

# The Baily Star DUSINESS



CARS THAT MAKE SENSE

### Saifur at country seminar on Bangladesh in Washington

### US businessmen urged to take advantage of investment climate

10: Finance Minister M Saifur Rahman said that Bangladesh had created an excellent investment climate in almost all possible sectors and called upon the US investors to take advantage of the opportunity and be benefited from the economic prosperity of the country, reports BSS.

The Fiance Minister was speaking at a country seminar titled, "Bangladesh: A new horizon for investment". organised yesterday by the World Bank on the occasion of its annual meetings this

Among others, Salman F Rahman, President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), A M Zahiruddin Khan, Chairman, A K Khan Group of

WASHINGTON, DC. Oct Elahi Chowdhury Executive around 20 per cent on aver-Chairman of the Board of Investment (BOI). Gary Burtchaell. Vice President of the Occidental Petroleum and Runa Alam, Managing Director. Peregrine Bangladesh, participated in the seminar while Jane Abell Coon, former US Ambassador to Bangladesh was the mod-

> Rahman told the packed audience of a cross-section of US businessmen, investors, financial experts and analysts that significant achievements in liberalisation, deregulation, rationalisation and relaxation of exchange control and appropriate legal framework had taken place.

He said, "we have liberalised our trade regime: almost everything can be freely imported in Bangladesh, tar-Companies. Dr Towfig-E- iff has been slashed down to nications. We also have an in-

age, our currency, the taka is now convertible on the current account and, for foreign investors, there are no restrictions on capital account transactions.

The Fiance Minister said that domestic and foreign in vestors could freely invest in Bangladesh without any restrictions in terms of owner ship, market and products.

"Our policy thrust is not only to provide an enabling environment for private investment but maintain a proactive stance. While privatising the inherited public enterprises we have by policy, restricted the domain of government and opened up virtually all areas to private investment including competition to public utilities like power and telecommucentive package for the investors," he added.

Rahman said Bangladesh is a land of 120 million people with GDP is estimated, by traditional methods, to be over 26 billion dollars. This does not take into account the non-monetised sectors. nor does it correctly reflect the value of services, particularly in the rural areas." If one takes into account this under-coverage, we should add about 10 billion dollars — the GDP then would about 35 billion dollars. This represents a growing market with increasing potential for profitable investment with 25 million literate labour force with additional 25 million of working hands at one of the lowest wages in the world. Recent experience in exportoriented industries has

able versatility of this labour force," he added.

Rahman, who is also a former Chairman of Board of Governors of the World Bank and IMF told the audience that Bangladesh had maintained sound macro-fundamentals as reflected in its low inflation rate of around 2 per cent till last year, modest, but sustained GDP growth rate of over 4 per cent despite occasional droughts and floods, declining fiscal deficit, healthy foreign exchange reserve and declining debt service ratio to around 15 per cent of export earnings. He said few years ago the contribution of the country in its Annual Development Programme (ADP) was literally nothing. but now 45 per cent of the ADP were being met from demonstrated the remark- Bangladesh's own resources.

the bank at a local hotel yesterday.

A clear idea of the impact

of the GATT agreements on

the national economy will be

available by next July when an

on-going study by the Mini-

stry of Commerce is due to

Stating this at the inaugu-

be completed, reports UNB.

ral ceremony of a day-long

workshop on the Uruguay

Round Agreements at the

MCC1 conference room,

Commerce Secretary M

have initial results, we have

to wait till the completion of

the study," and called the

World Trade Organisation

(WTO) for delaying imposi-

tion of the TBT and SPS

HONG KONG, Oct 10:

Asian stock markets closed

lower Tuesday, with share

prices plunging in Hong

Kong in reaction to an

overnight fall on Wall Street,

Hong Kong market's key

indicator of blue chips, fell

132.52 points, or 1.3 per

cent, closing at 9,730.92. On

Monday, the index had

2.831 billion Hong Kong dol-

lars (362 million US dol-

lars), up from Monday's

2.545 billion Hong Kong dol-

lars (326 million US dollars).

heavy profit-taking in blue

chips in reaction to the

overnight slump on Wall

Street. They said the direc-

tion of the Hong Kong bourse

has recently followed that of

Brokers said there was

Turnover amounted to

The Hang Seng Index, the

reports AP.

slipped 10 points.

"Right now, we don't even

Asafuddowla said yesterday.

"Our export earnings have been growing faster than import bills, thus reducing the current account deficit These consistent policy out comes we view to be essen tial and favourable macro conditions for investment.

he added Referring to present political situation in Bangladesh. Rahman said this is a shortterm phenomenon which is common in any thriving democracy in the developing world. He said a general election is going to be an nounced in Bangladesh soon and there are no disagreements on economic policy. In fact all political parties agree with the general direction of the economy, he expressed his confidence and said, "we shall find a mutually accept able solution of the present

Later at the presentation slide-show on Bangladesh's economic development, Salman F Rahman said. Bangladesh had successfully established political social and economic order comparable to any enlightened community. Political

stability, homogeneity, export

ness to Foreign Direct Investment (FDI) had made

outlook, flexibility and open-

Bangladesh and attractive base for investment He said there were very attractive opportunities lying both for portfolio and FDI in

Bangladesh.

लाम क्षणामा किया हरू है पर १ प्रश्लेष्टर तार्थक आधावन अडा

A M Agha Yusuf, Chairman, Board of Directors, IFIC Bank Limited, inaugurating the 18th Annual General Meeting of

Dhaka to get idea of GATT impact by July

CONTRACTOR CONTRACTOR CONTRACTOR

Compared to other South Asian countries, he said. Bangladesh is the best place for investments at the present moment considering socio-economic various aspects.

Seminar moderator Jane মানবার ফিরাজ ইবাডাইটার তার তার আলা

Abell Coon said, "Bangladesh is a country on the march. and over the past ten years the pace has accelerated enormously, the most impressive note for investors is Bangladesh's achievements in macroeconomic stability. There is still much to be done infrastructure finance and cutting through the bureaucratic thicket.

Finance Minister M Saifur Rahman, Salman F Rahman, A M Zahiruddin Khan, Towfig-E-Elahi Chowdhury, Runa Alam and Gary Burtchaell replied to various questions from the audience on investment opportunities. And finally, all the speakers concluded with an optimistic note that Bangladesh was coming up as an "emerging tiger" and it would be a poverty-free thriving country

### PKSF disburses loan of Tk 74m

Palli Karma-Sahayak Foundation (PKSF) has disbursed a total loan of Tk 74 million to the rural landless and assetless people for selfemployment and income generating activities during July-September this year, reports UNB.

This amount has been disbursed through 25 partner organisations enlisted with PKSF who are distributing micro-credit to the landless and assetless people in the remote areas of the country. PKSF has been established

in May 1990 with the purpose of poverty alleviation of the rural poor by distributing micro-credit through its partner organisations and thus creating rural employment and income generation.

In the fiscal 1995-96 PKSF aims at disbursing loan to the tune of Tk 750 million including poor weavers loan through its 117 partner organisations to ameliorate the economic condition of the rural poor families.

PKSF achievement in this respect is satisfactory and the loan recovery position is almost 100 per cent, says a press release.

### APEC economy may grow by 3.5pc

in five years

TOKYO, Oct 10: The Asia-Pacific Economic Cooperation (APEC) forum expects combined economic growth of 3.5 per cent over the next five years, up from 2.7 per cent over the previous five years, a Japanese report said yesterday, reports AFP.

JiJi Press said developing members were expected to post 6.25 per cent growth between 1996 and 2000 down from 7.0 per cent between 1991 and 1995.

Industrialised members are projected to grow by 3.0 per cent, the report said, without providing a comparison for the previous five-year

period. The projections by the group's newly-formed economic committee, to be submitted to the APEC summit in Osaka next month, assume reforms in the financial sector, expansion of markets and further increases in competitiveness and capital flows along with advances in technology.

JiJi said the committee's report called for member governments to promote macroeconomic stablisation

measures

#### ROK unhappy with Japanese rice aid to DPRK

TOKYO, Oct 10: South Korean President Kim Young Sam has voiced displeasure with Japanese rice aid to Korea and Tokyo-Pyongyang moves towards diplomatic normalisation the Nihon Keizai Shimbun said today, reports

Japan's promotion of ties with North Korea over the head of South Korea could give the impression that Japan is impeding north south unification," Kim said in an interview with the

Economic Daily in Seoul. As for Pyongyang's military reshuffle Monday, the South Korean leader said the elevation of Choe Kwang and Ri Ul-Sol from Vice Marshals to Marshals, the title also held by heir to the throne Kim Jong Il suggested something, and could indicate a change in the eventual succession of power. Kim Il-Sung died last year.

### Dhaka may take part in Osaka trade convention

By Rafiq Hasan

A high-powered business delegation led by M Morshed Khan, Special Envoy of the Prime Minister, is likely to visit Japan later this month. Sources said, the 22-

member delegation will participate in the Global Business Opportunity Convention (G-BOC) to be held in Osaka, Japan. "This is for the first time

any Bangladeshi delegation is going to participate in the G-BOC, to be held October 24 to 27." a high official of the embassy of Japan here said.

The G-BOC is an annual international business-oriented event held every October since 1990. It is aimed at creating new business opportunities and providing latest business information. G-BOC '95 offers a great

opportunity for those wishing to expand their business activities and network of associates worldwide, the source Organized by the Osaka

Chamber of Commerce, business people from all over the world will gather at Osaka to participate in G-BOC. Terming the visit as "meaningful" for the devel-

opment of the economy of our country the source expressed optimism about the (JETRO). result of the visit. Last year G-BOC attracted November 14.

WASHINGTON, Oct 10:

The International Monetary

Fund said it expects that

countries will put in place a

substantially improved sys-

tem of timely disclosure of

economic and financial data

to guide markets by next

covering the annual meeting

of the IMF and World Bank.

the lending institution said it

has examined how and what

countries disclose and plans

next week to send represen-

tatives into markets to see

The new emphasis on

disclosure is a result, in part,

of the Mexican crisis, which

shocked the markets because

they were unaware of how

serious the situation was in

the new effort, said that

while increased disclosure

might not have avoided the

Mexico peso crisis, it could

have stopped the spread to

IMF officials, in discussing

In a briefing for reporters

April, says Reuter.

what they need.

the country.

more than 900 business executives, government officials and economic organisation leaders from 50 countries and regions. Over the four days of the convention, a total of 6,690 business talks were

The Bangladeshi delegation will include 14 leading business leaders and 8 high officials.

It was learnt that the

Foreign Secretary, Board of Investment chairman, Bangladesh Export Processing Zone Authority chairman, and Export Promotion Bureau vice chairman will be included in the delegation from government side while Mahbubur Rahman, expresident, of the Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) is one among the business leaders.

After participating in G-BOC the delegation will move the Tokyo and visit the single country Bangladesh fair, which is also scheduled to begin on November 1.

The Export Promotion Bureau is organising the single country Bangladesh fair in Tokyo with the help of Japan External Trade Organisation

The fair will continue till

other countries in a conta-

statistics, can only improve

market decisions," an official

tries using an electronic bul-

letin or similar outlet to pro-

vide data to those who are

working to determine exactly

how detailed the information

\$ 34m German loan

for Sri Lanka

Germany has granted a loan

of 1.8 billion rupees (34 mil-

lion dollars) for infrastruc-

ture development in Sri

Lanka, the German embassy

for power generation, water

supply and highway con-

struction projects, an em-

The money would be used

said Tuesday, reports AP.

bassy official said.

COLOMBO, Oct 10:

The IMF envisages coun-

The lending agency is

"Good information, good

IMF to seek substantial

disclosure by countries

gion effect.

interested.

it wants will be.

## IFIC declares

vestment and Commerce (IFIC) Bank Limited declared 15 per cent dividend as bonus share to the shareholders for the year 1994.

It was announced at the 18th Annual General Meeting of the shareholders of IFIC Bank Ltd held yesterday at a city hotel with Chairman of the bank A M Agha Yusuf in the chair.

According to the annual report for the year 1994, the deposit of the bank stood at Tk 1.246.23 crore on 31st December 1994, which is 0.09 per cent higher than the deposit of Tk 1,142.40 crore in the previous year.

advances.

During 1994, IFIC Bank in the Sultanate of Oman.

their cooperation present at the AGM.

### Star TV facing loss of \$ 80m

ADELAIDE, Australia, Oct 10: Asian satellite broadcaster Star TV is facing a loss of at least 80 million US dollars in the current financial year, News Corp. Chairman and Chief Executive Rupert Murdoch said today, reports AFP.

cern about the rising cost of newsprint, but said advertising was strong and the company was on budget or ahead everywhere.

Asked if Star TV was likely

But he stressed that the losses should be under the 100 million dollar mark.

### 15 pc dividend as bonus share By Staff Correspondent

International Finance In-

The bank made a pre-tax

profit of Tk 7.28 crore in 1994 after making all expenses and payment of interest and adequate provision against loans and

Ltd established a joint venture bank "Nepal Bangladesh Bank Ltd in Kathmandu, Nepal. IFIC Bank has two overseas branches in Karachi and Lahore in Pakistan and an exchange company with five branches

Managing Director A H M Shawkat Ali Chowdhury thanked shareholders for conducting the AGM which unanimously approved the annual report and balance sheet of the bank for the year 1994. Other member of the Board of Directors were also

Addressing shareholders at the company's annual general meeting here, the media tycoon also admitted to con-

to report a loss of 80 million US dollars, Murdoch said, "oh, it will certainly be that."

In Australia, share prices also closed sharply lower mainly on the back of heavy selling in diversified mining company CRA Ltd. and its ef-

New York's.

Commerce and Information Minister M Shamsul Islam while inaugurating the workshop underscored the need for acquiring knowledge on the Uruguay Round agreements to exploit the opportunities created in world trade by the deal.

"Indeed, we don't have

proper knowledge of the new business laws ... we're still lagging behind," he said while inaugurating a day-long workshop on the Uruguay Round Agreements at the MCCI conference room.

The Ministry of Commerce and Export Promotion Bureau arranged the works-International Trade Centre food

Asian stock markets close lower

fect on other mining compa-

sentiment surrounding Mon-

day's announced merger of

mining assets by CRA and

Britain's RTZ Corp. domi-

stocks overnight also was a

key factor behind the weak-

ness on the Australian mar-

The Sydney's All Ordinar

The markets were closed

WELLINGTON: New

ies Index fell 28.6 points, or

1.4 per cent, closing at

for holidays in Japan and

Zealand share prices closed

lower in light trading. The

NZSE-40 Capital Index fell

MANILA: Share prices

closed lower on continued

concerns over the Philippine

economy because of rising in-

flation. The PSE index of 41

selected issues fell 11.04

14.59 points to 2,081.61.

A heavy decline in US

nated trading activity.

2,062.2.

Taiwan.

A trader said negative

ters and concerned government agencies of the impact of two crucial agreements of the Uruguay Round deal The second second second

(ITC) to apprise the expor-

The agreements are: Uruguay Round Agreement on Technical Barriers to Trade (TBT) and Agreement on Sanitary and Phytosanitary Measures (SPS) which relates to the issue of protection of human, animal or plant life or health.

Islam said knowledge on health related terms in the GATT agreement is needed to maintain the export tempo hop with assistance from of shrimp, leather and frozen

SEOUL: Share prices

closed lower on profit-taking.

The Korea Composite Stock

Price Index fell 4.13 points

closed lower in thin trading

after market players took

their cue from the overnight

fall in the Dow Jones Indus-

trials Average index. The 30-

share Straits Times Industri-

als (STI) Index fell 23.76

share prices closed broadly

lower in the absence of any

positive news. The KLSE

Composite Index fell 5.75

prices closed lower in this

trading, dragged down by

slumps in Asian and US mar-

kets. The Stock Exchange of

Thailand (SET) index fell

JAKARTA: The stock ex-

change's Composite Index

fell 0.735 points, closing at

4.08 points to 1,317.26.

BANGKOK: Thai share

KUALA LUMPUR: Malaysia

points to 2,114.83.

points to 970.75.

495,994.

SINGAPORE: Share prices

points to 2,600.00.

to 1,004.16.

"There is still a knowledge gap here on the GATT agreements, but we should not loose the market due to ignorance", he said. "We can not protect our interest because we don't know the laws, but the multinational companies know how to protect their interest." Stressing the importance

of acquiring theoretical knowledge on the trade agreement first, he urged the private sector to take stronger initiative to examine important areas of the world trade agreements and make best use of the knowledge in their external trade deals.

Monwarul Islam, chief of functional advisory services section (FASS), of ITC, said the government should prepare the private sector for facing the challenges in the

wake of the GATT deal. He said the developed countries are to be benefited more by the newly framed world business laws, but it also widens the opportunities for the least developed countries (LDCs).

### Iran offers to cooperate with Vietnam in oil projects

HANOI, Oct 10: Iran has offered to cooperate with Vietnam in a range of oil projects including exploration and the building of an oil refinery, an official at Vietnam's state oil company Petrovietnam said yesterday, reports Reuter.

The official, who asked not to be named, said the suggestion was made last week during a visit by Iran's President Ali Akbar Hashemi Rafsanjani to Hanoi, and followed a similar offer made by

Tehran in April However, the official gave few details and said no deals

had been signed. A Ho Chi Minh City newspaper reported at the weekend that the two countries had signed a consumer goods exchange agreement and an accord on cultural cooperation during

The newspaper also said

Vietnam had agreed to sell some 300,000 tonnes of rice each year to Iran. The report said Tehran would also receive other products from Vietnam including tea, coffee and rubber

Rafsanjani's visit

The Foreign Ministers of Vietnam and Iran held talks in April this year on a range of economic issues including an Iranian role in Vietnam's planned oil refineries.

At the time, Vietnam's Foreign Minister Nguyen Manh Cam said Hanoi could export rice, coffee, tea and rubber to Tehran and buy fertiliser and oil products in return.



Nurul Husain Khan, Chairman, Board of Directors, Eastern Bank Limited, seen

### China's central bank outlines plan to bring down inflation

10 per cent in 1996, the bank hopes to hold price increases to 6 per cent to 7 per cent "in a number of years to come," Dai said. China's 1996-2000 economic plan projects a growth rate of 8 per cent per year.

In 1994, the average annual retail price index was 21.7 per cent.

investors have voiced concerns that initial success in controlling price rises would prompt Chinese leaders to relax credit, spurring another round of inflation.

bank in June.

While overall credit will be Although the central bank strictly controlled, the cenagriculture, transportation energy and other key infrastructure projects.

> unchanged," Dai said. He added that more selective lending will help control inflation.

yuan (8 billion dollars) in annual state subsidies to sur-"We will make no loans to

tary policy over the next five has been given more inde- tral bank will given more pendent in recent years, credit in some key areas. Chinese leaders largely dictate overall monetary policy Dai's comments elaborated on decisions made last month at a behind-closed doors, high level Communist Party meeting. Western economists and

> "Control of inflation will remain a top priority." Dai told reporters at a press conference, his first since he was appointed head of the

"The general policy of tightening credit to an appropriate degree will remain

He also said that the bank will not be so generous to inefficient state enterprises, which need about 70 billion

enterprises that are unable to pay them back," he said



inaugurating eleventh branch of the bank at Jubilee Road, Chittagong recently. Mir Nasir Hossain, Md Showkat Ali Chowdhury, Directors and M Aminuzzaman, Deputy Managing Director are also seen.