

Read

The Daily Star
The Complete
Newspaper

The Daily Star BUSINESS

DHAKA WEDNESDAY NOVEMBER 30, 1994

First with the news,
The Daily Star
Best with the views

Banque Indosuez, Luxembourg President tells The Daily Star

Adequate information can help boost more DSE investment

by S Y Bakht

Improved disclosure requirements, transparency in dealings and good accounting and auditing practices would provide investors, both local and foreign, more confidence in investing in the shares listed with the Dhaka Stock Exchange (DSE).

This was observed by the visiting President of the Banque Indosuez Luxembourg, Bruno Georges-Picot, who is also the Chairman of the Bangladeshi Fund, a portfolio investment company investing in the local share market.

In an interview with The Daily Star before his departure from Dhaka yesterday, Georges-Picot also talked about other areas of improvement needed at the DSE, his impressions about the country's economy and about his company's involvement in the local share market.

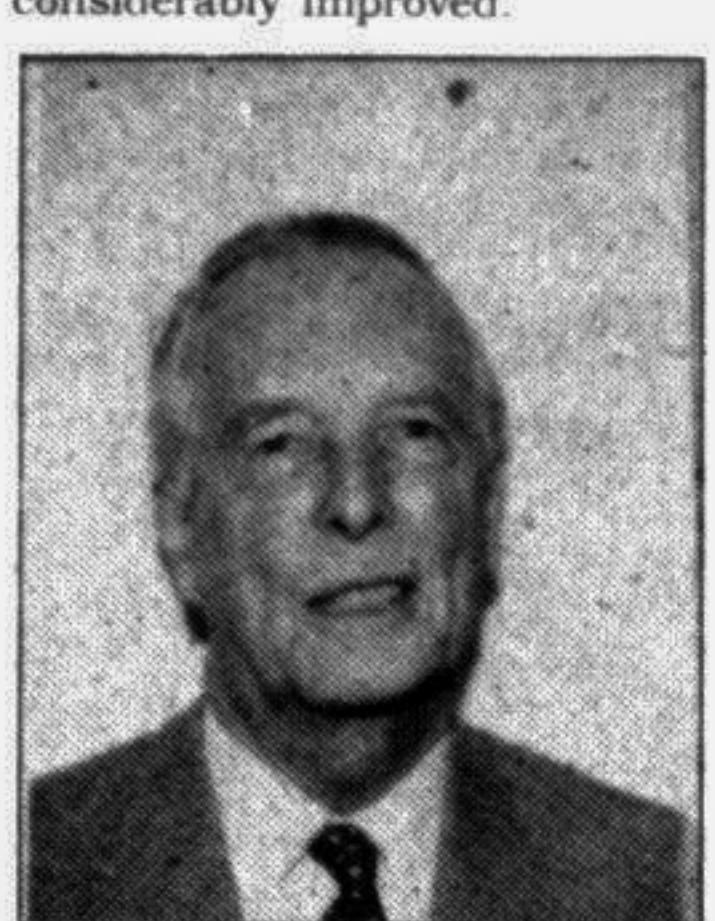
On his overall impression about Bangladesh, he said "there has been a lot of progress made. I think the prospects are good but more investments are needed."

Praising the positive economic reforms, he noted that fiscal deficit is under control at four per cent of the GDP, the inflation rate is low, there is a substantial foreign exchange reserve of over Three billion US dollars and the currency is stable with a good level of convertibility.

The government's policies of liberalisation and deregulation have led to a more open economy and has created an environment which is favourable to foreign investment, either direct or portfolio," he noted.

For these reasons, the Banque Indosuez executive pointed out, the image of Bang-

ladesh abroad of being a poverty-stricken country, overpopulated and affected by natural calamities, has now considerably improved.



Bruno Georges-Picot

That is why Indosuez Asset Management Asia (IAMA), which pioneered the so-called Country Funds' such as the Siam Fund, the Malacca Fund, the Manila Fund, has launched the Bangladesh Fund," he explained.

Launched in July this year, with a paid-up capital of 20 million US dollar, the Bangladesh Fund is incorporated in the Cayman Island and its shares are quoted at the Dublin Stock Exchange in Ireland.

The Fund's shares are subscribed primarily by institu-

tional investors from the Middle East and Portfolio investors from Europe.

The Secretary-General of the Metropolitan Chamber of Commerce and Industry, C K Hyder, is also director of the fund.

It is a closed-ended fund with a 7-year term. Georges-Picot informed, which means that the subscribers cannot redeem it before the end of the term. Following which, it would function as an open-ended fund.

"So, the capital now is committed for investment in the Bangladesh stock market," he noted.

The IAMA, through its Himalaya Fund, started investing in the DSE about three years ago. The 350 million dollar Himalaya Fund is primarily for investments in India with a small percentage of it being invested in the stock markets of Bangladesh and Sri Lanka, he said.

Georges-Picot informed that only part of the Bangladesh Fund has been invested so far. "We are long-term investors, we are not in a rush to buy."

He said that fund's capital may be increased depending on the development of the investors. "If the market develops as we are hoping it would then we will go for a second tranche."

Production target of fish may be achieved by end of 5-yr plan

Fisheries and Livestock Minister Abdullah Al-Noman

Monday expressed the hope that Bangladesh would be able to achieve the target of producing 19 lakh metric tons of fish per annum at the end of the current five year plan period.

He said that the government had recognised pisciculture as an industry and had provided loans and other facilities like in other industries to attract the entrepreneurs in this sector.

He was making a statement at the Jatiya Sangsads in response to a discussion initiated by treasury bench member Major (rtd) M Akhtaruzzaman on a matter of public importance regarding annual shortfall of 8.74 lakh metric tons in the country's fish production.

The Fisheries Minister said that 7.5 lakh acres of water bodies was under the Water Development Board where there was no fish cultivation for long. He said that at the directive of the Prime Minister fish cultivation had already been started in those water bodies.

He said with a view to augmenting fish production, the present government had made provisions to lease out different water bodies including canals for 5 to 6 years which were issued on short one year terms.

He said that the government had recognised pisciculture as an industry and had provided loans and other facilities like in other industries to attract the entrepreneurs in this sector.

The minister said the government also allotted wheat under food for works programme to re-excavate the derelict ponds and other water bodies for fish culture. There is also a component in canal digging programme for fish culture, he said.

He said laws were also made for payment of compensation if some one use land suitable for fish culture for any other purpose.

Referring to release of fish fry in open water for the increase in fish production, he said from now on the government is also releasing fish fries in the ponds owned by the private individuals.

The lease on the land signed between McDonald's and the Beijing City Government is for 20 years and will not expire until 2011.

Singapore raises cost of hiring foreign workers

SINGAPORE, Nov 29: Employers in Singapore will have to pay a higher levy to the government to hire unskilled foreign workers, including domestic maids and construction workers, the Labour Ministry said Tuesday, reports AP.

The higher levies, effective April 1, 1995, are aimed at slowing a rapid increase in the number of foreign workers, the ministry said in a statement.

Employers faced with a local labour shortage bring workers from countries such as Indonesia, Thailand, Malaysia and India. There are more than 300,000 foreign workers in Singapore, constituting more than 18 per cent of the total work force in this city state of 3.3 million people.

"If the increase in foreign workers is left unchecked, there will be an adverse impact on our society," the ministry statement said, apparently referring to reported lawlessness among foreign workers.

The newspaper Straits Times has reported that the number of murders at construction sites increased more than three times last year from 1992. Robberies also doubled during that period.

In the latest violence, one person fell to his death, another was shot and one was stabbed in two separate fights this month at construction sites.

Mcdonald's asks Beijing city govt to discuss plan to close its outlet

BEIJING, Nov 29: US hamburger chain McDonald's has asked the Beijing City Government for a meeting to discuss its plan to shut down the world's largest McDonald's outlet to make way for a commercial complex, reports Reuter.

McDonald's contacted the Beijing city government last Friday asking for a meeting to discuss the matter as soon as possible," a spokeswoman for McDonald's said by telephone on Monday.

The spokeswoman declined to comment on whether McDonald's had softened on its earlier refusal to vacate its Wangfujing outlet.

The municipal government has asked McDonald's to leave the site on prime land in the centre of the capital to make way for a commercial and shopping complex.

A consortium led by Hong Kong billionaire Li Ka-Shing is developing an adjacent plot of land and is interested in the McDonald's site, the spokeswoman said.

The lease on the land signed between McDonald's and the Beijing City Government is for 20 years and will not expire until 2011.



Constantine Ailianos, Ambassador designate of Greece to Bangladesh, called on Latifur Rahman, President of Metropolitan Chamber of Commerce and Industry, Dhaka yesterday.

Bangladesh-Romania JEC needs to be activated

By Staff Correspondent

Bangladesh-Romania Joint Economic Commission (JEC) needs to be reactivated soon to help boost the existing trades between the two countries.

Romanian Charge d'Affaires in Dhaka Liuviu Radu said this, addressing a press briefing Tuesday at the Embassy at Gulshan on the occasion of the National Day of the country.

The last meeting of the commission, which was formed sometime in mid-seventies, was held in 1989. Radu said, adding another meeting of the commission should immediately be held for the interest of both countries.

Romania has a very close relation with Bangladesh. We contributed to the development of Bangladesh's transports, railway and energy sectors", Radu said and added there is also scope for developing relations between the two countries by initiating cooperative ventures in these areas.

Romania, which has been enjoying a favourable trade balance with Bangladesh, exported goods worth about 10 million US dollars to this country in the current year, while the Romania's import from Bangladesh amounted to only 3 million dollars during the period.

The municipal government has asked McDonald's to leave the site on prime land in the centre of the capital to make way for a commercial and shopping complex.

The export items of Romania to Bangladesh include railway machinery, chemical products and steel products, while it imports jute and leather from here, Radu said, adding Bangladeshi tea and handicrafts can also good market in his country.



Liuviu Radu
"We are also trying to reduce our trade gap with Bangladesh", the Romanian Charge d'Affaires said and hoped that increased interaction between the two nations would help reduce the gap and strengthen the existing economic nomic ties.

Commercial Counsellor of the embassy Petre Stamatescu was also present during the press briefing.

Energy Secretary off to Manila

Energy and Mineral Resources Secretary Mohammad Faizur Razzaque left Dhaka on Monday for Manila to attend a regional workshop for Asia and the Pacific on improving project quality being held there from November 29.

An official source said the energy secretary will present a keynote paper on the project management system in Bangladesh in the three-day long workshop.

SIA, AF launch Singapore-Paris weekly joint freighter service

Singapore Airlines (SIA) and Air France (AF) launched a weekly joint freighter service between Singapore and Paris recently, says a press release.

The joint service is being operated with an AF B747-200 freighter with a net payload of 100 tonnes. SIA and AF shared the cargo space equally.

This service, which stops over in Muscat, departs from Paris on Sunday at 0205 hours and arrives in Singapore the following day at 0015 hours. The return flight leaves Singapore after a two-hour stop-over and arrives in Paris at 1150 hours the same day.

Cargo traffic between Paris and Singapore has grown at an average rate of 17 per cent annually, from 5,100 tonnes in 1991/92 to nearly 7,000 tonnes in 1993/94.

Norway risks isolating her saying 'no' to EU membership

PARIS, Nov 29: Norway's "no" to membership in the European Union puts it at risk of being isolated by the enormous economic machine" which the EU will become next year with its 15 members, a French minister warned today, reports AFP.

"The Norwegian people risks having to live alongside an economic juggernaut whose rules it will have to abide by without having any say in how these rules are drafted or applied," said Alain Lamassoure, Minister for European Affairs, on French radio.

Lamassoure refused to speak of disappointment about the Norwegian verdict. He said the enlargement of the EU is a perspective open to all free nations.

Japan seeks more efficient aid utilization by Bangladesh

A senior Japanese aid official said his government seeks a more efficient aid utilization by Bangladesh. He also rule out any better aid scenario in the near future, reports UNB.

"Frankly speaking, we're having some obstacles. Japan is facing persisting recession causing significant decline in tax revenue. Even the next year's budget is in difficulty," said Masato Kitera, director of aid and grant division under the Ministry of Foreign Affairs.

While briefing the press at the end of the annual consultation on Dhaka-Tokyo economic cooperation, he told a questioner that the aid flow from Japan was unlikely to increase significantly in the years ahead.

Kitera led a 15-member Japanese delegation at the four-day consultation with the Economic Relations Division (ERD) that reviewed the ongoing Japanese aided projects and discussed project proposals.

"We have emphasised more efficient and effective utilization of Japanese assistance here... in some areas utilization is not satisfactory," said Kitera.

The Tokyo official had, however, not any major complaint. "We have this type of problem with many partners," he said.

On the future strategy of Japanese assistance to Bangladesh, Kitera said Japan would focus on environmental protection, including flood control, and on health services.

During the consultation, Kitera said, discussions on a long list of project proposals

were held on non-committal basis. "We did not make any firm commitment. In fact, it was not a commitment session."

Kitera spoke highly of Dhaka's macro-economic management, specially successes in containing inflation and population growth.

Japan is the largest bilateral donor to Bangladesh. The country receives about 400 million US dollars a year as technical assistance.

NEC to invest \$1.01b in memory chip production

TOKYO, Nov 29: NEC Corporation said Tuesday it will invest 100 billion yen (1.01 billion dollars) to build the world's first semiconductor production line capable of making 256-megabyte computer memory chips, reports AP.

The chips will have 16 times the capacity of the largest memory chips currently on the market, which hold 16 megabytes, or about 16 million units of computer data.

NEC said its new line will be able to fabricate circuits as small as 0.25 microns (millionths of a metre).

It made the announcement at the official opening of a new 95 billion yen (964,000 dollars) line at its Kyushu plant that can make 64-megabyte memories with circuit widths of 0.35 microns.

A single 64-megabyte memory chip can store the equivalent of the complete works of Shakespeare.



— Star photo

Gulf non-oil sector economy surges by 34 pc in 4 years

ABU DHABI, Nov 29: The non-oil sector in the Gulf Arab states surged by nearly 34 per cent over the past four years as they pushed ahead with plans to lessen reliance on volatile crude exports, an official study showed on Monday, reports AP.

From around 101 billion dollars in 1989, the non-oil sector in the six-nation Gulf Cooperation Council (GCC) jumped to 136 billion dollars in 1993, said the study by the Kuwait-based Organisation of Arab Petroleum Exporting

countries (OAPEC).

The oil sector grew to 73 billion dollars from 50.5 billion dollars mainly due to a rise in crude production by Saudi Arabia and the United Arab Emirates (UAE) which boosted output to offset a loss of more than four million barrels per day (BPD) followed the 1990 Iraqi invasion of Kuwait.

The study, published in OAPEC's monthly bulletin, showed the non-oil sector in the GCC had invested nearly 25 billion dollars in more than 2,500 factories.

Stung by weak oil prices, it has launched a drive to diversify its economy, with a focus on the industrial sector. Official figures showed the kingdom had invested nearly 25 billion dollars in more than 2,500 factories.

During the consultation, Kitera said, discussions on a long list of project proposals

jumped to 44 billion dollars from 24.2 billion dollars.

Saudi Arabia is the biggest oil producer in the world, which output of around eight million BPD, nearly 12 per cent of the global crude supplies.

The Tokyo official had, however, not any major complaint. "We have this type of problem with many partners," he said.

On the future strategy of Japanese assistance to Bangladesh, Kitera said Japan would focus on environmental protection, including flood control, and on health services.

During the consultation, Kitera said, discussions on a long list of project proposals

jumped to 44 billion dollars from 24.2 billion dollars.

Saudi Arabia is the biggest oil producer in the world, which output of around eight million BPD, nearly 12 per cent of the global crude supplies.

The Tokyo official had, however, not any major complaint. "We have this type of problem with many partners," he said.

On the future strategy of Japanese assistance to Bangladesh, Kitera said Japan would focus on environmental protection, including flood control, and on health services.

During the consultation, Kitera said, discussions on a long list of project proposals

jumped to 44 billion dollars from 24.2 billion dollars.

Saudi Arabia is the biggest oil producer in the world, which output of around eight million BPD, nearly 12 per cent of the global crude supplies.

The Tokyo official had, however, not any major complaint. "We have this type of problem with many partners," he said.

On the future strategy of Japanese assistance to Bangladesh, Kitera said Japan would focus on environmental protection, including flood control, and on health services.

During the consultation, Kitera said, discussions on a long list of project proposals