## Interest-free bond Janata Bank to go hi-tech within a month

Finance Minister Saifur Rahman yesterday announced launching of an interest-free bond within a month for individual and institutional investors who abhor interest in return on their investment.

He also declared bringing some amendments to the banking laws in the fifth session of the eighth parliament, as part of the government's move towards massive reform in the financial sector to secure depositors' money.

The fourth session of parliament

begins on September 12.

The minister made the announcements while inaugurating the 122nd branch of Islami Bank Bangladesh Limited (IBBL) at IDB Bhaban in Agargaon.

"Although interest is the basis for exploitation, we cannot be isolated from international economic relations going against the universal practice," he told the function amid demand for interest-free banking structure in the country.

He, however, said both the practices would be simultaneously continued in the country, and the popular one would prevail.

Dissatisfied with "unfair banking practices" in the country, Saifur Rahman said some bankers feel that the deposits are their own



M Saifur Rahman, minister for finance and planning, speaks as chief guest at the inauguration of the 122nd branch of Islami Bank Bangladesh Limited at IDB Bhaban in the city yesterday.

"There had been some flaws in the laws." he said. "The more intelligent businessmen utilised the loopholes to grab depositors'

Referring to some measures taken in the financial sector during the 10-month period, he said those measures contributed to adding US\$800 million to the forex reserve, w hich was a staggering low of one billion dollars when the present government assumed power.

Lauding the Islami Bank's performance, the minister called upon the bank to undertake rural development credit programme, especially for the agriculture sector and SME development activities, to

generate rural employment.

"The programme will add extra strength to the government priority to alleviate poverty," he said, assuring the bank management of government help to expand coverage of the bank in the rural areas.

He also asked the bank management to help the enterprising young people of the country as they have already proved their skills in industrial entrepreneurship.

Saifur returned home Wednesday night after attending an "Asian Wisemen Forum," mainly of former finance ministers of Asia, in Singapore where they discussed how the western countries exploited the nations in the region.

They are still exploiting these

nations in the name of globalised trade regime with free flow of goods and services, but not allowing the free flow of manpower, he said referring to the discussion in the

About political culture of the country, Saifur expressed his disappointment over certain political parties, who he said have been tarnishing the country's image abroad, when foreigners consider Bangladesh a liberal democratic

IBBL vice chairman Mir Kashem Ali and executive president Abdur Rakib also spoke at the function, presided over by bank chairman Shah Abdul Hannan.

# to serve clients better

The state-owned Janata Bank (JB) plans to keep abreast of latest technologies to provide better services to its clients.

The JB in ties with two private commercial banks has taken a programme to install 50 automated teller machines (ATMs) in Dhaka and other important cities within this year. Already the bank has inaugurated one ATM, which the bank named Q-Cash, at its corporate branch in the capital.

"This is a part of our effort to take advantage of modern technology and provide better services to our clients. We have also initiated move to computerise our bank operations and signed agreements with foreign financial institutions to facilitate online remittances," Murshid Kuli Khan, managing director of the JB, told The Daily Star in an exclusive

Also the bank introduced new product for the limited income group people called 'Instant Loan'. Under this new package, service holders can get loan between Tk 1000 and Tk 50,000 immediately to meet exigencies like medical treatment, marriage, travel and other expenses. The bank also introduced consumer credit scheme.

In investment areas, the bank is focussing on agro-based industries and small and medium enterprises

growth. The bank's new areas to provide loan include special loan for women entrepreneurs, cyber café s, computer software, artificial Khan informed. flower, mushroom cultivation,

"In this era of competition we have to go for aggressive marketing and find new areas to invest our idle money. I do not find any logic to sit on idle funds. I want to set a trend for the nationalised commercial banks that aggressive banking can make a difference," Khan said explaining the reasons for introducing new products for the limited income group and areas to invest bank

agriculture equipment industry and

many other non-traditional ave-

The bank has geared up its efforts for hassle-free and quick inflow of remittances into the country and for that it has resorted to electronic banking and also employed courier service companies for home delivery of remittance

"All our effort is to deliver the remittance money to the receivers within 72 hours." said Murshid Kuli Khan, a career banker who also served in the central bank.

With four branches in the UAE, the JB has entered into a tie-up with the Bahrain Exchange Co in Kuwait to facilitate online remittances. JB and Bahrain Exchange Co signed establishing a system of 'Internet drafts' that can be remitted by the expatriates with digital signature,

"This is basically electronic fund transfer (ETF). All we will do here is just have a print of the draft with digital signature and deliver it to the receivers the same day," said the CEO of JB.

Expatriates in Italy will also enjoy the facility through the Janata Exchange Company in Rome. And when the operation of Janata Exchange Company in Toronto, Canada will start next month. Bangladeshis living there will face no hassle to remit their money to their relatives in the country.

"Our efforts have already been paying dividends. The remittance in last six months marked 100 per cent increase." Khan said. Remittance inflow through JB increased to Tk 1088.13 crore till June 2002 from Tk 527.30 crore in June 2001.

Moreover, he said, the bank management has given instruction to computerise 133 branches stationed in the country's district headquareters by December. Already, as part of the programme, JB's 50 branches have been computerised.

When asked why their effort to close down loss making branches could not achieve the target till June, Murshid Kuli Khan said, "We



Murshid Kuli Khan, managing director of Janata Bank

have so far closed 14 branches. Initially we faced some problems. But we are committed to closing down the loss incurring branches as per the schedule.'

As per the directive of the Bangladesh Bank, four nationalised commercial banks and two specialised state-owned banks are to close 500 branches by December. These branches have been incurring losses for more than five years.

So far, the JB closed 14 of its branches by June out of a target of 29. And by September the bank has been instructed to close down 41 more branches.

#### ICB to finance **EPZ** enterprises

The Investment Corporation of Bangladesh (ICB) will finance enterprises of Export Processing Zones (BEPZA), says a press release.

This was disclosed by the Managing Director of ICB, Md Ziaul Haque Khandker, during a meeting with the Executive Chairman of BEPZA Brig General (Retd) M Mofizur Rahman held in the city on Tuesday.

Khandakar said ICB has already financed two enterprises of Dhaka Export Processing Zone and will extend further credit facilities after analysing projects.

#### Flora Limited launches five new products

STAR BUSINESS REPORT

Flora Limited yesterday launched five new products including printer and scanner of Epson Singapore

The products included Epson Stylus C41SX and Epson stylus C41UX entry-level inkjet printers, Epson Perfection 660 scanner, Epson EPL-6100 monochrome laser printer and Epson EPL-5900L laser printer.

Mostafa Shamsul Islam, director of Flora Limited, introduced these products at a launching ceremony held at a city hotel.

Alvin Tan, manager (Business Management) of IT Regional Business Division, Tam Cheng Yee, senior technical support engineer, and Sara Ong Pel Chern of Epson Singapore Pte were also present on the occasion.

"We have just imported the products. But we are yet to fix the prices. We will set the prices soon and it will be very competitive," said Mostafa Shamsul Islam.

#### Lever Brothers gets Unilever Award

Lever Brothers Bangladesh Ltd has been awarded the prestigious Unilever Award for sustained innovation performance, says a press

The status of "Sustained Innovation Performer," is awarded to companies which have demonstrated a sustained track record of growth and innovation over a period

of 8 quarters. Unilever has over 150 operating companies around the world vying for this award.

Among these 150 companies only 13 received the award worldwide, of which Bangladesh is the only company from South Asia to have received it

"We are proud that our company in Bangladesh has received this prestigious award, savs Saniiv Mehta, chairman and managing director of Lever Brothers

## Experts for preservation of gas to generate power

STAR BUSINESS REPORT

Speakers at a dialogue yesterday observed that Bangladesh should preserve its natural gas for generating more electricity, which is going to witness higher demand in near

The dialogue on 'Rural Electrification' organised by Centre for Policy Research (CPR) of International University of Business Agriculture and Technology (IUBAT) also expressed fear that there would be an acute shortage of power as the government is still to take preparations to meet the power demand after 2004.

At the programme, the CPR also formally released its new study titled "Electricity for All: Electrification and Development in Rural Bangladesh".

The study was conducted by former Power Development Board chairman Nuruddin M Kamal, Professor John Richards and Research Associate Rose Murphy, both from Simon Fraser University in Vancouver of Canada.

"Natural gas is the only large scale valuable source of energy of Bangladesh, Authorities should now concentrate on making best use of this natural resource," said John Richards, who is also a visiting professor at IUBAT.

should not consider exporting electricity, as the country itself needs more electricity.

Dr M Alimullah Miyan, vicechancellor of IUBAT, moderated the dialogue, which was attended, among others, by former PDB chairman Nuruddin M Kamal, who is also a senior research fellow of

Nuruddin M Kamal identified shortage of fund, absence of clear and adequate policy quideline, poor management, rampant corruption and unadjusted tariff as the key factors hindering the development of the country's power sector.



Rafiqul Islam Khan, managing director of National Bank Ltd (NBL), and ATM Ahamedul Haque Chowdhury, managing director of Multi Promotional Services Limited (MPSL), exchange documents after signing an agreement on recovery of outstanding loans at a ceremony held at the head office of the bank in the city on Monday. Mustaque Ahmed and Anwar Imam, deputy managing directors of the bank, are also seen in the picture

## Japan's trade surplus rises 80pc as Asian demand soars

Japan's trade surplus rose in July as strong Asian demand for its products, coupled with growing auto exports to the United States, drove up the figure, the finance ministry said Thursday.

Japan's trade surplus in July rose 80.3 per cent from a year earlier to 752.0 billion yen (6.3 billion dollars), the finance ministry said.

Exports in the month grew 8.9 per cent to 4,395.1 billion yen while imports crept up 0.6 per cent to 3,643.1 billion yen, the ministry said. Japan's trade surplus with the

rest of Asia soared 300.2 per cent in

July to 402.7 billion yen. Exports to the region grew 19.0 per cent to 1,929.5 billion yen while imports edged up 0.4 per cent to .526.9 billion ven.

"More and more Japanese firms are shipping finished products, such as automobiles and machines to produce semiconductors, to Asian markets, especially to the areas with healthy economic growth, such as

China and South Korea," said Koji Hiiragi, economist at UFJ Institute. Asia-bound exports of electronic

components, especially semiconductors, were also growing as multinational manufacturers shifted their factories to Asian nations, he said. "The trend is likely to continue

The current period of high growth (of Asia-bound exports), is likely to last through this year," he said. The Asian demand for Japanese electronic components was growing

on the back of the incipient recovery of IT investment in the United States, said Junichi Makino, senior economist at Daiwa Institute of Research "The finished products made

from those parts eventually go to the United States. IT investment in the United States has started to show signs of recovery. That is buoying Asian demand for electronic components," Makino said. Meanwhile, Japan's trade sur-

plus with the United States eased

1.6 per cent to 608.8 billion yen, with

US-bound shipments sliding 1.0 per

cent to 1,247.6 billion yen, with imports also falling 0.5 per cent to 638.7 billion yen.

The surplus with the European Union fell 2.5 per cent to 105.8 billion yen. Exports to the region rose 7.8 per cent to 617.3 billion yen while imports rose 10.2 per cent to 511.5 billion yen.

Despite the decline in surpluses to the EU and the United States, USbound exports of Japanese automobiles rose 10.6 per cent, while vehicle exports to Europe gained 23.5 per cent, the finance ministry

"The share of Japanese vehicles in the US market is rising," Hiiragi

"The slight fall of Japan's trade balance against the United States is not much of a concern because Japanese vehicles (in the United States) are likely to remain popular in the US market, and the automotive sector is a major category of Japanese exports to the United States," Hiiragi said.

#### **National Housing** Finance earns Tk 2.10cr pre-tax profit

National Housing Finance and Investments Limited earned a pretax profit of Tk 2.10 crore during its third year of operation ending on December 31, 2001, says a press release.

This was disclosed at the company's third annual general meeting held in the city on Monday with M Matiul Islam, chairman of the company, in the chair.

The company's loan portfolio stood at Tk 71.01 crore as on December 31, 2001.

Attended by a number of nonresident Bangladeshi shareholders, the AGM decided that a delegation from the company should meet the finance minister to apprise him of the special problems of private sector housing finance companies and seek special dispensation from the government.

National Housing Finance is sponsored by two groups of nonresident Bangladeshi investors from UK and Zambia and 18 corporate

#### Fair Apparels gets ISO 9001 certificate

Fair Apparels Ltd, a knitwear manufacturing factory, has obtained ISO 9001: 2000 certificate, says a press

The Moody International Certification Limited in the United

Kingdom awarded the certificate. Sarder Asif Mahmud, representative of the Moody International in Bangladesh, handed over the certificate to Fair Apparels Managing Director Mohammad Quasem at a simple ceremony held at Fair Apparels office in Narayanganj recently.

#### **NIIT Barisal** centre soon

NIIT has signed an agreement with ACME IT to open a centre in Barisal. The agreement was signed

between the two sides at a ceremony held at the ACME head office in the city recently, says a press release. The signing ceremony was

attended, among others, by Taposh Ray from NIIT Zonal Office in Calcutta, and Afzalur Rahman Sinha. director of ACME IT Ltd. ACME IT has taken the initiative to set up a network of world-class computer training and education

centres in Barisal to enable the local

youth to become prepared for the

upcoming sector. Tanveer Sinha, executive director of ACME IT Ltd, and KM Badruddin, finance director of The ACME Laboratories Ltd, Devjit Sarkar, location head -- Bangladesh, NIIT. and AKM Ghaffar, CEO Beximco Systems Limited, and other official from Beximco and NIIT, also

attended the function. The centre is expected to go into operation later this month.



PHOTO: NATIONAL HOUSING FINANCE

annual general meeting in the city on Monday.

## IMF team to recommend \$114m loan for Pakistan

An IMF team said Wednesday it would call for a 114-million-dollar credit for Pakistan after reviewing the country's economic progress.

The International Monetary Fund staff team led by Klaus Enders, Middle East division chief, said it would make the recommendation to IMF managing director Horst Koehler.

"On the basis of Pakistan's economic performance over recent months, and the government's confirmation of staying the course on economic reform in the

propose to the managing director that he recommend completion of the review by the executive hoard." the mission said in a

If the IMF completes the review, it is effectively approving of the country's economic policies. Completion of the review unlocks a disbursement of about 114 million dollars to Pakistan.

statement.

The payment is the third installment from a three-year arrangement for Pakistan totalling about 1.3 billion dollars,

Pakistani authorities had achieved "impressive results" in

macroeconomic stabilization.

"The strength of the rupee and

strong capital inflows indicate

confidence in the outlook for

Pakistan's economy," the team statement said. Economic output was expected to grow by 4.5 per cent in the current fiscal year, which

ends June 30, 2003, it said. The IMF mission said it had stressed the importance of meeting revenue targets to reduce the public debt burden.

# Asia poised to replace US

agreed in December last year.

of global economic growth, taking the reins from the United States which is slipping into an extended period of underperformance, a

senior economist said Wednesday. "Asia ex-Japan is about to take over as the engine of world growth," Jim Walker, chief economist at securities firm CLSA Emerging Markets, told a news conference

"The US outlook is not that good and the outlook for the other parts of the world (Europe and Japan) is much worse. Walker expects US growth to be

only two or three per cent for the next two years, even lower growth in Europe and Japan to be back in recession by the end of 2002. He said the gloomy outlook for

the US economy would keep 10-

year US Treasury bond yields

US10YT RR down at four per cent

for the rest of this year and send

to 25 per cent from 35 per cent.

Many economists say non-Japan Asia's US\$3 trillion economy is too small to be a global driver and that exports to the US -- 25-30 per cent of the region's total, equivalent to about 10 per cent of the region's GDP -- are vital to growth.

"I think that is going to be a very rong view in this cycle," said Walker, who is predicting a five-to six-year upswing in which Asia outperforms the rest of the world.

Walker says official statistics understate Asia's economic muscle by about 50 per cent because they fail to capture the scale of the booming underground and private economy outside the government sectors that still dominate regional

"Asia as a US\$4.5-US\$5 trillion

economy growing at three per cent

in real terms is US-style growth and

the US growing at that pace would

be a global driver. So Asia can be,

story, it's a qualitative investment story," Walker said. "Asia will suck in capital goods, but they'll be put to much better use this time around."

crude oil, trading at about US\$

28.48 per barrel on Wednesday,

did spike up it would fall quickly too,

winter of quite high oil prices at

Besides challenging statistics

Walker says his argument for Asia's

driving role is supported by an

anticipated shift in the region's

savings base and current account

balances which will fuel a surge in

capital investment and commodity

"It's not just a consumption

consumption.

about the current level," he said.

"But I think we could be in for a

as after the 1991 Gulf War.

Asia ran large current account deficits prior to the 1997/98 economic crisis, shifting into heavy surplus as an export boom lifted it out of recession in 1999.

#### as global growth engine REUTERS, Hong Kong them down to 3-3.5 per cent by end-2003, although the risk of a Walker said the risk of a US-led war with Iraq would have a small impact on Asia if it ended fast and if Asia is poised to become the driver double-dip US recession had fallen