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The Daily Star BUSINESS

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**HYUNDAI**

CARS THAT MAKE SENSE

US to provide \$9m additional support for family planning

The United States government signed an agreement yesterday to provide more than 9.3 million dollars in additional support for family planning and health programmes in Bangladesh, says a USIS press release.

Lisa Chiles, Acting Director of the US Agency for International Development (USAID), and Mohammad Shahidul Alam, Additional Secretary in the Economic Relations Division of the Ministry of Finance, here signed the agreement on behalf of their respective sides.

The agreement increases the funding level for the bilateral component of the Family Planning and Health Service Project from 61,209,591 dollars to 70,589,743 dollars. The ten-year, 283 million dollar project will improve the coverage, quality, and sustainability of family planning and maternal and child health services provided by the ministry of Health and Family Welfare, the Social Marketing Company, and NGOs. It also provides support for applied and demographic research, communications, and procurement of contraceptives.

USAID has been a significant donor in Bangladesh, providing policy leadership and promoting private sector and NGO involvement in health and family planning since 1974.

Private sector initiatives include the establishment of the National Social Marketing Company, which now has 130,000 retail outlets. A large network of NGOs was also developed to provide family planning services to 20 per cent of the contraceptive users, and mother/child health services to many Bangladeshi families.

USAID also supports applied field research through the International Center for Diarrhoeal Disease Research, Bangladesh, which has led to better policies, management and programmes.

Malaysia will review foreign labour policy

KUALA LUMPUR, Sept 23: Malaysia will review its overseas labour recruitment policy after receiving complaints that foreign workers were involved in violence and causing social disturbances, local newspapers reported yesterday, says Reuters.

Deputy Prime Minister Anwar Ibrahim was quoted as saying on Saturday that the government had received numerous complaints about foreign workers from the public.

"We will look into it (policy) now," Anwar, who is also Chairman of the Cabinet Committee on foreign workers, was quoted as saying The Sun.

"We have received several complaints and objections on their employment. That is why we are studying the matter so that we can come up with solutions," he was quoted as saying by The Star.

Two days earlier, a factory security guard was beaten up by a group of Bangladeshi workers when he tried to stop one of them from bringing friend into the factory house.

The worst incident took place on September 10 when seven Bangladeshi workers were seriously injured in a fight involving 70 Bangladeshi and residents of a village in southern Johor state. The cause of the fight was not known.

Indonesia to give tax exemption for ASEAN travellers

JAKARTA, Sept 23: Indonesia is to give a tax exemption for people travelling from Indonesia to ASEAN countries, according to a report in the Jakarta Post daily.

Air travellers other than foreign tourists leaving Indonesia currently have to pay an exit tax of 250,000 rupiah (108.7 dollars), while those travelling by ship must pay 100,000 rupiah.

ASEAN groups Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

Hartanto said the tax exemption regulation has been released but declined to say when it would be implemented.

ASEAN currently has three growth zones: One involving northern Sumatra, southern Thailand and Penang in Malaysia, and another involving Singapore, the Malaysian state of Johor and Indonesia's Riau province.

The third includes the southern Philippines, Brunei, the eastern Malaysian states of Sabah and Sarawak and the Indonesian provinces on Borneo and Sulawesi Islands.

Workshop on Prospects of Guarantee Financing in Bangladesh

'The poor should get subsidy on interest rate of loan'

"The poor are the engine of growth. Growth should come from their efforts," said Dr Attur Rahman, a noted economist of the country and Director of Sonali Bank, in his presidential address to the inaugural session of a workshop at a local hotel, says UNB.

The two-day workshop on 'Prospects of Guarantee Financing in Bangladesh: Sharing of National and International Experiences' was organised by Credit and Development Forum, a networking organisation of 295 credit supplying NGOs in Bangladesh.

"Lack of income is not the main problem of the poor, the problem is how to get access to the resources," Dr. Rahman said, adding that the legitimate resources of the poor were going to wrong hand, misused and plundered by the rich.

He observed that efforts should be made for giving subsidy on the interest rate of loans for the poor. "This is the right place to give subsidy."

Dr. Rahman said NGOs engaged in poverty-alleviation programme were feeling complacent and moving towards

many directions. They should be centred at such point where they really could create a positive impact.

Addressing the inaugural session as chief guest, ADAB Chairperson Dr Quazi Faruque Ahmed said the NGOs should not expect guarantee only for their money, they should also ensure guarantee of poverty alleviation.

Stressing the need for keeping balance in the financial sustainability between the borrowers and the lending organisations, Ahmed said only 38 per cent NGOs of the country had access to credit from the financial institutions.

The inaugural session was also addressed by CDF Chairman SK Sarkar, who is also the Director, Monitoring and Audit, of BRAC. CDF Director M Yahiya gave a brief resume on the aims and objectives of the workshop.

The purpose of the workshop is to examine alternative financial tools for development financing, guarantee financing in particular, through sharing of national and international experiences among concerned

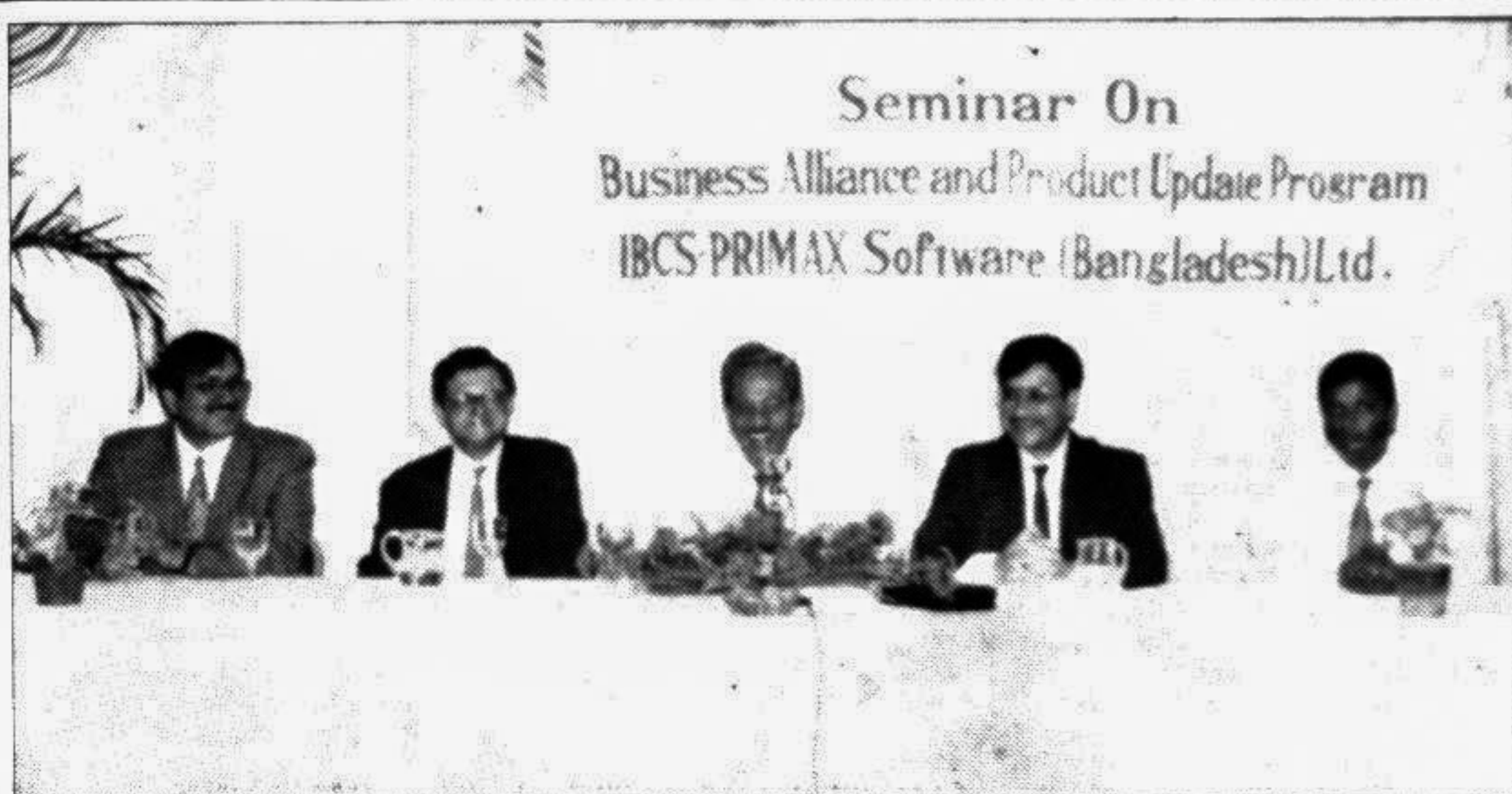
people.

The workshop is being participated by senior executives of various formal and semi-formal financial institutions, NGOs, NCBs and government organisations, who have practical experiences in micro-credit programme for poverty alleviation.

Through presentation of papers, discussion and group exercises, the workshop will try to find out instruments of collaboration for development financing and recommend appropriate mechanism of such financing in Bangladesh.

NGOs in the recent past demonstrated ability and success in providing financial services for entrepreneurs and creating employment and self-employment for the poor. But many NGOs suffer from lack of adequate funds.

On the contrary, nationalised commercial banks (NCBs) have insignificant access to financing the poor but maintain unutilised liquid money. The workshop will discuss this issue for building a partnership in financing the poor.



Oracle Software India Ltd., a subsidiary of Oracle Corporation, Redwood Shores, CA, USA, presented its technology and products in a seminar, organised by its distributor IBCS PRIMAX Software (Bangladesh) Ltd. in the city on Sunday. It discussed how information technology is used in gaining competitive advantages.

Most Asian currencies fall against dollar over the week

HONG KONG, Sept 23: There was little movement in regional currencies, with most markets awaiting the result of a US Federal Reserve Board meeting which is expected to raise interest rates, dealers said, reports AFP.

JAPANESE YEN: The yen got caught in a narrow trading band against the dollar during a holiday shortened week, changing hands at 109.80 to the dollar late Friday, down 0.43 from a week earlier.

The Japanese unit started the week at 110.08 Tuesday and stayed above the 110 mark Wednesday on expectations of a US interest rate at the US Federal Reserve board meeting set for September 24.

SINGAPORE DOLLAR: The greenback closed weaker at 1.4085 Singapore dollars, from the previous week's finish of 1.4095, but is expected to rebound next week amid expectations that the US Federal Reserve will raise interest rates.

HONG KONG DOLLAR: The Hong Kong dollar closed at 7.732-7.733 to the US dollar Friday, unchanged from last week.

INDONESIAN RUPIAH: The Indonesian currency closed

trading at the end of the week at 2,236 rupiah to the dollar, three rupiah weaker than at closing the previous week.

MALAYSIAN RINGGIT: The ringgit ended the week 31 points lower at 2.5010 to the US dollar from 2.4979 last week, due to a more bullish dollar. This was the first time in five months the local unit had fallen below the 2.5 level.

PHILIPPINE PESO: The Philippine peso depreciated from 26.231 pesos to the dollar on September 13 to 26.239 pesos to the dollar Friday.

SOUTH KOREAN WON: The won weakened from 822.30 won per dollar a week ago to 825.80 won to the greenback Saturday.

TAIWAN DOLLAR: The Taiwan currency advanced slightly to close Friday 27.495 to the US dollar on light trading, up 0.2 Taiwan cents from the previous week's finish of 27.501 due to a lack of fresh incentives.

THAI BART: The Bank of Thailand Exchange Equalization Fund Friday fixed the official mid-rate at 25.38 baht to the dollar, unchanged from the previous week.

NEW ZEALAND DOLLAR: The New Zealand dollar closed Friday worth 70.14 US cents, up from the 69.56 closing of a week earlier.

Pacific Eagle to begin scheduled flights Nov 17

KUALA LUMPUR, Sept 23: Malaysia's second national airline, Pacific Eagle, will begin scheduled flights on November 17, Airasia Sdn Bhd Director Tik Mustaffa was quoted as saying in the Business Times on Monday, reports Reuters.

He told the daily the airline would begin with scheduled chartered flights to three regional destinations, Thailand, the Philippines and Taiwan. It plans to go global in five years.

The airline is operated by Airasia, 85 per cent owned by Hicom Holdings Bhd and 15 per cent by Mofaza Air Sdn Bhd.

The airline's main focus would be the tourist market, he said. "If you look at the increase in passenger traffic, it is quite high and we are taking the opportunity to fulfill demand," Tik said.

Airasia has authorised capital of 50 million ringgit and paid-up of 22 million. Initial investment will be around 700 million ringgit which covers operations costs, networking capital and the lease of two Boeing 737-300s for two years, Tik said.

At present Malaysia's sole national carrier is Malaysian Airline System Bhd.

The country has a number of other small airline companies which provide local and regional services, but only Pacific Eagle has been officially designated as the second national carrier.

Poorly-paid Russian scientists heading towards Asia

MOSCOW, Sept 23: Russian scientists, poorly paid and starved of research funding at home, are heading abroad: this time to Asia, reports IPS.

They take with them ideas and new product concepts that translate into big bucks for Korean, Taiwanese and Chinese businesses which are getting a headstart in the commercial race for technological innovation.

But this poses a dilemma for Russian companies struggling to protect their intellectual property rights, says Russian minister of Science and Technology Boris Saltykov. "While Western nations are prepared to deal with intellectual property problems in an ordered way by signing bilateral agreements, Asians would rather not make any commitments, limiting themselves to contracts with private individuals, he says.

'As a result is sometimes

enough for a single specialist to leave for a whole research area to disappear off the map, Saltykov adds. Top destinations include rapid-growth industries in South Korea, Taiwan and China.

He cited the innovative adamantite coating for video heads, now widely advertised by the South Korean electronics giant Samsung but developed by the Moscow based Kurchatov Institute. Russia's leading think-tank in space technologies. The one-off deal raised just US 30,000 a fraction of what could have been earned from a standard international manufacturing license, he said. Samsung currently employs close to 100 Russian specialists.

Asian partners say the deals are legal and in keeping with patent laws and the Berne convention. Moscow argues that Asian firms are taking advantage of desperate scientists

starved of traditional state funding since the move to a free market economy in Russia.

In 1993, just 61 of Russia's leading academic and other research institutions were granted the status of state institutions for which the government is supposed to guarantee financial support over 3,500 research centres and institutions were in effect left to fend for themselves. But it soon became clear that there was no money even for the few 'elite' centres.

Last year scientists set up the association of state research centres to lobby for changes.

It is headed by Professor Gherman Zagaynov, former Director of the Central Aero-Hydrodynamics Institute, the first research centre to win status of a state research institution, and a full member of the Swedish Royal Engineering Academy.

Torrential rain in CHT damages jume production

CHITTAGONG, Sept 23: The jume cultivators in Chittagong Hill Tracts have fallen in distress for harvesting their crops due to torrential rain in the hill tracts region since last five days, reports BSS.

The tribal people usually gather their crops at the end of the month of September, but this year the crops are badly affected due to inclement weather on the eve of the reaping of the crops.

According to Agriculture Department sources about 25 per cent out of the total production target are expected to be damaged due to unfavourable weather.

About 90,000 acres of jume land are cultivated in three hill districts per year, the rural tribal people produced their major portion of annual food from this jume cultivation. Besides the paddy, cotton, mustard seed, ginger, pepper, turmeric, and sweet gourd are being cultivated in the jume land.

UCB opens 78th branch

The 78th branch of United Commercial Bank Ltd was inaugurated at Mohakhali Commercial Area of Metropolitan Dhaka on Sunday, says a press release.

Speaking on the occasion M A Yussouf Khan, President & Managing Director of the bank, assured that United Commercial Bank will continue to make sincere efforts to honour the trust reposed on it by the clients.

He said that the bank's services are being modernised and streamlined to meet the ever increasing needs of the clients.

Further he underlined that the new branch will cover all banking needs of the local business community helping growth of trade, commerce and industries.

Advocate Abdur Rahman and Mohammad Selim, Managing Director Bangladesh Erectors Ltd, spoke on behalf of the people of the area.

The function was also attended by KC Rezaul Huq, Hamidul Huq and N H Chowdhury, deputy managing directors, Hajeer M A Kalam, Abdul Gaffar Chowdhury and Bazar Ahmed, directors of the bank.

ILO report Farmworkers in most states exist below poverty line

GENEVA, Sept 23: Farmworkers are bottom of the league of the world's wage-earners, existing well below the poverty line in most countries, the International Labour Organisation (ILO) said today, reports AFP.

The UN body said in a report that in 40 per cent of the 45 countries it had reviewed farmworkers did not even receive a subsistence wage. Most had no social security protection and many were at serious risk from pesticides.

The report was issued as representatives of employers, workers and trade unions prepared to discuss the problem in an ILO-organised conference here from Monday to Friday.

The ILO noted that farm labourers on average worked for only 175 days a year, being left virtually without income for the rest of the time. In 18 of the 45 countries covered, real wages had fallen in the past decade and in eight others they had not progressed.

The report estimated at 440 million the number of wage-earning farmworkers in the world out of a total of 1.1 billion in the sector, a third of them women and another third children in some developing

countries.

Nearly 80 per cent are in Asia (60 per cent in China and India alone), followed by 14.3 per cent in Africa and 3.6 per cent in Latin America.

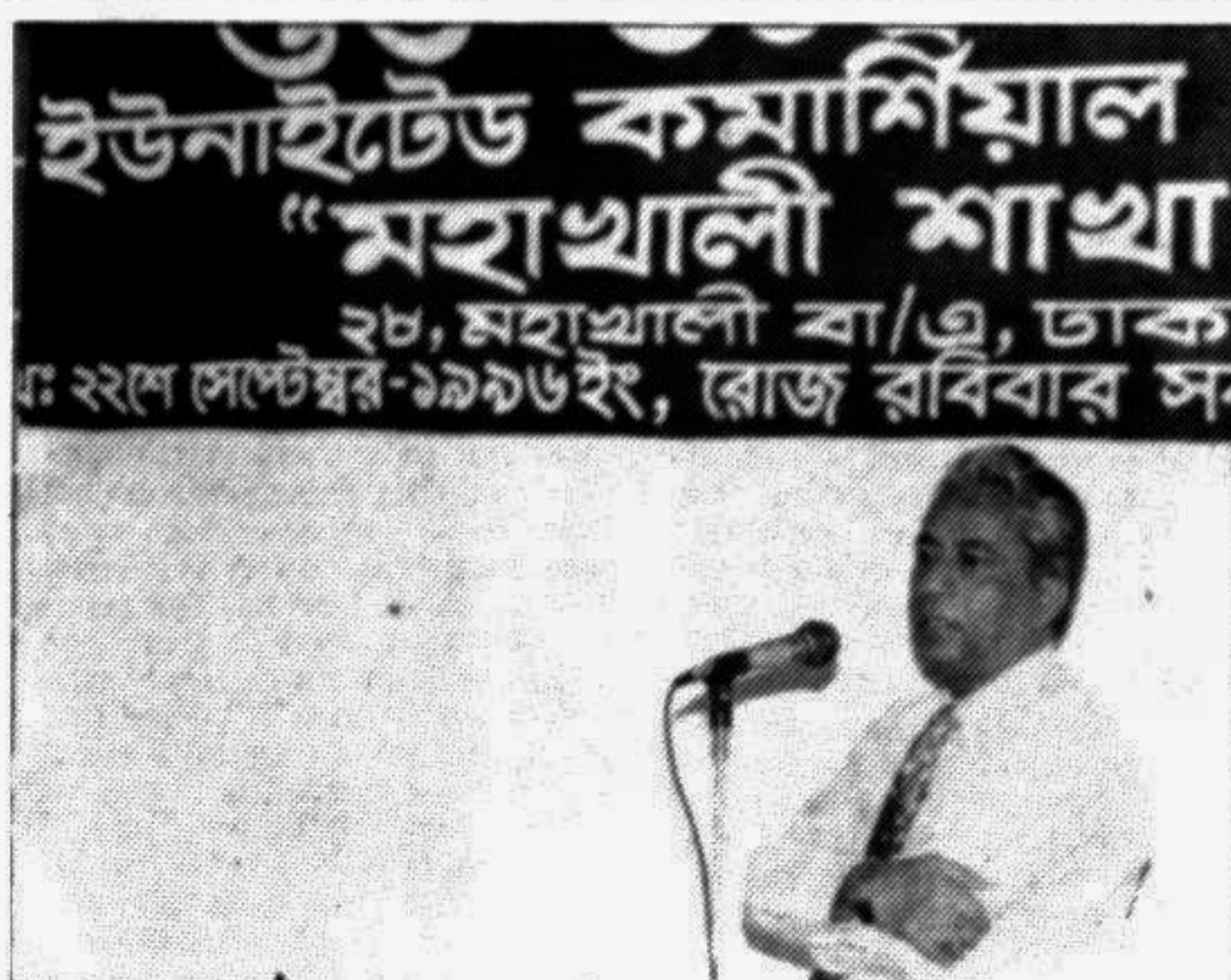
Highlighting the danger from pesticides, the ILO said that even in the United States the US environmental protection agency classed agriculture as one of the three most dangerous activities and put the number of those poisoned each year at tens of thousands.

In Costa Rica, the report said 4.5 per cent of the agricultural workforce suffered similarly each year.

The ILO said labourers were also at greater risk from accidents while working or during transport to and from the fields, often packed into trucks in 'inhuman' conditions.

The ILO put the subsistence wage level at the ability to pay for a kilo (2.2 pounds) of basic food grains with the income from an hour's work.

The ILO predicted that over the next 10 years the six of the agricultural workforce would continue to rise in the world, but would come down in Eastern Europe and the countries of the former Soviet Union.



M A Yussouf Khan, President and Managing Director of the United Commercial Bank Limited speaking at the opening of the 78th branch of the bank at Mohakhali in the city on Sunday.

China accuses US of playing politics with trade ties

BEIJING, Sept 23: Chinese Foreign Minister Qian Qichen has accused the United States of playing politics with trade ties and spoiling overall relations, the state-run China Daily reported Monday, according to AP.

Qian's assessment came as Wu Yi, China's foreign trade minister, prepared to visit the United States Thursday and Friday for talks with Commerce Secretary Mickey Kantor.

"The two countries could well carry out better cooperation, which is, however, not always free from the undesirable political factors of the American side," the China Daily quoted Qian as telling US business executives in Chicago Friday.

Qian cited the annual congressional debate on whether to extend China's routine trading rights and Washington's preconditions for Beijing's entry to the Geneva-based World Trade Organisation.

He urged Washington to remove the annual reviews of China's 'most favoured nation' trading status. The debates give Congress a chance to bash China for abuses on human rights and other issues.

"The mutual granting of MFN treatment on a reciprocal basis by China and the United States is a basic condition for their normal trade. Rather than a unilateral favour, it meets the

needs for mutual opening and common prosperity," Qian said.

In addition to trading rights and entry to WTO, Wu is also likely to raise a 19 million dollars fine Washington imposed after it found China had shipped textiles through third countries to evade a quota agreed to in 1994.

Beijing's ballooning trade surplus has also become an irritant. Washington claims China exported 33.8 billion dollars more than it imported from the United States on two-way trade

last year of 45.4 billion dollars. In June, the United States trade gap with China surpassed that with Japan for the first time.

China maintains that the US figures are wrong because they include unfinished manufactured goods that are sent to Hong Kong for finishing before being shipped to the United States.

Wu is known as a tough negotiator and faced off with Kantor in negotiations on eliminating piracy of US movies, music and computer software.

Euro commissioner to Britain Explain cattle cull cutback

KILLARNEY, Ireland, Sept 23: European Farm Commissioner Franz Fischler has demanded that Britain provide its EU partners with a full explanation of its decision to renege on an agreement to slaughter 147,000 judged at risk of developing 'mad cow disease,' reports AFP.

Fischler, who has made no secret of his fury at the British move, said here he would seek a bilateral meeting with British Agriculture Minister Douglas Hogg on Monday morning.

EU farm ministers are meeting here for talks intended to focus on ways of restoring confidence in the decimated beef sector, which are set to be over-

shadowed by the row over Britain's decision to shelve the cull.

Fischler reiterated the commission's rejection of new scientific evidence indicating that bovine spongiform encephalopathy (BSE) would die out naturally by 2001 regardless of whether Britain implements the cull agreed by EU leaders at their Florence summit in June.

"Nothing has changed," Fischler said. "The Florence agreement stands."

Fischler said he was still awaiting a document from London outlining the rationale behind the British move.

French envoy calls on Matia

Ambassador of France in Bangladesh Ms Renne Veyret called on Agriculture, Food and Relief Minister Begum Matia Chowdhury at the Bangladesh Secretariat yesterday, reports UNB.

They discussed matters of mutual interest, said an official handout.

Lufthansa appoints new director for South Asia

Lufthansa announces the appointment of Viktor Pompe as its new Regional Director for the passenger division in South Asia with effect from October 1, 1996, says a press release.

He will replace Michael Stier, who, after spending well over four years in New Delhi, takes on a new position as Regional Director for the airline's passenger division responsible for Africa.

Pompe began his career with Lufthansa as a management trainee in 1965 in Germany where he spent the next four years, before moving, on his first foreign posting, to Tokyo, to assume the position of Assistant to the airline's Director for Japan. Subsequent positions included tenures in Osaka, Istanbul, Thessaloniki, London and Frankfurt.

In 1989, he was appointed Regional Director for the part of Africa excluding the states of Namibia and South Africa, before assuming responsibility for the entire continent starting July 1993, a position he held directly preceding his transfer to India.

Japanese investment in Vietnam falls

HANOI, Sept 23: Japanese investment in Vietnam in the first eight months has reached just 335 million dollars, down markedly from the same period last year when it stood at more than 800 million, a report said today, reports AFP.

The Vietnam Investment Review, a weekly business newspaper published by the Ministry of Planning and Investment (MPI), said Japan had fallen from second to fourth in the ranking of foreign investors this year, behind Taiwan, South Korea and Singapore.

Japanese embassy Economy Counsellor Misako Kaji was quoted by the newspaper the biggest projects were already underway and now companies were looking at smaller schemes.

Japanese firms won license for more than one billion dollars of investment last year. Total Japanese investment licensed by the MPI now stands at around 2.4 billion.

While Japanese investors have been looking to move manufacturing off shore because of the strength of the yen and high production costs at home, most have preferred more developed countries than Vietnam.

Many companies have been wary of Vietnam's opaque regulations, heavy handed bureaucracy and lack of infrastructure.

The newspaper quoted another Japanese diplomat as saying investment from Japan would only be moderate in the next three to four years.

S'pore trader jailed for cheating

SINGAPORE, Sept 23: A businessman has been sentenced to four and a half years in jail for conspiring with his father-in-law to cheat the Defence Ministry of 900,000 dollars (642,857 US dollars), the Sunday Times said, reports AFP.

Ashok Kumar Doshi, 40, Managing Director of a freight forwarding and shipping company, was granted bail of 250,000 dollars pending his appeal against Saturday's conviction and sentence, the newspaper said.

Doshi's father-in-law, Edmund Fonseka, is serving five years in jail after pleading guilty to the scam in November. As a former purchasing specialist for the Ministry of Defence, he was responsible for processing insurance claims.

Fonseka thought up a scheme to divert insurance money paid to the ministry to firms set up by his son-in-law bearing names that resemble those of organisations which should have received the cheques, the Sunday Times said.

In one instance, the Insurance Corporation of Singapore issued a cheque for 113,634 dollars in 1990 to Singapore Automotive Engineering or Sae Ltd, for repairing two armoured personnel carriers en route to Australia, it said.

Fonseka, it asked the insurance company to reissue the cheque in favour of Sae Engineering, leading it to believe that it was connected to Sae Ltd. When it was in fact a firm set up by Doshi, the newspaper said.



DHL Regional HR Director Glenn Heidenreich, President of National Press Club Reazudin Ahmed, HOMEBOUND Managing Director Anselm A Quiah, and DHL Country Manager Desmond Quiah inaugurating a plantation programme by planting a Shishu tree at DHL Country office in the city. Showket Hossain, Country Sales & Marketing Manager, Ahsan Parvez, Finance Manager, Md. Ashrafuzzaman and Naila Chowdhury, Customer Services Manager, were also present on the occasion. The tree of DHL plantation programme was sponsored by BTC.