

Gowda vows to continue reforms

BOMBAY, Feb 18: India's coalition government will forge ahead with economic reforms despite criticism from within the country, Prime Minister HD Deve Gowda said here Monday, reports AFP.

I want to make it clear whether some people like it or not, that we will liberalise and privatised power, roads, mining ports, tourism, airports, telecom and oil exploration, said Deve Gowda launching an international investors conference here.

Deve Gowda was speaking on the first day of Advantage Maharashtra, a two-day conference comprising 900 delegates from India and 26 other countries.

The Prime Minister who heads a minority coalition government of left and centre parties many of which oppose the reforms — said 'firm decisions' would be taken soon to create a pro-investment climate.

He appeared to be targeting the government's communist allies as well as opposition parties when he said: you should know that private investors come here for profit and there should be no aversion to that.

Investors will not feel disappointed in India and investors have taken the number one place for us.

Deve Gowda was speaking a day after the Communist Party of India (Marxist), which backs the coalition from the outside admitted it had no option but to continue to support despite differences over economic policy.

The communists while unhappy with some United Front policies have — continued to back the administration to keep Hindu nationalists out of power.

Deve Gowda said he did not want to spell out specific measures as the budget was only 12 days away.

Nepal's export earnings up by 25pc in 6 months

KATHMANDU, Feb 18: Nepal's total export earnings increased by 24.8 per cent to about 192 million US dollars in the past six months, the country's central bank said yesterday, reports Xinhua.

According to a report of the Nepal Rastra Bank, during the first six months of the current 1996-97 fiscal year starting from mid-July, the country's export to India, Nepal's biggest trade partner, was up 35 per cent to 45 million dollars while the exports to third countries amounted to 147 million dollars with a 22 per cent increase.

Exports of woollen carpets and readymade garments, two major export items of Nepal, grew 24 and 31 per cent respectively during the review period, against a marginal increase of 0.5 per cent and a sharp decline of 18 per cent in the same period one year earlier, the bank reported.

Meanwhile, Nepal's imports from India and third countries during the six-month period totalled 229 and 517 million dollars, up 6.3 and 32 per cent respectively.

The total trade deficit in the review period increased by 22 per cent to less than 554 million dollars, compared with a 28 per cent rise in the same period last year, the central bank said.

US food aid to DPRK to be resumed soon

PARIS, Feb 18: The United States will announce a resumption of food aid to North Korea within a few days, the State Department spokesman said Monday, reports AP.

After delivering about 6.1 million dollars worth food assistance was suspended when a North Korean submarine ventured into South Korean waters last September.

Spokesman Nicholas Burns, in Paris with Secretary of State Madeleine Albright, said the amount of food to be delivered through an international programme would be announced, as well.

In Seoul a few hours earlier, South Korea said it would send food aid and nuclear technicians to North Korea despite tension with its communist rival over the shooting of one defector and a stand-off involving another.

"Our policy is to send the (nuclear) survey team regardless of the tense situation," said Ban Ki-moon, President Kim Young-sam's national security adviser.

Almost simultaneously, North Korea indicated it might accept the defection of Hwang Jang Yop, the high-ranking North Korean official who has been holed up in South Korea's Beijing consulate.

"Our stand is simple and clear. If he was kidnapped ... we will take decisive countermeasures," a North Korean Foreign Ministry spokesman said. "If he sought asylum, it means that he is a renegade and he is dis-

62 cos likely to take part in US trade show opens in city February 27

By Rafiq Hasan

At least 62 companies are likely to participate in the 6th US trade show to be held in later this month.

The three-day annual show will be held at Dhaka Sheraton Hotel from February 27 to March 1, according to sources.

The show is being jointly organised by the American Chamber of Commerce in Bangladesh and the US Embassy in Dhaka.

This is the first time the American trade show is going to be held under the banner of American Chamber of Commerce in Bangladesh. Earlier five such shows were arranged by the American-Bangladesh Economic Forum, said A Gafur, Executive Director of AM-

The number of stalls will be increased to 100 this year from only 30 in the first year. he



Ambassador of France in Bangladesh Renee Veyret (C) along with French Trade Commissioner Bertrand Desruelles (L) called on A S M Quasem (R), President of the Dhaka Chamber of Commerce & Industry at the DCCI Office yesterday.

PM's US tour secures \$350m investment pledge in '96 : JS told

Foreign Minister Abdus Samad Azad Monday informed the Jatiya Sangsad that a number of investors on energy and other sectors pledged to invest about 350 million US dollars in Bangladesh during their meeting with Prime Minister Sheikh Hasina when she was in the United States to attend UN General Assembly last year, reports BSS.

Replies to a supplementary from ruling party member Akhtruzzaman, Azad said chief Executive Officers of a number of US companies including Occidental Oil had met the Prime Minister and showed interest in investing in Bangladesh.

He said a production sharing agreement worth 188 million dollars was signed during British Prime Minister John Major's visit to Bangladesh last

month as a follow up step to the investors meeting in the United States in October.

He said the government was making all out efforts to attract investors so that jobs are created and country's economy is developed speedily.

The foreign minister in reply to a question from Nizamuddin Khan (BNP-Manikganj) said including 17 ministers and officials, the number of entourage accompanying Prime Minister Sheikh Hasina during her trip to the United States in connection to attending UN General Assembly were 50.

He said a sum of Taka one crore forty-three lakh forty seven thousand one thirty was spent in that trip. Taka one crore fifty-six lakh were spent for a similar trip made by the previous prime minister, he mentioned.

Meanwhile, Nepal's imports from India and third countries during the six-month period totalled 229 and 517 million dollars, up 6.3 and 32 per cent respectively.

The total trade deficit in the review period increased by 22 per cent to less than 554 million dollars, compared with a 28 per cent rise in the same period last year, the central bank said.

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Asia-Pacific states divided over global telecom deal

HONG KONG, Feb 18: Asia-Pacific nations were divided yesterday over a World Trade Organisation (WTO) deal to liberalise the multi-billion dollar global telecommunications sector, reports AFP.

Australia, Hong Kong and the Philippines welcomed the landmark deal struck on Saturday, but Japan and South Korea-led countries sounding notes of caution.

Sixty-eight countries signed the WTO agreement in Geneva, liberalising global telecommunications which are set to ring up sales of over a trillion dollars by 2000.

Savings to consumers would total about 1,000 billion dollars over 10 years, of which 211 million dollars would come from the Asia-Pacific and another 201 million dollars from Japan, according to a US re-

port.

The United States demanded the abolition of all restrictions on foreign shareholdings in Nippon Telegraph and Telephone Corp. (NTT) and Kokusai Denshin Denwa Co. Ltd. (KDD).

For the time being, we don't think we have to accept any such unilateral demands, a Posts and Telecommunications Ministry official said Monday.

We may consider it if the United States offers a new proposal such as promising to lift the restriction on foreign stakes in wireless communications operators, which is now limited to 24 per cent, he said.

After the accord, US trade

representative-designate Charlene Barshefsky urged Japan to lift limits on foreign ownership of NTT and KDD.

Under the WTO agreement, Japan will lift foreign shareholding limits on common carriers except NTT and KDD where foreign ownership will remain limited to 20 per cent.

NTT, a former government monopoly, is Japan's biggest domestic carrier and remains two-thirds owned by the government. KDD is the country's biggest overseas carrier and has close ties with the government and NTT.

In Seoul, the Korea Herald greeted the agreement with a headline saying "Koreans wary," and asked if Seoul had gone too far in agreeing to open domestic companies to majority foreign ownership in 1999.

After the accord, US trade

Italian businesses showing greater interest in Bangladesh

Star Report

The Italian government and the private sector have been eyeing towards Bangladesh with increasing interest for economic cooperation and investment as a number of top Italian multinationals have shown keen interest for business here, according to the Italian Embassy in Rome.

Italy has emerged as one of the largest trading partners of Bangladesh with trade surplus in the latter's favour. Bangladesh exported goods worth 207.23 million US dollars to Italy during 1995-96 while its import was 53.50 million dollars.

The Italian government, in the wake of the Prime Minister Sheikh Hasina's visit to Rome last November, had informed the Bangladesh Mission that they have allocated an amount of 30 billion Italian lira

equivalent to 20 million US dollars as the foreign ministry's department of cooperation soft loan to Bangladesh for the year 1997.

This amount will be utilised for human resources and social development projects.

The soft loan envisages repayment in 30 years with a grace period of 12 years and interest rate of about two per cent.

Italian vice-foreign minister for Asia, Senator Patricia Tola is scheduled to visit Bangladesh in the spring of 1997 for bilateral consultations, including proposals for projects to be financed by the soft loan.

Italy has, for the first time, made Bangladesh eligible for receiving their soft loan after the Bangladesh mission had lobbied over the past several years for enhancing the quantum of Italian economic assistance.

They expressed their seriousness to be successful in their bids for investment in Bangladesh or put up joint venture production facilities in the country.

ABG has been pre-qualified with four other companies in the international tender for the 310 million dollars Meghnagar Power Generation Project. Ansaldo Energia has proposed to supply several power generation plants of 65 MW to Bangladesh from their ready stock on 15 years supplier's credit. Italtel, a giant telecommunications corporation, is interested in the 700 million dollars telecommunications projects for the installation of 300,000 digital telephones along with cable and transmission links in Bangladesh on build, lease and transfer basis.

Upon approaches by the Bangladeshi mission a number of other Italian companies have also shown interest in investing in joint venture projects. Ital-

Sinha-led panel declared for BGMEA election

By Staff Correspondent

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) Forum headed by its president Capt. (Rtd) Anisur Rahman Sinha has formally declared its nine-member panel for the ensuing election of the nine-seat executive committee of the association.

At a city hotel Monday, BGMEA Forum held its projection meeting which was addressed, among others, by Sinha, Benazir Ahmed, Khalilur Rahman, Anisur Huq and Uzair Afzal.

The candidates are: Alamgir M Z Rahman of Consumer Products Ltd., A FM Fakhru Islam Munshi of Rafkat Garments Ltd., A K Azad of Ha-meen Fashions Ltd., Gazi Md. Shahnewaz of Uttaran Garments Ltd., Md. Reaz Uddin of Reaz Garments Ltd., Rehman Sharif of Lakshmi Fashion Ltd., Sharifuddin Ahmed Sharif of Fairman Ltd., Badrur Rahim Chowdhury of Everwear Industries Ltd., and Abdus Salam of Asian Apparels Limited.

The speakers in the meeting said BGMEA required a dynamic and dedicated leadership to go ahead through resolving various hanging issues. They also praised BGMEA president for his success in minimising the custom procedures, cancelling flood and cyclone insurance charges, taking efforts to lower the bank charges etc.

BGMEA leaders claimed that a number of 'successes' were achieved by the new office bearers who took over BGMEA on November 6 last year.

They said initiatives were taken to open the shut-down industries and those who experienced stock-lots, and opening fresh Letters of Credit (LCs).

The other initiatives were: Opening of LCs against not only export LCs but against business contacts also, formation of

Sammilita Parishad's manifesto

BGMEA to set up joint venture banks

By Staff Correspondent

The Sammilita Parishad, competing against the BGMEA Forum in the February 25 election, has released its manifesto yesterday, said a press release.

The Parishad said, the garment manufacturers and exporters were presently facing a lot of difficulties in their dealing with the country's banks, especially the nationalised ones. Archaic rules and old-fashioned attitudes have been stifling the proper growth of the garment sector.

If elected, said the release, the Parishad leaders will try for joint ventures with the world's reputed banks, like Citibank, Chase Manhattan, Deutsche Bank etc., to facilitate the opening of back to back LCs.

Fifty per cent of such joint venture banks would be owned by the garment sector, said the press release.

The Parishad leaders will

also negotiate seriously with the government to do away with the present system of deduction of 2.5 per cent advance income tax, treat the factories facing stock-lot problems with foremost priority and do everything possible for them.

The manifesto further said the Parishad will set up a private export promotion bureau under the aegis of the BGMEA to further promote garments export with the European Union.

Regarding the withdrawal of the GSP, the Parishad fairly believes that until and unless a proper backward linkage is established, the government should continue to provide GSP as before after re-negotiating with the European Union.

The Parishad also plans to set up a 'Garment Palli' with generous help from the government in the suburbs of Dhaka.

Italtel also informed the PM that it was interested in joint ventures in Bangladesh for producing telecommunications equipment.

AGII Exploration is interested to participate in oil and gas exploration in Bangladesh and would take part in Petrobangla's second round of bid offering several blocks both on and off shore.

Impregilo has been pre-qualified in the 180