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Australian sand mining firm to invest Tk 129cr in Bangladesh

Bangladesh signs an agreement with International Titanium Resources (ITR), an Australian mineral sand mining company, today, under which ITR will be allowed to explore commercial dimensions of mineral sand deposits in Cox's Bazar, reports UNB.

ITR will initially invest three million Australian dollars equivalent to Tk 9 crore in the first phase and 40 million dollars equivalent to Tk 120 crore for the subsequent development of a mine and related infrastructure in the area.

This will be the single largest Australian investment in Bangladesh, said an Australian High Commission press release.

Welcoming the announcement of signing the agreement, Australian Trade Minister yesterday said, "The agreement provides further substance to Australia's strengthening commercial relationship with Bangladesh."

Eastern Housing's Aftabnagar project to have int'l hospital

An international hospital is going to be established at Eastern Housing's Aftabnagar Project at Rampura in the city, says a press release.

Japan Bangladesh Friendship Hospital and New Delhi-based Escort Heart Institute and Research Centre jointly took up this project to give proper care in heart-treatment.

When M A Zaman, Executive Director of Eastern Housing, heard Dr Shigeru Suganami, Dr Sarfar Naim, Dr Junaed Saif, Dr Faisal Moazzam of Japan Bangladesh Friendship Hospital and Dr Nareh Trehan of Escort Hospital are planning to build such a heart centre, he took the matter with great interest and immediately allotted a plot at the strategic point of Eastern Housing's Aftabnagar Project. He also promised all possible support to entrepreneurs in building the hospital.

From 1998 Escort is giving the highest form of heart care to the patients of India and its neighbouring countries. The institution and its surgeon Dr Nareh Trehan have already earned worldwide fame. Both Dr Trehan and Escort are now well-known in Bangladesh.

From 1993 Japan Bangladesh Friendship Hospital has been providing quality treatment in Leprosy, surgery, Pain Management, Children Growth etc.

The proposed hospital will be jointly administered by Escort and Japan Bangladesh Friendship Hospital. Besides heart treatment, the hospital will also give world class medical care in Neurology, Neurology-surgery, Pain Management, Oncology and Leprosy surgery.

In order to encourage education and health-care in the country, Eastern Housing will allot plots at their Aftabnagar Project to the prospective entrepreneurs to set up institutions concerning health, medicine, education childcare etc.

Japan's current account surplus rises in Nov

TOKYO, Jan 15: Japan's current account surplus rose for the first time in two months in November, boosted by returns from overseas investment, but the trade surplus declined as exports were hit by the cooling US and Asian economies, says Reuters.

The surplus in the current account, the broadest measure of trade in goods and services, rose 22.1 per cent in November from a year earlier to 972.2 billion yen (\$8.21 billion), the Finance Ministry said today.

The trade surplus fell 3.9 per cent from a year earlier to 772.5 billion yen as growth in imports continued to outpace the exports that have long been a major engine of Japan's tentative economic growth.

Overall imports grew 12.8 per cent in November from a year earlier, largely due to a rise in crude oil prices. The figure outpaced the growth in exports of 9.2 per cent.

The economy began to recover from its worst postwar downturn fuelled by exports and gains in capital spending thanks to a boom in the information-technology sector, but recent data has indicated that growth may have stalled.

"Japan's trade surplus is on a gradual declining trend. Exports to the US, Asia and Europe have already peaked due to the slowdown in the ... economy," said Takehiro Sato, economist at Morgan Stanley Dean Witter.

But Sato said a slowdown in import growth would likely limit declines in the surplus.

"Since imports have also been decreasing, a decline in the trade surplus will remain gradual. The trend, nevertheless, will be toward a fall," he said.

Bank agent traces out 'missing' borrowers, recovers Tk 3.63cr

Star Business Report

When the banks and financial institutions are failing to realise classified loans stuck up for years, a private company has traced out a number of 'missing' borrowers and recovered overdue loans.

The private company, Investment Consultancy Services Ltd (ICSL), started its formal operation in March, 1999 and has already recovered Tk 3.63 crore from 62 defaulters, most of whom could not even be traced by the banks.

Earlier, Peoples Development Services Corporation Ltd (PDSCL), which started operation in June, 2000 also claimed to

have realised Tk 1.22 crore defaulted loans of National Bank Ltd. Recently, PDSC also signed an agreement with Pubali Bank.

Both the organisations working as loan realisation agents of banks and financial institutions have been given the most difficult cases and so far, they have achieved good successes.

However, ICSL, which also claimed to be the first such company in the country, at a press conference yesterday said that lack of legal support is posing as a big problem in their work.

"In many cases defaulters question our legal entity and whether we have the permission from the Bangladesh Bank to work as loan realisation agents," said the Managing Director of ICSL, M Rafiqul Hasan, at a press conference at the National Press Club. "Our work would have been much simpler if the Bangladesh Bank recognises us as a loan recovering agency."

He said ICSL has signed agreements with 13 financial institutions and one bank to realise defaulted loans. Now the company is dealing with 464 default loan cases amounting to

Tk 12.57 crore.

He also said that the list of defaulters include former ministers, political leaders and directors of different banks. Hasan, however, refused to disclose the names of the big-wigs.

Chief Advisor of the company M Haider Chowdhury said waiving loan interests of willful defaulters and repeated re-scheduling of their loans have given rise to the default culture in the country.

He also said that banks managements also have to share the blame for the default culture.

Bangladeshi restaurants in UK suffer from manpower crisis

New avenue for exporting skilled caterers opens

Star Business Report

Bangladesh can earn huge foreign exchange by supplying skilled caterers to different Bangladesh-owned restaurants in the UK, said the visiting 26-member delegation of Bangladesh-British Chamber of Commerce.

There are now 10,000 vacancies in over 10,000 restaurants owned by Bangladeshis in the UK. But there are hardly any skilled manpower to import from Bangladesh, said Mahtab Chowdhury, Communications Director of the chamber.

"We are now running these restaurants by employing caterers from Italy, Germany, France and the UK," he said. "These restaurants employ some 75,000 people with an annual turnover of five billion pounds."

He however said that the

restaurant owners did not find many skilled caterers in Bangladesh.

Chowdhury said Bangladesh can avail the new opportunity by immediately opening up a catering institute in the country.

Another delegation member Enam Ali said that the Bangladeshi restaurants in the UK run around five billion pound worth of business and Indians mostly dominate the supply chain.

Responding to the observation of the delegation members, DCCI President Benajir Ahmed said that his chamber which currently runs a business institute, offering various courses, can think of immediately introducing a new course on catering service.

Chowdhury was speaking at a Dhaka Chamber of Commerce and Industry (DCCI) discussion aimed at expanding bilateral trade and commerce.

He said that these restaurants started small and were run by family members.

"But now as they grew in size and our new generation is not willing to work at restaurants, we are facing a serious dearth of skilled manpower," Chowdhury said.

Prime Bank earns operating profit of Tk 60.80cr in 2000

Prime Bank Limited has earned an operating profit of Tk 60.80 crore during the year 2000 representing a 69 per cent increase over the year 1999, exceeding its budgetary targets, says a press release.

This was disclosed at the 'Annual Branch Managers Conference' of the bank at a city hotel yesterday.

K M Khaled, Chairman of the Board of Directors of the bank, inaugurated the conference as chief guest. Kazi Abdul Mazid, Managing Director of the bank presided.

Directors Md Shahadat Hossain, Md Shirajul Islam Mollah and Representative Director M A Wahab were also present on the occasion. Deputy Managing Director Naser Bukhtear Ahmed, Senior Executive Vice President M Shahjahan Bhuiyan, and all Branch Managers including Executives of Head Office of the bank participated in the conference.

The conference was apprised the bank's profit represents 5.62 per cent Return on Assets which is amongst the highest in the domestic banking sector.

Deposit increased by 45.81 per cent to Tk 1116.94 crore which also exceeded the targets.

Advance by 49.77 per cent to Tk 766.97 crore over December 1999.

The Foreign Exchange business increased by 50 per cent over the last year to Tk 2402 crore.

The bank also made its mark in managing its Loan Portfolio. The ratio of non-performing loan to total loans declined to 1.49 per cent in 2000 from 1.61 per cent in 1999.

The bank maintained a credit deposit ratio of 68 per cent so as to maintain strong liquidity.

In his inaugural address the chairman spoke of providing innovative banking and good services to the customers and to work with integrity for further enhancement of the image of the bank.

Representative Director M A Wahab thanked all managers and executives to achieve the budgetary target-2000.

Kazi Abdul Mazid, Managing Director of the bank advised the bank managers to develop their IT knowledge to face the challenge of the 21st century banking in a highly automated and competitive environment.

PM prioritises jute, cotton next to IT, agro-based sectors

Prime Minister Sheikh Hasina yesterday said her government's commitment to democracy and transparency infused dynamism in the national economy that started taking upswings, reports UNB.

"The overall economy is yielding positive results, rural economy is revitalised and GDP maintains the growth of nearly 6 per cent due to discipline in financial sector as well as stability, transparency and democracy ensured by the government," she told the leaders of the country's business community.

Addressing the newly elected executive committee of the FICCI at her office, the PM urged the private sector to make investment in the IT sector and agro-based industries, which her government identified as thrust sectors.

"Instead of buying expensive houses abroad, our businessmen could make investment in

agro-processing industries in rural areas which may in turn meet the local demands, create new jobs and fetch foreign currencies through export," she said in a word of advice for the business-wormluminaries.

The government, she said, has been giving incentives to the private sector, the lifeline of economy, for accelerating the pace of industrialisation.

"Our government is providing maximum facilities to private entrepreneurs as we do not want to do business or hold monopoly on any business," Hasina said the entrepreneurs should also create market at home for their products and help enhance the buying capacity of consumers instead of solely depending on exports. She also suggested diversified production to expand the export basket.

"It would be of no use if we have free access to EU market or US market if we cannot in-

crease our exportable."

She said the government would give next priority to jute and cotton after IT and agro-based sector. There are prospects for jute and cotton products on the international market.

Mentioning government's policies and reforms implemented during her rule, the Prime Minister said it is yielding results and people started getting benefits.

She said the country for the first time attained self-sufficiency in food. GDP recorded a growth of 5.92 per cent, per-capita income rose to 385 dollars, a 100-dollar rise in four years, and literacy rate increased to 64 per cent.

Earlier, new president of the Federation of Bangladesh Chambers of Commerce and Industry Yussuf Abdullah Harun praised Sheikh Hasina's government for giving incentives to the private sector.



DCCI President Benajir Ahmed speaks at a meeting with the delegation of Bangladesh-British Chamber of Commerce at the DCCI auditorium yesterday. - Star photo



The annual managers' conference of Prime Bank Limited was held at a city hotel yesterday. K M Khaled, Chairman of the Board of Directors (Middle), Kazi Abdul Mazid, Managing Director, Md Shahadat Hossain, Vice Chairman of the Executive Committee, M A Wahab, Representative Director, Md Shirajul Islam Mollah, Vice Chairman of the Policy Committee, Naser Bukhtear Ahmed, Deputy Managing Director, and M Shahjahan Bhuiyan, Senior Executive Vice President, are seen with the managers who achieved their budgetary target in 2000. - Prime Bank photo

S'pore, Japan to kickstart free trade talks today

SINGAPORE, Jan 15: Singapore and Japan will kickstart talks for a free trade agreement here on Tuesday, reports AFP.

Senior government officials from both countries will meet from Tuesday to Thursday in a preparatory round of negotiations for the Japan-Singapore Economic Partnership Agreement which they hope to conclude by year end.

Former ambassador to Tokyo, Lim Chin Beng, chairman of Singapore Technologies Aerospace, will head the Singapore negotiating panel, a government statement said.

The decision to forge a free

trade agreement was reached between Singapore Prime Minister Goh Chok Tong and his Japanese counterpart Yoshiro Mori at the Asia-Pacific leaders' summit in Brunei last October.

It will be the first free trade agreement for Japan, which is one of the few industrial countries which does not already have any accords of such nature.

The talks will be held in both Singapore and Tokyo in the course of this year, the statement said.

The scope of negotiations would be based on the recommendations in the Japan-Singapore Free Trade Agree-

ment joint study report submitted to the two prime ministers on 29 September 2000," the statement added.

The study called for a "new age partnership" in such areas as trade in goods and services, investment, harmonisation of regulatory procedures, and competition policy.

Tech-savvy Singapore was expected to push for information and communication technology (IT) to be covered by the accord.

Singapore, a tiny Asian economic dynamo, has been criticised for negotiating an array of bilateral free trade agreements with other countries.

Filipino budget deficit jumps to \$2.6b

MANILA, Jan 15: The Philippine state budget deficit last year soared to a higher-than-expected 136.11 billion pesos (2.6 billion dollars) amid a shortfall in tax collections and lower privatisation proceeds, a government report said Monday, says AFP.

The report by the Bureau of Treasury said revenue was at 505.725 billion pesos against an expenditure of 641.835 billion pesos.

The government had targeted a 2000 revenue of 566.954 billion pesos and an expenditure of 629.454 billion pesos, which would have resulted in a budget deficit of 62.5 billion pesos.

According to the report, the main reason for the revenue shortfall was that the Bureau of Internal Revenues collected only 353.973 billion pesos, some 43.791 billion pesos less than its target for the year.

Another key factor, the Treasury Bureau report said, was lower privatisation proceeds -- 4.894 billion pesos against a target of 21.976 billion pesos.

A huge deficit is seen putting upward pressure on interest rates as the government looks to the domestic financial market for borrowings needed to finance the budget gap.

Socio-economic Planning Secretary Felipe Medalla had said that the government was targeting an interest rate ranging from 11 to 12 per cent for this year.

RBI asks state banks to cut loan defaults

NEW DELHI, Jan 15: Indian central bank governor Bimal Jalan on Monday urged domestic banks to plug gaps in their financial systems which have resulted in billions of dollars worth of loan defaults, says AFP.

He said the Southeast Asian financial crisis three years ago had shown how a widespread mismatch between debts and loans could result in illiquidity and insolvency, damaging the whole economy.

"You have to monitor these every day, and if there is a problem or crisis, then it should come to your notice that evening," Jalan told a meeting of bankers in the Indian capital.

Jalan said that internal controls of banks must span a wide

range of systems to prevent the bad loans which have accumulated to a total of about 12 billion dollars.

Jalan stressed that unless such non-performing assets were whittled down, the banks would not have the trust of global business firms.

"In at least the next two to three years, we should be able to come to a level where all the banks feel comfortable with the level of non performing assets."

"We should not be working on it only because the Indian parliament has directed us."

The central bank governor said state-run banks should try to tap into the gigantic retail networks and make them more efficient to match steps with global competitors.

Indonesia ups 2000 growth to 4.8 pc

JAKARTA, Jan 15: Coordinating Minister for the Economy Rizal Ramli said Indonesia's economic growth in 2000 is now estimated at 4.8 per cent compared to the previous estimate of 4.0 per cent, says AFP.

Ramli, speaking at his office, said factors supporting growth included higher oil prices.

He said the construction sector was estimated to have grown by 8.3 per cent, electricity usage rose 11 per cent, and cement consumption has also increased.

The increase in electricity usage reflected a significant increase in production, Ramli said, noting that industrial capacity utilisation was at 75 per cent.

EU growth to outpace US economy, up euro in '02

TOKYO, Jan 15: German Finance Minister Hans Eichel said today European growth would outpace the US economy next year, helping the euro extend its recent gains against the dollar, reports Reuters.

"The economic prospects for Europe are excellent -- and are even better than those for the United States," Eichel said in the text of a speech to be delivered in Tokyo, where he was on the second leg of an Asian tour.

The growth gap between the United States and Europe, which is often given as the reason for the euro's weakness,

could close next year.

"The positive development of the euro exchange rate in recent weeks shows that financial markets are reacting to changing forecasts."

The euro has rallied from a low of around \$0.82 last October to end last week at \$0.95 recovering strongly after US growth slowed sharply in the third quarter of 2000 but still well down on what it was worth at its launch two years ago.

Eichel, pointing to strong economic fundamentals in the euro zone, which groups the 12 European countries sharing the

common currency, said he was convinced the rally had further to go.

He also noted that inflation in the bloc had remained modest despite last year's "extreme" rise in oil prices, which touched 10-year highs in the early autumn. "Inflation is no longer an issue in Europe," he said.

Eichel said he was convinced that the euro was as stable as the old German mark. "That is why I am convinced that the euro will gain considerably more in the value against the US dollar," he said.

India's gold bond scheme fails to bring out private hoards

BOMBAY, Jan 15: A gold bond scheme launched by the Indian government has failed woefully in its aim of retrieving some of the estimated 10,000 tonnes of gold held in private hands, says AFP.

The state-owned State Bank of India (SBI) launched the scheme on November 19, 1999 as part of the government's policy of bringing private gold hoards into the economy and reducing the country's dependence on imports.

"We have mobilised 5.6 tonnes of gold as of December 31, This is well below expectations," an SBI official told AFP on

Monday.

The SBI had hoped to mobilise about 100 tonnes of gold in the first year.

"People are unwilling to part with gold. This mentality has to change," the official said.

Under the scheme, the SBI accepts a minimum of 200 grammes (seven ounces) of gold, hallmarks it and issues a certificate to the depositor.

The gold must be kept with the SBI for a minimum one year, and a maximum seven years, with annual interest of between three and four per cent.

At the end of the specified

period, depositors can either retrieve the gold or its value in money.

Analyst Ashwin Arya, at gold trading house eMeehan, attributed the scheme's failure to the minimum deposit requirement and fear of prosecution.

"The average gold holding with a family is between 150 and 200 grammes. So the minimum limit should be brought down," Arya said.

India is the world's largest market for gold but mines a negligible quantity of the metal, making it heavily reliant on imports.