

New chairman of Prime Finance



K M Khaled has been elected Chairman of Prime Finance and Investment Limited (PFI) in the 54th meeting of the Board of Directors of the company, say a press release.

K M Khaled, a sponsor director of Prime Finance and Investment Limited, he started his career as Assistant Engineer in the then East Pakistan Water and Power Development Authority and was promoted to the post of Executive Engineer in 1967.

He started his business career in 1975 as a sponsor director of Greenland Engineers & Tractors Co. Ltd. (GETCO).

In the year of 2000, Khaled was the Chairman of Prime Bank Limited. Now he is a director of Prime Bank Limited and Prime Insurance Co. Ltd.

IMF economist attacks Nobel winner

AFP, Washington

IMF chief economist Kenneth Rogoff launched Tuesday an extraordinary, venom-laced public attack on Nobel prize-winner Joseph Stiglitz and his latest book.

In a withering open letter published on the International Monetary Fund's Internet site, Rogoff accused Stiglitz of displaying an arrogant disregard for others.

He urged Stiglitz to remove his book -- Globalization and Its Discontents -- from the shelves because of a slander against former IMF number two, Stan Fischer.

Rogoff said he had been humbled by the professionalism of World Bank staff.

"These people are bright, energetic, and imaginative. Their dedication humbles me but in your speeches, in your book, you feel free to carelessly slander them," he said.

Rogoff said he remembered when Stiglitz had been discussing with another academic in the late 1980s whether former Federal Reserve chairman Paul Volcker merited a tenured appointment at Princeton.

When Rogoff pointed to Volcker's venerable record, Stiglitz had replied: "But is he smart like us?" Rogoff remembered.

The attitude was emblematic of a "supreme self-confidence" that Stiglitz had taken with him to Washington, Rogoff said.

Stiglitz was a former White House economic advisor under president Bill Clinton, former World Bank chief economist and recipient of the 2001 Nobel Prize for economics.

"This confidence brims over in your new 282 page book," Rogoff wrote.

Micro-finance institutions in dire need of regulations

STAR BUSINESS REPORT

In the face of unhealthy competition, leaders of the micro-finance institutions have observed it has become necessary to frame regulations to make the MFIs transparent and improve their efficiencies.

"Presently, MFIs are concentrating their activities in same areas but there are many areas where people need micro credit. In order to find ways, we at a workshop have discussed about the strategy that how can we reach the vast population," said Enamul Haque, chairman of Credit and Development Forum (CDF), at a press conference yesterday in the city.

The CDF, Women's World Banking and Shakti Foundation jointly organised the press conference at Dhaka Reporters Unity auditorium. Nancy Barry, president of Women's World Banking (WWB), and Dr Humaira Islam, founder and executive director of the Shakti Foundation, were also present at the conference.

Enamul Haque underscored the need for developing a standard indicator to make MFIs transparent, saying there are more than 1500 institutions working with different issues but the CDF, the network institution of the country's micro finance industry, has information about 600 MFIs.

"We like to have a regulation which would help us to improve efficiency and provide responsible services," Enamul Haque observed stressing the need for capacity building of the MFIs. He mentioned MFIs have so far disbursed Tk 29,103 crore so far on June 2001 among 1.07 crore borrowers.

Speaking at the press conference, Nancy Barry said Bangladesh model in micro credit is a very simple and standardised one. "As a result, the net result has not been very positive. Standardisation apart, efficient and responsible services are necessary for the poor."

Micro credit did not serve the

need of every poor people and the growing recognition is that every institution is using the same product, she said. "We need to become more flexible and look at different products for the poor. MFI-friendly regulation is necessary to improve their services."

But at the same time it is necessary to recognise the contribution of MFIs in the grass roots level in Bangladesh, the WWB president observed terming the MFIs of Bangladesh very powerful.

WWB is a women-led global network of 31 affiliates and associates in 21 countries that aims to open the world's financial systems to low income women.



S H Kabir (fourth from left), chairman of Renata Limited, addresses the 29th AGM of the company in the city recently. Seating from left are Md Shafiqul Alam, company secretary, Dr Sarwar Ali, director, Syed S Kaiser Kabir, managing director, and directors ZH Khondker, Sajida Humayun Kabir and A Hasnat Khan.

Renata declares 40pc dividend

Renata Limited has declared a 40 per cent cash dividend for the year 2001, says a press release.

The dividend was approved at the company's 29th annual general meeting held at BIAM Auditorium in the city with S H Kabir, chairman of the Board, presiding.

The meeting was informed that during the year 2001, combined turnover and net profit of the company grew by 24 per cent and 79 per cent respectively. Earning per share stood at Tk 144.62 compared as against Tk 80.79 in the year 2000.

Pharmaceutical business of Renata grew by 14 per cent. In animal health sector, the company posted a growth of 45 per cent and retained its market leadership.

S H Kabir said the spectacular growth in net profit reflected several positive changes in the company, which include higher manufacturing productivity, more efficient use of resources and sound financial management.

The company exported a range of its products to Sri Lanka and Myanmar.

The chairman said Renata has been beset with high operating costs for long and indicated that the problem would be addressed this year.

Mortgagee sales rise in S'pore

AFP, Singapore

Mortgagee sales are dominating property auctions in Singapore, accounting for 86 per cent of listings in the first half of the year, according to figures released Wednesday.

The report from property consultants Jones Lang LaSalle further highlighted the impact of Singapore's worst recession in more than three decades, which caused 16,000 retrenchments in 2001 with another 20,000 layoffs expected this year.

"In the year to date, mortgagee sales of distressed properties continue to be the mainstay of the Singapore auction market," the report said.

Arab banking confce looks at post-Sept 11 challenges

AFP, Beirut

The annual Arab banking conference opened here Tuesday with the difficulties facing globalization amid the fall-out from the September 11 attacks and the Middle East conflict high on the agenda.

"New restrictions which are impeding economic and financial globalization have arisen since the events of September 11 ... and the continuation of the Israeli-Arab conflict create new challenges which are delaying the joining of the Arab economy to globalization," the head of the Union of Arab Banks, Joseph Torbey, said in a speech to open the meeting.

The head of the union, which organized the conference, added that Arab countries had to overcome several other challenges, including preparing for partnership with Europe and joining the World Trade Organization.

More than 350 government ministers, central bank governors, bankers and other Arab experts, as well as representatives of international financial institutions, are taking part in the two-day conference.

The meeting is held annually to reinforce cooperation in the Arab banking and financial sectors.



Singer Mehrin performs at a function organised to mark the launching ceremony of Pepsi Aha, a new soft drink with lemon flavour, at Rifles Square Party Centre in the city Tuesday.

Pepsi Aha launched

STAR BUSINESS REPORT

After winning the US, Mexican, Saudi Arabian and Indian markets, Pepsi Aha, a new soft drink with lemon flavour, has arrived in Bangladesh.

Soft drink giant Pepsi for the first time has started marketing cola with lemon flavour, officials of the Transcom Beverages Ltd -- local partner of Pepsi -- said at the launching ceremony of the drink held at Rifles Square Party Centre in the city Tuesday.

Latifur Rahman, chairman and managing director of Transcom Beverages Ltd, attended the function as chief guest.

Speaking at the function, Latifur

Rahman said Pepsi has gained confidence of consumers over the past two years.

Alok Malik, country manager of Pepsi Bangladesh, GQ Chowdhury, chief operating officer of Transcom Beverages Ltd, and Khurshid Irfan Chowdhury, national sales manager, were also present on the occasion.

According to the company officials, Pepsi Aha, a new item in the Pepsi product line, will be available at 70 per cent shops in the country by this month. But the company's main target is to ensure the availability of the new product at 100 per cent retail stores.

The formal inaugural function was followed by a musical programme.

Tk 141cr micro-credit programme starts

With the signing of a memorandum of understanding (MOU) between Bangladesh Krishi Bank (BKB) and Bangladesh Rural Development Board (BRDB), a Tk 141.07 crore micro-credit programme -- Palli Pragati Prakalpa -- has formally started, say a press release.

The MOU was signed by A F M Matur Rahman, director general of BRDB, and general manager of BKB Muhammad Abdul Matin at Bangladesh Secretariat in the city yesterday.

The programme will be implemented in one union parishad of each upazila of the country. Two village organisers in each union will work on commission basis. No manpower will be appointed in the project, the release said.

Major objectives of the Palli Pragati Prakalpa are to generate

micro-employment the villages, empower women and ensure the "voice of the poor" in the development activities for poverty alleviation in rural areas.

Landless sharecroppers and hardcore poor of villages will be involved in productive economic activities through this micro-credit programme, said BRDB in the press release.

Dhiraj Kumar Nath, secretary of Rural Development and Cooperatives Division, A K M Shajedur Rahman, managing director of Bangladesh Krishi Bank, Registrar of Cooperative Societies, director general of Comilla BARD and RDA Bogra and high officials of the ministry concerned and BRDB were present at the signing ceremony.

All urged to extend support to privatisation process

BSS, Dhaka

Privatisation Commission Chairman Enam Ahmed Chaudhury yesterday said the private sector of the country should be turned into the prime agent of development considering the trends of the changed world.

He urged all including political leaders, industrialists, labour unions, the press and people to support the privatisation process to add zest to the economy by perking up private sector industrialisation and investment.

He was speaking at a discussion on privatisation at Bangladesh Chamber of Industries (BCI) as the chief guest.

"It is a good sign that the economic policies of the two main political parties of the country sup-

port privatisation," he said.

He said disinvestment of the state-owned enterprises (SOEs) would give the government a chance to better concentrate on the key sectors like education and health.

Illustrating the opportunities offered in the current privatisation policy, he said one-time buyers paying in foreign currency would be given 40 per cent rebate, while it would be 35 per cent for local currency payers.

Before handover, all the liabilities of SOEs including salaries and other dues of workers and loans and taxes will be cleared by the government so that buyers get clean firms to run, he added.

He said potential buyers would be given the latitude to choose the field of their business.

He said the government would not only disinvest dut companies, but also sell out profit-making ones.

"If we privatise only sick industries, then the whole industrial sector would turn into an ailing sector," he said.

Referring to the rail communication sectors in Japan and the UK, he said those were privatised to raise the level of their efficiency. He also referred to the decision to privatise the Singapore Airlines, one of the success stories in the field of aviation.

Referring to the allegations of selling the enterprises in throwaway prices, he said, "In the current mechanism, there is no scope for corruption as tenders are floated in the national and foreign press and the enterprises are sold to the highest bidders."

WorldCom CEO refuses to rule out bankruptcy

AFP, Washington

WorldCom chief executive John Sidmore said Tuesday that the survival of his firm is a matter of "national security" but refuses to rule out bankruptcy for the embattled telecom giant.

"We play a vital role in America's telecommunications infrastructure," Sidmore told reporters here in his first public appearance since the discovery of a massive 3.8 billion dollar mistake in WorldCom books.

Sidmore said that WorldCom is the largest Internet carrier in the world, handling as much as 50 per cent of all e-mails in the world, and provides Internet services to over 100 countries and many US government agencies including the Pentagon and State Department.

"We think WorldCom is a very key component of our nation's

economy, and communications infrastructure," he said. "Both commercial and national security interests rely on WorldCom's operations continuing without disruption. Dozens of telecom providers and suppliers likely depend on WorldCom's business."

In an opinion column written for the Knight-Ridder Tribune news service, Sidmore said that in addition to efforts to bring those responsible for the accounting problems to justice, "it is equally important to save WorldCom."

"I believe it is in the interest of our national security, American consumers and the millions of WorldCom's customers and shareholders to make WorldCom's survival a top priority," he said.

He said that the ripple effect of WorldCom's demise "would put many other telecom companies in jeopardy" and result in a further

depression of telecom industry assets.

Sidmore said he could not rule out some form of bankruptcy for the embattled telecom group, but added that the company still has cash in the bank.

"I am not going to stand up here and tell you that there is no way we are going to wind up in bankruptcy of some form, at some point," he told reporters.

"But right now we are working very, very hard with the banks and others to try and find ways to accomplish our goals without going into bankruptcy," he said.

He said WorldCom had more than two billion dollars in the bank currently.

"We are working with banks even as we speak here, talking about various proposals to restructure our financing," he said.

IDT Corp in bid to buy units

AFP, New York

continued and uninterrupted high quality telecommunications service.

IDT said it may team up with financial and/or other telecommunications parties for the WorldCom bids it has made.

WorldCom sent world markets reeling last week when it revealed a 3.8 billion dollar black hole in its accounts for 2001 and the first quarter of 2002, eclipsing even the Enron scandal.

WorldCom, which is the largest carrier of Internet data and owns

MCI, the second-largest US telephone company, has seen its stock price melt and its credit rating plummet, raising fears of a forced liquidation.

Probes are multiplying into the accounting at the firm, and some reports suggest that more misstatements at WorldCom have yet to be revealed.

The company faces a civil fraud investigation by the Securities and Exchange Commission and a criminal probe by the Justice Department.



AFM Matur Rahman, director general of Bangladesh Rural Development Board (BRDB), and Muhammad Abdul Matin, general manager of Bangladesh Krishi Bank, sign a memorandum of understanding on a Tk 141.07 crore micro-credit programme in the city yesterday.

Asian industry threatened by US financial woes

AFP, Tokyo

Malingering financial troubles in the United States have cast a dark shadow over Asian manufacturers and exporters as the current crisis could signal the end of a decades old disinflationary process, one of the world's leading financiers says.

Kenneth Courtis, vice chairman of investment bankers Goldman Sachs Asia, told AFP that Japan, South Korea and others Asian exporters have been the main beneficiaries of that worldwide fight against inflation and would suffer should a new economic paradigm prevail.

Courtis, a Tokyo-based economist, pointed to the reliance of the

US economic model during the 1990's on eliminating budget deficit and public debt, worldwide confidence in US firms, geo-political stability, transparency and productivity gains derived from free trade.

"In the Bush bear market, all these conditions changed," said Courtis, referring to financial movements under President George W. Bush.

The events of September 11, the resurgence of public debt, the bursting of the highly speculative dotcom bubble, protectionist measures guarding steel, timber and agricultural exports, and a series of high profile corporate scandals have changed the US economic map, he said.

"Confidence is not there any more and investors have withdrawn their money from American equities and the dollar."

The indicators of this loss of faith are easy to spot: the major rise of gold and the euro against the greenback and the steep curve of American interest rates. Despite a 73 per cent cut in 12 months of short term rates by the US Federal Reserve, long term rates remain high.

The current lax monetary policy led by the Fed has conformed to standard practices applied since the stock market crash of 1987 and the US savings and loans crisis, Courtis said.