

BUSINESS

DHAKA WEDNESDAY APRIL 25, 2001

Local private IT firm plans shared ATMs for banks



banks on the decline

INAM AHMED

As a result of the central bank's harsh measures against insider lending, the amount of directors' loans from their own banks has reduced by 26 per cent over the last one year.

At the same time, their share of default loans also came down substantially during the period.

statistics, the total directors' loans of 23 private commercial banks Bank official. (PCBs) stood at Tk 653 crore as on December 31, 2000 while it was Tk 891 crore a year ago. This shows a big 26.71 per cent reduction.

On the other hand, figures If any director has more than 50 show that the default loans of the per cent loans, he or she will have directors were also cut substan-

As of December 31, 2000, the directors' default loans amounted to Tk 55 crore while it was Tk 84 crore a year ago, showing a reduc- expire. tion of 34.5 per cent.

"This shows that our move to According to Bangladesh Bank curb directors' loans has been successful," said a Bangladesh

Earlier, the central bank had issued a circular that directors cannot take more than 50 per cent of 31, 2000. their investment in banks as loans.

M SHAMSUR RAHMAN

to adjust it by December 31, 2001 in case of working capital.

directors have been asked to ad-

"This circular prompted directors to repay loans which has improved the situation," the official added. According to figures, eight

PCBs share the Tk 55 crore directors' default loans till December

National Bank Limited (NBL)

has Tk 73 crore directors' loans with Tk 4.94 crore default amount, Islamic Bank has Tk 51 crore with Tk one crore default amount, But in case of term loans, the UCBL has Tk 36.99 crore with Tk 84 lakh default amount, City Bank just these after the loan terms has TK 85.84 crore with Tk 44.17 crore default amount, EBL has Tk 6.06 crore with Tk 79 lakh default amount, IFIC has the highest Tk 286 crore directors' loans with Tk

12 lakh default amount, Social

Investment Bank has Tk 7.44 crore

with Tk 2.99 crore default amount

and Dutch Bangla Bank has Tk 67

lakh with the full amount in the

Directors' loans from own | Shop-owners to keep shutters open during next hartals

Legal action against future general strike decided

STAR BUSINESS REPORT

The country's shop-owners yesterday decided to keep their shutters open during hartal hours in the future and also to take legal action against general strike.

Earlier, they asked the Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) to follow a hard line against hartal that hit their businesses hard. They also demanded insurance coverage for keeping shops open , during hartals.

The call came at a meeting of the representatives of some 40 shop-related trade associations with the FBCCI President Yussuf

Meantime, the FBCCI decided leaders. to issue an open letter to the political leaders for a settlement of with other leading chambers and the political dispute, sources said.

tion Bhaban in the city.

leaders' 'go slow' policy, the asso- won't be right to go for any action ciation leaders at yesterday's programme before our scheduled

to announce an anti-hartal pro-

However, Haroon told them to wait for a few days so that he can Abdullah Haroon at the Federa- discuss the issue with other top chamber and trade association "I have to discuss the issue

trade association leaders before Perturbed by the top business taking any decision. Besides, it meeting pressed the FBCCI chief meeting with the President, Prime

Minister and the leader of the opposition," Haroon told The Daily Star after the two-hour long meeting with the trade association

The country's top business leaders are expected to meet President Justice Shahabuddin Ahmed on Thursday and request him to take initiatives to resolve the present political stalemate. The business leaders are yet to get an appointment from the Prime Minister and the leader of the

BKB achieves

disbursement,

release.

95 per cent.

recovery targets

Bangladesh Krishi Bank (BKB)

achieved over 90 per cent of loan

disbursement and recovery targets

during the first 10 months of the

current fiscal year, says a press

The bank disbursed Tk 1456

The disbursed amount is Tk

315 crore higher than that of the

corresponding period of the pre-

vious year. This amount was dis-

bursed for crop cultivation, tea

production, purchase of bullock,

poultry, fishery, duckery, purchase

of farm & irrigation equipment,

crore against the target of Tk 1539

crore, showing an achievement of

over 90 pc of loan

BGMEA seeks Swiss help in relaxing EU rules of origin

UNB, Dhaka

BGMEA has sought Swiss help to convince the European Union to relax 'rules of origin' for the Bangladesh garment industry so that it can derive benefits from the free market access.

The duty and quota-free market access, announced by the EU recently, has not been much beneficial for the Bangladesh readymade garment sector as the WTO 'rules of origin' not been relaxed, BGMEA president Kutubuddin Ahmed pointed out.

Ahmed, who yesterday met I with Charge d'Affaires of Swiss Embassy in Dhaka Giambattista Mondada along with a BGMEA delegation, thanked the Swiss government for its role behind the EU announcement for free market access for LDCs.

He invited investment from Switzerland in the textile and backward linkage industries here.

In response, the Swiss envoy said his mission would work out a plan to bring in investment for the Bangladesh textile sector.

Deputy head of the mission Patrick Schait and Liaison Officer Rezaul Karim, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) leaders Kazi Moniruzzaman, A Mannan Kachi, Ferdous Amin and Faruk Hasan were present.

New BKB GM

Bangladesh Krishi Bank as its General Manager, says a press release. He was General Manager (CC)

Md Joynal Abedin has joined

at BKB Divisional Office, Barisal till his promotion as GM. Md Abedin joined BKB as a

Class-I Officer in the year 1977. After completion of probationary period, he worked as PRO, Branch Manager, Regional Manager, As -sistant General Manager and Deputy General Manager at the head office and field offices of the bank.

He participated in training courses at BIBM, BMDC, BARD and an international seminar on Investment Project in Antalya, Turkey recently.

He directly took part in the 11-Point Movement and the War of Liberation in the year 1969 and 1971 respectively.

Microsoft, NBC merge financial Web sites

AP, Seattle

Microsoft Corp and NBC said they are merging their financial Web MoneyCentral CNBC.com into a personal finance site expected to launch this summer. Financial terms weren't dis-

Microsoft and General Electric Co's NBC unit already have a 50-50 partnership in MSNBC, a 6year-old cable news channel and Web site.

The new site, CNBC Money-Central, will become part of MSN. Microsoft's family of online sites that also includes slate and Hotmail, company executives said in a conference call to journalists.

Microsoft will operate the Web site out of offices in suburban Redmond, while editorial services will be split between Redmond and For Lee, New Jersey, where CNBC is based.

Bob Wright, NBC president and chief executive, said the deal would likely result in some layoffs, but he didn't think they would be

substantial. NBC recently shut down its main Internet initiative, NBC Internet, a publicly traded subsidiary that pooled a number of online businesses. CNBC had a small role in NBC Internet.

der money dispensing services to its clients through this network.

In a bold move to modernise the "When the banks sign up with us, then their depositors will be country's banking system, a private IT company is planning to set able to withdraw money from any up about 50 automated teller maof the machines," said Kazi Saichines (ATMs) and rent these to fuddin. Director and CEO of Inthe private commercial banks. formation Technology Consult-The company has already ants Ltd, which is promoting the shipped in 10 ATMs and is now

installing two of them - one in He said the system will be test Gulshan and the second one in run and then the deals will be signed on a monthly rental basis Dhanmondi. The machines, supplied by with the individual banks only Swedish BANKQIT, will have after successful trial.

shared network under which the "We have already signed ATMs will be installed in different memorandum of understandings parts of Dhaka city and Chittagong (MOUs) with seven banks for the city. The member banks will renservice and hope to sign formal

agreements after two months of trail operation. The trial operation will begin from the first week of next month," said Saifuddin.

"But we are hopeful of its success as we are getting technical assistance from the company which had successfully installed shared ATMs in India which has almost similar banking situation as in Bangladesh." "We are installing a system in

which a particular bank will function as a central hub. Subscriber banks will enter this hub, using dedicated telephone lines," Sai-

The system will enable interfacing as the software will read all

the subscriber banks' software and create links.

"The company also agreed to provide us with one Swedish engineer and three of its consultants for one year. These experts will provide us with all sorts of training," Saifuddin said.

"We are bringing hybrid machines which will be able to both read and write information. The ATM cards will have chips containing account information of the clients.

"The existing weak telecommunication system is a big drawback for us. The existing ATMs dial to a central switch whenever a

card is inserted. The machines switch will upgrade the informa dials a maximum of three times to establish a link, failing which it refuses to process the transac- als will be high if a small number tion," Saifuddin said.

off-line systems. In case of on-line failure, the chip of the card will have all the information about a clients accounts. The ATM will read information from the chip, execute the transactions, calculate

established, the main central

tion," Saifuddin said. He said the monthly ATM rent

of banks subscribe the service. If "Under our shared ATM con- five banks participate in the syscept, such failure to establish a tem, then the rental will be Tk link will affect transaction. So, we 10,000 per month for each bank. had to think of both online and But if seven banks subscribe the system, then the rental will come down to Tk 7,500 and to Tk 5000 if 10 banks join the network.

He said the ATMs will render services including cash withdrawal, account balance informathe balance and store data in the tion, last 10 transactions report, links with other accounts and "And when the link is finally transfer of funds to other ac

the developed countries, the min-

ister said Japan has taken steps in

decision for textile products under

the Trade Development Act-2000.

Even then 14 countries of the Asia-

Pacific, including Bangladesh, are

nations would also take steps for

duty free access of LDC products

He hoped that other developed

The USA has taken a similar AB Bank

small and cottage industries and poverty alleviation programmes. During the same period, the bank recovered Tk 1316 crore loans against the annual target of Tk 1400 crore. The achievement is 94 per cent. The recovered amount is Tk 187 crore higher than that of the same period of last

The bank achieved 75 per cent of its annual new deposit target. The reasons behind the suc-Pointing to the decisions taken

cesses are its door step service, opening of 1400 new booths in remote areas of the country.

Zahid Hossain Chowdhury, Senior

Executive Vice-President of Arab

Bangladesh Bank Limited (ABBL),

has been promoted as Deputy

Managing Director of the bank,

the Country Manager and CEO for

India operation of the Bank.

Prior to his promotion, he was

He started his banking career

with Habib Bank Ltd Karachi as

Probationary Officer in 1968 and

developed his expertise in the

areas of credit, foreign exchange

and international trade. He is one

of the very few executives who

joined Arab Bangladesh Bank Ltd

when it was formed in 1982 and

contributed enormously to the

growth and development of the

of the important branches of Arab

Chowdhury served as manager

He was made Executive Vice

President of Arab Bangladesh

Bank Ltd in 1995 and given the

overall responsibility of the Head

says a press release.

New DMD of

WTO deals fail to bring benefits to LDCs

from 0.7 per cent in 1980," the

Referring to the WTO frame-

work, Jalil said the interests of its

all members from the developed

to the least developed ones will

have to be considered with due

importance to make WTO an ef-

placed various demands, includ-

ing relaxation of Rules of Origin,

for the LDCs so that these coun-

trade fell to 0.4 per cent in 1999 trialisation.

Jalil points to non-implementation of decisions

sion on trade liberalisation.

fective organisation.

UNB, Dhaka

Commerce Minister Mohammad Abdul Jalil, now in Germany to attend a dialogue, said WTO count before holding any discus- all LDC products, except arms, to agreements have failed to bring desired benefits to the least developed countries (LDCs) due to non- * implementation of many deci-"LDCs want to see how many

WTO decisions were implemented before going for further discussion on WTO," the minister said while speaking on "WTO Agreement: Implementation Situation" in the dialogue.

Organised by International Policy Dialogue, the two-day event on "Priorities, for Future Multilateral Negotiation" concluded in Berlin yesterday. The minister spoke on the topic during the policy and implementation session, according to a message received

Commerce ministers from various countries, including Germany, South Africa, Singapore, Mexico, Sweden and Korea, took part in the dialogue. Chief executives from different organisations of WTO, ILO and UNO also attended the dialogue.

Agreement to Seattle conference, WTO leaders took many decisions in favour of LDCs, but most of those were not implemented. "As a result, the development countries are gaining more than the In many cases, relating the

Jalil said from the Maracas

LDCs with the world economy depends on the implementation of the WTO agreements, the minister

"The LDCs share in the world

China threatens Japan over vegetable row

AFP, Beijing

China warned it may retaliate over Japan's decision to impose restrictions on cheap Chinese vegetable imports, the official Xinhua news agency reported Tuesday. A spokesman for the Ministry

of Foreign Trade and Economic Cooperation (MOFTEC) demanded Japan remove immediately the emergency tariffs imposed Monday which affect imports of Chinese spring onions, mushrooms and rushes. China will have to adopt corre-

sponding measures if Japan continues to maintain this trade protection tactic, and Japan should bear all the responsibility arising therefrom," said spokeswoman Gao Yan.

Gao did not say what measures China make take, but she said that if the curbs were not removed the row could seriously damage Sino-Japanese relations.

tries can proceed towards indus- to their countries. Worst yet to come for falling Asian exports

The Commerce Minister being deprived of the facilities.

minister said, urging the world by the European Union to intro-

leaders to take the issue into ac- duce quota and duty free access of

this regard.

REUTERS, Singapore

The downturn in Asian exports has revival of IT spending. That's so far been broadly consistent with market expectations, but analysts believe the worst is yet to come given the murky outlook for the technology sector.

The US-led slowdown is likely to be most enduring and pervasive in the tech sector - where Asia is most exposed. An extended slowing in growth

of exports, which account for 40 to 50 per cent of Asia's gross domestic product, also raises concerns of a trickle-through impact on domestic consumption and invest-

4.50625%

5.35422%

4.38375%

"The big question mark is or where the real uncertainty is," said SG Securities chief strategist and research director Manu Bhas karan.

Given the overall erosion in corporate America's earnings, he said tech sector spending could remain depressed far longer and even after the broader US economy starts to recover.

Adding to the pain, big Japanese companies plan to cut their capital investment in the 2001/02 business year.

Cash notes 53,5929

Selling

83.5929 54.2800 GBP 5.37755%

asn

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Central Bank buying and selling band of USD: BDT 53,85/BDT 54,15

Following are yesterday's Standard Chartered Bank toreign

exchange rates (indicative) against Taka to major currencies:

Turkey to get new IMF loans REUTERS, Washington

Bangladesh Bank Ltd.

Office's Credit Division.

A senior IMF decision maker said Monday, that the International Monetary Fund would provide new loans to embattled Turkey, but that questions remained about whether the country would get bilateral aid. "Clearly there will be some ad-

ditional IMF money. Then the question is, "Do we want to give an additional signal that the international community is behind this package," the IMF source told Reuters on condition of anonym-



IMF, WB cannot write off total debts of HIPCs

Officials say ahead of spring meetings

REUTERS, Washington The World Bank and the Interna-

tional Monetary Fund cannot totally cancel the debts of the world's poorest nations because the institutions do not have the cash, officials from both lenders said Monday.

"If you extend 100 per cent debt relief to the 60 plus countries that are considered low income today, you basically are going to liquidate the multilateral development banks," Jacob Kolster, the World Bank's programme manager for the Heavily-Indebted Poor Countries (HIPC) debt relief scheme told a news conference ahead of the IMF/World Bank

spring meetings. Kolster was responding to debt relief advocates who have demanded that the lenders expand the HIPC scheme to more countries and completely forgive the

A recent independent report from London-based accountancy firm Chantrey Vellacot, sponsored by debt relief advocates, said the IMF and World Bank can afford to cancel 100 per cent of poor countries' debt.

But the lenders have long maintained that total debt for- of reducing debt service to be- agenda for the coming months is giveness is not possible unless its tween 10 and 15 per cent," said set. donor nations, like the United Seth Amgott, the Washington ers, pay for it.

about half of the debts of 41 of the world's most impoverished nations in return for promises they will spend the savings on health and education, as well as initiatives to boost economic growth.

Masood Ahmed, deputy di-

rector of the IMF's Policy Development and Review Department, also said complete debt relief was not an option. "We've come to the conclusion

that it's not a sensible way to proceed," he said. He said the IMF does not have the funds to write off all poor country debt and said that doing it for some countries and not others

Nevertheless, the IMF and the World Bank were confident the HIPC programme had been a success. Kolster said the initiative had now been "delivered."

would be unfair.

now comply with the targets set down by debt relief advocates like the charity Oxfam, which wants gramme complete debt forgiveness. But Oxfam's spokesman was skeptical, saying the World Bank was jumping the gun by saying the job is world arrive in Washington for the already done. "They say they've met the goal meetings, where the lenders'

quest money for a new facility to He also said most programmes help countries that have just emerged from conflict and that do not yet qualify for the HIPC pro-Debt relief will be discussed later this week when ministers and

up structural reform.

of (government) revenues after

Oxfam says four countries

Mauritania, Zambia, Guinea and

Niger - that have already qualified

for HIPC are still spending over a

fifth of their government revenue

on debt. This is well over the 10

per cent at which Oxfam says debt

planning to appeal to their rich

country creditors for more funds

to help out with their poverty re-

duction programmes. Instead,

they plan to streamline facilities

for reducing poverty and promise

better focus in their projects, in-

cluding coordination between the

bank and the fund. They also call

on the countries themselves to

carry out better policies and speed

central bankers from around the

IMF and World Bank Spring

But the IMF is planning to re-

So far, the lenders are not

burdens become unsustainable.

receiving debt relief."

But while Oxfam and others States, Japan and Europe and oth- voice of Oxfam. "That's only true would like a new and deeper on average - nine countries are round of debt relief, such a The HIPC initiative will forgive still paying more than 15 per cent scheme may be a while in coming.