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# Star BUSINESS

DHAKA SUNDAY APRIL 1, 2001

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## 20<sup>th</sup> AGM held National Tubes declares 35 pc dividend

National Tubes Limited (NTL) has declared a 35 per cent dividend for its shareholders for the year 1999-2000, says a press release.

The dividend was announced at the 20<sup>th</sup> Annual General Meeting of the company, held on its factory premises at Tongi on Saturday.

The meeting was presided over by Mohammad Habibur Rahman, Chairman of Bangladesh Steel and Engineering Corporation and NTL.

The company earned a profit of Tk 4.92 crore during 1999-2000.

Saufur Rahman Khan, Managing Director of the company, also spoke at the meeting.

## Reliance entrusted with GMG Airlines' aviation insurance

Reliance Insurance Limited has underwritten the risk of aviation insurance of GMG Airlines Limited, says a press statement.

The risk is fully underwritten by leading underwriters of the world including AIG-through Sadharan Bima Corporation and AON in the UK.

In addition to full hull coverage, the insurers covers a liability of over US \$200 million per aircraft.

This is the first time that a private sector insurance company has been entrusted to underwrite a risk of such magnitude which is of a highly technical nature.

GMG Airlines Limited which is the largest and most efficiently run private sector Airlines in Bangladesh has made this arrangement to further strengthen the quality of their service to the passengers.

## ROK workers protest mass layoffs

AP, Seoul

About 1,500 laid-off workers, students and labour activists gathered in downtown Seoul on Saturday to protest president Kim Dae-jung's corporate restructuring programme that has resulted in mass layoffs.

"Down with Kim Dae-jung!" the protesters chanted during the rally. They also wore headbands and carried banners with similar anti-government slogans.

Police were dispatched to guard against violence as the workers planned to march through busy Seoul boulevards later Saturday.

The protesters included laid-off workers and union leaders from Daewoo Motor Co and the state-run telephone company Korea Telecom.

The two corporations have shed thousands of workers in the past year to cut debt and become lean in the wake of the 1997-1998 Asian financial crisis.

As frustrations mounted over the layoffs, protests became more violent in recent weeks, with workers hurling firebombs at riot police.

President Kim has warned that his government would deal sternly with violent protesters.

On Thursday, police armed with smoke bombs stormed a Korea Telecom building, detaining about 200 laid-off workers on an illegal sit-in protest. The workers fought back with firebombs and stones in the clash.

Kim says layoffs were a painful but inevitable medicine for South Korea's economic woes.

## Aussie dollar crashes to new low

AP, Sydney

The Australian dollar's downward spiral continued in overnight trading, with the beleaguered currency slumping to another all time low of 48.56 US cents.

Early Saturday Australian time, the Australian dollar closed at 48.80 US cents and traders said it could plunge even further next week, possibly going as low as 44 US cents.

The dollar's recent falls have led to criticism of Prime Minister John Howard's conservative government, but the weakness has sparked an export surge.

On Friday, the Australian Bureau of Statistics reported that the trade balance reached a surplus of 389 million Australian dollars (\$190 million) in February from a deficit of 89 million Australian dollars (\$43.4 million) in January—a 478 million Australian dollars (\$233 million) turnaround.

## Booming textile, transport sectors spark lease finance activities

### 16 leasing cos post over 36 pc overall growth

M SHAMSUR RAHMAN

A rush to set up textile mills to cash in on the post-multi-fibre agreement business and the growing taxi cab ventures have helped leasing companies post an overall 36.2 per cent growth in net lease finance last year.

Sixteen leasing companies last year disbursed Tk 4860 million against Tk 3666 million last year.

IDLC and United Leasing Company Ltd (ULC) captured 45.58 per cent of the total market.

IDLC clocked 21 per cent growth in lease finance, reaching Tk 1190 million last year from Tk 982 million in 1999 while ULC recorded Tk 1020 million last year from Tk 830 million in 1999, posting a 23 per cent growth.

Experts attributed the leasing growth to the rising popularity of leasing financing as an alternative to conventional bank funding.

"Most companies now prefer get capital machinery through lease contracts rather than acquiring assets as it saves the companies from the requirement of maintaining depreciation provision in their financial statement. These companies later become owners of the assets at nominal

amounts after the expiry of lease period," said one expert involved in leasing business.

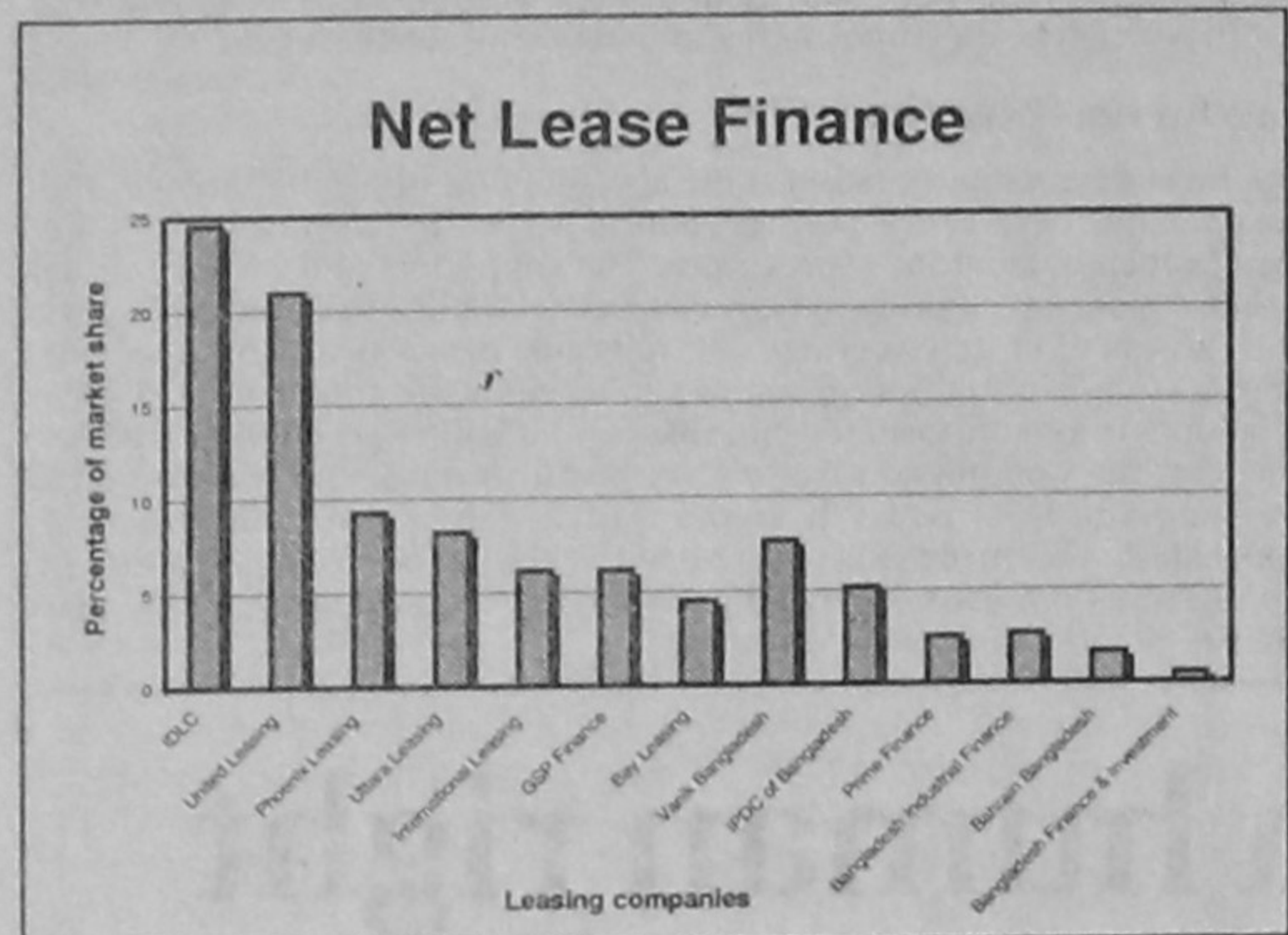
Major investments by the leasing companies were witnessed in the textile and apparels sectors while a significant portion went to the transport sector.

"Over 99 per cent of the taxi cabs have been procured through lease financing," said an official of

a leasing company.

Last year, IDLC made Tk 145.6 million lease financing in textile sector, Tk 128.1 million in food and beverage and Tk 120.8 million in apparels and accessories sectors.

Besides, transport and engineering sub-sectors were also major markets for the leasing company.



## ICCB advocates capacity-building to integrate country with world

### Annual Council 2000 held

BSS, Dhaka

Mahabubur Rahman, president of International Chamber of Commerce Bangladesh (ICCB) yesterday stressed the need for building the country's capacity and developing potentials to utilise the scope and ability for integrating with the global economy.

Addressing the annual council-2000 here, the ICCB president said, "We must make holistic approach to develop the requisite strength for attaining growth and sustainability."

He sought cooperation from all quarters including business leaders, policy-makers and academicians and urged them to look into the causes of prevailing economic

problems for remedies, said a press release.

Mentioning about the activities of ICC Bangladesh Mahabubur Rahman stated that the organisation has always been proactive in relaying the concerns of the business and at the same time, making efforts to bring about an uplift in the knowledge and skill of the professionals, particularly in the banking, trading, legal and other sectors.

He informed that ICC Bangladesh is also working to help bring improvements in various sectors, more importantly in modernising the customs rules and procedures, arbitration laws and trade practices.

He said that ICC Bangladesh was planning to hold seminars

and workshops on Counterfeiting, Fraud, Cyber Law, Cyber Crime and Electronic Commerce so as to develop the competitive edge.

Focussing on world economic scenarios, he said, "The slowdown in US economy has already started tethering exports from Asia and an awkward situation is not unlikely."

The function was addressed, among others, by vice president of ICCB Latifur Rahman and ASM Quasem, former deputy prime minister Jamal Uddin Ahmed, president of Dhaka Chamber of Commerce and Industry Benajir Ahmed, former MCCI president Mahabub Jamil, former FICCI president AKM Shamsuddin and former DCCI president R Maksud Khan.



Majid Al Mualla, Manager-Bangladesh, and Majid Al Joker, Airport Services Manager of Emirates, cut the cake on the occasion of the inauguration of the airline's newly-refurbished office at Zia International Airport on Tuesday. Shoma Zahid and Aziza Chowdhury, Airport Services Officers of the airline, are also seen.

## Metal: Weekly Roundup

## Gold slips amid thin buying interest, rise of dollar

AFP, London

Gold prices slipped amid thin buying interest and the rise of the dollar.

Gold was fixed at 257.70 dollars an ounce on Friday afternoon, from 262.85 a week earlier.

Prices were also depressed by the rise of the US dollar, which hammered the yen down to 29-month lows by Friday and the euro to its lowest level of the year.

Silver: Slipper. Silver prices continued to slide this week amid concerns that industry will scale down demand because of the global economic downturn.

An ounce of silver was fixed at 4.33 dollars on Friday from

4.345 dollars the previous week.

**Palladium and Platinum:** Car crash. Platinum group metals (PGMs) eased back.

Palladium was selling for 735 dollars an ounce on Friday afternoon on the London Platinum and Palladium Market (LPPM), from 770 dollars an ounce the previous week.

Platinum dipped to 563 dollars an ounce from 575 dollars the previous week.

Palladium prices have fallen back to earth from record highs above 1,000 dollars an ounce earlier this year as Russian supplies have begun to filter through and car makers have shied away from the metal for use in auto-catalysts.

**Base Metals:** Tinny. The en-

tire base metals complex continued to suffer this week from jitters over global growth and the strength of the currency in which metals are denominated—the dollar.

Copper, Nickel, Aluminium and Zinc and Tin all fell through psychological support thresholds, while tin also ended the week lower.

For now though the main movements were down. Three-month copper prices fell through 1,700 dollars a tonne, to 1,692 dollars on Friday afternoon.

Aluminium slipped to 1,487 dollars a tonne from 1,505 dollars a tonne last week, while zinc also broke a threshold, falling through 1,000 dollars a tonne to 994 dollars.

## Mireshwari to have 10 MW power plant, says minister

MIRESHWARI, Chittagong, BSS

A 10-megawatt power generation unit will be set up here soon to meet the growing demand as part of the plan by the government, Minister for Civil Aviation and Tourism Engineer Mosharaf Hossain said here Saturday.

"Each of the villages of the thana will be brought under rural electrification programme in phases", he said in a speech to a function organised to mark the inauguration of power lines at Haliz, Nobi and Julanpur Bazar here as chief guest.

The function was presided over by President of "Feni Palli Bidut Samity" Abdul Motaleb.

It was addressed, among others, by REB chairman Mesbah Uddin Ahmed, Chittagong North Awami League organising secretary Gias Uddin, Thana Awami League president Mohammad Ali.

Under the rural electrification programme, connections to 180-kilometer rural electricity line has already been given in the area, he said.

Terming electricity as the driving force of the country's socio-economic development, the minister said the present democratic government has taken a master plan for generating more power to meet the growing demand for power.

## Newly-groomed station office of Emirates opens at ZIA

The newly-refurbished station office of Emirates at the Zia International Airport (ZIA) was formally opened on Tuesday, says a press release.

The new office is well lit and done up in a functional décor with Emirates' new logo done in golden colour dominating the entry to the office as well as to the Airport Services Manager's workplace.

Inaugurating the office, Majid Al Mualla, Emirates Manager in Bangladesh said, "With the growth of our business over the years, we felt it was time to redecorate the office. After all, it is over 10 years that we did it last."

He hoped that the Emirates staff working at the airport would be able to provide even better services to the passengers from the newly-refurbished office.

"The new office arrangements allow the Emirates staff to work and take decisions as a team," said Majid Al Joker, Airport Services Manager.

"We'll be introducing new signs at the check-in counter, immigration area and onwards for the convenience of our passengers," he added.

Earlier, Majid Al Mualla formally inaugurated the office. Majid Al Mualla and Majid Al Joker later joined hands to cut the cake, specially prepared for the occasion.

## German co opts for selling new banknote paper to BB

STAR BUSINESS REPORT

German security printing and banknote paper manufacturer Papierfabrik Louisenthal has developed a new kind of cotton-based paper, which it says has longer life, can resist water and is hard to soil.

"The paper called Longlife is ideal for making banknotes for the tropical countries like Bangladesh where the humidity is high and a note changes hands pretty frequently," said Ulrich P Esser, Regional Sales Manager of Papierfabrik Louisenthal, the second largest banknote papermaker in the world in terms of turnover, during a press briefing in the city Friday. "The paper has a microscopically thin coating which won't let grime, perspiration or dampness spoil it."

Esser made a demonstration of the new paper by spilling fruit

juice all over the note and then wiping it off with a piece of paper so successfully that the banknote looked as fresh as before.

"When it comes to value for money, Longlife beats polymer notes or conventional banknote-making papers," said the Papierfabrik Louisenthal official. "It is only 10 per cent costlier than the conventional banknote papers while polymer notes are between two to four times costlier. Our calculation is that Longlife can save about 20 per cent of the costs compared to standard paper and more than 30 per cent if compared to plastic materials."

The German firm has already met the Bangladesh Bank officials and demonstrated its new product.

"Polymer banknotes take more than eight years to pay for themselves," said Esser. "Longlife recoups the excess costs as com-

pared with standard banknote paper in less than two years. Longlife is easily handled by money processing machines and automatic bank teller machines and requires no changes to the printing technique, nor does it call for further investments for additional enhancement processes," he added.

Regarding security measures, he claimed that polymer notes can be easily forged. "By photocopying the notes with good copiers, the same can be reproduced and even the security marks like clear window, as in the Tk 10 notes, can be made," he said while making the demonstration.

Esser also said although polymer notes last longer, the impressions fade with use. "So, what's the use of long-lasting notes which are not environmentally-friendly?" he asked.

## IMF okays release of \$596m loan to Pakistan

REUTERS, Washington

The International Monetary Fund Friday approved the release of a \$596 million disbursement under a \$596 million loan for Pakistan, granted late last year.

The disbursement for cash-strapped Pakistan follows the first review of its economy since the loan was approved.

"Pakistan's achievements to date under the programme supported by the stand-by arrangement have been encouraging," Deputy Managing Director Eduardo Aninat said in a statement.

"Inflation on a balance of payments, and the budget balance have been better than expected, and the build-up of official reserves has been brought in line with programme assumptions."

Aninat noted economic growth had been lower than expected due to poor weather conditions. Nevertheless he said the pace of structural reforms, including those on fiscal transparency and the rationalization of energy prices,

were on track.

The review is good news for Pakistan, which critically needs to stay on track with the IMF. Pakistan needs the endorsement from the Washington-based lender not just for the IMF funds, but also to help it receive loans from the World Bank and Asian Development Bank for development projects.

"To consolidate these achievements and build a solid foundation for sustained high growth over the medium-term, the authorities will need to pursue further macroeconomic adjustment and implement the structural reform programme," Aninat said.

He said a key challenge was to achieve the targets for foreign exchange reserves, something he said would require a tightening of monetary policy and coordination of monetary and exchange rate policies.

Aninat said Pakistan should also seek to boost revenue collections to help it contain its fiscal

deficit and allow for increased spending on social issues and poverty eradication.

Further efforts should also be made to stamp out corruption, develop a transparent and business-friendly economic and regulatory environment, continue the restructuring of public enterprises, accelerate privatizations, he added.

The decision will bring total disbursements to Pakistan under the stand-by loan to about \$324 million.

## Microsoft warns of flaws with Net explorer web browser

AP, Seattle

Microsoft Corp. warned customers that its Internet Explorer Web browser has a security flaw that could allow hackers to run programmes on another user's computer.

The glitch causes Internet Explorer to automatically open specially coded attachments in e-mail without warning, possibly unleashing programmes that could do anything from sending users a harmless message to deleting files from their computers, the Redmond-based software company warned late Thursday.

Microsoft has developed a patch that can be downloaded from the company's Web site.

Internet Explorer versions 5.01 and 5.5 are affected.

Scott Culp, Microsoft's security programme manager, said Friday the flaw is contained in "a few" out of several hundred Multipurpose Internet Mail extensions, or MIMEs, which are used to encode files as e-mail attachments.

Culp said the problem is a typical software error and was discovered before any viruses could be spread.

"That's the best situation we can hope for, short of perfect software," he said.

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**Sunday Business Solutions**

The Daily Star, 19, Kawran Bazar, Dhaka, Bangladesh, email: dstar@bangla.net

Sarwar Ahmed, MBA (sarwar@asia.com) hosts this column. He heads 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.

**VIP Customers - II**

A banker friend of mine wrote on last week's 'VIP Customers' - "how do you treat those passengers who are frequent flyers in your example of an airline, or in my case, some customers who give major portion of our revenue. They want special treatment. This is a complicated situation where the manager has to respond to their ego in such a way that other customers do not feel they are undermined. There will always be VIPs. We cannot eliminate the idea of VIPs but we should have a policy for management of VIPs."

The key word in this statement is 'some' - in marketing terms we call this 'segmentation'. Of course any business organization should not try to be everything to everyone. There is the famous 80:20 rule - 80 percent of your business comes from 20 percent of your customers. Banks or otherwise, we must first segment our customers.

Segmentation takes various forms depending on the need of the organization. The easiest and universal segmentation parameter is income. One has the upper, middle and lower income groups in any society. We tailor our products and services to satisfy needs of one such group. For example, Akiz is well known for his *biris* - and he has made his millions satisfying the needs of the low income group. Similarly BAT is one of the highest tax payers in Bangladesh - making their millions from the high income group. Both sell tobacco - the segments are different.

One of the golden rules of marketing is to segment your market - meaning - you cannot satisfy every one. The segment you decide to give the VIP treatment are the ones who bring in 80 per cent of your revenues. What do you do with them - please them, pamper them.

Going back to the GMG example, they can easily segment their customers by type and frequency of travel and then trace those whom they want to please. With computers today, one can trace their 'favourite' customer from buying a ticket to checking in etc. Since there is a list of passengers already available prior to check in, the attendants can already book these 'VIPs' to their favourite seats - some like it window, some like it aisle. The possibilities are endless to 'satisfy' such customers.

The same is true with banks or any other business. Give those 20 percent customers the preferential treatment they deserve. How do you do it? For example, have separate booths and persons to attend them. Today, every one knows the manager and barges into his room asking for the same treatment as everyone else. The manager has to learn to first delegate responsibilities to his associates so that different segments meet different persons in the bank - this will make his life easier too.

Then one must have the discipline to follow through with the 'rules' - this segment meets this person - no exceptions. Break the rule once, you break it forever. Who says marketing is easy?