

## BB REPO auction held

UNB, Dhaka

The repurchase agreement (REPO) auction of Bangladesh Bank for commercial banks and financial institutions was held yesterday.

Eighteen bids of only one-day tenor amounting to total Tk 253.65 crore were received, of which 13 bids amounting to total Tk 191.90 crore were accepted.

The rates of interest against the accepted bids ranged from 8.70 to 8.50 per cent per annum, said a press release.

## Federal Ins okays 10pc dividend

The Federal Insurance Company Ltd has approved a 10 per cent dividend for the year 2001, says a press release.

The dividend approval came at the 14th annual general meeting of the company held in the city on Sunday with Rafiqul Anwar MP, chairman of the company, in the chair.

Directors, Managing Director AKM Sarwardy Chowdhury and Company Secretary Abdul Haque were also present on the occasion.

In the AGM, Kamrul Hassain, Jayed Hussain and Zahedul Hoque were elected directors.

The AGM also approved the annual accounts for the 2001 of the company.

## AnDes signs affiliation agreement

STAR BUSINESS REPORT

AnDes Limited, a local advertising agency, has recently signed an affiliation agreement with Rediffusion-Dentsu, Young & Rubicam, India.

Under the deal, AnDes will get technical assistance and advice from the Indian company.

The company popularly known as Dentsu Y&R is a part of the global network of WPP (Wire and Plastic Products)—a UK-based advertising company, which is one of the largest organisations in the world promoting sales of innumerable consumer products of internationally reputed brands through advertisement.

AnDes Limited has already got the job of marketing the Colgate products in the country and publicity of Citibank NA services.

Dentsu Y&R, India President Ram Sehgal said they have chosen Bangladesh as it possesses a large number of population and they believe that the country is going to improve tremendously within four or five years.

He was speaking at a press conference at the national press club yesterday. The conference was organised to introduce the company to journalists.

AnDes Limited Chairman M Ghaziul Haque, Chief Executive Officer Aneela Haque and Chief Financial Officer of Dentsu Y&R, India Shreecharan Nadkarni were also present on the occasion.

Ram Sehgal said they already have some internationally reputed clients like AT&T, Canon, Citibank, Colgate-Palmolive, Daikin, ING insurance, DHL, Nike, Phillip Morris, Thomson, UIP, Mcdowells-UB Group, Airtel, Eveready, Taj Hotels, Telco and Zee Telefilms.

## SEDF makes presentation at NCC Bank

South Asia Enterprise Development Facility (SEDF) of International Finance Corporation made a presentation to the Board of Directors of NCC Bank Limited on Wednesday on its activities and the scope of cooperation between SEDF and the bank in the area of SME portfolio development, says a press release.

Dr Antonio De Wilde of SEDF explained the activities of the facility in the various countries. He mentioned that NCC Bank is one of the ten financial institutions of Bangladesh selected by SEDF for assistance on the basis of their performance.

Dr Zia Ahmed, senior consultant of SEDF, also spoke about the scope of the SEDF assistance to the bank.

A partnership agreement for technical assistance between SEDF and NCC Bank Limited will be signed soon.

Mahbubul Alam Tara, chairman of the bank's Board Directors, said the bank is willing to enlarge its SME portfolio for socio-economic development of the country and welcomed cooperation from SEDF for increasing SME financing capability of the bank.

# Hafiz urges IJSG to help boost jute consumption

BSS, Dhaka

Jute Minister Hafizuddin Ahmed yesterday urged the International Jute Study Group (IJSG) to evolve new projects aiming at increasing the consumption of jute in a sustainable basis through increase of diversified jute products.

Inaugurating the third session of the council of the IJSG, the minister pleaded for effective international cooperation for strengthening the world jute economy to address the issues of poverty alleviation, employment and development of human resources.

He also urged the IJSG to create increase awareness of the beneficial effects of the use of jute as an

environmental friendly, renewable and biodegradable natural fibre.

Held at the office of the IJSG, the brief inaugural function of the 3-day session was presided over by Chairman of the Council J V Ketelsen.

Besides IJSG members, the council session is also being attended by observers, some non-member countries and other private jute related organizations as invitees.

Highlighting the importance of jute in the context of environment, the minister also emphasized the role of this natural products in poverty alleviation and sustainable development of the country.

Terming jute as the fibre of the 21st century, the minister said it has

its own beauty from classical packaging to designer fabrics and all hangings. "Jute, the golden fibre of nature, continues to bind the world with bonds as strong as music and smile," he said.

The jute minister called for making vigorous efforts to increase potential members of IJSG and form a Private Sector Consultative Board to associate various private sector organisations related to facilitate interaction between the public and private enterprises in the jute sector.

He assured all cooperation from the government for increasing membership of IJSG and furnishing its other activities smoothly.

In his brief introductory remark J V Ketelsen said that jute is not a

mere reminiscence of the past, but a potential and prospective ingredient of the coming days. This is bright future must have to be built by the stockholders related to this environment-friendly natural fibre.

He said the IJSG should successfully face the challenges ahead in this sector to promote jute and jute goods and harness its full potentialities. "We have to attract more countries and organizations into our fold to make the IJSG more effective," he said.

The three-day session will dwell on various aspects relating to jute, jute goods and environment, establishment and policy matters and IJSG's financial and administrative matters.



PHOTO: FEDERAL INS

The 14 annual general meeting of the Federal Insurance Company Limited was held on Sunday in the city with Rafiqul Anwar MP, chairman of the company, in the chair. Directors, Managing Director AKM Sarwardy Chowdhury and Company Secretary Abdul Haque were also present in the meeting.

# Major financial groups blast IMF bankruptcy court plan

AFP, Washington

Major financial institutions harshly criticised Tuesday an IMF proposal for sovereign debt crises to be resolved through a bankruptcy-style system.

The International Monetary Fund has proposed a treaty providing countries in debt crises with protection from creditors, supposedly much like existing bankruptcy courts for companies.

The proposed sovereign debt restructuring mechanism (SDRM) drew fire from the private sector.

"Market participants from emerging markets and financial centers alike agree that the SDRM is both unnecessary and counterproductive," said a report by seven leading associations of financial services

firms.

The report, sent this month to finance ministers and central bank governors of 10 industrialized nations, was the most detailed rebuttal yet of the proposal touted by IMF deputy managing director Anne Krueger.

The IMF proposal rested on the false belief that creditors had a problem coming up with a joint resolution when indebted countries had trouble repaying their debt, it said.

"In fact, not one restructuring has been prevented from moving ahead by the actions of holdout creditors," the report said.

"Moreover, creditors have been willing to act early and constructively as evidenced by the spontaneous formation of bondholder committees in the cases of Argentina, Ecuador, Ivory Coast and Russia."

Financiers instead backed a market-based system. Under such a system, "collective action clauses" would be inserted into new bond contracts, allowing a majority of bond holders to agree to a debt restructuring, rather than the 100 per cent currently required.

Bondholders also would appoint a committee to represent their interests after a default. But the SDRM would render a collective action clause meaningless by overriding its operation with a statutory mechanism, the report said.

"Moreover, its very pursuit has made implementation of clauses more difficult; the shadow of the SDRM may already have had an adverse effect on private sector flows."

If the IMF's proposed system was set up, creditors would be more likely to act defensively at the first sign of a problem, forcing indebted countries to speed up repayments of short term and even longer-term debt, the report argued.

"As a result, this would increase the risk that a crisis occurs, as well as intensifying it."

The analogy between the SDRM and a private bankruptcy was flawed, the report said, because the SDRM would not be subject to the same checks and balances as provided by a bankruptcy court.



PHOTO: STAR

Rediffusion-Dentsu Y&R, India President Ram Sehgal speaks at a press conference organised by AnDes Limited at the Jatiya Press Club yesterday. AnDes Limited Chairman M Ghaziul Haque, Chief Executive Officer Aneela Haque and Chief Financial Officer of Dentsu Y&R, India Shreecharan Nadkarni are also seen in the picture.

# Pay cuts unavoidable to secure jobs, says Japanese PM

AFP, Tokyo

Japanese Prime Minister Junichiro Koizumi said Wednesday an era of ever-increasing wages was over and companies would have to cut salaries to survive as deflation continues to bite.

"We are in an era of deflation, not inflation. If (companies) attach importance to employment, pay cuts would be unavoidable," Koizumi told reporters at his official residence.

He made the comment in reference to a policy report by the nation's biggest business lobby Japan Business Federation or Nippon Keidanren.

Keidanren, grouping more than 1,540 companies and organisa-

tions, indicated pay cuts were necessary in the report released Tuesday by its Committee on Management and Labour Policy.

Japan's 12-year economic slump has forced labour unions to focus more on job security than pay rises at annual wage negotiation known as "shunto" or the spring labour offensive.

Many labour unions this year did not demand a rise in basic salary scales, which usually accompanies an increase in a worker's pay package based on the length of service.

The Keidanren report, which would be the basis for management-side policy in next year's shunto, said "companies' wage-paying capability is in a serious

situation and many firms are forced to cut salaries."

"It is difficult to raise the nominal levels of wages in order to maintain and enhance corporate competitiveness, and increasing salary scales is out of question," it said.

"It can be the subject of the talks between labour and management to freeze or review regular increases under wage system reform."

The tough report alarmed Japan's largest labour federation. The Japanese Trade Union Confederation, or Rengo, with a membership of 7.5 million workers said in a statement Tuesday that "the underlying idea in the (Keidanren) report is to slash wage levels."

Rengo accused the management of "trying to throw the Japanese economy, facing the risk of a deflationary spiral, to further depths."

"We could never hope for an economic recovery by achieving a recovery in personal consumption," it said.

Keidanren chairman Hiroshi Okuda, also head of Toyota Motor Corp., on Wednesday defended the report, saying it "is not urging companies to lower wages."

He added he personally expected Toyota would not increase salary scales next year but still grant seniority-based wage increases with record-breaking earnings reflected on bonuses.



PHOTO: AL BARAKA BANK

Masum Ahmed Chowdhury, chairman of Al Baraka Bank Bangladesh Ltd, presides over the bank's 15th annual general meeting in the city on Wednesday.

## Shareholders okay new name of Al Baraka Bank

The 7th extraordinary general meeting (EGM) and the 15th annual general meeting (AGM) of Al Baraka Bank Bangladesh Limited were held on Wednesday in the city, says a press release.

The shareholders approved issuance of 1:1 rights share, the annual accounts of the bank for the year 2001 and the change of the bank's name as "The Oriental Bank Limited."

Following the AGM, a board meeting was held, which reelected Masum A Chowdhury Chairman of the Board of Directors.

The AGM, presided over by Masum Ahmed Chowdhury, was attended by Abdul Matin Khan, vice-chairman representing government of Bangladesh, Dr F M Rafiqul Islam, chairman, STC, directors S S Nasim Afaz Chowdhury, Shakeela Akhter Lovely, Ismail Dobash, Morshed Ahmed Khan, Mark Justin Baile, Dr Shah Ahmed Iqbal, Shahedul Islam, Pattinson Temple, and Brig Md Zakir Hossain (Retd) were present in the meeting.

C M Koyes Sami, executive president, Syed Nurul Amin, additional executive president, and Alamgir Kabir Samad, secretary of the bank, also attended the meeting.

## PBTL, ETN sign electronic payment deal

Pacific Bangladesh Telecom Limited (PBTL) and Electronic Transactions Network Limited (ETN) recently signed an agreement for providing e-cash cardholding CityCell subscribers access to electronic payment of mobile phone bills through the e-cash ATM network, says a press release.

Electronic Transactions Network Ltd. is currently operating and maintaining a network of 20 ATMs all over the country on behalf of nine banks.

Member banks of the network are: Agrani Bank, Al Baraka Bank, Bank Asia, Credit Agricole Indosuez, Dhaka Bank, Islami Bank, National Bank, National Credit and Commerce Bank and Southeast Bank.

With the introduction of this new service, subscribers who are accountholder of any of the above nine banks will be able to make payment of CityCell bills from any of the ATMs of the network by using their e-cash ATM/Debit card.

## Sony-Rangs launches video tape

STAR BUSINESS REPORT

Electronic products marketing company Rangs Electronics Ltd popularly known as Sony-Rangs has launched video tape 'Sony Recording Media and Energy Beta SP Tape' in Bangladesh.

Rangs Group of Companies Managing Director Aktar Hossain and Senior Manager (Recording Media and Energy division) of Sony Marketing Asia Pacific Pte Ltd K Hasegawa yesterday formally inaugurated the video tape at a local hotel in the city.

On the occasion, K Hasegawa said Sony-Rangs provides support to the consumers of Bangladesh to expand their media products.

Sony Marketing Asia Pacific Pte Ltd Senior Manager K Shimoda explained the technical aspects of Sony Recording Media and Energy.

Director of Rangs Electronics M A Wazed, Senior Manager of Sony Singapore T Fujita, Senior Executive of Sony Singapore Richard Thong and other officials were also present at the opening ceremony.

## Minister asks DESCO to cut systems loss

UNB, Dhaka

State Minister for Power Iqbal Hasan Mahmud has directed the authorities of Dhaka Electricity Supply Company (DESCO) to bring down its systems loss to 10 per cent from current 22 per cent within next six months.

The directive came when the state minister visited the head office of DESCO at Mirpur in the city yesterday.

Underscoring the need for disconnection of illegal electricity lines, regular collection of bills and

improvement of subscribers' service, he said the government formed the company to supply uninterrupted electricity and provide more services to subscribers in DESCO area.

He called upon all concerned to make DESCO a profitable and service-oriented organisation through their honesty, skills and hard labour.

Secretary of Power Division SM Shamsul Alam, DESA and DESCO Chairman Brig Gen AAMA Rab and Managing Director of DESCO Saleh Ahmed were present during the visit.



PHOTO: PBTL

Asghar Karim, acting chairman of PBTL, and Zahir Ahmed, chairman of ETN, sign an agreement recently on payment of CityCell bills through e-cash shared ATM network. Among others, Faisal Morshed Khan, managing director of PBTL, is also seen in the picture.



PHOTO: STAR

Rangs Group of Companies Managing Director Aktar Hossain (right) and Sony Marketing Asia Pacific Pte Ltd Senior Manager (Recording Media and Energy division) K Hasegawa (left) formally launch video tape-- Sony Recording Media and Energy Beta SP Tape-- in the city yesterday.