

SANYO

Microwave Oven

Sole Distributor in Bangladesh

Transfin Trading Limited

100, Kazi Nazrul Islam Avenue, Dhaka-1215
Telephone: 815306-09, 819625-29, Fax: 813062

The Daily Star BUSINESS

DHAKA, TUESDAY, SEPTEMBER 9, 1997



HYUNDAI

CARS THAT MAKE SENSE

Jamuna bridge

\$15m OPEC Fund loan for rly

The OPEC Fund for International Development will provide Bangladesh with 15 million US dollars equivalent to Tk 67 crore for the construction of railway over the Jamuna bridge, reports UNB.

The loan agreement in this regard between Bangladesh and the OPEC (Organisation of Petroleum Exporting Countries) Fund was signed in Vienna on August 22, said an official release in Dhaka Sunday.

The loan is to cofinance the railway with the Asian Development Bank.

The agreement was signed by M Anwar Hossain, Joint Secretary, Economic Relations Division of Finance Ministry, on behalf of the government and Dr Salah A Al-Omar, Chairman of the Governing Board of the OPEC Fund.

The terms and conditions of the OPEC loan are: 2 per cent rate of interest, 12 years repayment period and 5 years grace period.

In addition to the construction of 99 km dual gauge rail track, the OPEC Fund will also be utilised for the conversion of some 250 km existing track to dual gauge.

In the past, OPEC Fund has provided loans amounting to USD 224.86 million, out of which project assistance was USD 164.14 million and commodity assistance USD 60.02 million.

Four new projects involving 107 million dollars in rural electrification and rural infrastructure sectors are under active consideration of the management of OPEC Fund for financing, said the release.

Padma Textile declares dividend, bonus share

Star Business Report

Padma Textile Mills Ltd declared a 25 per cent dividend and 1:5 bonus share for the year 1996 at its 13th annual general meeting held at a city hotel on Sunday.

In 1996, the company's turnover stood at Tk 1483.54 million marking a 31.54 per cent rise, and profit was up by 43.35 per cent to Tk 201.39 million compared to previous year, says the release.

The meeting, presided over by ASF Rahman, Chairman of the company, was attended by the directors of the company, Salman F Rahman, Deputy Chairman of Beximco Group, Marc GL Rachman of Commonwealth Development Corporation, CM Alam of IPDC of Bangladesh, MA Qasem, Director, and AB Siddiqur Rahman, Director, Beximco Group.

China plans to privatise 99 pc of state enterprises

HONG KONG, Sept 8: China plans to privatise 99 per cent of its troubled state sector, retaining only 800 to 1,000 enterprises engaged in key industries or with security applications, a Hong Kong report said yesterday, says AFP.

The state would completely divest itself of the other enterprises through national, provincial and local administrations and agencies would be able to purchase stakes independently, the Apple daily quoted sources as saying.

China last week promised a "major breakthrough" in state-sector reform, providing a sneak preview of policies to be unveiled at the coming 15th Communist Party congress.

FedEx announces around-the-world cargo flight

Federal Express Corp (FedEx) has announced around-the-world flight which will significantly reduce transit times from Europe to Middle East, Indian Sub-continent and Asia. It also signals the introduction of the first regular express transportation service to Mumbai, India, says a press release.

The new flight will originate in Indianapolis, Indiana, and will serve European customers through the FedEx hub in Paris, France, before continuing to Dubai, United Arab Emirates, to serve Middle Eastern customers. The flight then continues to Mumbai, India; Bangkok, Thailand; Subic Bay, The Philippines and then returns to the US through Anchorage, Alaska.

Among the primary beneficiaries of the enhanced service will be European express shippers, moving boxes and heavy freight consignments to the Middle East and Asia. The new flight will also enable FedEx to provide later pick-up times and earlier delivery to customers in these markets. Transit times for shipments from continental Europe to the United Arab Emirates, for example, will improve by a full day. The time required for customs clearance of dutiable goods will also decrease.

\$15m 'Infrastructure Investment Facilitation Centre' by next month

Hopes to woo \$1.5b in private capital

Experts yesterday began a two-day conference to devise modality of an investment-facilitation unit aiming to develop the urgently-needed infrastructures with private capital, reports UNB.

The Infrastructure Investment Facilitation Centre (IIFC), being formed on proposal from the World Bank, will catalyse investment by the private sector in areas like ports, roads, energy, telecoms and water supply.

The Centre will be in place before the scheduled visit of the World Bank President, James Wolfensohn, to Bangladesh next month.

The IIFC would be set up at a cost of 15 million US dollars and work closely with the Infrastructure Development Company, another brainchild of the World Bank, which has already been created.

The World Bank is providing 235 million US dollars. Some five million pound is coming from British Department for

International Development (DDID) and another five million dollars from the Canadian International Development Agency (CIDA).

An amount of 225 million US dollars will be channelled into the private initiatives as equity through the company, which is expected to attract private capital to the tune of 1.5 billion dollars in few years.

The World Bank has mooted the Company and the Centre to bring private investment in the infrastructure, seeing the dramatic improvement of infrastructure in East Asian countries with private capital.

Finance Minister Shah AMS Kibria, opening the meeting at a city hotel, called the Centre a key initiative to develop country's extremely poor infrastructure with private investments.

"With inadequate infrastructure we not only affect the quality of life of thousands of our people, but also lose out in the competition to manufacture and supply goods and services

at low cost," he said.

He noted that despite better productivity and low labour cost, the country's exporters find it hard to compete in the other markets as their competitors have more efficient and adequate infrastructural facilities.

"Chronic underinvestment and neglect over many years in the past is responsible for the situation," the minister said.

The Economic Relations Division (ERD) and the World Bank have jointly arranged the roundtable conference being attended by experts from government ministries opened for private investment and donor agencies.

The finance minister also acknowledged the possibility and said the Bangladesh government was also adopting a similar approach for "dramatic increase" of investment in infrastructure and modernising it.

"We realise that the private sector not only brings financial

resources that will free the government to use our meagre resources in other much-needed areas, but also brings with it new technology, modern management methods and higher efficiency," he said.

Calling for a "fundamental change" in the way the government responds to private initiatives, Kibria pointed out that the government machinery is not used to dealing with the private sector ownership and operation of power plants, ports and roads.

"Hence, in order to carry out such development with low costs to both the government and the private entrepreneurs, there is a need to change our perception of the private sector, create suitable ways to interact with them efficiently and establish sound procedures and processes to develop priority projects," he said.

Reminding that the initiative is "a very high priority," the minister asked the officials concerned to set up the Centre

without delay and not to replicate another bureaucratic setup.

The Centre should work as a fast-track and one-stop-shop in real sense for developers interested in the infrastructure sector, he said and directed the officials that it should not be used to restrict private initiative.

While speaking about the IIFC, the finance minister seized the opportunity to claim that the economy was performing well and the recent outcry about an economic breakdown by the opposition was misleading.

He said the national economy is on a dynamic growth pace. "Bangladesh is going ahead very firmly with growth in every sector," Kibria told the function.

ERD Secretary Dr Masihur Rahman, Additional Secretary of ERD Chowdhury Mohammad Mohsin and representatives of the World Bank, the Asian Development Bank (ADB), the DDID and the CIDA also spoke on the occasion.

Protest at Khulna Shipyard 10 industrial units on privatisation list

From Quazi Amanullah

KHULNA, Sept 8: Ten industrial units including Khulna Shipyard and Khalishpur Newsprint Mills have been listed for privatisation through competitive bidding.

Sources said the industries on the privatisation list include five mills of Bangladesh Jute Mills Corporation (BJMC). The jute mills are Eastern Jute Mills, Peoples Jute Mills, Star Jute Mills, Carpeting Jute Mills and Rajshahi Jute Mills.

The other industries listed for privatisation are Khulna Shipyard, Hardboard Mills, Newsprint Mills, Khulna Cabinet Manufacturing and Khulna Industrial and Trading Company.

The industrial units will be sold out to the highest bidder, said the sources.

Meanwhile, the workers and employees of the industries have threatened greater movement against the decision of privatisation.

Leaders of CBA in separate

meetings have decided to resist the sale of the industries at any cost.

A UNB report from Khulna says: Employees of Khulna Shipyard have protested the government decision to denationalise the country's only shipyard.

Khulna Shipyard Employees Union held a meeting at the main gate of the shipyard on Sunday with its president Mostafa Mia in the chair.

Addressing the meeting, attended by several hundred employees, the union leaders threatened to wage a grater movement if the decision is not cancelled immediately.

The speakers said different agencies including Bangladesh Navy are engaged in the shipyard which earns huge foreign currency every year.

The meeting was addressed, among others, by Shipyard Employees' Union general secretary Abdul Malek and Staff Union president Shah Alam.

BGMEA blasts govt decision

Star Business Report

BGMEA leaders have again blasted the government for what they said "unilateral" decision to cancel the disputed GSP certificates despite repeated requests from the exporters to "involve them in decision-making process."

"I strongly protest the decision which may eventually drive our buyers away," president Mostafa Golam Quddus told a press conference yesterday.

An angry Quddus said that BGMEA representatives would not accompany Commerce Minister Tofael Ahmed as part of his entourage when he travels to Brussels on September 13 to talk two-stage transformation for Bangladeshi knitwear and sweater. The minister said Sunday that he had already received indication from the EU of a positive outcome.

Quddus said he feared the decision would have a 'catastrophic' consequences for the readymade garment industry -- which employs some 1.3 million people -- in 15 days.

"Our overseas banks may now express their doubts about the validity about the exporters'

documents," he said. Quddus termed Sunday, the day the cancellation decision came, the "worst day in the history of garment industry" in the country. "We did not have such a

The BGMEA leaders demanded the government pay for the financial losses faced by exporters.

According to Quddus, some US \$ 65 million would be needed.

Quddus was however willing to accept the decision if knitted products were given a two-stage derogation for GSP. "We are ready to welcome the decision if the government really succeeds to bring a two-stage transformation for knitwear," he said.

The BGMEA leaders claimed some 214 schedule 'B' GSP certificates were genuine. Those were confirmed and re-confirmed by Bangladesh's missions abroad and the Export Promotion Bureau in Dhaka," said one.

"The government should not have done this before preparing any modalities to handle the compensation issue."

Quddus, owner of a sweater manufacturing unit, alleged the

government had not responded to BGMEA call last week for further discussions over the issue.

Vice presidents Abul Quasem Haider and Nurul Huq Sikder, executive committee members Uzair Afzal and Anisul Huq were also present.

Sikder said the government could have gone for other options. "It could have tried an agreement to pay the compensation to the European Union without cancelling the certificates," Sikder said.

In that case buyers could get protection, and distrust between us could be averted," he said.

He said buyers would try to get back the money from the exporters -- through discounts and concession -- which they will be paying to their Customs authorities. The EU buyers enjoyed a 12.5 per cent duty waiver from their respective governments that made Bangladeshi apparels competitive.

He denied that BGMEA had agreed to cancellation in any meeting with government officials.

Bank Indonesia lowers rates of certificates

JAKARTA, Sept 8: Bank Indonesia, the country's central bank lowered its one-month and three-month short-term bilateral certificates (SBIs) rates by three percentage points, reports Xinhua.

The Bank Indonesia said in a statement that the rate of the month-long SBI was lowered from 30 per cent to 27 per cent, while the rate for the three-month SBIs from 28 per cent to 25 per cent.

Meanwhile, the SBI overnight rate remains at 15 per cent, while for one week the SBI rate is at 20 per cent, two weeks at 22 per cent, six months at 12.125 per cent, and one year remains at 12.75 per cent.

The central bank raised its one month SBI rate to 30 per cent and its three-month SBI rate to 28 per cent on August 19.

The rate increase was aimed at stabilizing the rupiah currency against the US dollar.

To curb the rupiah fluctuation, the government introduced a tight monetary policy and raised the SBI rates along with the temporary halt of the purchase money market securities (SBPUS) by the central bank.

Roundtable conference told Build social movement against child labour

Star Business Report

Speakers at a 'Roundtable' Conference on Child Labour in the city yesterday called for building a social movement to rescue the under-14 children from hazardous occupations.

They also called for launching a campaign to protect rights of working children till total elimination of child labour in the country.

The roundtable was organised by the Media Group for Child Rights with support from the UNICEF, Industries and Commerce Minister Tofael Ahmed invited the discussion which was participated by State Minister for Labour M A Manman, BGMEA president Mostafa Golam Quddus, and politicians, academicians, government officials, representatives of UNICEF, ILO and USIS, NGO activists and a good number of journalists from the print and the electronic media.

About 63 lakh children of 5-14 age group are non-engaged in economic activities that deprive them of the right to education, the conference was told.

As a member country of SAARC, Bangladesh is committed to eliminate 'hazardous child labour' by 2000 and 'all sorts of child labour' by the year 2010.

It was disclosed in the conference that from October 1 next the government would start enrolling some 81,000 'hard-to-reach' working children in 2,700 education centres, set up by NGOs, under a 'Non-Formal Education Project' in Dhaka.

Md Golam Mostafa Talukder, a Project Director of the Directorate of Non-Formal Education (DNFE), said that 1,62,000 working children would be brought under this project during the current financial year. Another 3,51,000 'hard-to-reach' working children would be brought under the project in six divisional cities in phases, he added.

Presenting a paper in the conference Dr Wahidur

Rahman, National Programme Coordinator of ILO-IPCC (International Programme on the Elimination of Child Labour), Bangladesh, said that educating the working children would definitely be a good step in eliminating child labour.

Tofael Ahmed, referred to the government's 'National Plan of Action on Child Labour' and said strict enforcement of laws should be ensured but "not at the cost of miseries of poor families which depend heavily on income-support from children."

Minister of State for Labour and Manpower, M A Manman, said both "preventive and curative measures" should be taken to gradually eliminate child labour from the country.

General secretary of Communist Party of Bangladesh Mujahidul Islam Selim blamed the government and garments factory owners for frequent fire incidents and deaths of workers in garments factories.

In response, BGMEA president Mostafa Golam Quddus said, "We are now taking punitive actions to check such incidents."

Barrister Rabeya Bhuiyan, MP, Prof Mahmuda Islam of Dhaka University, Prof Ahmedullah Mia, Executive Director of UCEP, Hasan Sharif, Special Correspondent of the Ittefaq, Dr Monika Sharma, officer-in-charge, and Sampha Lhalungpa, project officer of education section, UNICEF Robert Kerr, Deputy Director of USIS, J K Baral and Rubina Hashmy of UNICEF, Akky De Kort of ILO-IPCC, Zahurul Alam of VOA (Voice of America), Aminul Islam of 'Shishu Adhikar Forum' and S M Shafiqul Amin Ferdousi, president of Media Group for Child Rights were, among others, who took part in the discussion, moderated by journalist and columnist Zaglul Ahmed Chowdhury.



The Chairman and Managing Director of Bangladesh General Insurance Company Ltd, MA Samad, delivering his address of welcome at the 12th annual general meeting of the company at a city club Sunday.

Row over new wage package 5.2m federal employees rebuke Gujral govt

NEW DELHI, Sept 8: India's 5.2 million federal government employees, rejecting a new wage package, have delivered a stunning rebuke to Prime Minister Inder Kumar Gujral's loose-knit coalition, reports Reuter.

A 135 billion rupee (3.7 billion dollar) pay-out each year to government employees, including the armed forces, has failed to satisfy anyone but instead opened up a minefield for the 15-party ruling alliance, analysts said yesterday.

"This is an open season on the Gujral government," said political commentator Mohan Guruswamy.

Since few expect the coalition comprising free market proponents, Communists and regional parties to stay the course, this was seen as a good time to extract maximum concessions, he said.

The government is holding back the implementation of the plan for pay increase, which were approved in July, until differences are ironed out with staff unions.

The unions' main gripe is the wage disparity among government workers.

Employee protests against the fifth pay commission's recommendations have quickly snowballed into a political row.

Last Thursday hundreds of thousands of civil servants stayed away from work. The employees have threatened to go on indefinite strike from September 24 if the government does not consider their grievances.

While the communists and unions controlled by it are at the head of the agitation, Prime Minister Gujral's own Janata Dal jumped into the fray last week.

"The employees' demands cannot be dismissed out of

SCB workshop on interbank payment, settlement held

Standard Chartered Bank (SCB) organised a workshop on "Interbank Payment & Settlement System in New York" on Sunday, says a press release.

Mamun Rashid, Acting Chief Executive for SCB Bangladesh, while inaugurating the workshop focused on the importance of modern payment system and swift format for various types of payments in New York to reduce the number of correspondences, duplicate payments and operational error.

Kanti Kumar conducted the workshop, attended by 16 officials of seven local banks.

hand," said Janata Dal President Sharad Yadav. "There's merit in them and I will be taking it up with the government."

Arjun Singh, a senior leader of the Congress Party which offers make or break support to the coalition, said that discontent among government staff including the armed forces did not auger well for the country.

"With some of his own partymen and supporters hitting the streets, the impressions the Gujral government is merely being tolerated," said political analyst Guruswamy.

At the top of the employees' wish list is narrowing the disparity with the Indian civil service, the steel frame of the former British Raj.

"More than the political leadership, we hold bureaucrats responsible for this wage mess... the disparity is actually widening now," said Gurudas Dasgupta, a leader of the Communist Party of India which is a partner in the ruling coalition and is leading the staff agitation.

In accepting the "handsome recommendations" of a blue-ribbon wages committee, the government had taken on an additional burden of three billion dollars annually, a government spokesman said.

Exchange Rates

The following are the Sonali Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 8th Sept '97.

	Buying		
	TT Clean	OD Sight	OD Transfer
US Dlr	44.4200	44.2545	44.1580
GB Pound	70.2005	69.9688	69.8162
D Mark	24.5231	24.4317	24.3784
F Franc	7.2874	7.2602	7.2444
C.Dlr	31.9834	31.8643	31.7948
S Franc	29.9423	29.8308	29.7657
J.P Yen	0.3632	0.3618	0.3610

Name of Currency	Selling	
	T.T.&O.D.	B.C.
US Dollar	44.7105	44.7505
GB Pound	71.2674	71.3312
D Mark	24.9343	24.9566
F Franc	7.4124	7.4190
C.Dollar	32.5279	32.5570
S Franc	30.4514	30.4786
J.P Yen	0.3733	0.3736

A) TT (DOC) US Dollar Spot Buying Tk. 44.3372
B) Usance Rate

Days	30	60	90	120	180
Days	43.9635	43.9635	43.2231	42.8530	42.1126

C) US Dollar sight export bill 3 months forward purchase: Same as OD sight export Bill buying rate.

Currency	Selling		Buying
	UAE Dh	12.1734	
KUW DI	146.5678	144.7092	
D Guilder	21.6495	21.3716	

The following are the Janata Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 08/09/97.

Name of Currency	Buying		
	TT Clean	OD Sight	OD Transfer
US Dlr	44.4200	44.2493	44.1334
GB Pound	70.3381	70.0517	69.8681
D Mark	24.5597	24.4598	24.3956
F Franc	7.2983	7.2686	7.2495
J.P Yen	0.3650	0.3635	0.3625
C.Dlr	31.9922	31.8619	31.7784
S Franc	29.9424	29.8205	29.7424

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

Name of Currency	Selling		Buying
	T.T.&O.D.	B.C.	
US Dollar	44.7115	44.7510	
GB Pound	71.3534	71.4330	
D Mark	24.9611	24.9889	
F Franc	7.4192	7.4274	
J.P Yen	0.3735	0.3739	
C.Dollar	32.5177	32.5539	
S Franc	30.4439	30.4778	

Dollar weakens against yen in Tokyo

TOKYO, Sept 8: The US dollar weakened against the yen Monday, reports AP.

The dollar fell against the German mark, and as a result against the yen, amid fresh doubts that European economic and monetary union will start as soon as expected.

Kurt Biedenkopf, governor of the state of Saxony and a major party rival of German Chancellor Helmut Kohl, suggested over the weekend that the introduction of a single European currency may be delayed by five years.

In Tokyo, the dollar traded between 120.72 yen and 121.24 yen.



FIRST NEXT-GENERATION 737-600 FUSELAGE JOINED IN WICHITA: Workers at The Boeing Company's commercial division in Wichita, Kan., this month joined into one piece the major assemblies that comprise the fuselage of the first Next-Generation 737-600 airplane. Photo shows the Section 43 lower lobe as it is being lowered into an integration tool for joining. After integration of the fuselage is complete, protective finishes will be applied and the unit will be shipped by rail to the company's commercial division in Renton, Wash., where final assembly and delivery will take place. Smallest of the Next-Generation 737 family, the -600 model measure 110 feet 4 inches (31.2 m) in length and can carry up to 132 passengers. The 737-600 was launched in 1995 by Scandinavian Airlines System (SAS) when the airline ordered 35 of the aircraft. The first 737-600 will roll out of the Renton factory in December 1997. First flight is scheduled for January 1998 and delivery is set for August of next year.