

# Star BUSINESS

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## ONE Bank opens branch at Uttara

ONE Bank Limited opened its sixth branch at Uttara in the city on Thursday, says a press release.

Sayed Hossain Chowdhury, the bank's Chairman, formally inaugurated the branch. In his speech, chairman spoke of various aspects of the bank's operations, highlighting on-line banking services that it provides to its client base.

Mirza Ejaz Ahmed, Managing Director, also spoke on the occasion, which was attended by the members of the bank's Board of Directors, prominent business persons and local elite.

## IMF sees no imminent financial crisis in Japan

AFP, Tokyo

Japan is not facing the threat of an imminent financial crisis, even if the risk is there, although the deflationary state of the economy is a concern for the rest of the world, a senior International Monetary Fund official said here Friday.

"I don't think anybody said that a crisis is coming so much as people say there is a risk," Ann Krueger, IMF first deputy managing director, told reporters at the end of a two-day visit to Tokyo.

"I do not think based on what I learned that we are in a situation where anything is imminent," she said after meetings with finance officials including Finance Minister Masajuro Shiokawa and Financial Services Minister Hakuo Yanagisawa.

The deflationary state of the Japanese economy -- unique among the world's most industrialised nations -- was a matter of concern, however, Krueger said.

"Everyone is concerned with the deflationary pressure in Japan. The obvious prescription is to have as easy a monetary policy as possible and the BoJ (Bank of Japan), has indicated a great deal of flexibility in this regard," she said.

Over the longer term, however, it would be necessary for Tokyo to put structural reforms in place that would provide for more productive investment opportunities, Krueger said.

She added she was impressed by the "government's resolve to intensify the pace of bank and corporate restructuring, implement public sector reforms to anchor fiscal consolidation over the medium term, and increase competition in many sectors of the economy."

Commenting on the weakening of the yen -- which has fallen to around 134 to the dollar -- and whether Tokyo was deliberately driving its currency lower to help engineer a recovery, Krueger said while it was not the government's policy to intervene, it was right to allow the yen to drop.

## Russia may become WTO member next year: Moore

REUTERS, Geneva

World Trade Organisation Director General Mike Moore said Thursday he believed Russia, the last major power outside the body, could become a member by the spring or early summer of 2003.

"Russia is much closer (to joining) than people think. We could surprise ourselves," Moore told a conference of Reuters editors.

"I believe it can be done by May or June next year if everything goes right... President (Vladimir) Putin is very engaged on the issue and has some top-class people working to make sure it happens."

Moore was speaking as a Russian delegation was holding talks with trade diplomats from many of the currently 144 members of the WTO in the latest round of negotiations since Moscow applied to join the global trading club in 1993.

Trade officials and envoys said the talks were going well although agriculture remained a major problem, with many WTO members insisting that more would have to be done to open up the still largely state-financed Russian farming sector.

Earlier this week US Trade Representative Robert Zoellick told reporters during a visit to Geneva that there had been good progress in the negotiations with Russia. European Union officials have voiced similar views.

Over the past few months Moore, a former New Zealand prime minister who steps down at the end of a three-year mandate at the end of August this year, has been increasingly optimistic about Russia's membership prospects.

## Remove barriers to 'complete' mobile phones: GP urges govt

STAR BUSINESS REPORT

Mobile phone operator GrameenPhone has put accent on removing the existing bottlenecks and other regulatory obstacles so that people can get 'complete' mobile phones.

"We want to offer mobile phones that connect subscribers to all telephones, including the fixed-phones of the BTTB, and enable them to make and receive overseas calls, said Ola Ree, Managing Director of GrameenPhone, at a press conference at Sonargaon Hotel in the city yesterday.

"I am hopeful that the mobile phone sector will receive more attention from the government so that the existing bottlenecks and other regulatory obstacles can be removed," he said.

The company's Director- Sales & Marketing Division Mehboob Chowdhury, Additional General Manager- Information Syed Yamin Bakht and Deputy General Manager- Marketing Intekhab Mahmud were also present at the press conference.

Ola Ree said the company is quite confident that if the import duty on the handset is rationalised, more people will be able to use mobile phone. "This in turn will generate increased revenue for the state coffers".

GrameenPhone, the largest mobile phone operator in the country, has recently reached the half-million subscriber mark.

"It is a remarkable achievement indeed. GP was identified by EMC, the

London-based mobile phone market research firm, as the fastest growing and single-largest mobile phone company in the South Asian region," he said.

In fact, mobile phone users now outnumber the fixed-line telephone subscribers in the country. Presently, there are more than 650,000 mobile phone users as against 590,000 fixed-line subscribers, the MD mentioned.

"The growth of the subscriber-base of GP has been spectacular over the years. The average growth was more than 100 per cent during the last five years while it was over 200 per cent in 2000 and more than 150 per cent last year." The GP service was launched on March 26, 1997.

Ola Ree said GP is one of the largest private investments in the country with more than US\$160 million already invested. The company will invest around \$45 million in 2002 for increasing its capacity and expanding the network.

Rapid expansion of the network, competitive pricing and unique products and services are the primary reasons for GP's success in such a short span of time, he said. All of these efforts were greatly aided by the active support of the shareholders of the company, he added.

Presently, the GP network has coverage in some 40 districts in the country including all six divisional headquarters with some 411 base stations in operation.

GP has contributed more than Tk 370 crore over the last five years to the government exchequer by paying various taxes and bills.



PHOTO: ONE BANK

Sayed Hossain Chowdhury, Chairman of ONE Bank Limited, inaugurates the bank's sixth branch at Uttara in the city on Thursday. Mirza Ejaz Ahmed, Managing Director, is also seen in the picture.

## Dhaka-Yangon trade deal proves unsuccessful as smuggling rising

UNB, Chittagong

The border trade agreement signed between Bangladesh and Myanmar in 1994 has so far been unsuccessful and the blame partly goes to rising smuggling.

The business community in Bangladesh feels that a better approach is needed to overcome the problem as trade gap between the two neighbouring countries rose to Tk 167 crore in last four years because import from Bangladesh continues to decline.

As per the agreement, both the countries could export or import goods worth 5,000 US dollars at a time without opening any Letter of Credit (LC).

The agreement said Bangladesh could import onion, turmeric, ginger, chili, shrimp, sea-fish, various spices, pulse and pickle produced in Myanmar, and export to that country goods like melamine, cosmetic, lifesaving drugs and clothes.

As Myanmar recently increased border trade with Bangladesh following deterioration of its relations with Thailand, the coalition government of BNP has called for raising the export-import volume without LC to 15000 US dollars from 5,000 dollars.

According to competent sources, a section of businessmen in connivance with a section of BDR and customs officials are illegally importing huge Chinese, Thai and Malaysian goods through the Bangladesh-Myanmar border under cover of import from Myanmar, creating problems for the country's genuine importers.

A source at Chittagong Chamber of Commerce and Industry said the Bangladesh business community could not be benefited with the border trade agreement as it restricts import other than agricultural products and sea fish from Myanmar.

He said limestone and bamboo are found in plenty in frontier Akyab

and Mongdu areas of Myanmar and it's more profitable to use those in Bangladesh rather than Myanmar because of Bangladesh's geographical location. Bangladesh can use those raw materials by setting up pulp and cement industries here, he said.

He apprehended that the trade relations between Myanmar and Bangladesh might suffer a setback due to forgery and fraudulence by some Bangladeshi businessmen.

He said there are some businessmen in Bangladesh who cancel contracts with their Myanmar counterparts after receiving goods from them without making any payment.

Bangladesh Consulate in Myanmar M Emdadul Islam in a recent letter brought the matter to the notice of the government and said it this trend could not be checked Myanmar might rescind the border trade agreement.

## 'Andersen men paid overtime to shred Enron documents'

AFP, Washington

Employees working for Arthur Andersen were paid overtime to shred documents related to Enron, according to an internal Andersen memo released Thursday by the House Energy and Commerce Subcommittee on Oversight and Investigations.

"We do expect that people will be able to do this on an overtime basis, if necessary, for the remainder of this week, or for however long it takes for each of you to be comfortable" that the document retention and destruction guidelines are being met, the Oct 24 email message said.

On November 10, a policy instructing Andersen employees to stop shredding the documents was implemented, but the prior policy allowed for destruction of certain papers.

AFP, Washington

A key Enron accountant under oath on Thursday invoked his constitutional right not to answer questions as an outraged Congress set its spotlight on Arthur Andersen's role in the energy giant's dramatic collapse.

Standing before a House panel investigating Andersen's shredding of documents related to Enron, a clearly nervous David Duncan raised his right hand, swore to tell the truth, then refused to answer.

"Enron robbed the bank, Arthur Andersen provided the getaway car, and they say you were at the wheel," said Representative James Greenwood, who leads the House Energy's subcommittee on oversight and investigations.

"Did you give an order to destroy

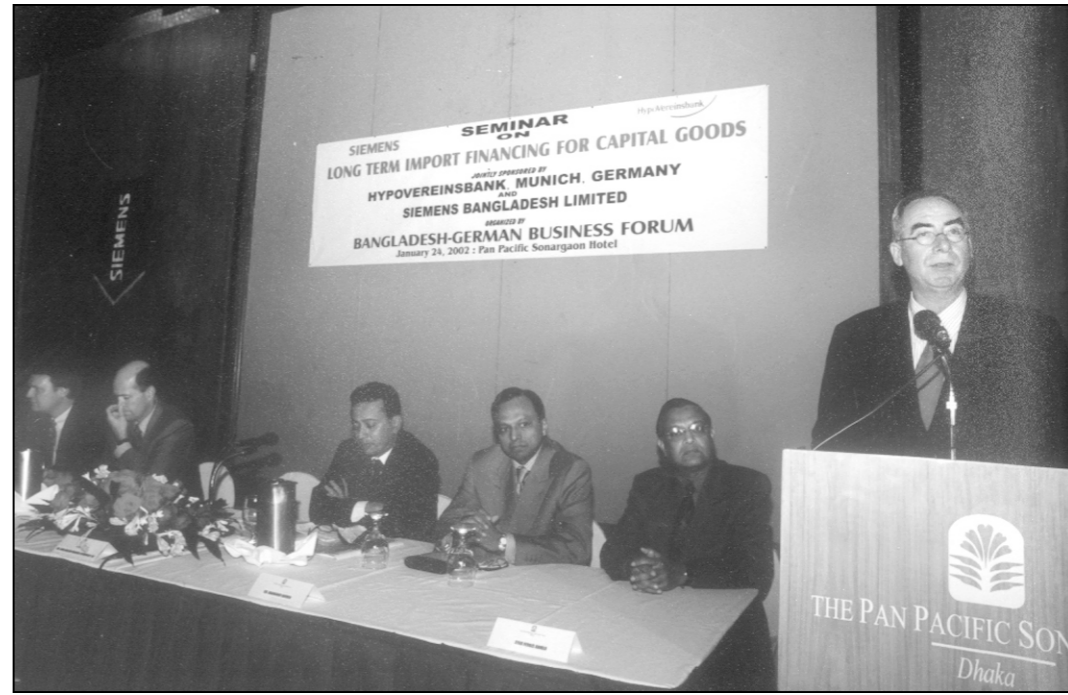


PHOTO: STAR

A seminar on 'Long Term Import Financing for Capital Goods' jointly sponsored by Hypovereinsbank of Germany and Siemens Bangladesh Limited and organised by Bangladesh-German Business Forum was held at Sonargaon Hotel on Thursday. Commerce Minister Amir Khosru Mahmud Chowdhury was present at the seminar as chief guest.

## Govt to take hard decisions to privatise SOEs

Commerce Minister tells seminar

STAR BUSINESS REPORT

Commerce Minister Amir Khosru Mahmud Chowdhury has said the government is going to take some hard decisions to privatise the state-owned enterprises (SOEs).

"We are all set to create an environment conducive to investment. The government wants to play the role of a facilitator, not controller. We are ready to take decisions even at the cost of political popularity," he said, while addressing a seminar on Thursday.

The seminar on 'Long Term Import Financing for Capital Goods' jointly sponsored by Hypovereinsbank of Germany and Siemens Bangladesh Limited (SBL) was organised by Bangladesh-German Business Forum at Sonargaon Hotel.

Mahmudur Rahman, Executive

Chairman of the Board of Investment (BOI), attended the function as special guest while Hermann Nicolae, Deputy Head of Mission of German Embassy in Dhaka, Dr Peter Albrich, Managing Director of SBL and Chairman of Bangladesh-German Business Forum, also spoke on the occasion. Peter V Guretzky, Senior Vice President of Hypovereinsbank, made a presentation at the seminar.

Commerce Minister said the government has reservation about suppliers' credit but wants to encourage foreign direct investment (FDI), particularly in the industrial and manufacturing sector.

Besides, information technology and agro-processing are some other potential sectors for the country, he mentioned, adding that the agro-processing sector grew by 16 per cent last fiscal year. "I am surprised

with the performance of agro-processing and I think this is the area where we have immense potentials."

Speaking at the function, the BOI Chairman said the government is serious about attracting foreign direct investment in the country and it has a plan to make an integrated approach by the Ministry of Foreign Affairs, Ministry of Commerce and BOI to lure FDI.

government will also take interest in innovative ideas of financing proposals, he mentioned.

In his presentation, Peter V Guretzky said his bank has made an arrangement for US\$ 300 to US\$ 400 million annual export credits in Asia. Industrial Promotion and Development Company (IPDC) of Bangladesh is one of those companies which has export credit framework agreements with Hypovereinsbank, Peter added.

## Enron accountant refuses to testify

US Congress plunges into investigation

organized an expedited effort to shred or otherwise dispose of Enron-related documents."

Andersen officials said in a statement released Thursday, "Arthur Andersen employees were paid overtime to shred documents related to Enron, according to an internal Andersen memo released to the House committee."

"This destruction," said Representative John Dingell, "was criminally stupid, or stupidly criminal... What happened here?"

Enron filed for bankruptcy on December 2 -- the biggest corporate failure in US history. Many Enron staff had their pensions in company

shares and lost their life savings. The energy group revealed large losses in October and the next month admitted it had overstated earnings by nearly 600 million dollars since 1997. It also overstated its equity base by 1.2 billion dollars.

House committee members vowed that the questioning into Andersen's part in the Enron bankruptcy was just beginning.

Thursday's House hearing was the first of a series of investigative congressional hearings into the ever-widening Enron-Andersen scandal, as lawmakers warned that investors' trust in the system was threatened.



PHOTO: STAR

Acting High Commissioner of Malaysia to Bangladesh Loh Seck Tiong inaugurated the 'Exciting Competition 2002', jointly organised by fast food chain Wimpy and Malaysia Airlines, in the city yesterday.