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BUSINESS

DHAKA WEDNESDAY, APRIL 17, 1996



HYUNDAI

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Britain takes initiative to boost bilateral trade with Bangladesh

Britain will dispatch at least three high-level trade missions to Bangladesh within a period of four months beginning October this year to boost bilateral trade and investment, reports UNB.

The first of these missions, a joint delegation of the Chambers of Leeds and Bradford, is scheduled for October 1996 and the second, a delegation of the Northern Development Company — based in northeast of England — is due in February 1997.

But the most important mission, being planned for early 1997, will be led by Martin Lang, the chairman of the Board of Trade, Department of Trade and Industries (DTI).

The schedules, as DTI officials in London pointed out, indicated Britain's growing interest in further promoting trade and investments in Bangladesh.

"We are taking quite a lot of trade initiatives into Bangladesh," said Neil Semple, Desk Officer for Bangladesh at the DTI. But he went on to add: "Bangladesh has so much of potentials and that could be tapped if there was no tur-

moil." Like other officials and businessmen, he echoed the concern at unabated political turmoil that bedeviled Bangladesh and hoped that the unrest would be short-lived so that the potentials could be exploited for mutual benefit.

British officials in general appreciated Dhaka's macro-economic performance, but at the same time voiced concerns about further reforms, particularly in the financial and public administration sectors.

"A lot of things still need to be done... The institutional framework has to be right," observed one British official.

British companies are interested in investing in energy, power, gas development projects and telecommunication and communications sectors. Already, companies like Cairo Energy and Midlands Power International have been in Bangladesh and Lasmco Plc, another British oil company, also showed interest in the country.

There are some British private companies, according to the officials, who are interested to come with investment in the ports sector. But they pointed out that both power

and ports are "highly politically sensitive sectors".

DTI officials sounded quite upbeat about business prospects in Bangladesh and pointed out that bilateral trade kept flourishing in recent years against all the odds.

Bilateral trade increased both ways over the years and quite interestingly, it has been in Bangladesh's favour — due largely to British imports of larger volumes of garments, textiles and yarn.

But British officials expressed satisfaction that their exports to Bangladesh showed signs of increase and last year (1995) they registered a growth of 60 per cent. Bangladesh is Britain's 76th largest market.

The recent rise in British exports to Bangladesh resulted from the latter's imports of more of such items like industrial machinery, reconditioned machinery, power generation equipment, chemicals and cereals.

On the other hand, Bangladesh has potentials for exporting more of such items like food, fruits, vegetables and fish and there could be British investments in processing of these items.

DTI officials referred to the South Asian Advisory Group (SAAG) which had been formed to promote trade and investment in the region, including Bangladesh. Two SAAG missions to Bangladesh in 1994 and 1995 yielded encouraging results so far, it was learnt.

Peter Lee, managing director of Mott-MacDonald, a Cambridge-based construction and civil engineering company, said: "We are not taking a short-term view of Bangladesh... We have a long-term view of your country and that looks quite positive."

"We are not put off by short-term problems, but that should be sorted out quickly. We are still optimistic about the long-term potentials of Bangladesh," Lee who led the latest SAAG mission to Bangladesh last November, said referring to the recent political unrest.

DTI will consider how it could help Bangladesh with the state of art technology in developing its nascent stock exchanges. Besides, DTI officials said, a British Commercial Information Centre will be opened soon at the Dhaka Chamber of Commerce and Industry (DCCI).

IPDC considers investment of Tk 75m in 2 projects

The 45th meeting of the Board of Directors of the Industrial Promotion and Development Company of Bangladesh Limited (IPDC) held recently considered investment of Taka 45 M for setting up a joint venture single super phosphate fertilizer producing unit and Taka 30 m in the expansion of an existing blank audio cassette manufacturing unit, says BSS.

The projects when completed will create additional job opportunities for 392 persons.

The board also have clearance-in-principle for management to investigate four investment proposals amounting to possible IPDC investment of Taka 150.0 m in areas of pet bottles, broiler farm, leather shoe for export and assembly of electronic control devices and instruments.

The board approved the accounts for the year ending 31st December 1995. Pre-tax profit for 1995 increased to Taka 37 M from Taka 21 M in 1994 (1993-Taka 9 M). The board expressed satisfaction at the results achieved and at the progress made in various areas including business development, loan approvals and collection of dues.

Ziaul Haq presided over the meeting.

Indian housing scam

10 officials arrested for taking bribes from govt employees

NEW DELHI, Apr 16: Ten officials, including aides of two former Cabinet ministers, were arrested for allegedly accepting bribes from thousands of government employees seeking subsidised government housing, reports said Monday, reports AP.

The 10 officials allegedly took up to 50,000 rupees (1,400 dollars) from each of the nearly 8,000 employees and put them into government apartments when they were on long waiting lists for such accommodations. The Times of India and the Pioneer said.

The arrests — the first ones in an 18-month investigation — could further discredit Prime Minister P V Narasimha Rao's government, which faces a national election beginning April 27, and already is reeling from a major bribery scandal.

Seven ministers resigned from Rao's Cabinet this year after being charged in the bribery scandal with accepting payoffs from an Indian business family in return for government contracts.

Leaders of India's two main opposition parties, the Hindu

nationalist Bharatiya Janata Party and the socialist Janata Dal also were charged in the 27 million dollars bribery scandal.

On Sunday, the 10 government officials in the housing scandal were produced before

Taiwanese consume 3.2 m liters wine

TAIPEI, Apr 16: Taiwanese people drank 3.2 million liters of Red Wine worth 1.5 billion Taiwan dollars (55.1 million US) last year, showing a great market potential on the cash-rich island, the United Evening News reported yesterday, says AP.

The consumption was an increase from 2.21 million liters in 1994, and the quantity is expected to go up further this year, it said.

Expensive French brands like Lafite Latour, Margaux, and Haut-Brion costing at least 2,000 to 3,000 Taiwan dollars are the most popular, with some business executives polishing off two-to-three cases a dinner, the paper said.

a magistrate who sent them to jail pending a bail hearing. None of them has been charged yet.

They include five people who worked as assistants to Sheila Kaul, the former Urban Development Cabinet minister, and her deputy minister, P K Thungon; one of the assistant's sons; and four officials who work for the Urban Development Ministry or the Meteorological Department, reports in newspapers said.

So far, none of the 8,000 employees who allegedly paid a total of nearly 400 million rupees (11.2 million dollars) has been arrested, the reports said quoting officials of the Central Bureau of Investigation, India's equivalent of the FBI.

On Sunday, the CBI also sought the president's permission to integrate Sheila Kaul, the former urban development minister, in the housing scandal. Ms. Kaul enjoys immunity from prosecution because she is now serving as a governor in the northern state of Himachal Pradesh.

Dairy farmer fined £10,000 for false claim in UK

WORCESTER, England, Apr 16: A dairy farmer who falsely claimed that four cows he sold at auction had come from a herd free from "mad cow disease," was fined 10,000 pounds Monday, reports AFP.

Joseph Roper signed a Ministry of Agriculture declaration which stated that the friesian cows he sold last August and September had come from a farm that had not experienced Bovine Spongiform Encephalopathy (BSE), or "mad cow disease," within the previous six years.

But magistrates in this western English town heard that Roper had reported a case of BSE in June 1993.

The court heard that trading standards officers were alerted after a vet at Worcester livestock market received results of a routine computer check to verify the farmer's claims.

Roper, 42, admitted four charges of selling cattle and not revealing his herd had been affected by BSE in 1993.

US may lose China's \$ 1.5b plane contract

SHANHAI, Apr 16: China is hinting it gave a 1.5 billion dollars airliner contract to Airbus Industries to punish the United States, but analysts said on Monday the Europeans would probably have won the contract anyway, reports Reuter.

During last week's visit to France by Chinese Premier Li Peng, China agreed to buy 30 Airbus A320 short haul aircraft, giving Airbus industries an important market in the Chinese aerospace sector so far dominated by US company Boeing.

In a speech during the visit, Li accused Washington of blocking China's entry into the World Trade Organisation (WTO) and threatened to favour European business if it did not change tack.

Asked if the plane deal and other contracts indirectly punished the United States for its intransigence over Chinese entry into the WTO and other issues, Li said: "After the end of the cold war, there was peace, but if there is only one superpower in the world, a single nation that seeks to impose its will, the world will become more dangerous."

Dr Mahmud urges bank officials Try hard to overcome losses in industry, trade, commerce

Finance and Planning Adviser Dr Waheed Mahmud has called upon the bank officials to put in their endeavours to overcome the loss caused in the field of industrial output, trade and commerce during the last couple of months, reports BSS.

Speaking at a meeting attended by the Governor and Deputy Governor of the Bangladesh Bank and Managing Directors of all nationalised and private banks on Monday Dr Mahmud laid stress on the extension of possible credit facilities to the real victims as a contingency measure.

He expressed the hope that the bank executives would identify the genuinely affected parties and take express decisions in disbursing credits with efficiency and accountability.

He suggested the banks to meet the current capital requirements on priority basis instead of granting long term credits.

Dr Mahmud emphasised the need for intensifying the disbursement of agricultural credit. He asked the bank managements to follow a flexible currency policy to avoid liquidity crisis for meeting the demand for credits.

He said that the government has decided to keep the banking sector at the minimal level and in this connection the government has taken the decision to squeeze the government budget expenditures. Such a step will help extend greater credit facilities to the private sector, he added.

The Governor, Bangladesh Bank, assured that the bank would extend all possible financial cooperation to different banks for meeting their requirement of current capital with to bring dynamism in financial management.

US critic warns against shifting waste-based industries

Leading incineration critic from the United States Dr Paul Connett warned against the adverse effects of shifting the waste-based incineration industries to the Third World countries including Bangladesh with the objective to generate profit in the name of transfer of technology, reports BSS.

He said incineration of toxic technology, became unpopular in the developed West due to harmful effects on human metabolism and degeneration systems caused by the toxic substances released from the wastes through this process.

Dr. Connett made his presentation at a workshop on "Incineration Technology: Approaches, Issues and Alternative" organised by the Bangladesh Environmental Lawyers' Association (BELA) with cooperation from the Bangladesh Agricultural Research Council (BARC) and in cooperation with Greenpeace International held at the BARC conference room in the city.

He said disposal of hazardous waste in the Third World countries in disguise of technology transfer had been accelerated in an alarming proportion due to stringent enforcement of waste management regulation in western countries.

He said incinerators which burn chlorine wastes and products like PVC create hazardous dioxins and other chlo-

rine by-products that are typically more dangerous than the intentionally produced chemicals.

Dr. Connett said alternative to incineration was to separate the wastes and reuse and recycle them.

He suggested prohibiting incinerators merely change the chemical composition of toxic materials, dilute them with a large amount of air and spread them into air, and water and in toxic ash residue into land making it difficult to pinpoint the polluters.

Referring to medical waste incinerator he said it generates acid gases, liberates toxic materials from stable materials, creates toxic by-products, toxic ash and effluent.

He suggested prohibiting burning of any waste particularly plastic and said there were better technology than incineration for management medical wastes.

In reply to a question Dr. Connett said plan for burning of mad cows in the United Kingdom is an "extremely arrogant" decision and will pollute the whole environment.

He expressed apprehension in destroying the pathogens in mad cows by burning.

Secretary General of BELA Dr Mohiuddin Farooque, Greenpeace representative Ann Leonard and BARC member-director Dr. Nuruzzaman also spoke on the occasion.

BB Governor asks banks to be more cautious in project-appraisal

Bangladesh Bank Governor Khorsheed Alam Monday asked the bankers to be more cautious in project-appraisal to help projects become viable in the long run, reports UNB.

The central bank governor made the advice while inaugurating a two-day seminar on "Development and Finance of Exports of Bangladesh" in the conference room of Bangladesh Bank.

Alam, in his address, also said export-led growth is very important for a developing country like Bangladesh in the present competitive world environment.

"The growth of export is the most important aspect for our economy and efforts should be made to boost exports by diversified activities," the governor said.

Presided over by Deputy Governor Mahbubur Rahman Khan, the opening session of the seminar was also addressed by Economic Adviser of Bangladesh Bank and Convenor of the Seminar Management Committee Faruquddin Ahmed.

Senior executives of Bangladesh Bank, Nationalised Commercial Banks (NCBs), International Monetary Fund (IMF) and Asia Foundation were present at the inaugural function.

Singer opens showroom-cum sales centre at Narsingdi

Mohammad Ayub, Deputy Commissioner of Narsingdi inaugurated the 57th Singer showroom-cum-sales centre at Narsingdi on Monday, says a press release.

Mahbub Jamil, Chairman and Managing Director of Singer Bangladesh Limited, presided over the inaugural function.

The function was attended by officials from different professional organisations like banks, insurance companies, NGOs along with local elites, senior managers, sales & marketing executives of Singer Bangladesh Ltd, were also present to mark the occasion.

Govt spending cut to curtail British Council activities

LONDON, Apr 16: Government spending cuts will force closure or curtailment of British Council activities in at least 30 countries with the loss of between 700 and 800 jobs, according to its director, Sir John Hanson, reports AP.

The list of closures of the offices promoting British culture abroad is still being assessed, Hanson said, and he won't identify the countries involved before the staff affected are informed.

"There will be an announcement within four weeks," Hanson said. He said the council will completely shut down in about 14 countries — seven of them this year — while reducing work to a minimum in 18 further countries and ending work in 25 to 30 cities.

Hanson said there will also be 350 job losses among the council's 1,160 staff in the United Kingdom.

Hanson met with media arts reporters to discuss problems caused by a 16 per cent cut in the council's grant from the Foreign and Commonwealth Office and the Overseas Development Association.

Citi Islamic Investment Bank to be launched

Citibank will launch a new bank to serve the needs of investors and businesses who require special financial services conforming to Sharia, says UNB.

The Citi Islamic Investment Bank, capitalised at 20 million US dollars initially, would be launched in the Gulf state of Bahrain in July.

The decision was taken at a meeting of the Gulf Economic Forum in Bahrain on April 9, according to a message received here Monday. This follows the formal approval from the Bahrain Monetary Agency received last month.

Speaking to a group of international people and political leaders attending the Forum, Citibank Vice-Chairman William R Rhodes said: "We believe this new venture represents the first Islamic bank to be launched as a stand-alone business by a major international bank. It demonstrates our dedication to serving customers around the world who need and expect a wide range of different services."

"The Islamic banking market is growing fast and we at Citibank expect to develop our product offerings still further in this competitive market sector," he added.

Mohammed Al-Shroogi, Citibank's regional director for the Gulf and Levant region, and a 20-year veteran of the corporation, will become the first

Chairman of Citi Islamic Investment Bank board.

The Managing Director will be Shaikat Ali Memon, who has also had a long experience with Citibank in different parts of the Middle East and Africa.

The bank will be a 100 per cent-owned subsidiary of Citicorp Banking Corporation and be headquartered in Bahrain, where Citibank already has a major banking presence dating back 26 years.

Citibank has been providing Islamic banking services to investors and financial institutions since the early 1980s, through its offices in Bahrain and London. With the creation of the Islamic bank, it will now formalize the range of products and services available and continue to tailor them to the special needs of customers.

New customers will be sought throughout the Islamic world, including the Middle East — particularly countries in the Arabian Gulf — North Africa and Asia and anywhere else where a market exists. The Citibank branch network in 98 countries worldwide, including 76 "emerging markets", will cooperate with the Citi Islamic Investment Bank in achieving its objectives.

The bank has already managed assets totalling more than US dollars 1 billion for Islamic investors.

Bankruptcy rises to record high in Japan

TOKYO, Apr 16: Total debt at bankrupt Japanese companies rose 32.7 per cent to a record high in the fiscal year that ended in March, fuelled by a series of major failures at financial firms, a private research company said yesterday, reports Reuter.

Tokyo Commerce and Industry Research Co said that despite signs the economy was recovering from a five-year slump, conditions remained tough and bankruptcies were likely to continue increasing.

The government has declared that the economy is recovering, but overall bankruptcies are fluctuating monthly and are still in a rising trend, it said in a report. The reports said although the key barometer of the Tokyo stock market, the Nikkei average, had recovered to above 20,000 points and exchange rates had stabilised, other problems continued to undermine the economy, including unemployment, domestic political instability and uncertainty about the health of foreign economies.

Bankruptcy debt totalled 8.63 trillion yen (79.1 billion dollars) in the fiscal year, exceeding the previous record of 8.14 trillion yen (74.6 billion dollars) which was marked in the 1991/92 fiscal year when Japan's economic "bubble" of inflated land and stock prices had begun collapsing.

Clinton proposes \$ 400m shift in Pentagon spending

WASHINGTON, Apr 16: President Clinton wants to cut about 400 million dollars in military weapons purchases and military research to help pay for the Bosnia peacekeeping mission and an anti-drug effort, reports AP.

The request, detailed in documents obtained Monday by The Associated Press, indicates the White House is expecting the Bosnia operation to cost at least 50 million dollars more than previously estimated.

Of the 400.4 million dollars in proposed savings, 250 million dollars would go toward the administration's anti-drug effort and 150.4 million dollars for the Bosnia mission.

Although the Bosnia request represents only a fraction of the roughly 2.5 billion dollars the Pentagon now expects to spend on the yearlong peacekeeping mission, it may

be the most hotly contested amount.

Up to now, Clinton has proposed paying for the Bosnia operation through savings due to lower inflation estimates and by taking unspent funds from the National Reconnaissance Office, a secret spy satellite agency. The latest installment would come from cuts in weapons programmes and military research and development that were added by the Republican controlled Congress.

The Department of Defence's position is that virtually none of these items were requested and are congressional add-ons," a White House official said, speaking on condition of anonymity. "Our hope is that they'll see the wisdom and follow our guidance."

Clinton notified Congress of the proposed shift in spending in a letter to House Speaker

Newt Gingrich last week.

Assuming Congress passes a pending budget bill that contains some Bosnia money, this latest request would bring the total spent on Bosnia this year to just under 2 billion dollars. The administration is seeking an additional 542 million dollars for Bosnia in its budget request for next year.

Offering justification for the proposed cuts, the White House said some programmes duplicated related Pentagon spending while others could be cut without affecting the military's ability to carry out its basic mission.

Republicans have criticised Clinton on the rising cost of the Bosnia operation while accusing him of shortchanging the Pentagon on such basic needs as ammunition and trucks.

Directorate General Defence Purchase
Ministry of Defence
New Airport Road, Tejgaon, Dhaka-1215

Tender Notice

1. Sealed tender in Local/Foreign currency are invited from bonafide manufacturer's/Supplier's/Indentor's/Dealer's (enlistment with this Directorate General is not necessary) for supply of following items for Bangladesh Army:

Serial	Nomenclature	Qty.	Selling Date	Date of Opening	Cost of I/T and currency
a.	Walkie Talkie Base Sta complete with accessories compatible to Radio Set GP-300 + 5% fast moving and 2.5% slow moving spares.	O2 Nos	22-4-96 to 6-5-96	8-5-1996	Taka 20.00 Foreign Currency

2. Detailed specification, nomenclatures and quantity of items have been mentioned in the tender schedule. The tender schedule will be available on cash payment against the mentioned amount (not refundable) at above mention dates on any working day between 0800 hrs to 1300 hrs. The tender will be opened on aforesaid date at 1000 hrs in presence of all tenderers.

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Major
for Director General

IJO's project committee session today

The 25th session of the project committee of the International Jute Organisation (IJO) begins here today, reports UNB.

Hadi Wazarabi, Ambassador of Indonesia and the current chairman of the committee, is expected to chair the two-day session.

The meeting of the project committee will be followed by another two-day session of the International Jute Council (IJC), the policy making body of IJO, according to an announcement of IJO.

Adviser to the ministries of Jute, Textiles, Commerce and Industries S B Chowdhury will inaugurate the IJC meeting at a local hotel on April 20.

Representatives from five IJO exporting members and 22 importing member countries will attend the IJC session. It will also be attended by observers from non-IJO countries, international, inter-governmental and non-governmental organisations.