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# Star BUSINESS

DHAKA FRIDAY MARCH 16, 2001

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## Concord signs deal with Dutch firm to set up theme parks

Concord Entertainment Company Limited of Bangladesh and Mega Rides Limited of the Netherlands, one of the biggest amusement rides facilities manufacturer of the world, signed an Amusement Rides Agreement on Tuesday at Concord Centre, says a press release.

Engineer S M Kamaluddin, Chairman of Concord Group of Companies, and J P H Coolen, President of Mega Rides Limited of the Netherlands, signed the agreement on behalf of their respective sides.

By signing the agreement, Concord Group has started a new journey to set up a world class Theme Park in Bangladesh.

Concord and Mega Rides also reached an agreement to set up more such Theme Parks in different parts of Bangladesh within the next three years. The main objective of setting up of such parks is to cater the need of both domestic and foreign tourists and visitors.

This new endeavour of Concord will offer numerous fun facilities to every class of people of all ages and will develop better human relationship and social bondages.

## Bank holiday tomorrow

UNB, Dhaka

Bangladesh Bank and all other scheduled banks will remain closed on March 17 on the occasion of the birth anniversary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman, according to a BB press release.

## Best Aviation's Dhaka-Ctg service by Oct

Best Aviation Limited plans to launch a special domestic passenger service between Dhaka and Chittagong sometime at the end of this year to meet the growing demand of the passengers making Dhaka-Chittagong-Dhaka tours.

The service is expected to be launched after completion all formalities by mid-October, says a press release.

Best Aviation has planned to operate a mid-size jet aircraft with 80-passenger capacity with a configuration of 16 business class seat, 64 economy class seat with enough leg space, and larger baggage carrying capacity.

The aircraft will be able to fly passengers from Dhaka to Chittagong in 20 minutes. Initially, Best Aviation will operate 3 flights a day.

Best Aviation will operate flight between the other airports in the country gradually. Best Aviation has operated about 400 flights during last 3 years, maintaining highest standard, without any incident or accident record.

Thus, Best Aviation is confident that they will offer a safe, on time, comfortable, convenient air service to the passenger with the highly trained and motivated team of workforce, with a new generation aircraft.

## Biman posts 11pc passenger, 17pc cargo growths

UNB, Dhaka

Biman Bangladesh Airlines, with its modest fleet, has achieved 11 per cent growth in passenger carriage and 17 per cent in cargo carriage during the first eight months of the current fiscal (July-February).

The growth was achieved for carrying over 9.04 lakh passengers and 26,213 tons of cargo including mail by operating some 8,437 flights during the period.

At present, Biman is operating a well-knit international network of 26 key city destinations in three continents.

It also has a 7-point domestic operation, said a press release.

## Two Indian cos to help expand Baghabari power substation

UNB, Dhaka

A consortium of two Indian firms—M/s ABB and M/s RPG—will work for expansion and rehabilitation of Baghabari 132/33kv substation and set up 7km double circuit power line under a contract signed with the Power Development Board Thursday.

# WB's financial sector reforms fail targets, study says

## Second SAPRI forum ends

UNB, Dhaka

The World Bank-sponsored financial-sector reforms failed its targets as credit allocation to productive sectors did not expand, but shrank, experts said.

As interest rate deregulation under the donor-prescribed financial-sector adjustment credit failed to yield expected results and informal microfinance became the main lending source for most rural people who have to pay high rates for the credits.

The conclusion was drawn in a study released in the concluding session of SAPRI Bangladesh Second National Forum at the CIR-DAP auditorium yesterday.

Dr Toufic Ahmed Chowdhury presented the study on implica-

tions of adjustment policies on financial sector conducted by the Structural Adjustment Participatory Review Initiative (SAPRI) Bangladesh.

Academics, economists, experts and trade union leaders took part in the discussion which was chaired by immediate-past president of FBCCI Abdul Awal Minto.

The study shows that Credit Allocation Index (CAI) for agriculture went down to 0.428 in 1998 from 0.677 in 1987 while the situation in respect of small and medium enterprises is worse with the index diving to 0.398 in 1998 from 0.859 in 1987.

The SAPRI assessment said lending activities for the rural areas and the SMEs did not ex-

pand and 52.68 per cent of the rural consumers are still out of credit facilities.

"Micro Financing Institutions (MFIs) turned into a major institutional credit source in the rural economy although it's not a contribution of the reform programme," it said. MFIs captured 33.16 per cent of the rural credit market.

The analysis said the interest rate spread failed to bring competitiveness in the financial sector, suggesting an immature decision to deregulate the rate.

What the decision yielded is an increase in real credit interest rate instead of reduction through competitiveness.

The study found another

shortcoming of the adjustment programme in respect of financial accounting. Accounting procedures in the banking sector were yet to achieve international standards although the Financial Sector Reform Programme (FSRP) was completed in 1996.

A bank reform committee was also formed as the ISRP failed to achieve expected results which also ignored the Development Finance Institutions (DFIs), says the report.

It pointed out that the private banks did not open branches in the rural areas while the existing NCB branches the consolidated their activities, resulting in a negative credit flow to the rural areas.



Picture shows the agreement signing ceremony between Concord Group and Mega Amusement Corp at Concord Centre Tuesday. S M Kamaluddin, Chairman, Concord Group, is seen signing the documents with Jan Coolen, President of Mega Amusement.

# WB tells Southeast Asian govts to step up reforms

REUTERS, BANGKOK

The World Bank said Wednesday Southeast Asian governments must step up structural reforms to protect their economies from instability.

World Bank vice-president for East Asia and the Pacific Jamal-uddin Kassum told Reuters governments had to act now as the global economic downturn was threatening gains made since the 1997 Asian crisis.

"I think the economic recovery was quite swift after 1997-1998, but now growth rates are coming down globally so it's very important that structural efforts to reform the banking and corporate sectors are maintained to strengthen these economies against external risk," he said.

Kassum, on his first visit to Thailand since taking up his post a year ago, said he would meet members of the new Thaksin Shinawatra-led government to discuss World Bank assistance. "We are here to help first and foremost with poverty reduction efforts, but to do that you need a strong econ-

omy which is growing, that can withstand external shocks, that is competitive in the world economy," said Kassum.

"We feel Thailand has the ingredients for that, but it has to continue the momentum of reform."

Many economists say the new government's policies to restructure bad loans within a national asset management company (AMC) and introduce a three-year debt moratorium for poor farmers may compromise financial discipline.

Turning to Indonesia, Kassum said political instability and the slow pace of economic reform were preventing the World Bank from implementing a larger assistance programme.

He repeated previous statements that funds from the World Bank could increase greatly if Indonesia improved its efforts to reform its financial institutions, and could come to terms with the IMF, which suspended a bailout programme in December.

"If Indonesia has a very strong performance in its reform pro-

gramme, in its poverty alleviation efforts and its programme with the IMF, we can probably see a very high level of lending ... up to \$1 billion," Kassum said.

"Of course, if it doesn't achieve, that level of reform, then we have what is called a 'base case' which is about \$400 million worth of projects that would be targeted at direct poverty alleviation in rural areas and maintaining public services for the poor," he said.

Talks between Indonesia and the IMF on the latest \$400 million loan tranche of a \$5 billion loan facility are stalled due to what the IMF sees as Jakarta's failure to adhere to economic reforms required under the terms of a loan programme extended during the 1997 Asian economic crisis.

Issues at stake include the independence of Indonesia's central bank, borrowing by regional governments and transparency in asset sales.

Kassum said he thought the IMF programme was central to Indonesia's economic future.

# Pakistan hopes for \$138m IMF tranche after review

REUTERS, Islamabad

Cash-strapped Pakistan said Wednesday it was hopeful the International Monetary Fund board would approve a second tranche of a loan after an IMF review of the country's economic performance.

Finance Minister Shaukat Aziz told a news conference that he had received a letter of intent from the IMF, which he would study and respond to in a week to the IMF to be presented to its board.

"The review has gone well. It (IMF loan programme) seems to be going on track but the board has to meet and approve it," he said, referring to the release of a further \$138 million to Pakistan as a second tranche of a \$596 million standby loan approved last year.

He said he expected the formalities for the release to be completed in the next four weeks.

Pakistan needs to stay on track with the IMF to receive crucial balance of payments support and win endorsement for its structural economic reforms undertaken by the government of military ruler General Pervez Musharraf.

Such endorsement would enable Pakistan to receive loans from the World Bank and the Asian Development Bank for various development projects.

The country faces what officials call an "unsustainable" debt problem for which it is seeking support from bilateral donors and multilateral financial institutions.

Aziz said Pakistan had sought soft loans from a group of the do-

nor community on Wednesday, the last day of a three-day meeting of the Pakistan Development Forum.

He did not say how much the government had asked because the annual meeting was a non-pledging session.

Aziz said Pakistan had requested soft-term loans from the forum, technical assistance in the form of grants, speedier processing of these requests and permission to carry out home-grown development projects.

Mieko Nishimizu, world Bank vice-president for the South Asian region, said she could not say how the donors would respond to the request for soft-loans or a government report on its huge debt problem but that these would be closely studied.

## Hyundai Cement donated to mosque

Hyundai Cement (Bangladesh) Co Ltd recently held a cement donation ceremony at Uttara Jami Masjid, says a press release.

The ceremony was inaugurated by P N Iyer, Vice-President, Marketing & Sales, Hyundai Cement, and was attended by prominent members of the community, mosque leaders, and local government officials.

Syed Tareq Ali, Deputy General Manager (Marketing), and Md Jashim Uddin Khandker, Sales Manager, were also present.

Addressing the assembled crowd, Iyer reiterated Hyundai Cement's strong commitment to such socio-cultural development programmes.

Ali added that even in times of cement crisis in the market, Hyundai Cement wished to dutifully continue with its efforts by supporting worthy causes such as these in order to promote development at the grassroots level in thousands of communities and villages.

This was in keeping with "Holderbanks" vision worldwide to be an active member in the society and to become the "ideal corporate citizen."

The ceremony ended with a Hyundai Cement truck, carrying 150 bags of premium cement being handed over to Haji Md Nasiruddin Sarkar, the honorary chairperson of the Masjid committee.

## BCCI liquidators defeated in House of Lords

The liquidators of the Bank of Credit and Commerce International SA (BCCI) appealed against a decision of the Court of Appeal to allow former employees who had been made redundant before closure of the fraudulent bank to pursue claims for stigma and misrepresentation damages, says a press release.

These former employees had accepted a redundancy payment and signed an agreement on ACAS CO13 Form, releasing BCCI against all claims.

The employees have always argued that for the redundancy payment they received they were only releasing those claims related to termination.

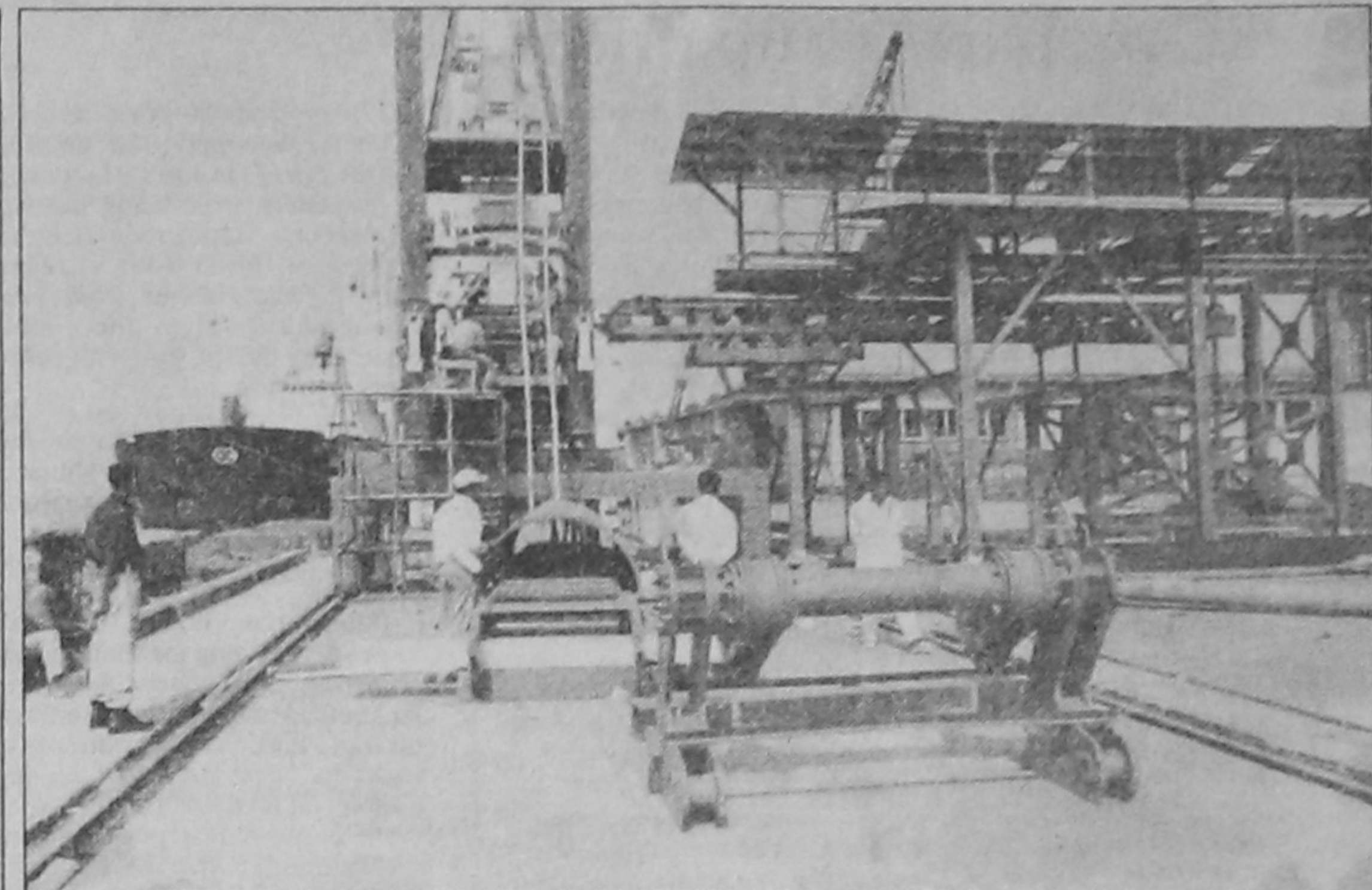
The Lords' judgement agreed with the former employees and dismissed the appeal of the liquidators of BCCI. They reached the view as a matter of construction and held that it was "improbable that the parties, in the context of which they were making this agreement, were intending to cut out all future claims of any kind not related to the termination".

The liquidators of BCCI have been ordered to pay costs.

Qaiser Malik and Mohammad Qayyum, Joint Co-ordinators of the BCCI Campaign Committee, who have been campaigning for the past ten years on behalf of the former employees, are delighted. They say that the Lords' judgement opens the door to some 900 former employees made redundant before closure to present their claims for stigma and misrepresentation damages.

The sum already claimed by around 100 of these individuals is purportedly in the region of £ 400 million. Some 400 other employees, whose employment was terminated after the bank's closure, have also submitted their claims.

Former employees in Pakistan are also claiming over US\$2 billion for funds misappropriated from the BCCI and ICIG Staff Benefit Trust and the BCCI Employees Provident Fund.



Picture shows a Barge Loader and Belt Conveyor which have been installed by Lafarge Mongla Cement at Jetty number 5 of the Mongla Port for loading bagged cement from its bagging plant.

# Lafarge set to launch operation this month

## Bagging plant ready at Mongla Port

Lafarge is ready to launch its Bangladesh operation with the completion of its US\$ 5.2 million investment projects at Mongla Port and Kutubpur near Dhaka, says a press release.

The US\$2.7 million bagging plant, first project in Bangladesh, has been set up at the Mongla Port Jetty number 5 under a lease agreement with the port authority.

A standard warehouse has been converted into a 'flat storage silo' with electronic level control devices. It has been fitted with dust control filters to eliminate any air pollution.

The bagging plant has also an extremely sophisticated design for de-dusting of all equipment, complying with the Bangladesh environment standard.

Its most sophisticated rotary packing unit will ensure that each bag has 50 kg of cement.

Lafarge Cement will be imported in bulk from Malaysia in airtight vessels, later this month.

The cement will then be pneumatically conveyed to the silo, using hoses and pipes and later, to the bagging plant situated on the same premises.

On the occasion of the com-

pletion of the bagging plant, Michel Folliet, Managing Director of Lafarge Mongla Cement, a subsidiary of Lafarge Surma Cement, said: "It marks a new journey for foreign direct investment in Bangladesh. Lafarge has applied its global experience and technological acumen to make the bagging plant a most modern one. It is a step forward towards implementation of the Lafarge Surma Cement Plant at Chhatak."

Initially, 200,000 tonnes of cement according to British Standard 12/1991 will be imported in the first year. The cement bagged at Mongla will be marketed primarily in and around Dhaka and for this purpose a modern warehouse and distribution terminal at Kutubpur near Dhaka is near completion at a cost of US\$2.5 million.

Lafarge is also implementing a US\$240 million cross-border integrated cement plant at Chhatak in Sylhet with an initial capacity of 1.2 million tonnes a year.

The Mongla project is an effort to create an advance market for Lafarge Cement in Bangladesh ahead of the start of the Lafarge Surma Cement plant at Chhatak.

## New chairman of Bangladesh-German Business Forum



Dr Peter Albrich, Managing Director of Siemens Bangladesh Ltd, has been elected Chairman of the Bangladesh-German Business Forum recently, says a press release.

Dr Albrich will take over the responsibility of the forum from this month.

Nasir A Choudhury, Chairman, and Managing Director of Nascom Pvt. Ltd has been elected Vice Chairman while Michael K Nathan, Team Leader and Project Coordinator of GTZ, GmbH, Treasurer of the Forum.

Other newly elected members of the Executive Committee of the Forum are: Syed J Haider (Former Chairman), Iftekharul Alam, Neo G Mendes, Rashed Maksud Khan, Saiful Islam and Ruhul Amin.

The principal objective of the Forum is to strengthen private sector economic cooperation and improve trade relations between Bangladesh and Germany.

The Forum aims to achieve this objective through disseminating trade and commerce-related knowledge and information; through promoting Bangladesh's products in Germany and vice-versa; through organising business delegation to and from Germany.

The Bangladesh-German Business Forum has been established under the Trade Organisation Ordinance and registered under the Companies Act.

## Call money rate going high on market demand

BSS, Dhaka

The interbank call money rate is still going high at 14 to 15 per cent, projecting higher demand for money than the existing supply in the country's money market.

Market dealers said that the call money rate, which shoot up following heavy withdrawal by the clients before Eid-ul-Azha holidays, still remains at that level.

Usually with the Eid festival over, the call money rate comes down in a week. But this time, the rate is still at a higher level because demand for money is still over-shadowing the supply of money in the country," one dealer said.

A dealer at a nationalised commercial bank said the supply position remained at short position as Bangladesh Bank has collected all due money which comes to over Taka 1500 crore from treasury bill maturity from a market that was suffering from supply shortfall.

The dealer opined that the market which is now at size of Taka 1000 crore would have stabilised much if the central bank dropped Taka 200 to 300 crore from the treasury bill maturity. Usually,

at a top Bangladesh Bank official said that there was nothing unusual about the rise of call rate but sustenance of the rate at such a higher level is unusual. "There might be some manipulation in interbank trading," he apprehended.

## Monthly Ready Cash Raffle Draw Winners

The latest monthly draw of the fortunate prize winners took place last Thursday at the ReadyCash office in Dhanmondi with M F Islam, Corporate Secretary, American International (BD) Ltd, choosing the winners. This is part of the commitment ReadyCash has made to reward valuable and loyal cardholders.

Prizes	Name of Winners	Card No
Pearl Restaurant Free Lunch for two	Nahid Mahmud	5047980000006987
Federal Express free shipment	A F M Safullah	5047980000006948
Great Wall Restaurant free lunch for two	Abul Kalam Azad	5047980000007000
Yantai Chinese Restaurant free lunch for two	Mrs Farida Hossain	5047980000006956
Pizza Inn free lunch for two	Md Shadek Sarker	5047980000006951

New ReadyCash cardholders will become eligible for prizes as soon as they apply for a card and make a transaction. Winners can collect their prizes from the Public Relations Manager of ReadyCash within 30 days of this news publication by producing their ReadyCash card transaction vouchers. Besides good users of ReadyCash cards will also be eligible for great prizes. 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.