

Prime Bank holds workshop on credit scoring analysis

A daylong workshop on "Credit Scoring Analysis and CIB Reporting" was held at Prime Bank Training Institute in the city on Wednesday, says a press release.

Syed Naser Bukhtear Ahmed, acting Managing Director of the bank, inaugurated the workshop. The credit officers from different branches of Prime Bank and CIB reporting officers participated in this workshop.

Speaking on the occasion, the acting Managing Director advised the participants to give emphasis on credit scoring system while analyzing the large loan cases. He also opined that Credit Scoring reflects the financial strength and weakness of a company.

Md Motior Rahman, Executive Vice President, Q.G.M. Farooqi, Vice President & Principal of Prime Bank Limited Training Institute, and Raihan Uddin Amin, Vice President, Credit Division, attended the programme.

Jute products bring bad news for export

RAZIUR RAHMAN

The country's staggering export may face another setback as the third largest exportable item -- jute and jute goods -- is set to fall short of its export target.

The jute goods export target for the financial year 2001-2002 has been set at 2.5 lakh metric tons but the achievement was only around 1.18 lakh metric tons during the first seven months of the fiscal year.

Sources at the Bangladesh Jute Mills Corporation (BJMC) apprehend that the 27 jute mills under the corporation are unlikely to reach the production target.

The production target for the jute mills has been set at 2.85 lakh metric tons of jute goods but sources at the Corporation say the mills have managed to produce 1,50,480 metric tons of jute products till January this year, falling short of target by 1.3 lakh metric tons.

Last year, the jute mills produced 2.45 lakh metric tons of jute goods against a target of 2.52 lakh metric tons, according to BJMC statistics.

The BJMC sources attributed this year's production shortfall to fund scarcity resulting in failure to procure raw jute. "It was due to shortage of fund as the

government did not allocate adequate fund for purchasing raw jute," said a BJMC official.

According to a senior BJMC official, it would not be possible for the jute mills to make up the shortfall of 1.3 lakh tons of jute products in the rest five months of this financial year.

"So far, the BJMC mills have purchased around 1,74,363 metric tons of raw jute. And it is not possible now to collect the required raw jute by the end of the year," he said.

According to sources, the raw jute suppliers owe Tk 175 crore to the jute mills under the BJMC this year.

About 90 per cent of the jute goods produced by the mills under the BJMC are exported to African and European countries, Middle East, Russia, India, Sri Lanka, Japan, Indonesia and Malaysia.

The country's export earnings fell by around US\$ 750 million or 15.68 per cent from US\$ 4780 million target during July-February period of the current financial year, according to Export Promotion Bureau (EPB).

The earning is US\$ 316.97 million less compared to the corresponding period of last fiscal, posting 7.29 per cent negative growth.

AB Bank zeroes in on regional acme

Online banking as 20th anniversary gift to clients by year-end

M SHAMSUR RAHMAN

After successful operation of two decades, the Arab Bangladesh Bank Limited hopes to become a trend-setter in the coming years.

"Our goal in the next decade is to become the best performing bank in the country as well as in the region," said the bank's President and Managing Director CM Koyes Sami, in an exclusive interview with The Daily Star on Monday.

The future plan of the bank is to turn it into a world class one so that all banking related service could be provided efficiently and effectively. "Automation will play a vital role in this regard."

"And we hope to introduce online banking as the 20th anniversary gift to our customers," Sami said.

"We will bring all our branches under one network so that customers can operate their accounts from any branch. Mobile ATM services will be introduced for the purpose," he said.

The bank, which celebrated its 20th founding anniversary on April 12, hopes to connect all its branches through wide area network (WAN) by the year-end.

He said over the past two decades, the AB Bank has been a pioneer in a number of areas.

Presently the bank has introduced security deposit receipt (SDR) for businessmen that serves the purpose of depositing bid money



CM Koyes Sami, President and Managing Director of AB Bank.

or earnest money from which the customers get interest also.

"We also extend credit facilities to the business community covering all areas including international trade and finance and financing the garments sector," Sami said.

He is the pioneers in financing the ship breaking business, which contributed a lot to the growth of engineering steel and re-rolling industries, he said.

"We have also introduced education loan scheme for students and educational institutions for purchasing computers."

The bank offers school banking

for the students to make students conversant with the changing economic scenario of the new millennium. The bank also has launched scheme for women entrepreneurs.

The bank currently operates with 63 branches including one overseas branch in Mumbai in India, one fully owned subsidiary company in Hong Kong and two representative offices -- one in Myanmar and the other one in the UK.

Two years back the bank had as many as 22 loss incurring branches. "But now all our branches are making profits excepting four newly inaugurated branches, which will take a little time to generate profits," Sami said.

According to him, the bank witnessed phenomenal growth in the last year with profits doubling. The deposit growth was 21 per cent, with non-performing assets (NPA) of the bank coming down to 17 per cent from as high as 30 per cent two years back.

The CEO attributed the success to professional approach of the bank, which did not resort to any insider lending.

This factor has helped the shareholders to get good return on their investments, which was 18 per cent last year, and the board has recommended 25 per cent dividend in the current year.

Gates admits Microsoft has stripped-down Windows

AFP, Washington

Microsoft founder Bill Gates admitted in court Wednesday his firm already makes a stripped-down version of Windows XP that approaches a core demand of nine US states.

He had argued it was impossible to meet the states' demand for a "bare bones" system allowing people to remove a Windows component -- the Internet browser for example -- and insert a competitor's product.

The software giant has been found guilty of abusing its dominance over the global industry.

Microsoft has settled its four year antitrust battle with the US federal government.

But only half of the 18 states in the case signed on to the deal while the other half, plus the District of Columbia, called for tougher action.

The hold-out states are pressing US District Judge Colleen Kollar-Kotelly to impose more stringent remedies, including a requirement that Microsoft provide the slimmed down version of its Windows operating system.

Their attorney, Steven Kunej, pointed out that Microsoft already provided a component-by-component version of Windows XP -- Windows XP Embedded -- that could be built into a near identical copy of Windows XP.

Gates conceded that a customer could configure Windows XP Embedded into nearly the same operating system as the normal Windows XP.

"What you would end up with on that machine would be essentially all of XP with Office except for the installer," the software that allows new components to be added later, Gates said.

States pursuing the case are California, Connecticut, Florida, Iowa, Kansas, Massachusetts, Minnesota, Utah and West Virginia, along with Washington DC.

Kmart chief to get millions in compensation

AFP, Chicago

The chairman and chief executive officer of bankrupt discount retailer Kmart Corp. will receive millions in pay and benefits after a bankruptcy judge in Chicago said she did not need to approve the deal.

Jim Adamson will receive a 2.5 million-dollar signing bonus, 1.5 million-dollar annual salary and several perks including use of the corporate jet, a chauffeur, medical benefits and company-paid living expenses.

The deal is worth less than the 8.5 million dollars that Adamson originally negotiated when he stepped in as chairman of the troubled retailer on January 17 this year, but ends months of bitter negotiations between Kmart and its creditors' committee over his compensation package.

The contract was downsized when creditors balked at Adamson's pay, which included a four million-dollar bonus if the retailer emerges from bankruptcy by July 2003.

Judge Susan Pierson Sonderby paved the way for the deal Tuesday, saying the contract only needed approval from the company's board of directors.

"I'm confident we will emerge from bankruptcy, but I'm not confident when," Adamson said after Tuesday's hearing.

The Troy, Michigan retailer has lost 888 million dollars since filing for protection from its creditors on January 22.



PHOTO: PRIME BANK

Syed Naser Bukhtear Ahmed, acting Managing Director of Prime Bank Limited, inaugurated a daylong workshop on 'Credit Scoring Analysis and CIB Reporting' in the city on Wednesday. Md. Motior Rahman, EVP, Q.G.M Farooqi, VP & Principal of Prime Bank Training Institute, Md. Raihan Uddin Amin, VP, Md. Touhid Alam Khan, AVP, and Md. Yakub, EO of the bank, were also present on the occasion.

More restructuring needed for high growth in Asia: ADB

REUTERS, Manila

Developing countries in Asia can only return to the high growth rates of the 1980s and early 1990s if corporate and financial restructuring is accelerated, Asian Development Bank (ADB) president Tadao Chino said, Wednesday.

The Manila-based multilateral agency has predicted that developing countries in the region would grow on average about 4.8 per cent this year, down from about 7.7 per cent a year in the 1980s and 8.1 per cent in the first half of the 1990s.

"It is essential to continue and even accelerate ongoing restructuring initiatives to ensure higher financial and corporate sectors," Chino told Reuters in an interview.

"In order to strengthen Asian economies, further efforts in structural reforms (are needed)."

Key in the restructuring is the need to reduce the amount of non-performing loans, he added. Cleaning up bank balance sheets by hiving off bad loans to asset management companies will lead to increased lending and therefore higher growth, Chino said.

Although historically growth tended to slow as economies matured there was still scope for

countries in Asia to step up the pace, he added.

New technologies which have provided a surge in productivity, like the steam engine, electricity and more recently the information technology revolution, have changed growth patterns.

Singapore, for example, has had a high level of income for some time, but it has also been able to achieve a very high rate of growth," Chino said. "The high rate of saving in Asian regions might help in achieving a rate of growth somewhat higher than in the industrial countries for some time."

And although labour costs are rising in Asia, they are being accompanied by rising productivity.

"The highly productive labour force in Asia will continue to make Asia an attractive place for direct investment flows relative to other areas of the world," he said. "Productivity is increasing because of the ongoing restructuring and adoption of new technologies."

The slowdown in Asian growth last year to 3.7 per cent from 7.0 per cent in 2000 was because of the contraction in demand in the West, Chino said. As the United States posted a recovery this year, Asia's growth would hit a higher note.

The ADB holds its annual gen-

eral meeting in Shanghai next month and a key issue is a US proposal to increase the amount given to needy nations as grants, as opposed to loans.

The debate arose earlier this year as donor nations discussed funding for the International Development Association (IDA), the World Bank's low-cost funding arm.

The United States initially proposed that up to 50 per cent of all financing should be in the form of grants to avoid putting further strain on already indebted nations.

European countries, notably Britain, have fiercely opposed the move, saying it might affect the amount that could be lent under the IDA.

However, they have relented somewhat and earlier this week indicated that they were willing to accept grants of up to 18 per cent of all lending. Washington had meanwhile climbed down to 21 per cent, but the differences have not yet been fully resolved.

Asked about the ADB's view, Chino said: "We are following this very closely and we are in close consultation with the World Bank. Our staff are looking at this issue from the strategic perspective in the context of ADF."

Vietnam exports down 8.6pc in first four months

AFP, Hanoi

Vietnam's export earnings in the first four months of this year fell 8.6 per cent compared with 2001 amid a continuing slump in world prices for the communist state's key oil and farm exports, official data showed Thursday.

Exports of 4,505 billion dollars failed to keep pace with an import bill of 5,147 billion dollars, leaving Vietnam with a deficit of 642 million dollars, preliminary figures from the General Statistics Department showed.

Oil and gas exports fell 22.4 per cent, while earnings from all of Vietnam's main agricultural commodities were also down -- rice by 23.7 per cent, pepper 43.4 per cent, coffee 42 per cent, and fruits and vegetables 34.6 per cent.

Computer and electronics exports slumped 36.1 per cent while seafood fell 6.2 per cent, the figures showed.

Saudi shares surge to all-time high

AFP, Riyadh

Saudi shares surged to a record high to close the week Thursday up 3.6 per cent amid hectic trading in the electricity companies and strong oil prices, Bakheet Financial Advisors (BFA) said.

The Tadawul All-Shares Index (TASI) closed at 2,737.82 points from 2,642.17 points last week. TASI broke the previous all-time high of 2,665.39 points recorded on April 8 several times during the week.

It is now up 12.7 per cent on its end-2001 close.

"The market witnessed a very good performance this week, pushed by the sharp increase in the stocks of electricity companies after the Saudi Electricity Company (SEC) announced it will soon declare positive 2001 results," BFA reported.

SEC was formed of the merger of 10 electricity companies, whose stocks are still trading on the bourse.

The market has also been reacting positively to the purchase by market leader Saudi Basic Industries Corp. (SABIC) of the petrochemical activities of the Dutch DSM group for a total of 2.25 billion euros (1.98 billion dollars).

HP CEO grilling on in Compaq merger case

AFP, Wilmington, Delaware

Hewlett-Packard chief executive Carly Fiorina returned to the witness stand Wednesday for continuing questioning in a case contesting the company's merger with Compaq.

Fiorina was questioned closely by lawyer Stephen Neal, who represents HP heir Walter Hewlett, who is bitterly opposed to the merger.

Neal continued to press Fiorina to admit that in February and March she knew that HP's public projections for revenues from HP's merger with computer maker Compaq were overblown. Hewlett downsized HP over the merger to shareholders, and is asking the Delaware court to vacate a shareholder vote approving the deal.

"You are accusing a CEO of a publicly traded company of lying," snapped Fiorina to Neal's probes.

Fiorina refused to predict revenues and cost savings going forward.

"You are asking me to do something ... that it is not timely for me to do," Fiorina testified. "I will not sit here and make a financial forecast for the second half of this year when there is a system of doing so. I have not given the street a target for 2003 and I do not intend to do so."

Khaleda urges DSE men to rejuvenate markets

BSS, Dhaka

Prime Minister Khaleda Zia yesterday urged Stock Exchange authority to take necessary and effective steps to rejuvenate the country's stock markets and increase investments.

To do so, they would have to be more dynamic to restore people's confidence in the share markets, Khaleda Zia told the newly-elected leaders of Dhaka Stock Exchange (DSE) Ltd, who led by their Chairman Ahmed Iqbal Hasan met her yesterday.

The Prime Minister said her government believes in a liberal trade policy and so it has already taken several positive steps to

create congenial atmosphere to attract investments to the country.

She noted that enthusiasm has been created, and is visible, among the investors of home and abroad following certain steps taken by her government. The investors are feeling encouraged to invest as the share markets are becoming stable with confidence of investors being restored, she said.

Begum Zia said the government has taken initiatives for disinvestment of the nationalised industrial units to encourage the private sector, which would also create positive impact on the country's share market.

The DSE leaders lauded the pragmatic steps taken by the gov-

ernment for improvement of the country's economy. They extended their total support to these steps aimed at attracting investment from home and abroad.

They also requested the Prime Minister for arranging proper investigation of the share market scandal during the past government.

Prime Minister's political secretaries Hiris Chowdhury and Mosaddek Ali were present on the occasion.

DSE Vice Chairman Khawaja Golam Rasul, councillors M A Huq Howladar, Syed Tarek Mohammad Ali, Ahmed Rashid, Sharif Ataur Rahman, Mohammad Abdullah Bokhari, Anwar Hossain and M Hanif Bhuiyan and member Lutfur Rahman were present.

US signs trade promotion pact with West African nations

AFP, Washington

The United States signed Wednesday an agreement with a regional group of eight West African nations to promote increased trade, investment and economic reforms.

"This agreement will help expand economic engagement between West Africa and the United States on regional and multilateral trade issues, and enhance West Africa's commercial potential and dynamism," US Trade Representative Robert Zoellick said in a statement.

The agreement sets up a formal mechanism for regular consultation and work on trade and investment between the United States and the West African Economic Monetary Union (WAEMU).

"WAEMU is eight small African countries that have the advantage of understanding that the world has changed and that it is time to turn a few pages of recent history after the 1960s and independence," WAEMU president Moussa Toure said at the signing.

Total two-way trade between the

United States and WAEMU rose 12 per cent to more than 760 million dollars last year.

The eight African countries hope to build a stronger trade and investment relationship with the United States.

"I am convinced that the American private sector, with its legendary realism, will know how to find the opportunities provided by our common market," said Togo Finance, Economy and Privatisation Minister Tankpadja Lalle.

Cyclical downturn in Japan coming to an end: OECD

AFP, Paris

Japan's deep recession is nearing an end due to a pick-up in exports and reduced stockpiles, but the weak economy is still expected to shrink this year before achieving anaemic growth in 2003, the OECD said Thursday.

"The cyclical downturn is coming to an end as exports recover and inventories reach low levels," the Organisation for Economic Cooperation and Development said in its half-yearly economic outlook.

"Headwinds, however, remain significant," warned the Paris-based grouping of developed countries.

Corporate layoffs and declining employment and income levels will continue to damage consumption. Rising public debt and weakness in the financial sector may intensify deflation and push up long-term interest rates, it said.

The OECD predicted Japanese gross domestic product (GDP)

would contract by 0.7 per cent in 2002, followed by a slim 0.3 per cent rise in 2003.

It emphasized the need to urgently resolve the mountain of bad loans held by banks to prevent a financial collapse, even if this required a government bail-out.

"Should this involve public funds, radical bank restructuring, including changes in management, would need to be the price of support," it said.

This month the Financial Services Agency (FSA) completed a special probe into Japan's banking sector, which forced major lenders to write off bad loans worth 7.8 trillion yen (60 billion dollars) in the year to March. This was 1.9 trillion yen more than promised by the banks before the announcement of the inspection.

The government has made tackling the bad loan problem a central plank in a reform initiative to

lift the economy from recession.

But analysts argue the pace of bad loan disposals is still too slow, with Japanese banks buried under 36.8 trillion yen of non-performing loans, according to Tokyo's conservative estimate.

"The financial system remains fragile," the OECD said.

Deflation of around 1.5 per cent a year has become entrenched but the OECD said there was little evidence to show it would prevent a recovery.

However, the pressure deflation was putting on banks by making it harder for borrowers to pay back loans "is not sustainable."

The OECD urged a continued easy monetary policy by the central bank but said the government should contain its deficit spending. Short-term fiscal stimulus should be avoided and planned structural reforms "should be implemented without delay."



PHOTO: AFP

This 31 January 2002 file photo shows a man reading the display screen on his mobile phone as he walks past a mobile phone advertising board in Beijing. China's state press reported yesterday that the country now has 161.5 million mobile phone subscribers as of the end of March, an increase of over 11.5 per cent from the previous quarter.