oil prices fell to 29.42 dollars here - its lowest opening price since August 8 - after the US government successfully sold crude oil released from its SPR, despite

concerns it would have difficulties finding buyers.

Further bearish sentiment was provided by an announcement by the Japanese government that Japanese companies had agreed to release six million barrels of heating oil from their reserves between October and December.

Downward pressured also emerged from figures from the American Petroleum Institute on Tuesday showing that US crude oil stocks had risen by 3.419 million barrels.

Rubber: Rebounding. Rubber prices rose on the London and Malaysian markets this week amid forecasts of supply shortages next year.

In Kuala Lumpur, the RSS1 index edged up to 2,630 ringgit from 2,610 ringgit per kilo last week.

The London rubber index for October delivery slipped to 54.25 pence per kilo from 5.75 pence the previous week.

Thailand, Indonesia and Malaysia, which together account for around 80 per cent of world rubber production, pledged on Tuesday to work towards a minimum selling price when they meet later this month.

Sugar: Sweeter. Sugar prices climbed this week after the European Commission pledged to cut production quotas by 115,000 tonnes a year - 0.8 per cent of the total quota this year - as part of a fundamental reform to deregulate its sugar regime.

The reforms, if approved by EU member states, would take effect from July 2001. The EU

accounts for around 14 per cent of the world's sugar production.

On the London market, March contracts jumped to 257.3 dollars a tonne from 248.7 dollars last week.

In New York, a pound of white sugar (for March delivery) climbed to 10.03 cents a pound from 9.46 cents the previous week.

Vegetable oils: Slipping. US soy prices fell this week.

On the Chicago Board of Trade (CBOT), a bushel of soy for November delivery dropped to 4.85 dollars from 4.99 dollars at the end of last week.

Grains: Sprouting. US wheat prices advanced this week.

In Chicago, a bushel of wheat (27.2 kg, for December

delivery) climbed to 267.25 cents from 259.75 cents one week earlier.

Maize rose to 199.50 cents a bushel (25.4 kg for November delivery) from 192.00 cents.

But in London, wheat for November delivery slipped to 62.00 pounds a tonne from 62.90 pounds a tonne the previous week.

Prices fell back slightly on Thursday after the US Department of Agriculture announced a fall in exports of wheat, maize and soy.

Unofficial study also revised downward estimations for US maize and soy harvests. AG Edwards analyst Victor Lespinasse said in New York.

Cotton: Climber. US cotton prices climbed this week.

In New York, October con-

tracts rose to 63.60 cents a pound from 62.46 cents the previous week.

But cash prices covered by the Cotton Outlook index dipped to 60.35 cents from 60.75 cents.

According to the latest statistics from the US Agriculture Department, US cotton exports in Aug 1 to Sept 28 jumped to 716,000 bales, from 358,000 bales in the same period a year previously.

Wool: Weaker. Australian wool prices fell this week as supplies reached their seasonal peak.

The Eastern index fell to 720 cents a kilo from 728 cents last week.

The British Wooltops index slipped to 312 pence from 324 pence seven days ago.