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The Daily Star BUSINESS

DHAKA SUNDAY, MAY 25, 1997

HYUNDAI
CARS THAT MAKE SENSE

Tk 350 cr revenue from customs in Rajshahi likely

RAJSHAHI, May 24 : Government will earn a revenue of Tk 350 crore from customs, excise and VAT in Rajshahi division during the current fiscal year, reports BSS.

This was stated by MA Rahman, Commissioner, Customs Excise and VAT, while inaugurating a two-day training course on 'Customs duty and value added tax' at the Chamber Bhaban here today.

The training course, jointly organised by Rajshahi Chamber of Commerce and Industry and German Federation of Small Business and Skilled Crafts, was presided over by Acting President of the chamber Salahuddin Raju.

Khandokar Hafizur Rahman, Abdel Naser Khan Chowdhury Rubel and Siddique Rahman, among others, spoke on the occasion.

Rahman said people generally want to pay tax but they don't know how to pay it. He added that the training course will help the businessmen to know about the concerned laws like import, and customs duty and VAT.

StanChart workshop on forex, fund management today

A day-long workshop on 'foreign exchange and fund management' will be held at Hotel Purbani today, says a press release.

The workshop is being organised by Standard Chartered Bank.

Dr Akbar Ali Khan, Finance Secretary will inaugurate it. The workshop will focus on the development of the country's money market.

It will be participated by foreign exchange and fund managers of all commercial banks in Bangladesh.

Circular issued for China's banks to set up internal control system

SHANGHAI, May 24 : The People's Bank of China has urged all financial institutions to set up internal control systems to ensure a safe and smooth development of the financial sector, news reports said yesterday, reports AFP.

The China Securities and Shanghai Securities news quoted a central bank circular as saying that it was the basic responsibility of all financial institutions to set up perfect and effective internal control systems.

Supervision was the key-stone to standardising the activities of financial institutions and to reducing risks, the reports said.

Internal control systems should cover the organisational structure, capital trading risks, trading in financial derivatives, bank credit and insurance fund risks and accounting and computerised operating systems.

The PBOC urged financial institutions to set up three-tiered monitoring systems and introduce position-linked responsibility systems.

Financial institutions should also put in place a complete security system for information which would ensure the correct, timely and comprehensive recording and protection of each transaction.

The bank also asked for an effective alarm system and emergency measures to improve supervision, the newspapers reported.

The central bank said it would take into account the level of internal controls when auditing commercial financial institutions.

Financial institutions with problems in internal control would be ordered to restructure and punished if their problems were found to be serious, the central bank said.

New MD of Provati Insurance Co



Mohammad Ali Talukder (Faruque) has joined as Managing Director of Provati Insurance Co Ltd, says a press release.

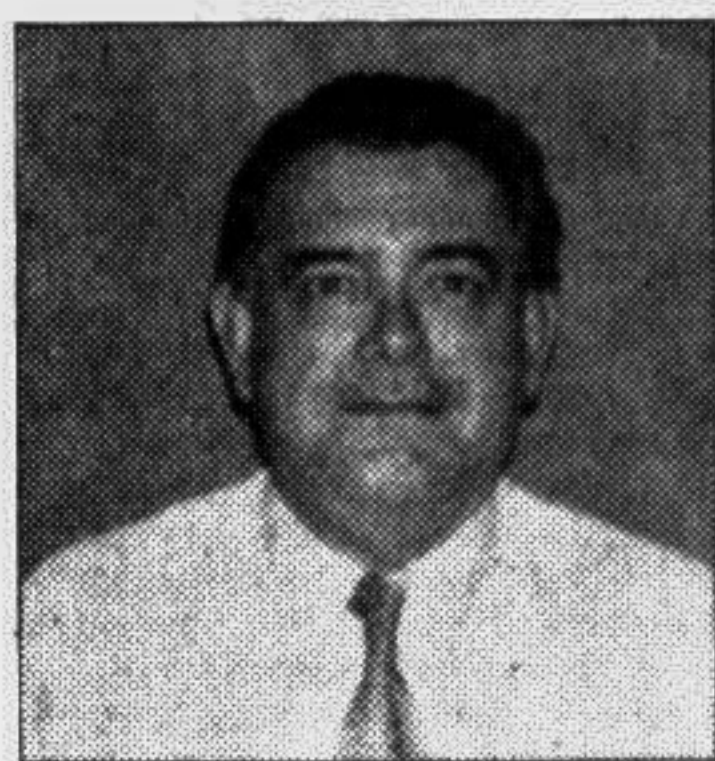
Earlier he was holding the charge of the post.

Talukder has a rich insurance carrier to his credit. In his 26 years of service, he held responsible positions in the then Pakistan Insurance Corporation, Sadharan Bima Corporation, Karnaphuli Insurance Co. Ltd and Federal Insurance Co Ltd.

Business roundtable begins in city today

'Bangladesh to become investment hot-spot if political stability maintained'

Star Report



Christopher F Bruton

Bangladesh could soon become a foreign investment hot-spot if it maintains political stability and streamlines its highly politicised labour unions, Dataconsult Ltd Thailand and Indochina director Christopher F Bruton said.

With the Second Bangladesh Business Roundtable in Dhaka starting today Bruton said Bangladesh could be the first 'Asian tiger' of the sub-region if it provided the right political climate for investment.

Bruton said the Roundtable conference, of which Dataconsult is a co-ordinator, brought government officials and senior private-sector executives together to discuss the benefits and pitfalls of doing business in a particular country.

On the eve of the Roundtable conference Bruton told The Daily Star: "The biggest single problem here is the need for national consensus — Vietnam and Myanmar do not have democracy, but the direction of policy in these countries is predictable and that is what investors need."

Myanmar has received six billion of FDI, Laos and Cambodia have gained seven billion dollars each, and Vietnam attracted 25 billion dollars, but Bangladesh has not even received one billion dollars — this is incredibly low," he said.

"Bangladesh has tremendous opportunity. But its real challenge is maintaining the political stability necessary to attract investors."

"We saw a new era of stability in Bangladesh in 1996. In 1997, the single most important thing is national consensus and stability. If stability can be maintained, Bangladesh will see a bright future," Bruton added.

Bruton said: "Bangladesh has seen a great deal of positive developments, but that has been ignored by the world at large."

He also said Bangladesh was

received one billion dollars — this is incredibly low," he said. "Bangladesh has tremendous opportunity. But its real challenge is maintaining the political stability necessary to attract investors."

"We saw a new era of stability in Bangladesh in 1996. In 1997, the single most important thing is national consensus and stability. If stability can be maintained, Bangladesh will see a bright future," Bruton added.

Bruton said: "Bangladesh has seen a great deal of positive developments, but that has been ignored by the world at large."

He also said Bangladesh was

difficult to promote to investors because, as a SAARC country, it was not located in a high growth region. However, he said the Roundtable conference was a forum for change.

"We are bringing in about a hundred people in the roundtable. The meeting will form a kind of catalyst step for a company to set up business," he said. "But this is not an investment promotion conference. We present the good and bad sides of doing business in a particular country and businessmen evaluate for themselves the investment value of that country."

Bruton stated that in the SAARC region, five meetings had been held in India, four in Pakistan and one in Sri Lanka.

"The first meeting in Vietnam was held in 1990 with 75 companies taking part. All of these companies later invested there," he said.

He explained that the conference would involve face to face discussions between government officials and senior private sector executives both from home and abroad. He also said it was designed to give people a clear understanding of the opportunities and challenges of doing business here.

Bruton said: "The first business

roundtable was organised in Bangladesh in 1983 by Business International of New York."

"The roundtable has been organised by Economist Conferences, a division of Economist Group, which has produced newspapers since 1843," he said. "Economist Conferences has been involved in high-level business conferences for over 40 years; it has organised more than 200 conferences and roundtables on business, industry and infrastructure development."

"We will set up a group here, in conjunction with the MCCI, similar to the Singapore Commerce Collaboration and hold regular meetings on issues which affect local and international trade," Bruton said. "The first such roundtable in the Mekong region was held in Vietnam in 1990. It was followed by three more — in 1994, 1995, and 1996. Last year meetings were held in Myanmar and Cambodia and next year a meeting will be held in Laos."

Bruton said the Bangladesh mission in Hong Kong had given significant assistance in organising this roundtable. He added that this meeting was not intended to be the last in Bangladesh.

Europe violates banana import rules : WTO

WASHINGTON, May 24 : The World Trade Organisation has found, in agreement with the United States, Ecuador, Guatemala, Honduras and Mexico, that Europe's banana import regime is protectionist, the US trade representative said yesterday, reports Reuter.

The WTO ruling is a blow for several small Caribbean nations that depend on preferential exports of bananas to keep their local economies afloat, some Caribbean leaders have argued that democracy could be at risk if banana producers lost their preferential trade terms.

"This final report sets an important precedent for all US exporters of services and agricultural goods," US Trade Representative Charlene Barshefsky said in a statement.

The two report, which was released confidentially to the governments involved three weeks ago, found that Europe's banana import regime violated WTO rules on 16 counts.

European Union measures found to be inconsistent with WTO rules included:

— Distribution of import licences for Latin American bananas to French and British companies, taking away a major part of the banana distribution business US companies had developed over years.

— Distribution of import licences for Latin American bananas to European Banana ripening firms, also taking away US company business.

Pakistan hopes to get new IMF medium term loan

ISLAMABAD, May 24 : Pakistan hopes to get a new medium term loan or enhanced structural adjustment facility (ESAF) from the International Monetary Fund (IMF) before September, Finance Minister Sartaj Aziz said on Friday.

Aziz, who was talking by telephone to Reuters financial television in Tokyo and was monitored in Islamabad, said under the ESAF Pakistan could get 1.2 to 1.5 billion US dollars.

"It will be somewhere between 1.2 to 1.5 billion US dollars but the exact amount will be determined once the IMF board considers the position and the arrangements that are agreed with the IMF staff," he said.

"Once our budget is presented, the fund will come here in July and if all goes well, we could wrap it up before September," he added.

The Pakistan budget for fiscal 1997/98 (July-June) is due to be announced on June 14. Aziz said the IMF was supportive of the economic reforms undertaken by the three-month old government of Prime Minister Nawaz Sharif.

"Most of our structural reforms are very, very far-reaching and they are quite comprehensive also and they go beyond the expectations of even the IMF," Aziz said.

Pakistan's inability to meet agreed targets prompted the IMF to halt a standby loan after Sharif took power following his February election triumph.

"Over the last two years, Pakistan has experienced a severe aggravation of its macro-economic imbalances," an IMF official told donors at the aid-to-Pakistan consortium meeting in Paris last month.

"The declaration was the highlight of the world tourism leaders' meeting (WTLM) held here Thursday, attended by 77 countries and considered a landmark gathering, as it marked the World Tourism Organization's first attempt to address the negative effects of tourism."

"Having discussed the social impact of tourism and considered how to maximize their positive aspects and minimize their negative effects" the leaders resolved to "further mobilize local and international support to prevent and control tourism-related abuse and exploitation of people, particularly women and children and other disadvantaged groups."

The leaders also committed to "encourage governments to promulgate and enforce legal regimes both in the domestic and multilateral arenas, in order to eliminate undesirable social consequences of tourism

through... agreements that deprive malefactors of any safe haven anywhere."

The issue of sexual abuse of women and children as a negative effect of tourism took center stage at the conference, after the End Child Prostitution and Trafficking (ECPAT) estimated there were one million child prostitutes under the age of 16 in Asia alone.

The Mirpur branch of United Insurance Company Limited was inaugurated at 109, Senpara Parbata, Mirpur (near Section 10 circle) on Tuesday, says a press release.

M Moeedul Islam, Chairman of the Company, opened the branch as chief guest.

In his speech, he reiterated the Company's commitment towards upholding the best trading of the insurance industry.

A milad mehfal was also arranged to mark the opening of the branch.

World tourism leaders' meet held Pledge to prevent abuse in tourism arena

MANILA, May 24 : World tourism leaders Thursday pledged further international action to prevent widespread prostitution, environmental degradation, commercialization of local culture and economic alienation, reports AFP.

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Germans against McDonald's for hiring South Asians

Manik Mehta writes from Bonn

S Sridhar, Vice-President & CEO of Citibank, NA, Bangladesh, inaugurating the Fx Trading Seminar, which was organised by Citibank in collaboration with Bangladesh Foreign Exchange Dealers' Association in the city yesterday. M Taheruddin, Executive Committee Member, Ashrafullah, Executive Secretary BAFEDA, and other officials from Citibank are also seen in the picture. Officers from 23 local banks participated.

German trade union representatives are up in arms against US fast food chain McDonald's for employing foreign refugees and asylum seekers, including many from South Asia.

Juergen Hinz, executive director of the German trade union Food-Leisure-Restaurants, criticised the "deplorable trend" at McDonald's to increasingly hire foreign refugees and asylum seekers.

A large percentage of the foreign refugees working for McDonald's in this country are from India, Pakistan, Bangladesh and Sri Lanka. The restaurant chain also has employees from Iran, Indonesia, Myanmar, Morocco and Tunisia.

McDonald's currently employs some 42,000 people in Germany. Some 20 per cent of these workers have been employed under the so-called "610-Mark-contracts" by which an employer is not required to pay his mandatory 50 per cent share of the contribution for every employee's social security benefits if the latter's monthly earnings is below 610 German Marks (\$1-D 1.71).

Most employees of sub-contractors are however

happy working for McDonald's despite the low pay and the absence of social benefits.

"I have to work about 10 to 12 hours a day. According to German standards, the pay I get here is very low but compared to Indian standards it is quite high," says a clean-shaven Sikh refugee from Chandigarh, who spoke on condition of anonymity. He told IANS that he had applied for refugee status in Germany during the 1980s at the height of Khalistan's secessionism in Punjab.

Sri Manan, a Tamilian from Sri Lanka, claimed he was persecuted in Colombo by the police and Sri Lankan government agencies. He had sought asylum in Germany and was given what is called a "Duldung status" (temporary permission to stay). "It is better to work at McDonald's in this country than constantly face the threat of arrest and torture in Sri Lanka," he maintained.

Trade unionists say the swelling numbers of refugees employed in the food business in general and McDonald's was affecting the morale of Germans. "More than 25 per cent of workers at McDonald's are foreign refugees. Besides the num-

ber of workers at McDonald's keeps changing rapidly because of the management's quick hire and fire policy," said a representative for the trade union Food-Leisure-restaurants.

— India Abroad News Service

Emirates, DNATA voted best airline in ME

Emirates and DNATA have been voted best airline in the Middle East and Best Travel Agency in the Middle East, by readers of Travel and Tourism News, says a press release.

This is the seventh successive year that both companies have won the awards, which are organised by Al Hilal Publishing Group of Bahrain, and considered the Gulf and Middle East's most prestigious travel awards.

Mohammed Al Khaja, Operations Director of Emirates and Rashid Al Noori, General Manager DNATA Agencies received the awards from Tom Nutley, Global Director of Reed Exhibitions, during a gala dinner ceremony held recently at Dubai's Forte grand Hotel.

Mexico-type financial crisis difficult to imagine in Asia : IMF expert

SINGAPORE, May 24 : Asia's strong economic fundamentals make a Mexico-type financial crisis difficult to imagine, a senior International Monetary Fund (IMF) economist said here yesterday, reports AFP.

Graham Hache, chief of the IMF's World Economic Studies Division, told journalists the IMF "stands ready to provide any member country with policy advice and financing to support appropriate policy measures."

He declined to comment on Thailand's recent problems but stressed that economies in the region as a whole were on a firmer footing than Mexico was when it underwent a financial crisis in late 1994, which required a massive bailout led by the United States and the IMF.

Hache, in Singapore as part of a regional visit, said that "in terms of the region I think it's difficult to imagine a Mexico-style crisis happening here be-

cause the economic fundamentals are so much stronger."

"Levels of saving and investment are higher, current account deficits are generally smaller than they were in Mexico," he said.

Hache added that "the importance of short term external borrowing is less than was the case in Mexico" and levels of foreign exchange reserves in Asia were higher than they were in Mexico.

"For those reasons I think it's very difficult to imagine a Mexico-type crisis occurring in this region," he said.

Thailand's currency was driven to a 10-and-a-half year low of 26.50 to the dollar in international markets last week before Southeast Asian central banks intervened, and there were fears that similar problems could rock nearby countries like the Philippines and Malaysia.



M Moeedul Islam, Chairman, United Insurance Company Limited, inaugurating the company's Mirpur branch at 109, Senpara Parbata in the city on Tuesday.

Prices of paddy go down in N-region

NATORE, May 24 : Prices of irri-Boro paddy have gone down and selling below the production cost due to shortage of buyers and government initiative in the northern region of the country, reports UNB.

Poor farmers said they are compelled to sell the newly harvested Boro paddy between Tk 190 and Tk 200 per maund as against the production cost of Tk 230, in the absence of big buyers from outside the region.

Meanwhile, a group of middlemen are very much active in the region to keep the prices of paddy down. They are reportedly working as the agents of the stockists and pursue the farmers to sell at lower prices.

Frustrated farmers, hit-hard

by drought this year, have been seen waiting with paddy at the important bazars of Natore, Naogaon, Bogra, Rangpur, Dinajpur, Chapainawabganj and Rajshahi districts. But they are not getting fair prices due to less demand.

In the previous years, it was noticed that buyers from Dhaka, Narayanganj, Ghorasal, Khulna and Chittagong used to buy the paddy from the competitive market.

Local leaders suggested that the Food Department should immediately start procurement drive so that the farmers get fair prices. Otherwise, they feared, the farmers and their future cultivation will face a severe set back.

8-day CIRDAP seminar begins today

An eight-day consultation on 'developing model villages in integrated rural development' and a seminar on CIRDAP approach to rural development will be held at CIRDAP headquarters in the city from today, says a press release.

It will continue till the first of next month.

The State Minister for Local Government, Rural Development and Cooperatives, Alhaj Syed Abul Hossain, will open the final consultation.

The Minister for Local Government, Rural Development and Cooperatives will be the chief guest while the Ambassador of Japan in Bangladesh, Yoshikazu Kaneko, will be special guest.

Representatives from Bangladesh, India, Indonesia, Laos, Malaysia, Myanmar, Nepal, Pakistan, Philippines, Sri Lanka, Thailand, Vietnam as well as local NGOs, UN agencies and government departments are expected to participate in the programme.

Exchange Rates

The following are the Janata Bank's dealing rate (BD Tk for one unit of Foreign Currency) to public as on 24/05/97:

	Buying		
	TT Clean	OD Sight Export Bills	OD Transfer
US Dlr	43.5200	43.3522	43.2386
GB Pnd	70.8119	70.5223	70.3374
D Mark	25.5727	25.4682	25.4014
F Franc	7.5856	7.5546	7.5348
JP Yen	0.3748	0.3733	0.3723
C Dlr	31.4822	31.3534	31.2712
S Franc	30.8475	30.7214	30.6409

Name of Currency	T.T. & O.D.		B.C.
	Selling	Buying	
US Dollar	43.8120	43.8650	
GB Pound	71.8531	71.9349	
D Mark	25.9996	26.0292	
F Franc	7.7127	7.7214	
JP Yen	0.3836	0.3840	
C Dollar	32.0099	32.0462	
Franc	31.3756	31.4113	

Janata Bank's selling and buying rates in cash currency for public:

	Selling	Buying
US Dlr	43.8500	43.3500
GBP	70.8500	68.8500
S Riyal	11.8000	11.4000
UAE Dh	11.8500	11.3500
Ku Dinar	143.5000	138.0000

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as on 24.5.97

Berth No	Name of vessels	Cargo	Local agent	Date of arrival	Date of leaving
J/1	Gul Lin Yang	Clink	USC	R/A	24/5
J/2	Techmat Pioneer	Cement	Sing	PSAL	R/A
J/4	Green Opal	Cl	Sing	Prog	21/5
J/5	Ravadas	Cl	Mad	SSL	17/5
J/6	Ocean Rover	Cl	-	Fairmax	R/A
J/7	Mukhtar Azevov	Rice(Cl)	Yang	Everett	18/5
J/8	Altair Ace	Cl	Pusa	Prog	22/5
J/9	Leona	Cl	Bang	Prog	20/5
J/10	Esco Argo	Cl	Bang	Prog	20/5
J/11	Fong Yun	Cont	-	BDShip	R/A
J/12	Banglar				24/5
	Asha/Khanak	Wheat(Cl)	K Dia	R/A	28/5
J/13	Banglar Moni	Cont	Sing	BSC	17/5
CCT/1	Lian Sha	Cont	Sing	BDShip	18/5
CCT/2	Fong Shin	Cont	Sing	BDShip	18/5
CCT/3	QC Pintail	Cont	Sing	BDShip	18/5
RM/14	Fong Lee	Repair	BDShip	R/A	30/5
CSJ	Hae Woo No2	Cement	Sing	RML	R/A
TSP	Mihalis-F	Wheat(Cl)	SSST	R/A	25/5
RM/6	Mantis	Repair	Mumb	Cross	5/4
	Banglar				27/5
DOJ	Shourabh	Repair	-	BSC	R/A
	Nedimar	HSD/JET	ECSL	20/5	25/5
DD	Raffia	Repair	Bong	KSL	29/4
DDJ/1	Tanary Star (Atta20/7/95)	IDLE	Para	PSAL	8/6/95
CUFJ	Blue North	-	-	-	-
CEFLJ	Att:10/7/96	Cement	Qing	PSAL	3/6
			Chand	Kama	R/A
DDJ/3	Tug Izzil Croom	-	-	-	-