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Star BUSINESS

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Call for making official remittance channel speedier, reliable

Workshop in city worried over transaction thru' informal channels

STAR BUSINESS REPORT

Worried over huge transaction of remittances through informal channels, speakers at a workshop yesterday underscored the need for making the official channel speedier, more efficient, reliable and attractive.

The workshop on "Migrant Workers' Remittance: Ensuring Efficient Flow and Effective Use" was organised by the Refugee and Migrant Movements Research Unit (RMMRU) in collaboration with the British Council and ILO Dhaka office yesterday.

Presenting the findings of a study on the remittance receivers in some villages under Tangail and

Chittagong, RMMRU Coordinator CR Abrar said only 46 per cent of the total remittance is channelled through official sources.

As high as 40 per cent of the remittance came through *hundi*, 4.61 per cent through friends and relatives whereas about 8 per cent was brought in by the migrant workers when coming home, the study revealed.

Former advisor of the caretaker government Professor Wahiduddin Mahmud chaired the first session, while Managing Director of Palli Karma Sahayak Foundation (PKSF) Dr Salehuddin Ahmed chaired the second one which dealt with the issue of involving the micro-finance institutions

(MFI) to collect and utilise remittance in productive sectors.

Mentioning that US\$ 2 billion comes through the official channel as remittance, Professor Wahiduddin Mahmud said if more than 50 per cent comes through informal ways, then the amount is really upsetting.

However, he pointed out the limitations of such studies in absence of statistics at the government level, which make the work more difficult for the researchers.

CR Abrar, quoting from the study, also said that the remittance receivers on an average had to wait nearly as many as 13 days to get their cash through formal channel after depositing drafts

with the bank. On the other hand, it took only three days to complete the whole transaction under the *hundi* system.

Bankers, MFI officials and also repatriated Bangladeshi workers took part in the discussion.

The study on the remittance flow also found the formal channel more expensive than *hundi* transaction. The average cost for receiving and sending remittances through the official channel is Tk 287.50 whereas the same costs Tk 127.53 via *hundi*.

Despite the risk of losing the whole amount while sending it through *hundi*, the remitters prefer it due to its speed, less paper works and confidentiality.

FBCCI to devise actions to face hartals

Executive committee meets on April 17

STAR BUSINESS REPORT

In the backdrop of the recent political crisis, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) will meet on April 17 to devise its course of actions to face hartals.

The decision to convene the meeting came at an executive committee meeting of the FBCCI yesterday.

Over 1000 FBCCI members are expected to meet at federation on the day to express their opinions. The FBCCI will then initiate steps to try and convince the politicians to shun path of confrontation.

The meeting also demanded of

the government to declare Saturday a full working day until the present situation improves.

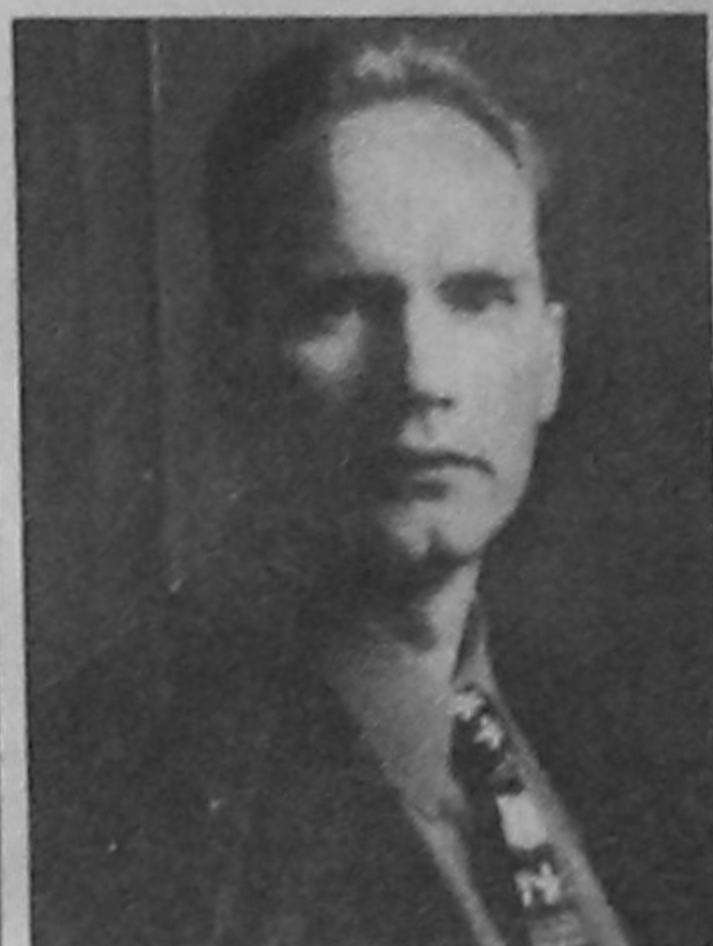
During the meeting, the members pointed out that although the banks operate during hartal hours, they do not provide full services as the clearing house does not function effectively. The meeting therefore decided to request the central bank to ensure smooth functioning of the clearing house.

Speaking at the executive committee meeting, FBCCI President Yussuf Abdullah Harun said the businessmen have little to do other than requesting the politicians to shun politics of confrontation.

The FBCCI president said the general people and the businesses should not suffer because of differences of opinions among politicians.

Asked if other leading chambers would be consulted with before devising the federation's actions, Harun said most of the chambers are members of the FBCCI and they are expected to attend the meeting on April 17.

Responding to another question, Harun said the new FBCCI committee sought a courtesy meeting with the leader of the opposition, but it is still awaiting a reply.



Gerry Bes new MD of Nestlé Bangladesh

Gerry Bes took over as the Managing Director of Nestlé Bangladesh Limited recently, says a press release.

Prior to his present assignment, he was the Director of Operations for Scarborough Factory in Nestlé Canada.

Earlier, he was the Project Leader of Nestlé Sales & Marketing Productivity Team in Switzerland. During this assignment, he gained business re-engineering experience in diverse organisations and cultures in Scandinavia, South Africa, Malaysia, Thailand, the Netherlands, Poland and Indonesia.

Bes has also rich experience in marketing and sales with Nestlé Canada.

Meanwhile, Aldo Siegrist, the outgoing Managing Director of Nestlé Bangladesh Ltd, has been promoted to the post of Vice President of Nestlé SA. He will take over his responsibility in Vevey, Switzerland, soon.

Nestlé Bangladesh Limited is a fully-owned subsidiary of Nestlé SA, Switzerland, the world's largest food company.

The company has many popular products in Bangladesh like Maggi noodles, soups & Crack-a-snack, chocolate drink Milo, milk powder, Nido, milk drink Blue Cross, confectionery, Polo & Fruits, Nescafé, Coffee Maté etc. as well as a wide range of nutrition products.

Since 1992, Nestlé has invested Tk 110 crore in the business in Bangladesh.

New chairman of BFIC



Anwar Hossain, a noted Industrialist, has been elected Chairman of Bangladesh Finance and Investment Co Ltd, says a press release.

He is also the Chairman of Anwar Group of Industries and Chairman of The City Bank Limited.

Asia-Pacific to recover with 6pc growth in 2002

AFP, Manila

Asian Development Bank (ADB) president Tadao Chino said Wednesday he was confident the Asia-Pacific region would pull out of an economic slowdown this year and rebound with an average six per cent growth rate in 2002.

"As a whole, even though there is a slowdown it will not derail the growth," he said.

The ADB, he said, had shaved 2001 economic growth forecasts for the region to around five per cent from 7.1 per cent last year due to the US-led global slowdown and weak electronics demand.

"This ADB does not see the recent slowing of growth in the region as a major threat. Of course, this is a matter of concern and we are carefully watching and closely monitoring the situation," he said.

Chino said Southeast Asian nations would recover to an average 5.0 per cent growth in 2002 from four per cent this year and 5.1 per cent in 2001.

For the newly industrialised economies, growth will be at six per cent in 2002 after being halved to about four per cent in 2001 from 8.4 per cent in 2000.

WB categorises India as one of less-indebted countries

PTI, Washington

The World Bank has categorised India as one of the less-indebted countries while Pakistan has been bracketed as heavily indebted along with 33 other nations.

Pakistan falls in the category of the heavily indebted countries along with 33 other low income countries, including Afghanistan, Ethiopia, Sudan, Myanmar and Indonesia, the Bank said in its Global Development Finance Report.

Classifying economies by income as of January 2001, it said India, though a low income country, was less indebted while Bangladesh was moderately indebted.

Tanzania, Pakistan, Burkina Faso, Bhutan and Nepal are low income countries while Sri Lanka and Maldives are in the lower middle income list, it said.

World Bank senior Vice President and Chief Economist Nicholas Stern said India would be able to grow at seven per cent as against the present six per cent and could attract more foreign capital.

India is going in the right direction. It is on the right track. India is growing as a destination in terms of attractiveness for investment, he said.

Referring to FDI in Bangladesh, the report said after the removal of several restrictions in the 1990s, FDI flows into the country jumped from 14 million dollars in 1996 to 180 million in 1999.

IEA sees lower oil demand growth

REUTERS, London

Prospects for world oil demand growth appear weaker again because of the impact of economic slowdown in the United States on emerging nations, the International Energy Agency said Thursday.

In its monthly oil market report the IEA revised lower its forecast for this year's world demand growth by 85,000 barrels a day to 1.325 million.

It was the IEA's fifth successive downward revision and reduces the Paris-based agency's original growth estimate for 2001 by 540,000 bpd to 76.7 million bpd.

"Oil demand growth in non-OECD economies appears most at threat from the spill-over effect of the slowdown in the US economy and recession concerns in the Japan," said the IEA.

"Lower forecasts of GDP growth in such export-based technology-oriented economies as Malaysia, Thailand or the Philippines for 2001 point to lower oil products demand growth there as well."

It cut 90,000 bpd from its forecast for non-OECD demand for 2001 to 28.5 million.

The IEA said North American oil demand remained buoyant, despite the economic slowdown, because of fuel switching away from high-priced natural gas in the United States.

As a result, the agency raised its projection for North American demand growth slightly to 350,000 bpd.

But it said that if the US economy were to fail to bounce back in the second half, oil demand growth would prove lower.

The IEA said that a January stockdraw in the OECD had proved larger than previously estimated at 920,000 bpd.



Tofael Ahmed, Minister for Industries, inaugurates the Hayes & Haier Appliances Co Ltd at Gazipur near Dhaka on Thursday.

Asian corporations under new bad debt pressure: ADB

AFP, Manila

Asian corporations are under renewed balance-sheet pressure four years after a financial crisis, with restructured loans going awry again, Asian Development Bank (ADB) President Tadao Chino warned Wednesday.

Plain resistance to reform is mainly to blame, but legal constraints and waning investor confidence have also slowed the disposal of tens of billions of dollars of bad debts, he told the news agency.

Chino ruled out a second Asian crisis even amid a slowing US economy, but called for fresh efforts to address the non-performing loans (NPL) problem.

"The operational restructuring which is needed to ensure a return to profitability has lagged behind debt restructuring," he said, adding: "There is no easy answers."

He said "investors are always interested in the future prospects of the countries, and without confidence in the future of the country, they cannot be confident in these companies. So I think it will take time."

Chino gave no estimates, but South Korea, the largest of the crisis-hit economies, reported last February that its banking system's bad loans doubled to 31 billion dollars last year due to heavy exposure to troubled firms.

Chino urged the region's corporate sector to take the bitter pill to streamline operations, through

such measures as mergers, job cuts and keeping an eye on spending.

He said "banks are better off now" as governments formed special asset management agencies that took over bad debts after the 1997 crisis, allowing the lenders to resume lending to help in reviving these economies.

Thailand, Indonesia and Malaysia all set up asset management firms to handle the NPL problem while the Philippines is mooting a similar body.

However, "legal processes have slowed the resolution of debt," Chino noted.

"Therefore new initiatives may be needed to reduce non-performing loans to accelerate the process of corporate debt restructuring," he said, adding: "There is no easy answers."

He said "investors are always interested in the future prospects of the countries, and without confidence in the future of the country, they cannot be confident in these companies. So I think it will take time."

Chino said the slowing of the US economy, as well as "Moderation" of the information technology boom had hit Asian exports, which falling US stocks had affected Asia and dampened investment flows and consumption.

But these countries have

"strengthened their resilience to external shocks" through reform of structural weaknesses, which should help tide them over, Chino said.

Most have adopted flexible exchange rate regimes, higher dollar reserves, lower short-term debt, are engaged in more intra-regional trade and have benefited from softer and more stable oil prices.

While economic growth among the ADB's developing members is expected to decelerate to five per cent this year from 7.1 per cent in 2000, it should bounce back to "nearly six per cent" next year.

"We are not anticipating emergency lending, (but) of course naturally the ADB stands ready to respond to any request for assistance."

The ADB in 1997 packaged multi-billion-dollar rescue programmes for Seoul, Jakarta and Bangkok after the financial crisis.

Chino said long-term solutions for bad debts required improved macroeconomic management, more transparency, accountability and, rule of law.

"The infrastructure areas, physical as well as legal and administrative have to be enhanced so that foreign investors for example, and including domestic investors would have more confidence in the future of these countries."

Arabs coordinate policies for talks with EU

Aim at separate association deals

REUTERS, Damascus

Ministers and representatives of seven Arab states met Wednesday to coordinate policies in talks with the European Union aimed at signing separate association deals with the 15-member bloc.

Syrian planning minister Issam al-Zaim discussed in the two-day consultative meeting would cover European-Mediterranean cooperation and the experiences of the Arab states in negotiating association deals with the EU.

The minister stressed that speeding up efforts to achieve Arab economic integration and establishing an Arab Free Trade Zone would help the Arab coun-

tries make better deals with the EU.

Ministers and representatives of Syria, Lebanon, Jordan, Egypt, Tunisia, Algeria, and Morocco are participating.

The EU started negotiations with the Arab Mediterranean states in 1995 to sign associations agreements as part of the so-called Barcelona process for cooperation between Europe and the Mediterranean states.

The association deals would replace bilateral deals signed earlier between each of the EU countries and each of the Arab states.

The deals call for the establishment of a free trade zone by 2010 and cooperation in eco-

nomical, political and social fields.

Tunisia, Morocco and Jordan have already signed the association deals, while Egypt is preparing to sign one after the finalisation of the negotiations, officials said.

Syria, Lebanon and Algeria are still negotiating and want to benefit from the experience of countries that have already signed on how best to proceed with their talks, they said.

"We also want to see how the deal is being implemented by the EU and Tunisia, which was the first Arab state to sign such an association deal with the EU in 1995," Zaim said.

Hayes & Haier launches its Bangladesh production unit

60pc output to hit local market, rest planned for export

BSS, Gazipur

Industries Minister Tofael Ahmed Thursday inaugurated Hayes & Haier Appliances Company Ltd, an industrial venture of Bangladesh's Hayes group with China's Haier group of companies, one of the fastest growing firms in the world.

The company, set up in the Nopapara area of this industrial town at a cost of US\$ 4.5 million, will produce high-performance home appliances including air-conditioners, refrigerators, washing machines and microwave ovens.

Over 4,000 people, who will be employed in production, sales and marketing of the export-oriented home appliances manufacturing company, the first of its kind in the country.

According to the joint venture agreement signed in September 2000, 60 per cent of company's yearly production will be targeted for local markets to satisfy the domestic demands while the rest would be exported to other destinations.

Leading industrialists observed Haier's joint venture business with Bangladesh company would open a new horizon of industrial growth as the Financial Times placed Haier seventh in the list of outstanding Asian transnational companies.

Haier, which earned 87 per cent growth last year, was also the only Chinese enterprise that figured in top ten.

Among others, State Minister for Rural Development and Coop-

New GM of Sonali Bank

Md Nurul Islam Mollah has recently joined Sonali Bank as its General Manager.

Prior to his present position, he was the General Manager of Janata Bank at its Head Office.

Nurul Islam did his M Com from Rajshahi University in 1968 after completing his B Com with Honours in Management.

He joined erstwhile United Bank in 1969 after serving for a year as professor in a college.

During his 32-year banking career, he held many important positions in various capacities. He has visited a number of countries USA, UK, Hong Kong, Bangkok and Singapore.

Aftab Ali joins Agrani Bank as GM

M Aftab Ali has joined Agrani Bank on promotion as General Manager, says a press release.

Prior to this promotion, he was the Deputy General Manager of Sonali Bank.

An M Sc in Statistics from the University of Dhaka, Aftab started his banking career as an officer of Sonali Bank in 1973.

During his tenure in Sonali Bank, he held managerial positions at different branches including some corporate branches.

He also worked in Sonali Bank's London Branch from 1980 to 1993.

Besides participating in various training programmes on banking in Bangladesh, Ali also attended seminars on banking in Hong Kong and New York.

CURRENCY

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to 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	78.2609	78.3042	77.0254	76.7535	76.7536
Deutsche Mark	25.0637	25.0775	24.0097	23.9571	23.9250
Swiss Franc	31.8975	31.9151	31.2478	31.1793	31.1375
Japanese Yen	0.4375	0.4377	0.4299	0.4290	0.4284
Dutch Guilder	22.2444	22.2567	21.3091	21.2623	21.2338
Danish Krona	6.4951	6.4987	6.3610	6.3471	6.3380
Australian \$	27.9216	27.9371	26.5792	26.5209	26.4854
Belgian Franc	1.2152	1.2156	1.1641	1.1615	1.1600
Canadian \$	35.0873	35.1067	34.1033	34.0285	33.9829
French Franc	7.4731	7.4772	7.1588	7.1432	7.1336
Hong Kong \$	6.9732	6.9770	6.8865	6.8714	6.8622
Italian Lira	0.0253	0.0253	0.0243	0.0242	0.0242
Singapore \$	30.3478	30.3645	29.4135	29.3490	29.3097
Euro	49.0203	49.0474	46.9590	46.8560	46.7932
Saudi Rial	14.5122	14.5202	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	9 Months	12 Months
53.6250	54.2800	USD	5.05125	4.80625	4.60125	4.55750	4.58000
76.7535	78.2609	GBP	5.48469	5.44156	5.31188	5.25250	5.22094
Cash/TC	Cash/TC	EURO	4.69250	4.56875	4.45000	4.37813	4.34875

Exchange rates of some Asian currencies against US dollar

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
46.832/46.842	60.22/60.32	45.34/45.36	3.7995/3.8005	10540/10610	1316.0/1316.1

Amex notes on Thursday's market

The demand for dollar was very high in the inter-bank USD/BDT market today. The USD/BDT rate ranged between 54.22 and 54.25. The liquidity crisis for Taka has continued which has kept the average call rate at the higher end. The average call rate ranged between 14 and 15 per cent against yesterday's 13-15 per cent.



Carol Vincent, Director of Logistics and Compliance of NIKE Team Sports, hands over a crest of 'Excellence Award 2000' to S M Majedur Rahim, Country Director of DADA-Bangladesh, for outstanding corporate performance at a city hotel recently. NIKE Team Sports hosted it. DADA Corporation, the world's largest headwear, manufacturer and exporter, has been made the Best Factory among 159 of its kind across the globe who work for NIKE Team Sports. NIKE is currently working with DADA's two units in Bangladesh where over 7,500 people are employed.