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# The Daily Star BUSINESS

DHAKA, MONDAY, NOVEMBER 6, 2000

StanChart Group  
chairman meets

Kibria

Chairman of Standard Chartered Group Sir Patrick Gillam called on Finance Minister Shah AMS Kibria at his office in the city yesterday, says BSS.

During the meeting, they discussed matters of mutual interest.

The finance minister apprised the chairman about the state of economy of the country. He said most of the economic indicators are satisfactory.

Exports are growing well with an increase of 23 per cent, inflation is low, industrial and agricultural productions are good and revenue collection is ahead of target, the finance minister said.

The finance minister said, the government is trying to encourage fair competition. People want efficient, quick and honest services in the banking sector, he added.

Sir Patrick Gillam said, his bank would work for better contribution to the economy of the country.

John Filmeridis, Regional General Manager, Middle East and South Asia region, Standard Chartered Bank and Muhammad Ali Rumi, Senior Representative Bangladesh, Standard Chartered Group and Chief Executive Officer, Standard Chartered Grindlays were present on the occasion.

Parjatan opens  
new hotel at  
Teknaf

The newly-built Hotel Ne Taung of Bangladesh Parjatan Corporation at Teknaf, Cox's Bazar, was launched Saturday fulfilling the long felt demand of the visiting local and foreign travellers to the south-eastern region of Cox's Bazar-Teknaf and St Martins Island, reports BSS.

Minister for Civil Aviation and Tourism and Housing and Public Works Engineer Mosharraf Hossain inaugurated the hotel.

Mohammed Ali, MP and Prof. Athan, MP, were present as special guests.

Secretary, Ministry of Civil Aviation and Tourism Chowdhury Mohiuddin Mohsin presided over the function and Chairman, Bangladesh Parjatan Corporation Abu Saleh delivered the welcome speech. A special cultural function was also organised on the occasion.

Rangs Electronics  
Winter Festival  
begins

The Sony Rangs Winter Festival 2000-2001 has been launched.

Akbar Hussain, Managing Director of Rangs Electronics Ltd, opened the festival in the city Saturday, says a press release.

Sabur Ahmed, General Manager, and other senior officers of Rangs Electronics Ltd were also present on the occasion.

Speaking on the occasion, the managing director renewed his company's pledge to make Sony, Rangs, Alfa products and services more easily available to the prospective buyers like the previous years.

During the festival, attractive price discounts and an attractive calendar for 2001 will be presented to the buyers from all the show rooms of Rangs Electronics Ltd.

Associate signs  
deal for LED  
ERP software

LED (Bangladesh) Co Ltd, the Swiss software developing company, which is promoted by the Board of Investment, has signed a contract with Associate Industries (Pvt) Ltd for LED Enterprise Resource Planning (ERP) software, says a press release.

Managing Directors of both the companies signed the agreement.

Associate is a leading company engaged in aluminum and laminate tube manufacturing. Computerised automation will accelerate the development of Associate and it is a technological fact of business, says Associate management.

LED has been doing business with ERP software in Bangladesh for about three years. LED Enterprise Resource Planning (ERP) Software integrates the entire business operations, which is reasonably priced even for small and medium size enterprises.

LED follows the ISO 9000 standards to achieve it's main goal to provide hundred per cent failure-free ERP software. So LED ERP delivers an edge in productivity, profitability and efficiency to any organisation.

Computing architectures are rapidly changing from centralised mainframe environments to decentralised client or server environments.

LED is also specialised in setting up secured and highly reliable network systems and NT servers.

## Acquisition makes Standard Chartered stronger, promises faster growth

Group Chairman Sir Patrick Gillam tells editors

By Staff Correspondent

Sir Patrick Gillam, the visiting Chairman of Standard Chartered Group, yesterday said the bank still does not have any plan to cut jobs in Bangladesh following acquisition of Grindlays Bank and asserted that in case of need, it would be done with sensitivity.

Sir Gillam was talking to the editors of different newspapers at a city hotel yesterday. He explained in details the reasons behind Standard Chartered's acquisition of Grindlays and talked about the future vision of the institution.

He also said the name "Grindlays" is a strong brand and added that Standard Chartered will still have to think about retaining the name.

Sir Gillam said one of the bank's strengths is its objective to serve the society in which it operates. The other major component is its banking services. "If you don't contribute to the

society you will not succeed in your business," he said.

He said buying of Grindlays was a good decision since the bank was doing the same sort of activities as Standard Chartered is. And has same kind of expertise. "In some areas, Grindlays was even doing better than us," he said.

Explaining the reasons for acquiring Grindlays, Sir Gillam said although Standard Chartered had a solid footing by 1997, it was not growing at a rate it wanted.

"So, the question was how to grow faster. We decided that we would acquire new businesses where we could and we would grow organically elsewhere."

The purpose of the acquisition is to focus more on customers," said Sir Gillam. "In mergers, industries never talk about customer. But we have to work hard to convince custom-

ers that merger would help them."

The bank has appointed specific managers for mergers. He said the acquisition process would be completed between 12 and 24 months.

He said the acquisition has to be completed with speed, agility and proper planning to make the changes acceptable to the people, or the change would lose value.

He said a critical task is to make a balance among different stakeholders of the bank including employees, suppliers, shareholders and customers. "When people work with you, you have an obligation to treat them in a proper way."

Patrick preferred to identify Standard Chartered as an emerging market bank. Giving the reasons why the bank went for acquisition instead of organic business expansion, Sir Gillam said if the market grows

fast, one has to buy businesses to grow at par.

"We wanted to expand quicker by acquisition of good assets," he explained.

But at the same time, the bank has grown organically in countries like Hong Kong, Singapore and Malaysia.

He also assured that Standard Chartered will not be a monopolistic threat because of its acquisition.

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Chairman of Standard Chartered Group Sir Patrick Gillam (C) speaks at a meet-the-press programme at a city hotel yesterday. On his left is Muhammad A (Rume) Ali, Senior Representative Bangladesh, Standard Chartered Group and CEO, Standard Chartered

- Star photo

## Devaluation alone not sufficient to boost export, DCCI seminar told

Economist finds 'Dutch Disease Syndrome' in force

Star Business Report

Devaluation alone will not help boost exports unless significant improvements are made in infrastructures like electricity, port and telecommunication, speakers at a seminar said yesterday.

A still overvalued taka is responsible for sluggish export performance leading to the continued depressed balance of payment situation, some of the speakers felt at the seminar.

The seminar on 'Relaxation of Controls on Foreign Exchange' was jointly organised by the Dhaka Chamber of Commerce and Industry (DCCI) and the Center for International Private Enterprise (CIPE) at DCCI auditorium in the city.

Dr Debapriya Bhattacharya, Executive Director of the Centre for Policy Dialogue (CPD) attended the seminar as chief

guest while Mamun Rashid, Head of Corporate and Institutional Banking of Standard Chartered Bank, and Kefayetullah Masud, President of Bangladesh Money Changers Association (BMCA), were discussants.

Syed Ashraf Ali, DCCI consultant, presented the keynote paper on the subject while DCCI President Atabul Islam chaired the seminar. MH Rahman, former DCCI President, Golam Kibria, former Finance Secretary, Benazir Ahmed, Vice-President of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) also spoke on the occasion.

While a pro-active exchange rate management is desirable, there is also a need for supplementary fiscal and monetary measures and institutional reforms to strengthen the competitiveness of the economy.

Mamun Rashid of Standard Chartered Bank said management information system (MIS) should be set up at the National Board of Revenue (NBR) and the ports. This would help monitor import and revenue collection

activities.

Reasons for under-invoicing even after implementation of pre-shipment inspection (PSI) should be identified, he said, suggesting necessary adjustments in tariff structure to stop such illegal trade operations.

Aftab mentioned that while impressive progress has been achieved in some sectors, reforms in other areas are slow.

"Relaxation of foreign exchange control is one such issue which is complex in nature and any cautious step could reduce foreign exchange reserve crucially," Aftab observed.

Kefayetullah Masud, President of Bangladesh Money Changers' Association, suggested that the government should take steps to increase foreign remittance by reintroducing the 'auction system'.

In connection with the appreciation of taka, Debapriya said the 'Dutch Disease Syndrome' may be a reason for this as the foreign exchange supply

is still overvalued.

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Water Resources Minister Abdur Razzak addressed a seminar on Technology and Management Aspect of Cement Grinding in Bangladesh Organised by Vicline (BD) Co Ltd at a city hotel yesterday.

- Vicline photo

## Hyundai construction unit tries to avoid bankruptcy

Top executives hold urgent meet

SEOUL, Nov 5: Top executives of the Hyundai Group's ailing construction unit held an urgent meeting today to avoid bankruptcy after creditor banks refused to extend fresh loans.

The meeting was headed by Chung Mong-Hun, who controls Hyundai Engineering and Construction Co (HEC) but who has resisted pressure from creditors and the government to carry out corporate reforms.

Chung rushed into the group's headquarters Sunday, resisting a barrage of questions from reporters in the lobby.

HEC, the country's biggest construction firm, narrowly avoided bankruptcy once last week. On Friday it narrowly missed being put on a list of debt-stricken firms that creditors say are non-viable.

Twenty-nine of the firms are to be liquidated or put under receivership, including Sam-

sung Group's truck maker and Dong-Ai Construction Industrial Co, once one of the world's biggest civil engineering contractors.

HEC was given another chance to turn itself around. But the reprieve was temporary as creditor banks refused to provide any fresh loans to HEC which has new debt repayments looming.

Finance and Economy Minister Jin Nyum warned Sunday that the government would not stop second-tier financial institutions collecting loans from HEC.

The second-tier institutions will not take action only if HEC's management comes up with detailed and acceptable restructuring plan," Jin told a South Korean television show.

He added that HEC could be placed under court receivership if it failed to pay debts.

HEC has debts of about 4.5

billion dollars, with almost one billion dollars due before the end of the year, according to creditors.

It narrowly avoided being declared bankrupt early last week after failing to pay promissory notes. These were eventually paid a day late.

The reprieve reflected government concerns over short-term shocks to the economy. The closure of the firms is expected to leave several thousand people unemployed. However, analysts said financial markets would be rattled by long-term uncertainties.

The government has finished its long-overdue homework, but the world is not good enough to get top marks, SK Securities analyst Oh Sang-Hoon said.

Sun Hong Seok of Daishin Securities said: "In reality, the government has postponed its decision until the end of the year.

## BB T-bill auction held

The 113th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held here yesterday.

Some Tk 1238.00 crore, Tk 17.00 crore, Tk 30.00 crore and Tk 28.60 crore were offered for 28-day, 364-day, 2-year and 5-year bills respectively.

Of these, Tk 1.238 crore, Tk 2 crore, Tk 20 crore and Tk 7.90 crore in total of Tk 1277.90 crore of 28-day, 364-day and 2-year bills were ac-

cepted.

The ranges of the implicit yields were 6.15-6.30 per cent, 7.49-7.51 per cent, 8.50 per cent and 10.65 per cent per annum respectively.

No bid was offered for the 91-day and 182-day bills.

Due to maturity of the bills, the total amount of Tk 825.00 crore will retire this week and the net amount of the issuing bills will stand at Tk 452.90 (1277.90-825.00 crore) during this week.

The Economic Times quoted

Sinha as saying that "Cur-

rently, global economies are

growing at no more than two to three per cent per annum."

India achieved a 6.4 per cent growth in 1999-2000.

Last month, the independent think tank, Centre for Monitoring Indian Economy (CMIE), forecast 5.8 per cent economic growth, compared with the government target of seven per cent, says AFP.

Sinha was quoted by news

papers Sunday as telling a seminar here he was concerned by the fall in the growth rate to about 5.8 per cent in the first quarter of the current fiscal year against the seven per cent in the corresponding period the previous year.

Sinha said the government would strive to contain the fiscal deficit, increase exports, accelerate economic reforms and ensure a transparent public administration.

"Even on a 6 to 5.8 per cent

growth rate concerns are being expressed. This is a good sign that expectations have been gone up in recent years," he said.

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