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# WB supports govt request for \$600m ESAF credit

The World Bank's Dhaka Resident Mission chief has thrown his support behind the government move to negotiate with the IMF for a 600 million US dollar credit to meet any contingency in balance of payment, reports UNB.

"It's a very sound, precautionary move... it seems very wise," Pierre Landell-Mills told reporters here yesterday, commenting on the government's request for the amount from the International Monetary Fund.

Finance Minister Shah AMS Kibria, during his recent visit to Washington DC, met IMF Managing Director Michel Camdessus and approached him for the credit under Enhanced Structural Adjustment Facility (ESAF).

Landell-Mills said the support from the IMF would provide an additional cushion for the Bangladesh economy since its foreign exchange reserve has been declining fast, although there is no immediate pressure.

"The move is like good house-keeping... it will benefit the Bangladesh economy," said the official, noting that the move would send a "good signal" to prospective investors about the government plan to maintain macro-economic stability.

The concern of the foreign investors, he said, is the level of

inflation and the reserve of foreign exchange. "One should not have a negative view about the IMF loan," he said, pointing at the "popular misinformation" about the international body.

Economic Reporters Forum (ERF), the association of financial journalists, arranged the discussion on the current economic trend in Bangladesh at the conference room of World Bank's mission in Dhaka.

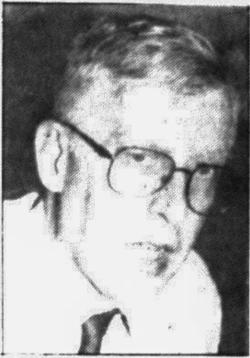
The Bank mission chief avoided a direct answer to a question whether Bangladesh should import power from India or build up its own generation capacity, saying that interconnector among the countries provides advantages.

He cited the examples of the United States, Canada and Mexico, and the countries in Europe where electricity interconnectors are in existence and each country can use the other's surplus power.

But in long term, he observed, Bangladesh should project itself as an energy rich country by developing its natural energy attaching priority on the sector that would allow export of its surplus energy.

Asked if import of power would dampen the possible future investment in the power sector in Bangladesh, Landell-Mills said it might happen if

the country enters into long term agreement for importing power.



Pierre Landell-Mills

Referring to the government's request to extend the Jute Sector Adjustment Credit Programme, he said World Bank and the government are discussing a new programme and there will be an agreement shortly in this regard.

He appreciated the government move to sell out the Hafiz Textile Mills, a jute unit, as a

condition to get the rest 200 million US dollar of the credit programme and said as the programme is not valid now, a new agreement will be signed.

The World Bank mission chief had words of praise about the government's future economic agenda and reform programmes, but said it was too early to judge the commitments made by the new administration in various fields.

The government is very much focused on the need to create business confidence and attract foreign capital, he said. "There is a lot of promising signs on the part of the government to attract investment, create a friendly environment and tackle bottlenecks."

He particularly appreciated the government steps to reform the legal system relating to trade and investment, giving permission to set up private export processing zone and activating the power cell to attract private capital in the sector.

"In Paris, the external community is satisfied and encouraged by the initial steps that have already been taken. But now everybody wants that things are carried forward," Landell-Mills said.

He, however, noted that the real task before the government would be to improve the project

implementation performance, saying that a lot of projects need to be thoroughly reviewed before their implementation as the country needs a more focused ADP.

On the shortfall in revenue collection as anticipated by the performance of last few months, Landell-Mills noted that it was a matter of concern, but said the finance ministry recently asked the revenue department to accelerate revenue collection.

Pointing at the credit expansion, he said credit in recent months has expanded very fast compared to last fiscal year and "some slow-down seems to be prudent."

He also contradicted that the banking circle has excess liquidity. "It is not true that the banking circle has abundant liquidity. Actually, there is a shortage of liquidity in the banking sector," he said.

About the recent investigation by a World Bank inspection panel on the resettlement issue, Landell-Mills said the panel was probing the issue on a complaint from an individual that the guideline set by the bank on resettlement was not followed in the project.

"It's simply a fact-finding panel," he said.

# Fahd urges pvt firms to recruit Saudis instead of foreigners

JEDDAH, Saudi Arabia, Oct 23: King Fahd urged private firms to hire Saudis instead of foreigners as the government tries to guarantee new jobs for 650,000 nationals by the year 2000, newspapers said on Tuesday, reports AFP.

"King Fahd stressed... the importance for the private sector to recruit Saudi labour," said Khaled bin Mohammad Al-Ankari, the Education and Interim Information Minister, who was quoted in Saudi newspapers.

Ankari, who was speaking after a meeting of the Saudi cabinet overnight Monday, said King Fahd urged "the private sector to employ more Saudis to allow them to contribute to the kingdom's development."

King Fahd also called for "improving the education system" to make Saudis more qualified for jobs.

The Saudi government, in its 1995-1999 development plan, announced last year it sought to guarantee 650,000 new jobs for Saudis.

Nearly 167,000 more Saudis will graduate by the year 2000 and will be looking for work, according to figures from the department of labour in Riyadh.

The government last week decided to stop issuing work permits to expatriates in 13 different fields to allow up to 200,000 Saudis find jobs before the year 2000.

Riyadh also decided to issue work permits and residence visas for one year only, compared to two years before, to foreigners in 14 professions and trades, officials said.

The labour ministry's decision adopted this week comes under the Saudi five-year plan (1995-2000) aimed at gradually replacing immigrant workers by 190,000 nationals from now until the year 2000, a Saudi official said.

Six million of Saudi Arabia's 18 million people are foreigners, according to unofficial figures.

# HK businessmen keen to set up \$45m factory in Ctg

The visiting Hong Kong based non-government trade delegation expressed its keen interest to set up a soda ash factory in Chittagong at a cost of 45 million US dollar, reports UNB.

This was disclosed when a six-member delegation led by a leading industrialist of Hong Kong Chan Tang called on state minister for Jute and Textiles AK Faezul Huq at his office here yesterday.

Expressing their interest the delegation members said they would visit Chittagong very soon to study feasibility for setting up the factory.

The delegation also expressed its interest to invest in chemical plant, jute, textiles and real estate sectors in Bangladesh.

Foreign investors have been attracted to invest in Bangladesh following Prime Minister Sheikh Hasina's recent visit to Hong Kong, they observed.

There are ample opportunities to invest in different sectors in Bangladesh, the state minister said, urging the delegation members to utilize the opportunities of free market economy.

He assured all possible cooperation to the investors in establishing mills and factories in the country, says a PID handout.

# Tofael at seminar on networking of trade related institutions Sweeping trade liberalisation by past regime yields 'dubious results'

Commerce and Industries Minister Tofael Ahmed yesterday said the "sweeping trade liberalisation" by the past regime had yielded only "dubious results", failing to bring about expected surge in external trade, reports UNB.

He also identified expansion of regional trading blocks, efforts to incorporate social clause in WTO, proliferation of anti-dumping actions and the threat of rigid applications of environmental and labour standards as the deterrents to growth of Bangladesh's trade.

Inaugurating a seminar at the NEC auditorium here, Tofael said the present government has put emphasis on proper assessment of domestic and global situation in formulating its trade policies.

"Instead of following a sweeping and across the board trade liberalisation measures our approach is to scrutinise the hard facts on the ground and calibrate trade policy ac-

ordingly," he said.

Bangladesh Institute of Development Studies (BIDS), Economic and Social Commission of the Asia and the Pacific (ESCAP) and the United Nations Development Programme (UNDP) jointly organised the seminar on "Networking of Trade Related Institutions in Asia and the Pacific."

Referring to the country's problems in expanding trade despite significant strides in external trade regime, Tofael said there are impediments to the scope for expanding the trade relations with the more prosperous economies of the region.

"Some of these constraints are policy induced while others are structural," he said, adding that two structural constraints — paucity of investible funds and technological backwardness — are also deterring growth of Bangladesh's trade.

Bangladesh, the minister said, will need active cooperation from its trading partners

to overcome these structural constraints.

He said the economic cooperation of the country with the growing economies of the region should be based on investment-trade nexus. "The trading surplus which these countries will have with Bangladesh needs to be recycled for investment here."

These investments should be geared towards enhancing production of labour intensive items with improved technology for subsequent export of the products to the region, he said.

In this context, he said the scope of expanding trade among the region will critically depend on assessment of the nature and the magnitude of the existing structural and policy based constraints and working out appropriate measures for circumventing the same.

Resident Representative of UNDP David E. Lockwood said at the inaugural function that the increasing complementar-

ity of the region's economic structure should stimulate new business and trading opportunities.

Many countries should benefit from approaches towards greater trade diversity in which the regional factor is likely to be increasingly significant.

Research into intra-regional trade issues needs to be stimulated at the regional, sub-regional and country levels, he added.

In this context, David Lockwood informed that UNDP has joined hands with ESCAP to stimulate intra-regional trade research through establishment of a flexible network of research institutions to develop a capacity for intra-regional trade research over the long term.

Eminent economists from national and international organisations are participating in the seminar.

# Netherlands willing to take part in rural electrification

Ambassador of the Netherlands to Bangladesh Robert A. Vornis called on Minister for Energy and Mineral Resources Lt. Gen. (ret'd) Muhammad Noor Uddin Khan at the latter's office here yesterday, reports BSS.

They discussed matters of mutual interest with particular reference to power and energy sectors. The Netherlands envoy showed keen interest to extend cooperation in rural electrification programme of Bangladesh.

The minister thanked the envoy and sought increased cooperation of the Netherlands government in development of the power and gas sectors in the days ahead.



M R Ali, Chairman, Shippers' Council of Bangladesh (SCB), seen presenting SCB Crest to Frank Beaufort, Executive President, Australian Peak Shippers' Association during 19th annual general meeting of Federation of ASEAN Shippers' Councils held in Bangkok recently.

# Workshop on central bank held

A day-long workshop on the "Independence of central bank and the Bangladesh Bank Order, 1972" jointly organised by the Bangladesh Bank and the USAID was held here yesterday, reports BSS.

# Post-budget economic policy package Pak bid to mobilise \$1b thru' spending cuts, add taxes

KARACHI, Oct 23: The central bank of Pakistan announced yesterday a devaluation of the official rate of the Pakistan rupee by 8.5 per cent against the dollar, reports AFP.

The State Bank of Pakistan said in a statement that the new official rate, set by the central bank, was 40.12 rupees to the dollar, compared to the previous value of 36.97 rupees to the dollar.

No reason for the devaluation was given by a central bank spokesman but other bank officials said it was aimed at enhancing the country's exports and bringing the official rate closer to the open market rate.

Foreign exchange dealers said the devaluation came as a surprise. "The decision was shocking and might make the market volatile," said one dealer.

"We are not giving them (defence) any supplementary funds in this package," the SBP chief said.

He said the economic package included new taxes worth 13 billion rupees (325 million dollars) and provinces had been asked to collect two billion rupees (50 million dollars) by imposing an agriculture tax.

The package could increase foreign travel tax, passport fees, airport tax and petroleum prices by 10 per cent and excise on gas by 10 per cent, he said.

Yaqub said Pakistan's forex reserves stood at 761 million dollars, in addition to gold holdings worth 800 to 900 million dollars.

He said the package represented a "bold step in difficult circumstances" by the Bhutto government as it was "very difficult and risky" politically.

Yaqub expressed hope all political leaders would support the economic package.

# IOE selected for Int'l Gold Star award

A Bangladeshi business firm, International Office Equipment (IOE), has been selected for the International Gold Star award for excellence in Corporate Image and Quality by the Business Initiative Directors, a Spain based organisation.

The award will be given at the 22nd Gold Star Convention on November 18 at the Princess Convention Hall in Madrid, says a press release of IOE.

IOE is operating in the country for the last 30 years dealing in office automation and information technology products. IOE represents major US companies like 3M, Lanier, Xerox and Japanese firms such as PLUS, and OKI.

IOE chief Executive Aftab Ul Islam is expected to receive the award from the organisers.

# Exporters should be aware of environmental laws: DCCI

Speakers at a workshop yesterday stressed the need for creation of more awareness among the exporters of the country about environmental legislation and regulation of the developed countries to increase their exports.

The workshop on AZO-Dyes and other related environmental issues in the European Union; implication for manufacturers and exporters of textiles and garments to the European Union was jointly organised by the Dhaka Chamber of Commerce and Industry (DCCI) and Centre for the Promotion of Imports from Developing Countries (CPI) of the Netherlands.

Fazle R M Hasan, acting president of the DCCI in his inaugural speech said that with the imposition of ban on use of AZO-Dyes by the EU it is imperative for the Asian exporters in general and Bangladesh in particular to find out appropriate strategies for maintaining and up-keeping their market share in the EU.

CBT Consultant Marechal Desmat said that the consumers in the European Union were becoming increasingly interested in environmentally sound products, so the exporters in developing countries will have to comply with environmental legislation and regulations for export to the EU.



Yussuf Abdullah Harun, newly elected President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) seen speaking at the Annual General Meeting (AGM) for the year 1995 at Federation Conference Centre yesterday. Outgoing President Salman F Rahman, outgoing Vice-President Alhaj Kh. Rashiduzzaman Dudo and newly elected Vice-President Alhaj Kazi Md Shafiqul Islam also seen in the picture.

# ILO sets new regulations for seafarers

GENEVA, Oct 23: New rules governing the working conditions of one million seafarers worldwide as well as ship inspections were agreed on Tuesday, the International Labour Organisation (ILO) said, reports Reuter.

The new standards should lead to improve safety in a hazardous industry plagued by accidents often caused by human error and fatigue, according to experts.

Three conventions, three non-binding recommendations, and a protocol to the 1976 Merchant Shipping Convention were adopted by 85 member states representing the bulk of the world's shipping industry who attended a two-week ILO maritime session.

Conventions Require two ratifications to enter into force. The new ILO minimum wage recommendation for able seamen was raised to 435 US dollar per month as of January 1,

1998, up from the previous global benchmark of 385 US dollar per month set in 1994.

The Geneva-based United Nations agency promotes social justice and internationally-recognised labour rights.

"There is a concern worldwide over the operation of sub-standard ships," Michael Hubbard, a Canadian official who chaired the talks in Geneva, told a news briefing.

Tankers have run ashore spilling oil, passenger ships have sunk with considerable loss of life while other ships have simply disappeared at sea, according to Hubbard.

"Eighty-per cent of all shipping casualties are a result of human error. A lot of human error is probably caused from fatigue, long hours of work, insufficient hours of rest, and too much pressure on seamen," he added.

"Hours of rest will be increased and hours of work will be more tightly controlled than before," Hubbard said.

Under the new convention and recommendation, ratifying member states acknowledge that work shall be based on an eight-hour day with one day of rest per week. Maximum limits shall not exceed 14 hours per day and 72 hours in a week.

The Eastland Insurance Co. Ltd has declared 16 per cent dividend for the year 1995 and distributed the same to the shareholders in the meantime.

The company elected nine directors from the members of the public shareholders in its Annual General Meeting held recently.

# Pak Opposition calls strike against new taxes

ISLAMABAD, Oct 23: The Pakistani opposition today called for a nationwide strike at the weekend to protest against "disastrous" new taxes imposed by the government of Prime Minister Benazir Bhutto, reports AFP.

National opposition leader Nawaz Sharif issued the call a day after the government announced an economic reform package to save 40 billion rupees (around one billion dollars) through cuts in spending and new taxes.

The strike will be observed on Saturday, the former prime minister told a news conference at the headquarters of his main opposition Pakistan Muslim League (PML) party.

"People of Pakistan will no longer tolerate this corrupt, incompetent and ignorant prime minister who has brought the country to an economic collapse and imposed disastrous taxation," Sharif said.

The strike call is supported by more than a dozen parties and religious groups jointly campaigning to oust Bhutto who returned to power in October 1993 general elections for a five-year term.

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S/No	Tender Number	Description of Goods	Cost of Schedule
01.	DACPF/Int'l Tender /004/96-97 Dt. 02-10-1996	Juice Glass	Tk. 1000.00 Or USD. 25.00 per set

Tender schedule with detailed specification, terms and conditions will be available at a cost of USD. 25.00 or BDT. 1000.00 per set (Non-refundable) with Accounts Officer, Cash & Banking, Biman, Admin Building, Zia Int'l Airport, Dhaka and Asst. Manager (Accounts), Cash & Banking, Biman Head Office, Motijheel C/A, Dhaka as well as with Finance Manager, Biman, Bangkok, Singapore, Hong Kong, Tokyo, Frankfurt, Rome, Paris, London, Amsterdam, Dubai & New York on cash payment on all working days up to 12th Nov. 1996. A formal application in Company's letterhead pad mentioning tender number and date shall require for purchasing the tender documents.

The last date of tender submission is 13th Nov. 1996. Biman Management reserves the right to accept/reject any or all tender increase or decrease the quantity of items without assigning any reason whatsoever.

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