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IMF sees scope for deep US rate cuts

DAVOS, Switzerland, Jan 27. IMF First Deputy Managing Director Stanley Fischer said today the United States could cut interest rates by as much as five percentage points if necessary, but added he did not expect this, says Reuters.

"US real interest rates are not unusually low at present by historical standards, so I don't fear what you fear," he told a questioner at the World Economic Forum annual meeting who asked about the inflationary impact of more rate cuts.

"Remember they have got another 400, 500 basis points to go if absolutely necessary - not that I think that will be necessary. I don't see that as a major danger. This has been a reasonably balanced expansion by historical standards," he said.

New MD of NCCBL



Anwar Ahmed recently joined National Credit and Commerce Bank Ltd as its Managing Director.

Prior to his assignment, he was the Executive President of Al-Baraka Bank Bangladesh Ltd, says a press release.

Ahmed took up banking career in Habib Bank as Probationary Officer in 1962. He joined United Bank (now Janata Bank) as Branch Manager in 1964. He worked there in different positions.

Ahmed joined Arab Bangladesh Bank Ltd as Vice-president in 1983 and was promoted to Executive Vice-president of the bank. He then joined Five Continents Credit Ltd as its Chief Executive Officer in March 1994 and served there up to July 1995. Then he joined Al-Baraka Bank Bangladesh Ltd as Executive President (Managing Director) in 1996.

He attended various training courses and seminars on banking at both home and abroad.

Southeast Bank okays Tk 75m credit line for Prime Finance

Southeast Bank Limited extended a credit line for Tk 75 million to Prime Finance and Investment Limited (PFI) recently for PFI's leasing business/operations, says a press release.

A loan agreement to this effect has already been executed between the two organisations.

Shah Md Nurul Alam, President and Managing Director of Southeast Bank Limited, and Tapan Krishna Podder, Managing Director of Prime Finance and Investment Limited, signed the agreement on behalf of their respective sides.

Amongst others, Khondker Fazle Rashid, Executive Vice-president, Majumder Sunil Chandra, Vice-president, and Pritish Kumar Sarker, First Asstt. Vice-president of Southeast Bank Head Office, and Asad Khan, Senior Vice-president, and Akter Hossain Sannamat, Vice-president and Company Secretary of Prime Finance and Investment Limited, were also present at the signing ceremony.

India's forex reserves hit record high

BOMBAY, Jan 27. India's foreign exchange reserves rose to a record high in dollar terms by mid-month, the central bank reported, reflecting a huge inflow of foreign money into buy Indian stocks, says Reuters.

By the close of trading last week, foreign investors had brought over nine times as much money into India as they had a year ago, according to analysts.

The Reserve Bank of India (RBI) said foreign exchange reserves totaled \$40.469 billion on January 19, up \$116 million from a week earlier.

But in rupee terms reserves fell, reflecting the rupee's appreciation against the dollar. India's foreign exchange reserves totaled 1,878.79 billion rupees, down 2.44 billion rupees from a week earlier.

The rupee, at its highest, gained 0.7 per cent in January to 46.34 per dollar, up nearly 1.2 per cent from the record low of 46.92 rupees struck in October. But it subsequently weakened on month-end import demand.

NCCBL set to come out of problem bank shackles

By Inam Ahmed

With the overall banking environment showing a positive trend, the National Credit and Commerce Bank Ltd (NCCBL), another private sector bank which is dubbed as a 'problem bank', is expected to get rid of the status by February 15, according to banking sources.

The Bangladesh Bank has been satisfied that the NCCBL has met all the conditions for escaping the stunted status and the declaration about its exclusion is expected to come soon.

National Credit and Commerce Bank Ltd (NCCBL), originally a financial company, became a bank when it was hit by a general run on such financial firms in the early 1990s. But then it was hit by bad asset management.

It was faced with Tk 39 crore capital shortfall that shattered its basics. At the same time, it was faced with a huge Tk 46 crore provision shortfall as a result of galloping bad debts.

NCCBL's classified loans stood at around 16.90 per cent in 1997, which were weighing heavily on the bank's functioning.

As a result of such mismanagement, the central bank identified it as a problem bank along with six others. This classification was made following a CAMEL (capital, asset, management, earning and liability) rating by the Bangladesh Bank. The central bank also signed memorandum of understandings (MOU) with these banks to improve their condition.

The MOU with NCCBL was signed on May 22, 1998 and the bank was asked to achieve certain improvements. Among the conditions, it was supposed to lower its classified loans to 15 per cent and meet the gaps in capital adequacy and provisioning.

According to sources, NCCBL has lowered its classified loans to 12 per cent. Of its Tk 726 crore loans and advances till the end of the year 2000, it now has Tk 87 crore classified loans.

On the other hand, it has also met the capital shortfall by floating IPOs and also made full provisioning of the bad loans.

The other six banks which were categorised as problem bank are National Bank Ltd, UCBL, City Bank, Uttara Bank and Pubal Bank.

Of them, only NBL has elevated from the status late last year. UCBL was also doing fine on the track, but following the storming of its board by a former director of the bank, Akhtaruzzaman Babu, the bank was downgraded again.

On the other hand, although Uttara and Pubal have performed well in the past, these two banks are suffering heavily from its huge classified loans taken by the public sector corporations. These banks are now seeking redress from the government in the form of bonds to offset their stuck up loans.

Later, NCCBL floated IPO in the capital market to meet capital status.



Picture shows the participants of a four-day international corporate credit workshop with Muhammad A Ali, Chief Executive Officer, and Mamun Rashid, Head of Corporate and Institutional Banking of Standard Chartered Group in Bangladesh. The workshop was organised by the bank at a city hotel recently.

Last-minute bid for BGMEA consensus leadership fails

Polls finally headed for a four-forked fight

By Shahriar Karim

As predicted earlier, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) election this year is heading for a four-forked fight, frustrating a last minute effort for a consensus leadership just before the last date for withdrawal of nomination papers yesterday.

According to BGMEA sources, a leading garment manufacturer Fazlul Azim, who is also a BNP lawmaker, initiated the last minute effort for a consensus leadership. He had a meeting with the leading people of the four groups on Friday night. However, his move failed as most of them thought it was 'too late' to reach any such consensus.

Earlier, a similar move by Salman F Rahman of the Beximco Group also failed to produce any result. However, the leading garment manufacturers, who were at the helm of BGMEA for the last 15 years, now feel that BGMEA should have consensus leadership in future.

However, there are other businessmen who think that this sort of practice might create a coterie in the BGMEA and

said they would oppose any such initiative.

Breaking the tradition of a straight fight between two groups of the garment manufacturers, this year four prominent garment manufacturers filed their own panels, making the upcoming election a four-way fight.

Apart from the usual two groups - Sammillito Parishad and Forum Group - two new platforms namely Progressive Forum and Members' Council emerged this year to contest the election.

More than 2200 members are expected to elect the 27-member BGMEA Executive Committee on February 22, 2001.

The four apparel manufacturers expected to lead the panels are incumbent Vice-president Annisul Huq of Forum Group, Engineer M Abu Taher of Progressive Forum, Kuttubuddin Ahmed of Sammillito Parishad and Nazfar U Siddique of Members' Council.

All the groups excepting Progressive Forum (PF) filed full panels for the 27-member executive committee. PF filed 22 nominations. However, the

group leader, Eng M Abu Taher, said that some independent candidates, who filed their nominations, might join his group.

The usual trend in the BGMEA election is a straight fight between two panels under the banners of Forum Group and Sammillito Parishad. Last time, Forum Group filed a joint panel with a breakaway group of Sammillito Parishad led by Nurul Haque Shikder and Tipu Munshi, both directors of the Association.

Nurul Haque Shikder and Tipu Munshi severed their relations with the Forum Group to end a two-year honeymoon. On the other hand, Engineer M Abu Taher, a Forum stalwart, recently resigned from the group to form Progressive Forum.

A group of garment manufacturers who are 'frustrated with the present and past leaderships' formed Members' Council with the view to raising general members' voice in the Association, as they thought that the vast majority of the garment manufacturers were being neglected over the years.

StanChart hosts int'l corporate credit workshop

Standard Chartered Bangladesh hosted a four-day international corporate credit workshop at a local hotel recently, says a press release.

The workshop was participated by relationship managers and senior credit officers of Standard Chartered Bank and Standard Chartered Grindlays Bank from Bangladesh, Bahrain, India, Pakistan and Sri Lanka.

The workshop was conducted by Quresh Bengali and Vinayak Herur, Senior Training Managers of Standard Chartered Group. The participants discussed various aspects of corporate credit, including case studies on real-life scenarios.

Muhammad A Ali, Chief Executive Officer-Bangladesh of Standard Chartered Group, distributed certificates among the participants at the end of the workshop. Mamun Rashid, Head of Corporate and Institutional Banking of Standard Chartered Group in Bangladesh, and other bank officials were also present in the certificate-giving ceremony.

Emirates' flight bookings go on-line

Travellers resident in the United Kingdom and Ireland can now book flights with Emirates on-line, through the airline's own web-site, www.emirates.com, says a press release.

The airline operates 42 flights a week between the UK and Dubai, three daily services from London Heathrow and one each day from London Gatwick, Manchester and Birmingham.

The airline is offering double mileage to members of its Skywards frequent flyer programme as an initial incentive to book flights on-line.

Members of the Skywards scheme, which was launched in May last year, must book and fly between January 11 and March 31 to qualify for the double mileage boost. Membership to Skywards, which entitles frequent travellers to substantial benefits, can be done on-line as well by logging on to www.skywards.com.

The new on-line facility also allows travellers to check seat availability on all Emirates flights and obtain fare quotations.

On-line bookings have to be made eight hours prior to flight departure and flight tickets for any on-line bookings made within seven days of departure must be collected at the airport on departure.

Arroyo scraps power sector reform bill

MANILA, Jan 27: Philippine President Gloria Macapagal Arroyo has scrapped a key power bill from her administration's legislative agenda, saying the measure would only aggravate the country's budget deficit problem, says Reuters.

The bill, pending in Congress, was identified as a priority measure by the former administration under toppled president Joseph Estrada and among a list of critical reforms promised by his administration to the International Monetary Fund (IMF).

It is aimed at restructuring the country's electricity generating sector and will pave the way for the privatisation of the National Power Corp (Napocor).

State-controlled Napocor owns most of the country's power generators.

Arroyo, who has identified the country's ballooning budget deficit as the most immediate problem of the economy, said the government would incur more expenditure from the restructuring compared with what it can get in terms of revenue.

Weekly ReadyCash Prize Winners

The latest draw of the fortunate prize winners of ReadyCash took place last Thursday at Stop 'N' Shop at Dhanmondi. This is part of the ReadyCash commitment to reward its valuable and loyal cardholders.

Prizes for new cardholders

Prizes	Name of Winners	Card No.
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Free Shipment	G K M Haider Chy	5047980000006515
Lunch for two at China Junction Rest	Shamsud Saleheen	5047980000006501
Hertz Free Rent-A-Car	Md. Salim Hossain	5047980000006517

New ReadyCash cardholders will become eligible for prizes as soon as they apply for a card and make a transaction. The winners can collect their prizes from the Public Relations Manager of ReadyCash within 30 days of this news circuler. For details one may contact at 8125294-7. ReadyCash encourages its cardholders to read The Daily Star on every Sunday for a new listing of prize winners.



Mark Humble, HSBC's Chief Executive Officer Bangladesh (right), presents A M Emdad Ul Haq (middle) with the special PowerVantage welcome pack while Manager Personal Banking Joe Barker-Bennett (left) looks on. - HSBC photo

Sunday Business Solutions

Do you have business problems? Write to us at:

Sunday Business Solutions
The Daily Star, 19, Kawan Bazar, Dhaka, Bangladesh, email: dstar@bangla.net

Sarwar Ahmed, MBA (sarwar@asia.com) hosts this column. He leads a multinational company in Bangladesh. The Daily Star has introduced a new business solution column which appears on Sundays. While running your business, you come across problems and wish someone would help. This column will provide you with insights to solve your problems.

ROMANCE IN THE OFFICE

Q: I am in a fix. A new employee has joined our company. She is attractive and intelligent. We are on friendly terms and I seem to be falling in love with her. I know this may not be appropriate in an office... but I seem to be helpless. What can I do? (Tracted)

A: This is not really my cup of tea! However, here are some hints for you to ponder from the corporate point of view. Assuming that love eventually leads to marriage, you need first of all to check if your company has any policy on married couples serving the same organization. Many organizations do not encourage married couples to work for the same company. If this is the case in yours, decide who will stay, now.

Love is blind they say. It may blind you to the fact that your prouthing in the office will not go unnoticed. Remember 92 percent of all communication is body language. 8 percent is verbal. People do notice very fast and eventually the grapevine and office gossip is all about you and your newfound love. So you will shortly see your colleagues give you uncomfortable looks. Office productivity will hit a low as the main topic is you.

What do you think the boss will think of when he or she comes across this situation? If your activities bring the office to a near stand still, your boss will certainly not like it! Consequently, the boss' decision will not be to your liking.

Look at your own productivity... I won't be surprised if the curve has taken the downside as you dream those pleasant love dreams in the office, frittering away time, look for the slightest pretext to talk to your friend, or help her with her work! You must also be working overtime to complete your own day's incomplete work. It isn't healthy, is it?

I am not against love and good feelings. However, it will become even more difficult if your love culminates into marriage or even worse, if it fails. Hoping that you succeed in tying the marriage knot, the long term prospects for both of you will not be good. Your bosses may not be inclined to promote you both even if you do good work because of the fear of nepotism that can be exercised by any one of you in a senior position.

What will be even worse for you if this doesn't work out - if your friend spurns you - and the whole office is in the know. You will lose face, feel ashamed and life will not be heaven, rest assured!

I am not a pessimistic by nature, quite the contrary. However, I have seen a case or two similar to yours. It hasn't been good for the organization. Eventually they left, working in separate organizations, better off and a lot happier. Happiness is a sum of your feelings and the environment you work in. Nothing wrong with love - however, see if you can separate it from your professional life. Love and let live!

HSBC launches PowerVantage

The Hongkong and Shanghai Banking Corporation Limited (HSBC) in Bangladesh has launched PowerVantage, a unique all-in-one integrated banking service designed to provide customers with total financial control, says a press release.

PowerVantage customers will enjoy a range of privileges, including free accident insurance cover, free endorsement of foreign currency against the travel quota, preferential rates on loan products and a PowerVantage ATM card with a higher daily cash withdrawal limit than for other personal banking accounts.

AutoPay salary account holders will be entitled to further discounts on other banking services.

Joe Barker-Bennett, Manager Personal Banking, HSBC in Bangladesh, said, "With PowerVantage, customers can keep track of their accounts through a consolidated monthly statement, which provides a snapshot of all their accounts with HSBC, helping them manage their funds more efficiently."

To become a PowerVantage customer, an average balance of BDT200,000 must be maintained in their personal accounts with HSBC in Bangladesh.

Tourism promotion drive

S'pore seeks more Bangladeshis

The Singapore Tourism Board has invited Bangladeshis to 'Live It Up in Singapore!'

The board highlighted its tourism marketing campaign at a joint travel agents' seminar with Singapore Airlines in a city hotel in Singapore recently, says a press release.

Broadly categorised into five themes, the campaign highlights Singapore's attractiveness as a City of Diverse Culture, The Garden City, The Fun City, City for the Arts and The Gateway City.

Whether it is arts events, bargain hunting, mouth-watering food or spa treatment, Singapore assures a treasure trove of experiences set against a vibrant and cosmopolitan backdrop - and all at value-for-money prices.

The year 2000 was a stellar year for Singapore tourism, which received 7.6 million visitors, the highest-ever figure recorded for tourist arrivals. The last record was set in 1996 when the country received 7.29 million visitors.

For the year 2000, a total of 38,645 Bangladeshis visited Singapore. This represents an impressive growth of 16.1 per cent over the same period in 1999 and is a strong rebound after two years of negative growth.

"We see greater potential in the market for sustained growth," said C. Chang, the STB's Marketing Manager for South Asia. "And with our new Live It Up! campaign, we aim to give Bangladeshis 101 and more reasons to visit and re-visit New Asia - Singapore."

China's grain output drops to record low

BEIJING, Jan 27: China's production of grain dropped to a record low of 1.61 billion mu (about 107 million hectares) last year, and experts warn China could face a shortage if the trend continues, state media said today, reports AFP.

The official Xinhua news agency said the amount of arable land used to grow grains - which include wheat, rice, sorghum, soybean and corn - decreased by approximately 6 million hectares from 1999, citing statistics from the Chinese ministry of agriculture.

Japan plans to import more garments from Bangladesh

JETRO apparel expert says

Japan is set to achieve a balanced and harmonious trade relationship with Dhaka by promoting imports, especially garments from Bangladesh, says BSS.

Kintaro Takemoto, an apparel expert of the Japan External Trade Organisation (JETRO), stated this here Saturday after an extensive visit to six garment industries - four in Dhaka and two in Chittagong.

The Dhaka JETRO office organised the visit of Takemoto, also a fashion design specialist, in connection with the business tour of the owner of one big Japanese garments buying house in the country.

To accelerate the government's increased import policies, JETRO, a non-profit organisation under the Ministry of International Trade and Industry, has been endeavoring to promote imports from Bangladesh by providing information tailored to the needs of the

Japanese market.

Talking to BSS, Takemoto said that during his visits to the industries, he suggested proper market study and analysis to have a clear understanding of the nature of the Japanese market and its customers.

In this context, he said that to penetrate into Japanese market, Bangladesh garment manufacturers and exporters should have to take entrepreneurial ventures to be well-acquainted with the local taste and fashion, quality, compliance with the timeframe and providing the importers with accurate information.

The expert also advised the employees to keep clean the surroundings, work places and machines to prevent the products from getting soiled and smeared with spot. It is vital to manufacturer products keeping in mind the demand of the quality-conscious customers, he added.

Takemoto said the exporters should not expect quick success in dealing business contact with Japanese firms. One has to enter with small lot but with big margin, he said, adding the order will gradually increase as they take an inordinate length of time to reach a decision.

The Japanese importer who preferred to remain unidentified and not to disclose name of his company also visited those garment industries with Takemoto to see and select the items.

JETRO representative Daisuke Arai who also accompanied the expert during the visit to the companies said many entrepreneurs of his country now want to relocate their industries in Bangladesh. Giving the background why the investors want to invest here he said the production cost in Bangladesh is still less than other Asian countries.