

## DCCI welcomes Assie move to grant LDCs free access

STAR BUSINESS REPORT

The Dhaka Chamber of Commerce and Industry (DCCI) yesterday hailed an Australian move to grant duty and quota-free access of products from least developed countries (LDC).

The DCCI said the decision will boost trade and economic cooperation between Australia and Bangladesh.

"This will also have a good impact on jute goods, chemical products and other exported items of Bangladesh," said a DCCI statement.

During the current fiscal year, Bangladesh so far has exported goods worth 26.30 million US dollars to Australia.

## DBTI workshop on banking software ends

A two-day training workshop on "Banking Software: Application & Different Security Measures" concluded at the Dhaka Bank Training Institute (DBTI) at Uttara in the city recently, says a press release.

The basic objective of the workshop was to help second officers of branches and divisions of Head Office of Dhaka Bank Ltd (DBL) in enhancing the capacity for monitoring and supervision of the whole operation with the existing banking software PCBank/M and to diagnose the related problems for proper solutions and to acquaint them with the different security measures to protect fraud and forgery in online banking system of DBL.

A total of fourteen officers and executives from different branches and divisions of office of DBL participated in the workshop.

Shamshad Begum, senior vice-president and Principal, Dr M Saiful Karim Chowdhury, assistant vice president and faculty member of DBTI, MA Javed Chowdhury, assistant vice president, Saiful Momin, principal officer of IT Department of DBL, and guest speakers from LEADS Corporation conducted the workshop.

## ASEAN banks face new 'strategic crisis'

AFP, Kuala Lumpur

Southeast Asian banks remain vulnerable five years after the regional financial crisis and a further shakeout in the sector is inevitable over the next five years, industry experts say.

ASEAN banks face a new "strategic crisis" driven by new technology, more demanding customers, deregulation and increased foreign competition, said Jens Lottner, a principal with US consultancy firm McKinsey and Co.

Lottner told AFP on the sidelines of an Association of Southeast Asian Nations (ASEAN) banking conference last week that regional banks have not fully recovered from the 1997/98 financial turmoil.

Singaporean banks are way ahead of the pack but their non-performing loans (NPL) level of 8.1 per cent this year, down from 12.2 per cent in 1997, is still far from the 3.9 per cent mark in 1995, he said.

Mixed progress is seen in Malaysia where banks' capitalisation and profitability have been strengthened by the merger of its 54 banks and financial institutions into 10 core groups but NPL remain high at 11 per cent compared to 4.9 per cent in 1995, he said.

## Bush offers ASEAN free trade deal carrot

AFP, Los Cabos, Mexico

President George W. Bush on Saturday offered to reward Southeast Asian states that prove they are committed to economic reform with a network of free trade agreements with the United States.

The White House billed the offer as the Enterprise for ASEAN initiative (EAI), an announcement on the sidelines of the Asia Pacific Economic Cooperation (APEC) summit at the Los Cabos, golf and beach resort.

"The United States believes that a strong US-ASEAN relationship is a force for stability and development in the Southeast Asian region," the White House said in a statement.

# Image crisis takes toll on investment

## German envoy says at FICCI luncheon meet

STAR BUSINESS REPORT

German Ambassador in Dhaka Dietrich Andreas yesterday said Bangladesh's image crisis has kept German investors at bay.

"Improving image abroad remains an uphill struggle for Bangladesh and the net result has unfortunately gone against investment," German ambassador said.

Andreas was speaking as guest of honour at the monthly luncheon meeting of Foreign Investors' Chamber of Commerce & Industry (FICCI) held at Pan Pacific Sonargaon Hotel in the city.

Bangladesh is considered to be a land of floods and poverty in Germany, he said. German media covers every flood in Bangladesh causing a reinforcement of the old stereotypes and the success of readymade garment sector has not changed this to the required extent, he said.

The German ambassador noted

there seems to be no political consensus for the economy to be kept out of political confrontation for the sake of the nation's development, despite repeated appeals by business chambers and associations.

Although foreign companies find a legal framework one of the best in terms of tax holidays, repatriation of profits and fiscal incentives of various kinds but massive bureaucratic tangles, frequent power cuts, a congested port with a large amount of strike, a poor and expensive telephone network and nation-wide political strikes stand as negative factors, he added.

Bangladesh depends almost totally on Chittagong port for its exports. The brutal conclusion being if Chittagong port is not developed Bangladesh economy will be doomed, the German ambassador added. "I therefore believe that the current discussion on the port matters is tremendously

added.

Germany has now become the biggest market for Bangladeshi goods in Europe and the second biggest market worldwide. In 2001, 94 per cent of Bangladesh's exports to Germany consisted of RMG items, Andreas went on.

"But I would like to encourage the entrepreneurs in other sectors to try harder to reach the German consumers. I see good prospects for the food processing industry, the IT sector and despite its present difficulties, the jute industry."

FICCI President Wali Bhuiyan mentioned that the country's image abroad is bad and attracting foreign direct investment depends on the environment of a country.

"Look at the airport or any government office...all have poor images, these need to be improved and the poor image should be turned into a positive one," he added.

## Duty on Bangladesh items to be relaxed gradually

### West Bengal chamber hopes

STAR BUSINESS REPORT

A visiting five-member business delegation of Bengal National Chamber of Commerce and Industry (BNCCI), West Bengal, India yesterday said Bangladesh is likely to witness gradual withdrawal of duty on some of its products soon.

Without giving details, Samir Kumar Ghosh, leader of the delegation and chairman of Industrial India Trade Fair, said the chamber is hopeful of a positive development shortly.

"Such a reflection is likely to be seen in the renewed Indo-Bangla Trade Agreement between the two countries," Ghosh said while speaking at a press conference at a local hotel.

Ghosh was speaking at the press conference in the city on occasion of the annual Industrial India Trade Fair that kicks off in Kolkata on December 20. This year, Bangladesh has been chosen as the partner country of the



Samir Kumar Ghosh, leader of the visiting business delegation of Bengal National Chamber of Commerce and Industry.

fair, which will end on December 31.

The fair has been jointly organised by BNCCI, government of West Bengal and India Trade

Promotion Organisation.

A Bangladesh team of around 150 members is expected to visit the fair this time, the fair chairman said, adding that he is scheduled to hold talks with the commerce ministry to finalise the visit.

Ghosh said Bangladesh Commerce Minister Amir Khosru M Chowdhury is expected to inaugurate the Bangladesh pavilion this year and a cultural team is also expected to hold cultural shows every evening at the fair.

He said, for the first time all the seven northeastern Indian states, known as seven sisters, would participate at the fair.

He said Bangladesh's participation this year would be 2.5 times greater than previous years and that the fair is being held at 80,000 square-metre area.

The fair will be open for three and a half hours to business visitors from 10:00am to 1:30pm while it would be open to all from 2:00pm to 8:00pm.



Hafeezuddin Ahmed, country manager of IFC in Bangladesh, and QM Shariful Ala, managing director of DBH, exchange documents after signing a credit line agreement between their two organisations in the city recently. Also seen in the picture are A Farjad Ahmed, head of credit and business development, and SH Aslam Habib, head of resources and company secretary of DBH.

# BASIS software fare woos huge crowd

STAR BUSINESS REPORT

People from different walks of life thronged at the four-day BASIS software extravaganza yesterday as show participants displayed their products ranging from banking and database publishing solutions to animation films and multimedia CDs.

Forty-one Bangladeshi companies are showcasing their software on banking, apparel, office management, billing system and telephone call registering process in the exhibition organised by the Bangladesh Association of Software and Information Services (BASIS).

"I am simply astonished to see the miscellaneous software developed by local developers," said Tofazzal Hossain, a retired army officer at the exposition venue.

Flora Systems has developed a software on banking system titled 'Flora Bank'. Janata Bank, Bangladesh Krishi Bank, National Bank Ltd, Mutual Trust Bank, Dutch-Bangla Bank Ltd, Jamuna Bank Ltd

and Bangladesh Commerce Bank Ltd are using the software.

Flora Systems Vice President SM Waesh said Flora Bank is highly advanced software that can help any financial institution to improve customer service and reduce the cost of doing business.

"It also supports modern banking delivery channels such as Internet banking, home banking, telephone banking, call centres, online banking and interactive voice response (IVR) as well as traditional forms of banking delivery channel like ATMs, EFTPOS and SWIFT," he added.

About Flora's new products, the vice-president said, "The firm has already developed new software -- Flora Enterprise Resource Planning (ERP). It is an online, real time, parameterised and centralised back office integrated software. It is especially designed to increase profitability of an organisation by using its features, rich functions and dynamic reporting environment."

Call register software of Business Automation Ltd also attracted the visitors. "This is a call

accounting software for the accountability and bill saving in telephone uses," said Executive Director of Business Automation Ltd Jahidul Hasan.

Around 150 national and multinational companies of the country including ACI Limited, Acme Laboratories Ltd, Reckitt Benckiser, Dhaka Stock Exchange, British High Commission, Cairn Energy and CARE Bangladesh are using this software.

Daffodil Computer Ltd is showcasing its software on garments, MIS, hotel management, school, hospital, transport and accounts at the exposition.

Desktop Computer Connection Ltd has the 'Desktop Easy Banking' in this SoftExpo. "Thirty branches of Janata Bank and Sonali Bank are using our software," said Managing Director of Desktop Computer Borhan Uddin.

The software extravaganza will continue till Tuesday.

## BB T-bill auction held

UNB, Dhaka

The 216th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills of Bangladesh Bank were held here yesterday.

Tk 509.00 crore, Tk 23.00 crore, Tk 60.00 crore, Tk 50.00 crore and Tk 96.20 crore were offered respectively for the 28-day, 91-day, 364-day, 2-year and 5-year bills.

Of these, Tk 509.00 crore, Tk 23.00 crore, Tk 60.00 crore, Tk 50.00 crore and Tk 88.70 crore in total of Tk 730.70 crore of 28-day, 91-day, 364-day, 2-year and 5-year bills were accepted respectively.

The ranges of implicit yields were 6.50-7.10 per cent, 7.00-7.60 per cent, 7.75-9.00 per cent, 9.50 per cent and 10.50-10.70 per cent per annum respectively.

No bid was offered for the 182-day bill.

The bills worth of Tk 693.50 crore will retire in the current week and the net issuance would amount to Tk 37.20 (Tk 730.70 crore - Tk 693.50 crore) during this week, said a Bangladesh Bank press release.

## FedEx joins Sustainable Computing Consortium

The Sustainable Computing Consortium (SCC) announced that FedEx Corporate Services, Inc, a subsidiary of FedEx Corp, has joined the Consortium as a founding member, says a press release.

The SCC is a new organisation at Carnegie Mellon University composed of leading global businesses, software developers and government agencies whose aim is to improve software quality, dependability and security.

With annual revenues of \$21 billion, FedEx Corp is the premier global provider of transportation, e-commerce and supply chain management services.

The company offers integrated business solutions through a network of subsidiaries operating independently, including FedEx Express, world's largest express transportation company.

## Bangalore IT fair begins today

AFP, Bangalore, India

Indian President A.P.J Abdul Kalam will inaugurate the annual showcase event in the country's technology and aviation hub of Bangalore next week, an official said Friday.

More than 250 companies are slated to participate in the Bangalore IT.com, which will kick off on Monday in the southern Indian state of Karnataka, of which Bangalore is the capital.

"The event will provide a platform for global information technology companies to launch their latest products and services and exchange information on market issues," said Vivek Kulkarni, IT secretary of Karnataka.

He said Britain's e-commerce minister Stephen Timms, IT Minister of Mauritius, Deelchand Jeeha, and the chief ministers of the Indian states of Andhra Pradesh and New Delhi would participate in the inaugural panel discussion -- "IT for the Common Man".

## Curbs on forex forward sale

BSS, Dhaka

Bangladesh Bank, the country's central bank, has restricted spot buying of foreign currencies covered by forward sales in the local foreign exchange market to ease pressure on reserve and push up the local currency.

The central bank officials said the spot buying of foreign currencies that already covered by forward sales has created imbalance in foreign currency transactions.

The Bangladesh Bank has issued a circular in this connection yesterday and asked all dealer banks to cover forward sales only through forward buying with immediate effect.

"The authorised dealer banks will

have to cover the forward sales of foreign currencies only through forward buying, rather through spot buying," the circular issued yesterday by the Bangladesh Bank said.

Such deals have created imbalance in foreign currency transactions and put pressure on foreign exchange reserve, central bank officials said today.

The country's foreign exchange reserve in recent time has come down to 1.75 billion from its pick of 1.8 billion two months back mainly due to "imbalance foreign currency transactions by some dealer banks," they said.

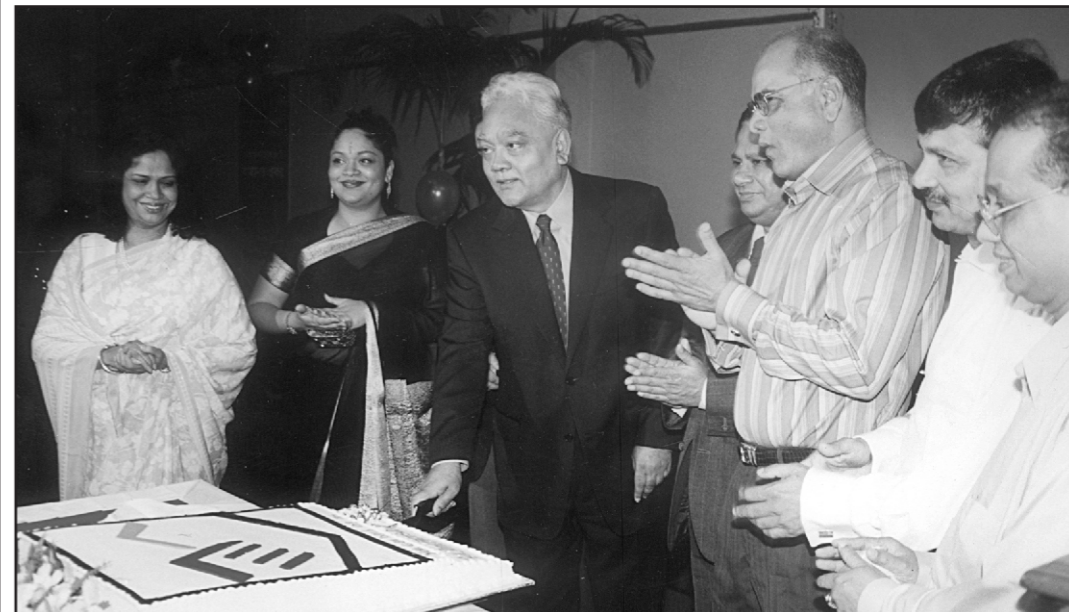
Normally forward sales should not be purchased through spot buying as

this situation create artificial short-fall of currencies, they said.

"The spot buying of dollars covered by forward sales has created short-fall and pushed up the dollar abnormally high against local currency," the central bank official said.

Presently the US dollar is being traded at 58.65-80 taka in interbank market compared to 58.20-30 taka, in the early of this month.

However, foreign exchange dealers of some commercial banks said the central bank's measure about forward transactions would put a strong brake on their foreign currency dealings.



A reception was held to mark the third anniversary of Mutual Trust Bank Limited at a city hotel on Friday. Syed Manzur Elahi, chairman of the bank inaugurated the function. Directors, managing director and senior executives of the bank were present on the occasion. The function was also attended by clients, bankers, businessmen and elite of the city. Photo shows the chairman of the bank cutting cake on the occasion.

## 3 CEMS shows from Friday

STAR BUSINESS REPORT

Three separate exhibitions organised by Conference and Exhibition Management Services (CEMS) of electronic items, general products and real estate firms begin Friday in the city.

The three-day exhibitions -- ELEXPO'02 of electronic equipment, MID-MIX'02 of general prod-

ucts, and CONEXPO'02 of construction material, equipment and real estate companies -- will be held at Sonargaon Hotel.

The schedule of the exhibitions was announced at a press conference held in the city yesterday.

CEMS Managing Director Meherun N Islam and CEMS Director Shahed Sarwar were present on the occa-

sion. Commerce Minister Amir Khosru Mahmud Chowdhury is expected to inaugurate the exhibition, which will be open to all from 10am to 8:30pm everyday.

Around 50 companies will showcase their products in 87 stalls at the exhibitions, which will end on November 3.

## 2.5-3pc US growth likely

AFP, Los Cabos, Mexico

The US economy is likely to grow by between 2.5 per cent and 3.5 per cent this year, avoiding a slide back into recession, National Bureau of Economic Research (NBER) president Martin Feldstein said here.

"The most likely thing is that we will have economic growth in the 2.5-3.5 per cent range," Feldstein told AFP News on the sidelines of an Asia-Pacific Economic Cooperation (APEC) summit in the Mexican beach resort of Los Cabos.

The NBER is a private body but it is designated as the official arbiter of US business cycles, providing the final word on dating recessions and economic expansions.

Increased investment was the key to economic recovery, Feldstein

said here. Business investment was in fact picking up despite sentiment among many corporate executives that it remained stagnant, he said.

Sy Sternberg, chairman, president and chief executive of New York Life Insurance Co. disagreed. He said he expected no pickup in business investment for about 12 months.

"It's not happening anytime soon. A group of us met with the Secretary of Commerce (Donald Evans) last week and I am not optimistic about the US economy," he said.

Feldstein, however, said the evidence showed investment already on the rise.

The Commerce Department had reported that business investment excluding structures was already

rising in the second quarter despite weak corporate profits, which improved in the third quarter.

"The answer is somebody is investing and they are investing more than they did the year before," he said.

Feldstein cautioned that there are risks to the US economy, most notably a drop in consumer spending, which could be hurt by an increased savings rate stemming from fears about the stock market.

"The big risk in the outlook to my mind is the consumer," he said. "If savings rises very sharply, then we will not get the kind of expansion that most analysts expect."