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Star BUSINESS

DHAKA MONDAY APRIL 2, 2001

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Jalalabad Gas earns Tk 7.80cr pre-tax profit

UNB, Dhaka

Jalalabad Gas Transmission and Distribution System Ltd has earned Tk 7.80 crore pre-tax profit by marketing 582.09 million cubic meter gas during 1999-2000 fiscal year.

The company, a subsidiary of Bangladesh Oil, Gas and Mineral Corporation (Petrobangla), also deposited Tk 21.23 crore to the government's treasury during the period.

This was disclosed at the 14th annual general meeting of Jalalabad Gas System which was chaired by Petrobangla Chairman M Mosharrar Hossain and attended by the company shareholders and members of its board of directors.

The meeting said that Jalalabad Gas provided service to 4,926 new clients by giving connections to three industrial units, two tea gardens, 58 commercial firms and 4,863 domestic houses during the period.

With this, the number of total subscribers of the company in the greater Sylhet region stood at 62,280, said a press release.

BBT-bill auction held

UNB, Dhaka

The 134th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills was held here yesterday.

Tk 744 crore, Tk 11 crore, Tk 57 crore, Tk 36 crore, Tk 12 crore and Tk 1 crore were offered respectively against the bills.

Of these, Tk 543.50 crore, Tk 1 crore, Tk 25 crore, Tk 36 crore and Tk 12 crore (in total of Tk 617.50 crore) of the 28-day, 91-day, 182-day, 364-day and 2-year bills were accepted respectively.

The range of implicit yields were 6.35-6.60 per cent, 6.92 per cent, 7.24 per cent, 7.50-7.60 per cent and 8.50 per cent per annum respectively.

The bid offered for the 5-year bill was not accepted.

It may be mentioned here that due to maturity of the bills the total amount of Tk 419.00 crore will retire this week. So, the net amount of the issuing bill will stand at Tk 198.50 crore (Tk 617.50 crore - Tk 419.00 crore) during this week.

Course for city bank branch managers ends

The two-day 2nd batch of Refreshers Course for the managers of The City Bank Limited ended at the bank's Training Institute on Friday.

Deen Mohammad, Director of the Bank, inaugurated the course as chief guest.

Abbas Uddin Ahmed, Managing Director, and AHM Nazmul Quadir, Deputy Managing Director of the bank, were present on the occasion.

In his speech Den Mohammad said the credibility of the bank depends on better service and efficient manpower.

The Managing Director of the bank also spoke on the occasion.

Junior chamber holds orientation programme

The second annual orientation programme 2001 of Junior Chambers Bangladesh was held at the family lounge of Dhaka Club Ltd on Wednesday, says a press release.

This programme was organised by JCB, the only affiliated body in Bangladesh of Junior Chamber International (JCI).

Its aim is to familiarise the mass with the goals, missions and achievements of JCB and the history of the Junior Chambers (JC).

JC KOICHI WASHIJAWA 'Wassy', Vice President of the Asia Pacific, Australia and Middle East region of JCI, was the chief guest at the occasion.

Shykh Siraj, Director of Channel I, was also present as a special guest. He was also given an honorary membership of the organization in appreciation of his support and his life long contribution to community services.

The National President of JCB JC Adil Islam, the Immediate Past President JC Nessar Khan, National Secretary General JC Waqar Chowdhury and President of JC Dhaka East Chapter, JC Quazi Mahmud also spoke on the occasion.

SEC to tighten sale of sponsors' shares

M SHAMSUR RAHMAN

The Securities and Exchange Commission (SEC) has decided to introduce a new regulation to tighten purchase or sale of shares by company sponsors.

The new regulation, now awaiting gazette notification, stipulates that a sponsor will have to inform the regulator a month before he or she buys or sells any share of his or her own company.

"Every sponsor or director of a company enlisted with any stock

exchange will simultaneously submit a written report to the SEC and the stock exchange with which the company is listed about his intention to buy shares of that company or sell or otherwise dispose of the shares held by him in that company," the draft notification says.

The sponsors will also have to specify how many shares they want to buy or sell, their total holding in the company, names of the designated stock brokers,

name of the stock exchange

through which the shares will be traded and details of acquisition or disposal through other means.

SEC officials said the move is aimed at checking false disclosures by company directors regarding their trading decisions.

Currently, regulations of the stock exchanges stipulate that the sponsors have to inform the bourses about their intention to buy or sell stocks.

"But the sponsors would often come up with lame excuses for failing to execute their declared

share trading on the plea that prices had either gone up or down," said one SEC official.

He said such unexecuted disclosures affect share prices and the general investors who usually follow decisions of sponsors to sell or buy shares.

"But now, with the new regulation in place, the sponsors will have to justify their failures to execute disclosed trading plans, or else, they would face penalty," the official added.

Govt finalises fresh formula to privatise BSRS

Meeting with banks this month to tap potential buyers

SHAHRIAR KARIM

The government has finally come up with a formula to partly privatise the ailing Bangladesh Shilpa Rin Sangstha (BSRS) after years of dragging foot over the issue.

Under the new formula, the government would retain 40 per cent share of the ailing development financial institution (DFI), 40 per cent to be offered to the banks and financial institutions while the rest 20 per cent will off loaded through the stock exchanges.

The new formula will be discussed at a meeting with all the banks and financial institutions of the country some time this month, according to sources. The purpose of the meeting, which was deferred twice, is to assess the interests of the banks and financial institutions in buying BSRS shares.

Ministry sources said some of the financial institutions, especially a number of leasing companies, are interested to take over the management of BSRS.

Earlier, a government formed committee led by economist Dr. Qazi Kholiuzzaman Ahmed in 1998 which suggested that 51 per cent share of BSRS be sold off to the private sector. However, another Bangladesh Bank (BB) committee formed during the tenure of Governor Lutfar Rahman Sarkar prescribed merger between two DFIs - BSRS and Bangladesh Shilpa Bank (BSB). Recently, the Parliamentary Standing Committee on Finance Ministry also supported the BB idea.

The finance ministry, which has prepared a memo for a meeting on the divestment plan, is also mulling over barring any individual from holding more than five per cent share of BSRS when it is divested, ministry sources said.

But in case the new plan does not work, the ministry might go for the option of giving BSRS to a private company under a management contract.

However, the net worth of the DFI is yet to be finally decided although a chartered accountant

(CA) firm assessed BSRS twice.

The firm first assessed the net worth of BSRS at Tk 739 crore. But later, when the finance ministry asked it to keep some of BSRS assets out of valuation, the CA firm put the DFI's net worth at Tk 480 crore.

But the Finance Ministry formed a high-level committee headed by Deputy Governor of the Bangladesh Bank Md Ruhul Amin for fresh assessment as it could not be satisfied with the accounting firm's report.

But the BB committee did not proceed further on the ground that it would be improper to assess the net worth based on the book value of the DFI. It also said a professional organisation should do the job.

The ministry now feels that BSRS should be assessed keeping the land and other immovable properties out of the valuation. Otherwise, buyers will have to make a huge initial investment which might create liquidity crisis in the banking system.

Trust Bank opens its 10th branch at Jalalabad Cantonment

The Trust Bank Ltd has opened a new branch at Jalalabad Cantonment.

With this, the total number of bank branch now stands at 10, says a press release.

The Chief of Army Staff and Chairman of the Board of Directors of the Bank, Lieutenant General M Harun-Ar-Rashid, Bir Protik, inaugurated the branch on Sunday.

General Harun stressed the need for ploughing back the 'monetary profit' earned by the banks for earning 'social profit' with a view to reducing the social gap between the rich and the poor.

He said, "In the age of information technology, time has come for us to finance the IT sector to create IT professionals so as to enable our trained youth-force to get placement in the IT job market. General Harun instantly declared 'Collateral-free IT education credit' for those who do not have enough money to undertake the high cost IT education.

In his inaugural speech Gen Harun declared that the bank will soon open two branches in Chittagong and Dhaka.

The function was attended by senior Army officials from Army Head Quarter, Dhaka and Jalalabad Cantonment. Many dignitaries of Sylhet also attended the opening function.

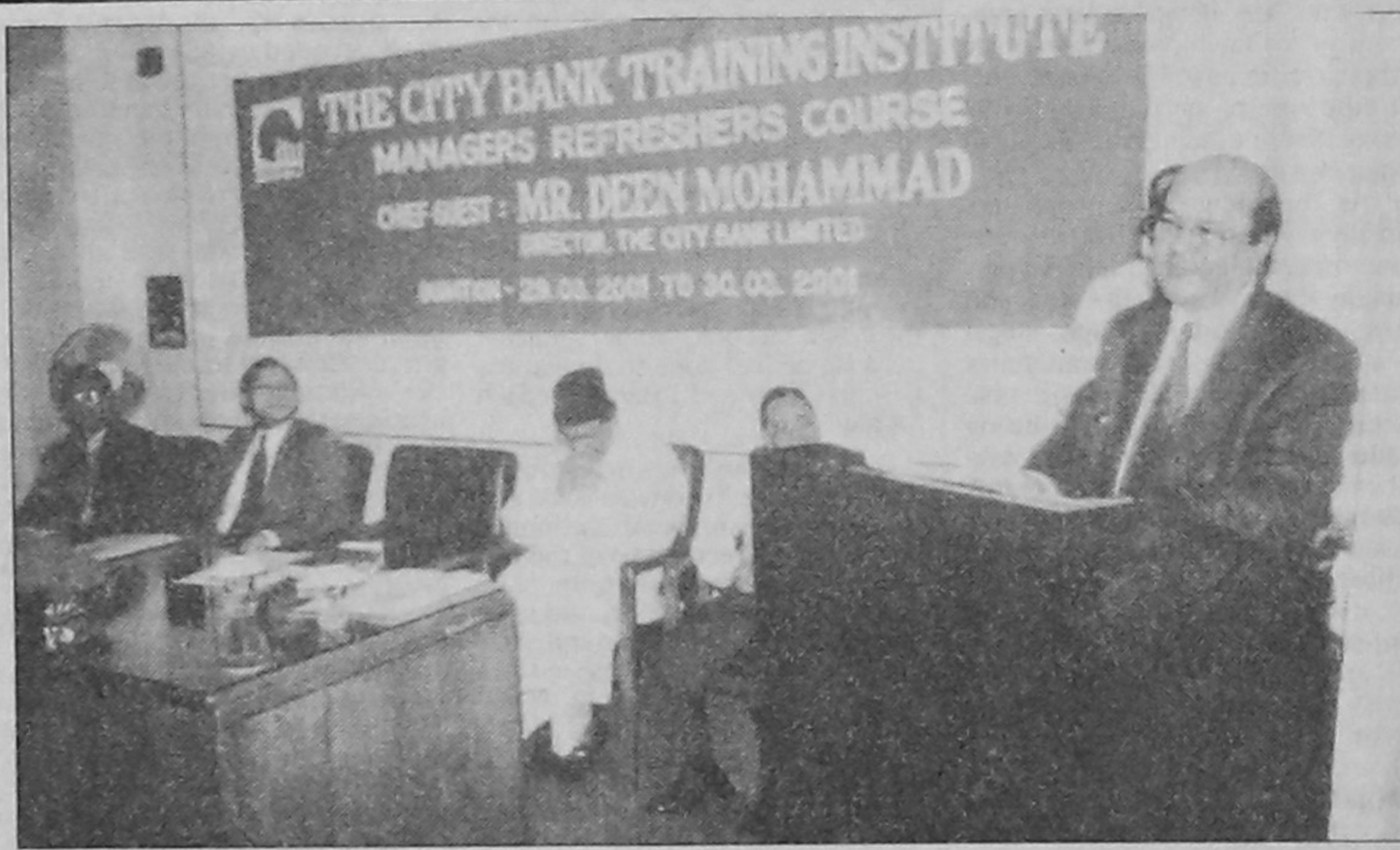
JS body on civil aviation meets

BSS, Dhaka

A meeting of the Parliamentary Standing Committee on the Ministry of Civil Aviation and Tourism was held Sunday at the Jatiya Sangsad Bhavan here with committee Chairman Bir Bahadur in the chair, said a press release.

The meeting discussed the prospect of development of the civil aviation and tourism sector. The report of the sub-committee-2 on the irregularities at the Directorate of Store and Purchase was placed before the meeting.

Committee members M Abdus Sattar and Atiur Rahman Atiq attended it.



Deen Mohammad, Director of The City Bank Limited, delivers the inaugural speech at the 2-day course of managers at the bank's training institute Thursday. Abbas Uddin Ahmed, Managing Director, AHM Nazmul Quadir, Deputy Managing Director of the bank, and Badruddin Ahmed, Principal of the City Bank Training Institute, are also seen in the picture.

Indian vehicle makers eye windfall from tougher pollution laws

AFP, New Delhi

India's heavy vehicle makers are rubbing their hands in anticipation over a Supreme Court order directing all New Delhi public transport operators to switch from petrol to compressed natural gas (CNG).

India's highest court last week offered a six-month extension of the April 1 deadline for making the conversion, but only to bus operators who had already placed orders for environment-friendly (CNG) vehicles.

Vehicle manufacturers, who had been struggling to push their greener products to customers, have suddenly been flooded with new orders from anxious operators.

"Right now we have crossed the bookings of 1,100 to 1,200 in the last few days. We are gearing up for more," said Asok Sandil, executive director of marketing at Ashok Leyland, one of India's largest bus makers.

The company's first CNG bus was flagged off by the Delhi chief minister a year back. Prior to the court order, Ashok

Leyland was counting its orders in the hundreds, but the court decision will mean that at least 10,000 ageing diesel buses will immediately have to be replaced.

Sandil said Ashok Leyland had responded by ramping up its production of CNG buses from about 300 per month to more than 500.

"We are working out now what would be the continuity of demand," he said.

The Supreme Court order has created panic in the Indian capital with newspapers splashing stories about how millions of commuters are likely to be left stranded and work everywhere will grind to a halt.

Only 500 of the 3,000 buses run by the Delhi Transport Corp have so far been converted to CNG while just a handful of private bus operators are running such vehicles.

Soni Shrivastav, general manager of corporate communications at Hindustan Motors, said the company had received hundreds of orders for a 15-seater vans from schools on the capital. "We are very definite and posi-

tive about the acceptability of these vehicles on not only the Delhi roads, but in other markets as well when we branch out," she said.

"We are gearing up to meet the maximum possible demand," she added.

Hindustan Motors, which makes the hardy Ambassador car, has also found a tremendous demand for a CNG version being used in the taxi cab segment and managed to sell 2,000 Ambassador CNG taxis in the last one-and-a-half years.

Reports in the domestic media said some of the CNG kit makers were keeping their fingers crossed that the apex court would not stretch its emission deadline too far ahead to dampen the sales impact.

The Indian capital, with two million plus vehicles on its choked roads, was judged the world's fourth most polluted city by the World Health Organisation in 1997.

A recent study by Italy's Centre for Theoretical Physics says one person dies every hour because of

air pollution in Delhi, whose car population equals the number of vehicles in Bombay, Madras and Calcutta combined.

The Supreme Court in 1999 had ordered the manufacturers of passenger cars to meet European emission standards in cars sold in New Delhi, where more than 3,000 pollutants are injected into the atmosphere daily.

Industry representatives said the court should be bothered about controlling the vehicular emission rather than the type of technology used to solve the problem.

Soni Saran, president of Mahindra Alternative Technologies Ltd, said the company had given seven electric vehicles a pilot run in the capital.

"We are planning to put 1,500 to 2,000 in two to three cities soon," he said, adding that New Delhi would definitely be the main market.

Besides buses and cars, a replacement demand for ageing three wheel motor rickshaws to environment-friendly versions is likely to expand the opportunities in this new market even more.



Commuters hang from an overcrowded bus in New Delhi yesterday as most of the buses stayed off the road in line with the Indian Supreme Court's 1998 anti-pollution ruling which bans diesel- or petrol-run passenger vehicles from yesterday, permitting only CNG-run vehicles. Half of city's 10,000 buses, thousands of three-wheeler rickshaws and taxis were off the roads, causing chaos among commuters with most of the CNG buses running packed and the three-wheeler rickshaws making a fast buck in absence of other alternatives for the commuters.

ASEAN meets this week as regional currencies weaken

AFP, Kuala Lumpur

Southeast Asian finance ministers will meet in the Malaysian capital this week as regional currencies undergo another beating amid expectations of a global slowdown.

The Association of Southeast Asian Nations' (ASEAN) plan for an expanded web of currency swaps with China, Japan and South Korea to avert future crises is expected to dominate talks, officials and analysts said.

Southeast Asian currencies have weakened in recent weeks dragged down by a weak Japanese yen, exacerbating an expected economic downturn in the region amid the US slowdown, analysts said.

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facing short-term liquidity needs, is designed as a safeguard against currency raids similar to the one that brought on the 1997 regional crisis sparked by the devaluation of the Thai baht.

But the scheme reportedly ran into problems amid Malaysia's reluctance to give the International Monetary Fund (IMF) a proposed key role.

Prime Minister Mahathir Mohamad in November last year said most ASEAN countries were not keen to let the IMF oversee the swap arrangement.

Japan, which is leading the plan, last month sent Vice Finance Minister Haruhiko Kuroda to Malaysia to meet with Finance Minister Daim Zainuddin to seek a solution to the disagreement.

But Daim stressed that Malaysia would oppose the proposal to link the disbursement of funds in the ASA to the IMF.

"We are not under the IMF, why should they impose IMF conditions on us?" he said recently. He added that ASEAN finance ministers would review the terms of the scheme at their meeting this week.

Daim will host the ASEAN finance ministers meeting, which will also be attended by central bank governors from the region, at a top hotel in Kuala Lumpur from Saturday.

The ministers will conduct a "peer review" on economic developments in the region, and hold dialogues with the Asian Development Bank and the US-ASEAN

business council, officials said. On Sunday, they will sign an agreement on a protocol for an ASEAN scheme on motor vehicle insurance. No other details were available.

ASEAN deputy finance ministers will also hold a three-hour meeting with their counterparts from China, Japan and South Korea on Sunday afternoon.

Senior officials will be meeting Wednesday, and finance and central bank deputies on Thursday and Friday to lay the groundwork for the two-day ministerial talks.

Ramon Navaratnam, a former finance ministry official and now a corporate figure, said progress of the ASA scheme could be stalled amid Tokyo's preference for IMF involvement.

"The IMF has not proved successful in recent years. Its credibility is low because of its recent poor professional performance and perceived American domination," he told AFP.

"IMF involvement may hold ASEAN back rather than let it move forward."

The Business Times daily, in a recent editorial, said ASEAN nations should "take charge of their own destiny" and confine the IMF's role to that of an advisor or observer.

"If these ASEAN countries would rather have someone else determine their collective future, that future will only continue to be uncertain and be dependent on what happens elsewhere in the world," it added.

Euro takes a beating on ECB rates decision

AFP, London

The euro fell to a fresh low for the year and looked set to remain under pressure after the European Central Bank defied pressure for an interest rate cut to boost the euro zone economy.

The single European currency was selling for 0.8788 dollars in late trade on Friday after slumping to 0.8772 dollars earlier in Asia - its lowest level of the year.

It had already been knocked down to 0.8958 dollars at the end of the previous week as investors fled uncertainty from a global stock market rout and found safety in the dollar.

The latest tumble followed a decision by the ECB to leave the key rate overnight rate unchanged at 4.75 per cent, where it has stood since October last year.

"The market perception continues to be that the ECB is not a pro-growth central bank and the longer this view remains, the longer the euro is likely to remain under pressure," said Commerzbank economist Kamal Sharma.

Asian investors were similarly bearish. "Judging from ECB's action yesterday, we think the central bank is not too concerned about a slowly depreciating euro," the DBS Bank in Singapore said in a report.

"After all, it is good for European exports which are now facing sharper competition from weakening currencies all over the world," it added.

"While inflation concerns and slower growth will force it to ease (rates), the ECB will do so at its own pace. Hence, the euro should continue to drift lower."

But economists and central bank watchers said the European Central Bank was almost certain to ease monetary conditions in the euro area at its next meeting on

April 11. Uncertainty over the world economy and its implications for 12-nation euro zone had led the ECB to wait and see at its meeting Thursday, said a statement by ECB president Wim Duisenberg.

But the ECB nevertheless expected the slowdown in real growth in the euro zone to "reduce internal price pressures," said the statement, released by Bank of France governor Jean-Claude Trichet, who sits on the ECB board.

The ECB's primary goal is price stability, so the risk of falling inflation has been seen as a key fear in preventing it from following the United States by cutting rates.

The Duisenberg statement, released after a Franco-German economic meeting in Rouen, France, summed up the position of the ECB's governing council after Thursday's meeting.

In monetary terms, inflationary risks were falling, said the statement.

"Data from the 'first pillar' of monetary policy (money supply) show that the money supply growth has been trending lower since spring 2000," the statement said.

This indicated "a reduction of monetary supply risks to price stability," it added.

ROK posts \$1.38b trade surplus in March

REUTERS, Seoul

South Korea posted a provisional trade surplus of \$1.38 billion in March versus a \$218 million surplus in the same month a year earlier, the Commerce Ministry said Sunday.

The surplus was \$749 million in February, the ministry said in a statement.

March exports stood at \$14.34 billion on a free-on-board basis, down 0.6 per cent from a year ago. Imports fell 8.3 per cent year on year to \$12.96 billion.