

SANYO Japan
 Installation Facility Available
AIR CONDITIONER
 Transfin Trading Ltd.
 Phone: 815307-10, Fax: 8113062

Star BUSINESS

DHAKA SUNDAY, APRIL 8, 2001

Let us finance the home of your dreams
 We can help you
 Build your own home
 Purchase a home or an apartment
 Buy a home plot in approved land developments
 National Housing Finance And Investments Limited
 Chamber Building 6th Floor, 122-124 Mirpur, Dhaka-1000. Tel: 975-9111, 975-9112
 Mobile: 017-442012, 017-483211, 017-57414. Fax: 880-2-954987. E-mail: housing@nihil.com

Cash subsidy has little impact on backward linkage industry

AB Bank seminar on RMG sector told

STAR BUSINESS REPORT

The 25 per cent cash subsidy, introduced to encourage the backward linkage industries, had a very insignificant contribution and increased value addition by only one percentage point, said an Export Promotion Bureau (EPB) official at a seminar yesterday.

Director (Textile) of EPB GKM Towfique Hassan said the value addition from backward linkage sources was on an average 38 per cent during 1991-92 and 1992-93 when there was no cash subsidy scheme. The value addition has increased to only 39 per cent till 1997-98 after the subsidy was introduced.

Hassan presented a paper at the seminar on "Challenges to Garment Sector beyond 2004" sponsored by the Arab Bangladesh Bank and held at the IDB Bhaban in the city yesterday.

In this context, Hassan said, "Time has come to think of alternatives to encourage backward linkage industries to meet the MFA phase-out challenges."

Quoting a recent commerce ministry study, Hassan said cash subsidy was enjoyed by a few firms and the total amount paid out on this account well exceeded the education sector's annual budgetary allocation.

"There are about 20 composite mills in the country, producing around 12-15 per cent of the exportable fabrics. These mills receive around Tk 600 crore in cash subsidy a year," Hassan said.

Earlier, at the inaugural session the speakers said Bangladesh's readymade garment sector may face the same fate of the jute sector if proper policies are not taken immediately and implemented efficiently for setting up a strong backward linkage industry.

Presided over by CM Koyes Sami, President and Managing Director of AB Bank, the inaugural session was also addressed by Vice Chairman of Export Promotion Bureau (EPB) AB Chowdhury, Kutubuddin Ahmed, President of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Kutubuddin said the government as well as the banks are unable to finance the backward linkage industries due to fund constraints. But funds must be arranged to face the global challenge after the quota phase-out.

He said joint venture projects and relocation of textile units from other countries could be an option, but to materialise such plans, political stability and infrastructure facilities must exist.

Mentioning that country's apparel sector developed due to the quota system and GSP facility, EPB Vice Chairman AB Chowdhury said the country has to build its own backward linkage industries and reduce the lead time for export. At the same time, its customs department has to be efficient to facilitate quick exports.

At the working session, presided over by former bureaucrat Mofazzal Karim, EPB Director GKM Towfique Hassan said the country's export share in the global market will decline to 1.13 per cent in 2004-5 as against 1.30 per cent in 1994-95.

He also said exports of woven RMG from Bangladesh will decrease from 64.79 million dozen pieces in 1998-99 to 48.33 million dozen pieces in 2004-5 and then again further decrease to 27.59 million dozen pieces in 2009-10. On the other hand, knit RMG exports will increase from 36.66 million dozen pieces in 1998-99 to 43.77 million dozen pieces in 2004-5. But it will again witness a fall to 34.27 million dozen pieces during 2005-10 period.

of the bank Abu Hanif Khan and Vice President of AB Bank Ishtiaque Ahmed Chowdhury.

"We have had hundreds of seminars and symposiums on the issue. But now, the thrust should be given to prepare a pragmatic policy to face the post-MFA challenges and arrange funds for the much-needed backward linkage industry. Otherwise, the RMG sector will also face the same fate of the jute sector," said Kutubuddin Ahmed, President of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Kutubuddin said the government as well as the banks are unable to finance the backward linkage industries due to fund constraints. But funds must be arranged to face the global challenge after the quota phase-out.

He said joint venture projects and relocation of textile units from other countries could be an option, but to materialise such plans, political stability and infrastructure facilities must exist.

Mentioning that country's apparel sector developed due to the quota system and GSP facility, EPB Vice Chairman AB Chowdhury said the country has to build its own backward linkage industries and reduce the lead time for export. At the same time, its customs department has to be efficient to facilitate quick exports.

Lafarge launches operation with \$2.2m bagging plant

Mongla Port authority to earn Tk 5cr a year

STAR BUSINESS REPORT

Lafarge, the world leader in building materials, launched its Bangladesh operation by inaugurating a state-of-the-art bagging plant at Mongla Port yesterday, says a press release.

The 350,000-tonne capacity Lafarge Mongla Cement bagging plant was inaugurated by State Minister for Disaster Management and Relief Talukder Abdul Khaleque.

The plant has been set up at jetty number five of the port under a long-term agreement with the Mongla Port Authority. According to the agreement, the port will get about Tk five crore a year as fixed rent and other charges.

"Lafarge is implementing a \$240 million integrated cement project in Chhatak, which will encourage many other foreign investors to invest here," said Khaleque. "Bangladesh has a huge market of 130 million people. I urge the foreign investors to explore this potential market," he said.

French Ambassador in Bangladesh Michel Lummaux and Chairman of the Mongla Port Authority Commodore K M Ahmed were also present at the ceremony as special guests while Managing Director of Lafarge Mongla Cement Ltd Michel Folliet delivered the welcome speech.

"Bangladesh is today about to achieve self-sufficiency in cement and the Lafarge project in Chhatak will be a big leap towards that goal," the state minister mentioned.

Michel Folliet said the bagging plant is a unique example of how private and public sector partnership can result in a productive force.

"Lafarge Mongla Cement is a testimony of the deep-rooted commitment that Lafarge has in Bangladesh," Folliet said. "The plant set up with a foreign direct investment of \$2.2 million, will have sophisticated technologies like a rotary packing unit which will ensure that each bag has correct weight."

He said the bulk of cement will be brought from Lafarge's plant in Malaysia by its own air-tight ships and then bagged at the plant.

Lafarge has also set up a \$3.0 million distribution terminal at Kutubpur near Narayanganj from where the cement will be initially marketed in greater Dhaka.

He also mentioned that the Lafarge Surma Cement project at Chhatak is under implementation. The cross-border project will import raw materials from Lafarge's own quarry at Meghalaya in India.

"This signifies a perfect beginning to mutual regional cooperation," the managing director observed.

He also said Lafarge will uphold its fame for adhering to environmental standards at its cement plant and has taken care for eliminating air pollution by dust released by the factory.

Lafarge is now the world's number one building material company with presence in over 80 countries and an annual cement production capacity of 150 million tonnes, which makes it the world's top cement producer.

The French Ambassador in his speech said Lafarge has made the biggest French investment in Bangladesh and added that the country needs many more such foreign investments to generate employment.

The Mongla Port Authority chairman mentioned that his organisation had taken the initiative to allow Lafarge use its unused infrastructural facilities to infuse new activities to the port.

The approach has been proved successful, as the port will now have an assured flow of revenues, the chairman added.

The port chairman expressed satisfaction over the environmental and safety standards being maintained at the bagging plant.

Al-Arafah Bank board recommends 18 pc dividend

The Board of Directors of Al-Arafah Islamic Bank Limited recommended 18 per cent cash dividend for its shareholders for the year 2000, which is subject to the approval of Bangladesh Bank, says a press release.

This was decided at the 63rd board meeting of the bank held Wednesday at its board room with A Z M Shamsul Alam in the chair. Directors, managing director and deputy managing director of the bank were also present in the meeting.

IFIC Bank, BB sign EEF co-op deal

A co-operation agreement on Equity and Entrepreneurship Fund (EEF) was signed between IFIC Bank and Bangladesh Bank, says a press release.

Executive Director of Bangladesh Bank, Ziaul Hasan Siddiqui, and Managing Director of IFIC Bank, Ataul Haq, signed the agreement recently on behalf of their respective organisations.

It may be noted that the objectives of the fund is to encourage investment in two sectors - software industry and food processing and agro-based industries (excluding sub-sectors of rice/flour mill, fishing trawler, cold storage).

Delta Life made GNBI founding member

Delta Life Insurance Co Ltd has become a founding member of the Global network for Banking Innovation in Microfinance (GNBI), an international network of regulated financial institutions committed to expanding microfinance, says a press release.

Initiated by Women's World Banking (WWB), the two day launching meeting of the GNBI is scheduled for April 9 in New York.

Dr Syed Mukarram Ali and Das Deba Prasad respectively the Chairman and the managing director of Delta Life will attend in the launching meeting.

Some 23 financial institutions from 18 countries from all over the world have been invited as founding members, and only Delta Life represents Bangladesh.

20 Indonesian banks run risk of closure

Around 20 domestic banks in Indonesia face the risk of closure this year as they seem unable to meet the year-end minimum 8 per cent capital adequacy ratio (CAR) requirement.

Bank Indonesia director for research and regulation Djoko Sarwono said the cost to the government would only be small, at between 5 trillion to 10 trillion rupiah (465 million to 930 million US dollars), if the banks were either closed down or recapitalised.

"According to the Bank Indonesia stress test, it is apparent that there would be around 20 banks with a CAR of less than 8 per cent by the end of this year," he was quoted by the Jakarta Post Saturday as saying.

Djoko said that three of the 20 banks were under the control of the Indonesian Bank Restructuring Agency (IBRA), a unit of the Finance Ministry. He declined to name the banks.

Bank Indonesia has required all banks to have a minimum 8 per cent CAR by the end of this year or be closed down.

IMF okays \$368m first Vietnam loan in five years

The International Monetary Fund Friday approved a \$368 million loan for Vietnam, its first loan to the Southeast Asian nation in five years, aimed at reducing poverty and reforming the Communist economy.

The Washington-based lender said in a statement \$53 million of the loan would be available immediately. The rest of the loan will be disbursed in installments after regular reviews of the government's progress on reforms.

IMF Deputy Managing Director Shigemitsu Sugisaki said the loan program "seeks to build on Vietnam's recent record of positive performance and policy momentum in order to increase economic growth further and reduce poverty."

SB managers' confce under Tangail held

The Branch Managers' Conference under Sonali Bank Principal Office, Tangail, was held Friday afternoon, says a press release.

Md Enamul Huq Chowdhury, Managing Director of Sonali Bank, was present as chief guest while Mokhter Hossain, General Manager of Dhaka North, was present as special guest.

Emirates launches daily services to Dusseldorf

Emirates launched daily services to the German city of Dusseldorf on March 27 when Flight EK021 took off from Dubai International Airport with an Emirates delegation and press group among its passengers, says a press release.

Delegation leader Dermot Mannion, Emirates' Chief Director Finance, IT & Services, was accompanied by Hans Haensel, Emirates' Director-Destination & Leisure Management.

Flights to central Germany's major industrial and commercial centre are operated for the first year using an Airbus A310-300 aircraft in three classes, with 18 first, 25 Business and 131 Economy Class seats.

This new service means that Emirates now operates three daily flights and a total of 23 non-stop flights weekly between Dubai and Germany. Daily non-stop flights link Dubai already with Frankfurt and Munich while Emirates codeshares on Sri Lankan Airlines flights on Mondays and Thursdays between Dubai and Berlin.

Dermot Mannion said: "We are delighted to launch this new service between Dubai and Dusseldorf which will provide a vital link between the Middle East's commercial and financial centre and a dynamic business centre in the heart of Europe."

The new service will provide passengers with the same excellent connections in both directions with points in the Middle East and beyond in West Asia, the Pacific Rim and Africa. Passengers will be able to connect also in Dusseldorf with flights operating to North American destinations.

Flight EK021 takes off daily at 08.25, arriving in Dusseldorf at 13.20. EK022 departs Dusseldorf at 15.05, touching down in Dubai at 23.35.

Strike-hurt businesses try to make amends

STAR BUSINESS REPORT

All business establishments remained open Saturday, generally an official holiday, in a bid to recoup hartal losses.

There was heavy transaction rush in all banks as exporters and importers were in a hurry to open LCs and settle deals before the country once again sinks in another spate of hartals from tomorrow.

The government also asked all government, semi-government and other offices along with banks to remain open to make up the hartal-related work losses, which according to a World Bank estimate run as high as 60 million dollars a day.

"We kept the offices open today, as we are already burdened with a huge work backlog," said an executive working in a local soap-making factory. "It felt good that all the banks and other offices were also open on the day, because it is an interlinked business arena that we have to work, and mere keeping of one of these concerns open does not help that much."

However, another exporter said keeping offices open on an extra day isn't enough to recoup the hartal losses, since the closed days are many times more.

Some of the companies including multinational Syngenta kept their offices open even on Friday. "We worked the whole Friday afternoon and it almost

seemed like a normal office day," said an executive of the MNC.

However, many government officials were not happy about the extra working day. "We had to attend offices on hartal days, and now we have to do extra works on holidays," said a deputy secretary of the Finance Ministry.

As the office- and school-goers rushed to their destinations, the city roads also witnessed heavy traffic.

The business community has been critical of the current political situation, saying it has hindered the country's economic march. Sections of the community have called for dialogue among the feuding parties instead of strike actions.

Server hacking DSE makes system engr OSD

M SHAMSUR RAHMAN

The Dhaka Stock Exchange (DSE) has made its system engineer officer-on-special-duty (OSD) following the alleged hacking of its main mainframe system.

"The system engineer will remain out of work till he is proved innocent," a DSE official said.

Meantime, a three-member SEC investigation team has launched its investigation and is expected to file a report to the Securities and Exchange Commission by the end of this month.

The mainframe servers of the bourse, which store valuable data, have allegedly been hacked on March 30, 2001.

A key software -- the market administration and control (MAC) and surveillance software -- has been stolen by an unidentified person who also had the password to log on to the servers.

After getting the information, the DSE temporarily restricted entry to the servers by changing passwords.

But DSE brokers apprehend that the hacker had access to some very secret and important database and analysis, the proper application of which may well make him a millionaire.

If the hacker is a broker, then he will be in a very advantageous position over others during the next few trading days. Sources say that the hacker gained access to a secondary server called "fireball server" through a wide-area network (WAN) connection, which stores valuable data.

It will also enable the hacker to have the secret back-office information of different brokers.

Talking to this correspondent, brokers said that the database and information which is likely to be in possession of the hacker should be made available to all the dealers so that no individual can take any advantage of the information leakage.

They also said the incident could not be an isolated incident and somebody inside the DSE might be involved in the crime as the access to the server room is very restricted.

"A person would need to carry a hard drive to the DSE server room to copy the software. So, the installation CD must have been made available to the hacker along with the log on password," a broker said.



Accompanying Emirates' inaugural flight to Dusseldorf are Dermot Mannion (left), Emirates' Chief Director-Finance, IT and Services, and Hans Haensel, Emirates' Director-Destination and Leisure Management.

NTV seeks Putin's help as ownership talks with Gazprom collapse

AFP, Moscow

Russia's last private national TV broadcaster appealed to President Vladimir Putin for help Friday as heated talks with state-dominated gas company Gazprom aimed at settling NTV's ownership dispute broke down.

But the Kremlin kept a stony silence for the fourth day, even as international pressure mounted for Putin to make sure that the outspoken network maintain its editorial independence, preventing the state from placing a stranglehold on Russia's airwaves.

'Turner to get 30pc stake for \$60m-70m'

Another report from New York says: Media mogul Ted Turner would get a 30 per cent stake in Russia's NTV television network for 60 to 70 million dollars under a tentative deal signed this week, a source close to the negotiations said Friday.

The deal between Turner Ventures International, an investment group headed the CNN founder, with Vladimir Guzinsky of Media-MOST, is well below the reported 225 million dollars reported by some media, the source said.

But the deal would require a similar contract with Gazprom.

Asean ministers meet to tackle slowdown

DPA, Kuala Lumpur

Southeast Asian finance ministers opened a two-day annual meeting in Kuala Lumpur Saturday to discuss how to sustain economic growth and stabilise weakening regional currencies amid a US economic slowdown.

Among issues the ministers from the 10-member Association of Southeast Asian Nations (ASEAN) are also expected to discuss include the region's economic outlook, the progress of

financial reforms and corporate restructuring, the efforts to liberalize the financial sector, and a stepping-up of privatisation schemes.

Malaysian Finance Minister Daim Zainuddin, in a press statement issued ahead of the meeting, said the moderation of the world's economy arising from the US economic slowdown posed a "challenge" to the region, most of whose exports head to the United States.

Other challenges include ensuring that the region gets a fair share of the benefits from increased globalisation and market liberalisation, he said.

"This meeting, therefore, offers a timely opportunity for us to mobilise thoughts, ideas and, most importantly, to draw on ASEAN cooperation to cope with these challenges," he said.

A key issue for discussion is whether the ministers would be able to reach a consensus on how to operate a proposed bilateral currency swap arrangement

known as the Chiang Mai initiative that involves Japan, China and South Korea, ASEAN officials said.

Under the proposed swap deal, ASEAN countries suddenly hit by short-term liquidity would be able to swap their domestic currencies for the US dollar, Japanese yen or the euro.

The swap arrangement is seen as a way of helping to prevent a recurrence of the 1997-1998 Asian financial crisis that was triggered when speculators attacked the

Thai baht.

Talks on the issue by finance officials over the past three days have so far been stalled by Malaysia's refusal to have the arrangement placed under the supervision of the International Monetary Fund (IMF), as demanded by Japan, China and South Korea.

The ASEAN ministers are eager to present a joint agreement on the issue when they meet with their counterparts from Japan, China and South Korea next month in Honolulu.

CURRENCY

American Express Bank Ltd foreign exchange rates (indicative) against Taka for major clients.

Currency	Selling TT & OD	Selling BC	Buying TT Clean	Buying OD Sight Export Bill	Buying OD Transfer
US Dollar	54.2800	54.3100	53.8150	53.6970	53.6250
Pound Sig	78.6843	78.7278	76.8801	76.7115	76.6087
Deutsche Mark	25.5133	25.5274	24.4500	24.3964	24.3637
Swiss Franc	32.2711	32.2889	31.5927	31.5234	31.4812
Japanese Yen	0.4421	0.4423	0.4309	0.4300	0.4294
Dutch Guilder	22.6435	22.6560	21.6998	21.6522	21.6232
Danish Krona	6.6184	6.6220	6.4772	6.4630	6.4543
Australian \$	27.6285	27.6438	26.2886	26.2310	26.1958
Belgian Franc	1.2370	1.2377	1.1854	1.1828	1.1812
Canadian \$	35.0465	35.0659	34.0644	33.9897	33.9442
French Franc	7.6071	7.6113	7.2901	7.2741	7.2644
Hong Kong \$	6.9742	6.9780	6.8870	6.8719	6.8627
Italian Lira	0.0258	0.0258	0.0247	0.0246	0.0246
Singapore \$	30.2817	30.2985	29.3510	29.2866	29.2473
Euro	49.8996	49.9272	47.8200	47.7152	47.6512
Saudi Rial	14.5153	14.5233	14.3106	14.2792	14.2601

Bill buying rates

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
53.7512	53.3665	52.9181	52.4696	52.0212	51.1243

US dollar London Inter Bank Offered Rate (LIBOR)

Buying(\$)	Selling(\$)	Currency	1 Month	3 Months	6 Months	12 Months
53.6250	54.2800	USD	5.05125	4.80625	4.60125	4.58000
76.6087	78.6843	GBP	5.48469	5.44156	5.31188	5.25250
Cash/TC	Cash/TC	EURO	4.63250	4.56875	4.45000	4.37813

Weekly ReadyCash Raffle Draw Winners

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

Prizes	Name of Winners	Card No
Pearl Restaurant free lunch for two	Md Ekramul Hossain	504798000007213
Federal Express free shipment	Md. Dider Hossen	504798000007201
Great Wall Restaurant free lunch for two	Banani Hagidok	504798000007211
Yantai Chinese Restaurant free lunch for two	Md Momenul Islam	504798000007205
Pizza Inn free lunch for two	Abdullah Mannan Rana	504798000007216

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 with 30 days of this news circulation by producing their ReadyCash card transaction vouchers. Besides, regular users of the ReadyCash card will also be eligible to win attractive prizes. For details, one may contact- 8125294-7. ReadyCash encourages its cardholders to read The Daily Star on every Sunday for a new listing of prize winners.