

Pak rupee devalued

KARACHI, June 28: The State Bank of Pakistan Saturday devalued the rupee down by 0.17 per cent against the US dollar, reports AFP.

The buying price of the rupee is 40.46 rupees to one US dollar compared to the previous buying rate was 40.39 rupees to the dollar.

The State Bank set the selling rate at 40.6623 rupees to the dollar, compared to 40.5920 rupees.

The last devaluation of the rupee was on May 23.

Rajbari Poura budget announced

RAJBARI, June 28: A Tk 5.2 crore plus budget of Rajbari municipal council for 1997-98 fiscal year was announced today by its chairman Ali Nawaz Mahud Khayyam, says UNB.

Placing the budget in the afternoon at a press conference at the town hall auditorium, the chairman called it a development-oriented, surplus budget without any fresh taxes.

The pourashava will mobilise Tk 16,235,000 from its own sources while the government will give the rest as grant and credit.

36 pc of Chinese urban families may buy cars in 3 years

BEIJING, June 28: Some 36 per cent of Chinese urban families will be ready to purchase cars within three years, the Xinhua news agency Friday quoted a Ministry of Civil Affairs survey as saying, reports AFP.

The nation-wide survey of 4,600 people — representing a market to some 350 million urban Chinese — indicated that the group favoured cars made domestically at foreign joint-venture plants.

Respondents said they most preferred the Chinese-made versions of Volkswagen's Jetta and Santana models. The Citroen ZX — known in China as the Fukang — the jeep Cherokee and Daewoo models.

Price was considered the top factor for would-be car buyers, the survey showed.

The best-known foreign make was Germany's Mercedes-Benz, but those surveyed said cars made by Korea's Daewoo were the most popular in the domestic market.

Chinese families will own 1.5 million to 1.5 million cars by the end of the century, Xinhua said, citing experts' estimates.

To date, cars have been out of the reach of all but the wealthiest Chinese households. The vast majority of cars on the road are owned by companies and organisations, although individual sales are rising.

New GM of Air France, Bangladesh

Aminur Rahman, former Country Manager of Biman Bangladesh Airlines Benelux (Amsterdam, the Netherlands), has joined Air France, Bangladesh as General Manager.

Rahman joined the PIA at the beginning of his career and later assumed offices both in passenger and cargo services of Biman Bangladesh Airlines. Some of his challenging career postings had been in Singapore as Sales Manager, Biman from 1987 till 1990, followed by Head Office posting as Sales Manager from 1991 till 1993 and afterwards as Country Manager in Benelux (Amsterdam, the Netherlands), says a press release.

Delay in customs clearance of chemicals hampering research

Researchers are facing serious setback in their work for delayed release of imported chemicals due to procedural bottlenecks, they said, reports UNB.

Dr Zeba Islam Seraj, Associate Professor of Dhaka University's Biochemistry department, said due to delays in customs clearance the imported chemicals lose efficacy and time spent by researchers after releasing the items hamper research work.

Some chemicals, protein in nature, are expensive and sensitive to temperature and have to be transported in dry ice at -20 degree Celsius which lasts few days. Potential of the chemicals reduces as these cannot be released in time and airport has no storage device to maintain

that temperature.

There had been no tax on educational equipment up to 1992 and only ten per cent on chemicals. Since 1993, 45 per cent tax has been imposed on chemicals and 7 to 45 per cent on equipment depending on their purpose, said Dr Zeba, who is now engaged in a research project on salt-tolerant rice.

"I do not know of any country which imposes tax on reagents and equipment for the purpose of education. An educational institution like university represents a non-profitable organisation run on government funds in the first place," she said.

However, the government has created a fund through University Grants Commission

(UGC) to pay for the taxes. The government cuts tax and gives it back again, and the formalities involved take a minimum two to three months. During this period, the imported items either perish or work at half their efficiency due to dust and moisture infestation of the Biman warehouse.

Dhaka University was issued an early release certificate in 1994 for import of perishable chemicals only. The certificate stated if the registrar of the university guaranteed payment of the taxes within three months of receipt, the goods could be cleared.

Dr Zeba said after showing the authorised letter, the release was delayed as some customs officials suspected why

the consignment should have provisional release status without immediate payment of taxes.

She pointed out that institutes like ICDDR,B can release their chemicals and equipment as soon as they arrive, because the government has given them tax-free status since it is an international organisation.

Dr Zeba said locally available chemicals are substandard for not being stored at right temperature. Chemicals were also found to be mixed with cheaper materials by unscrupulous traders which make the research work difficult.

However, the price of pure chemicals in home market is exorbitant compared to the import rates.

India's credit card market faces hurdles

BOMBAY, June 28: India's booming credit card market is being held back by deep-seated problems such as bad communications and poor infrastructure, bankers said today, reports AFP.

The domestic credit card market could post annual growth rates higher than the current 35 per cent but for several hurdles, Harpal Duggal, India Bankcard chief at Standard Chartered Bank, told AFP. Duggal said the lack of business to assess customer credit worthiness and poor communications infrastructure were a major hurdle.

"A large number of computer terminals are needed at sales points of merchants, even in the six large cities," he said. He argued that India's size and its widely-dispersed population, unlike South East Asian countries, where one or two cities have a major chunk of the population, was also a fundamental problem.

But the Indian credit card market still had a "huge and enormous" growth potential, he said.

The penetration of credit cards in India is still very low by world standards. The world average is between 70 and 80 per cent of the potential card-owning population, while in India it is between 10 and 20 per cent," he said.

The country has around two million card carriers after being introduced during the past decade. Globally, the credit card market is growing annually at around 10 per cent.

The Indian market is made up of around 10 major companies, including domestic state-owned and foreign banks.

The United States-based Citibank is the market leader, with about 950,000 cards, while Standard Chartered Bank follows boasting around 300,000.

India's largest bank, the state-owned State Bank of India, recently announced plans to launch credit cards in collaboration with the United States-based Ge Capital.

Duggal predicted State Bank would be a "major player" because of its sheer size.

400 Vietnamese get UN compensation

HANOI, June 28: Nearly 400 Vietnamese workers who were forced to leave Iraq during the Gulf War have received compensation from the United Nations compensation committee, the official Vietnam News Daily reported Friday, says AFP.

The 378 people were the first recipients of compensation among the 15,992 workers who were working in Iraq under labour contracts signed with the Iraqi government between August 1990 and March 1991 and were forced to leave the country because of the Gulf War.

The first batch of workers received 2,500 dollars in compensation, less 1.5 per cent of the amount said to be used for covering payment procedures.

The dossiers of all Vietnamese workers who had to end their labour contracts earlier than expected because of the outbreak of war were sent by Vietnam's ministry of labour, invalids and social affairs to the United Nations.

Pakistan utilises privatisation proceeds to pay domestic debts

KARACHI, June 28: Pakistan for the first time has utilised proceeds from privatisation toward payment of domestic debt, the central bank said yesterday, reports AFP.

The government Friday credited 1.5 billion rupees (37.5 million dollars) received from recent sale of Habib Credit and Exchange Bank Limited (HCEBL) to a special account in the State Bank of Pakistan to retire debts.

The total domestic debts are estimated at 986.2 billion rupees (24.56 billion dollars).

The government of Prime Minister Nawaz Sharif has said it would use funds from future sale of state units for clearing debts.

The SBP has created a special "blocked account" for the privatisation proceeds.

A United Arab Emirates consortium, Sheikh Nahayan Bin Mubarak Al-Nahayan, purchased a 70 per cent stake in the HCEBL earlier this month.

ASEAN meet to discuss entry of new members

HONG KONG, June 28: Foreign Ministers of the Association of Southeast Asian Nations (ASEAN) will hold a side-line meeting during the Hong Kong handover celebrations next week to discuss the entry of new members, ASEAN diplomats said here Friday, reports AFP.

Malaysian Foreign Minister Abdullah Ahmad Badawi, who will host the July 1 luncheon meeting, will present a report on preparations by Myanmar, Cambodia and Laos to join the seven-member group.

ASEAN currently consists of Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

Abdullah has just returned from trips to the three new applicants the most controversial of which is Myanmar with which ASEAN advocates a policy of "constructive engagement" in an effort to bring democratic change.

The three new members are to be formally inducted into ASEAN at the group's annual meeting in Kuala Lumpur in late July.

UNDP credit to Mongolia

BEIJING, June 28: The United Nations Development Programme said Friday it will give one million dollars to Mongolia to be distributed as seed money for small businesses, reports AP.

An agreement signed Thursday at the conclusion of a UNDP-sponsored "microcredit summit", is intended to help the growing number of Mongolians living in poverty.

The loans, of between 75 and 100 dollars, can be used for investment in small businesses and agriculture by people unable to qualify for loans from banks, the UNDP said in a statement issued in the Mongolian capital, Ulan Bator.

"I am highly satisfied with the results of this summit," a local news service, E-mail Daily News, quoted Mongolian Prime Minister M Enhsaihan as saying.

With the collapse of the Soviet Union, Mongolia lost its main source of economic support. According to World Bank estimates, 96 per cent of its people live in poverty.

With the help of microcredit and other assistance, the Mongolian government hopes to reduce the number of its poor to 10 per cent of the population by 2001, the UNDP statement said.

Delta Life's DMD to attend seminar in Munich

Das Deba Prasad, Deputy Managing Director of Delta Life Insurance Company Ltd, has left for Europe to attend a two-week long seminar on life insurance and a two-day long intensive underwriting workshop from June 25 to July 11, arranged by Munich Re of Germany at their headquarters Munich, says a press release.

While in Europe, Das will also visit Swiss Re's headquarters at Zurich, Switzerland and London Office to attend an orientation programme.

The entire programme is jointly sponsored by Munich Re and Swiss Re, the Reinsurers of Delta Life.



Managing Director of Rangs Electronics Ltd Aktar Hussain inaugurated 24th sales and service centre in Natore.

Rangs Electronics opens sales centre in Natore

Rangs Electronics Ltd has opened its 24th sales and service centre at Nahar Super Market on Dhaka Road, Natore, under its 'Expansion and Better Customer Service' programme.

The centre was inaugurated by Aktar Hussain, Managing Director, Rangs Electronics Ltd — the sole authorized distributor of Sony Audio Video, AIWA Audio Video, Sharp Home Appliances and Rangs products in the country. Sabur Ahmed, General Manager, Masud Ali Khan, Manager (Administration), W Rahman, Area Sales Manager, Dhaka, Saiful Islam Mallik of Natore Sales & Service Center, leading dealers of Rangs Electronics of the Northern Area, the Branch-in-Charge of Rangs Electronics Shaukat Raushan and Shahidul Islam and the local elites of Natore were present, says a press release.

In the inaugural speech the Managing Director mentioned the happy news of doubling the number of Sales and Service Centers in two years all over the country for enabling the local people to get the world famous electronic products and better after sales service at their door steps.

"The idea of opening more Sales & Service Centers all over the country and to advertise Rangs Electronics products more vigorously was to create awareness of the customers about Sony Rangs products and to enable the customers to select and buy their desired items from the Rangs Sales and Service Centres or from nearby dealer's shop."

Apart from Rangs Electronics, it has a network of 150 authorized dealers in the country.

OTTAWA, June 28: Spending on Canadian tourism continued to soar in the first quarter of the year, building on the record returns of 1996, the government said yesterday, reports AFP.

Statistics Canada said figures for the first three months of this year showed a 2.9 per cent increase in tourism spending, compared to the same quarter of last year.

Tourism spending in Canada last year hit a record 41.8 billion dollars (30 US billion), a three per cent improvement over 1995.

Foreign visitors to Canada accounted for 29 per cent of the tourism receipts last year with a total spending of 12.1 billion dollars.

Overall first quarter receipts, including both foreign and domestic tourism, grew to 8.2 billion dollars this year.

Asia business briefs

SINGAPORE, June 28: A Singapore electronics company said Friday it has bought two business units from Texas Instruments for 9.4 million dollars.

Flextech Holdings Ltd said in a statement that the Dallas-based Quality Assurance Solutions Division and the Laser Marking and Vision Systems Unit of TI's Singapore Process Automation Centre will become wholly-owned subsidiaries.

Both produce equipment used in the inspection and quality control of memory chips.

Flextech Chairman, Joseph Au said in a statement that the purchases allow the company to move to "the forefront of semiconductor equipment technology."

Founded in Singapore in 1990, Flextech is involved in industrial distribution and manufacturing, semiconductor products and services, technology investments and Internet content and services.

SINGAPORE: Singapore is confident that Hong Kong will thrive under the principle of "one country, two systems" upon returning to China after 156 years as a British colony, the Ministry of Foreign Affairs said Friday.

"Singapore and Hong Kong have always enjoyed good, strong and multi-faceted relations," the ministry said in a brief statement.

"Over the years, our bilateral cooperation in both the public and private sectors have increased. Singapore looks forward to further deepening and widening of her close relationship with the Hong Kong Special Administrative Region," it added.

SHANGHAI: Japanese Finance Minister Hiroshi Miura says China should be included in the Group of Seven consultations of the world's top industrialised nations.

"It will become important for China to join" the G-7, and it is natural for Japan to support its neighbour as a potential participant, Mitsuoka told re-

Unemployment rate in Philippines drops

MANILA, June 28: The Philippines' unemployment rate dropped to 10.4 per cent in April to 3.3 million people from 10.9 per cent recorded in the same period of last year, according to the latest labour force survey by the national statistics office, says Xinhua.

However, the survey said, the double-digit unemployment rate in April is significantly higher than the 7.7 per cent registered during the January survey.

The national statistics office, which conducts four rounds of survey on labour force every year, explained that the April survey usually registers the highest unemployment figure due to the entrance of new graduates in the job market.

Malaysia offers more liberal employment policy in new investment zone

The ground-breaking ceremony for Malaysia's new "Intelligent" city, Cyberjaya, has also laid the foundations for a more liberal employment policy.

Job quotas obliging employers to favour indigenous Malaysians will not apply in Cyberjaya and elsewhere in the Multimedia Super Corridor (MSC) being created south of Kuala Lumpur.

The announcement was made by Prime Minister Dr Mahathir Mohamad as he toured Europe after the mid-May launching ceremony, seeking to woo foreign high-tech companies to the "smart zone".

He explained that there were not enough indigenous Malaysians — known as bumiputras (literally "princes of the soil") — with the skills to fill the tens of thousands of new jobs likely to be created in the MSC.

Cyberjaya is designed for 240,000 people, and the zone will include a new "paperless" high-tech administrative capital, Putrajaya. Together with a new airport to the south, the development is expected to cost 50 billion ringgit and to be completed by 2005.

Mahathir describes it as a "multicultural web of mutually

dependent international and Malaysian companies collaborating to deliver new products and services to customers across an economically vibrant Asia and the world."

Many of the jobs in the MSC will be for "knowledge workers" in information-technology research and development. One of the incentives offered to potential investors is the easing of restrictions on the hiring of foreign staff as well as on the hiring of Malaysians who do not qualify as bumiputras.

The move away from job quotas — even if it is only within the 750-square-kilometre zone — is a major policy shift, which may be perceived as a first step towards a wider relaxation of bumiputra affirmative action.

It would be constitutionally difficult and electorally disastrous to scrap the system altogether. Mahathir, however, is not overly keen on quotas. He has often urged bumiputras to be more self-reliant, and may feel the best he can do now is slowly to wean them off such dependency.

His announcement in London came as the Malaysian media were highlighting some confusion over bumiputra sta-

tus. An Iban (a native of Sarawak state), married to a Chinese Malaysian, was refused permission to register a small business under a bumiputra quota in Malacca on the grounds that the status was not transferable to the peninsula.

Opposition MP Lim Guan Eng urged the authorities in all states recognise the bumiputra status of the natives of Sarawak and Sabah on the island of Borneo. "Otherwise," he said, "attempts to (achieve) national integration will not be successful and anti-federal sentiments will continue in east Malaysia."

Bumiputras are mainly ethnic Malays, most of whom live on the Malaysian peninsula. The Muslim Malays comprise about half the nation's 20 million population. Other indigenous groups such as the natives of Sarawak and Sabah constitute a further 10 per cent. The remainder are mainly of Chinese or Indian descent (brought in during British rule) and there are also up to three million migrant workers.

Malaysia's independence constitution provided special privileges for the ethnic

Malays and other native peoples to placate fears that the

economically dominant Chinese would marginalise them

Anil Noel Netto writes from Penang

Malaysia: into the 21st century

Cyberjaya: Information technology centre. Cost: over \$4bn. Aim: "a multimedia utopia"

Putrajaya: "Paperless" administrative capital, with a population of 570,000, will have cost \$8bn by completion in 2005. Prime Minister Mahathir plans to move his office there in 1998

Petronas twin towers: 88-storey skyscraper in Kuala Lumpur

A \$1.5-2bn telecommunications development will link the four projects

'Vision 2020': creation of a caring, economically dynamic and just society by the year 2020

New airport: Built to handle 25m passengers a year when it opens in 1998

Malays and other native peoples to placate fears that the

economically dominant Chinese would marginalise them

when the British left in 1957. But Malay dissatisfaction grew over their slow economic progress, and in 1969 Chinese inroads into political power triggered riots. The constitution was then amended to make it an offence to question the special position of the Malays and other natives.

A major affirmative-action plan, the New Economic Policy (NEP), tried to bounce the bumiputras into the economic mainstream and to eradicate poverty.

It introduced various quotas, not only in employment but in areas such as education, the allocation of company shares, business permits and special discounts on house prices.

The policy had mixed results. It created a new Malay middle-class and boosted Malay equity ownership. But it also contributed to political sleaze and resulted in what some social analysts called a "dependency syndrome" and a "subsidy mentality" among many Malays.

When the NEP expired in 1990, bumiputras had still not collectively attained the 30 per cent target for equity ownership. So the quotas continued. Current quotas are some-

what vague and can be flexible. Although 30 per cent is often referred to, one foreign firm operating in Malaysia said the authorities seemed to be looking for a minimum of five per cent bumiputras at executive level, and that tax incentives were being used as a carrot and stick to meet such targets.

As matters stand, rich bumiputras are entitled to benefit from quotas as much as those who are poor, and it is the former who often really gain in areas such as business and share-buying.

"Quotas shouldn't be based on ethnicity," argues social reformer Dr Mustafa Anwar. "Rather, there has to be some provision for the disadvantaged so that their interests are taken care of."

"We cannot deny that some of the deserving have benefited," he admits. But "the rich and the powerful have gained more."

Mahathir realises the perils in relying too much on quotas and subsidies. His "Vision 2020" target of turning Malaysia into an industrialised nation by that date does not mention quotas. Instead, it seeks to create a genuine "Malaysian race."

This is perhaps one reason why it has fired the imagination of many Malaysians, including the ethnic Chinese and Indians who used to grumble about what they saw as unjust policies.

Certainly, the emphasis on ethnicity is now less evident than it was in the 1970s, and changing demographic patterns may soon make ethnic-based quotas irrelevant. With higher fertility rates, bumiputras will eventually comprise 70 per cent or more of the population.

The focus may therefore shift from such quotas to policies aimed at reducing income disparity among all Malaysians.

Social analysts such as Mustafa would like to see affirmative action linked to real need. "It would be fairer to provide assistance based on income and poverty levels," he says. — Gemini News

(Exchange rate: \$1=2.5 ringgit) Anil Noel Netto is a freelance writer based in Penang. He also works on the editorial board of Aliran Monthly, an English language magazine focusing on political, social, economic and human-rights issues in Malaysia.