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BUSINESS

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HYUNDAI

CARS THAT MAKE SENSE

Cargo village
at ZIA under
construction

Bangladesh Civil Aviation Authority is implementing a Taka 200 crore project to build a cargo village at the Zia International Airport.

The project with a floor space of 20,000 sq. meters is being implemented to provide adequate space for both exportable and imported goods.

A source at the Ministry of Civil Aviation and Tourism told BSS here yesterday that the project was being implemented in view of the increasing exports from Bangladesh through air transport.

The source also said that the project would be implemented within the current fiscal year.

State Minister for Planning, Civil Aviation and Tourism Dr. Mahiuddin Khan Alamgir visited the site of the under-construction cargo village Monday on the northern side of the airport.

He also visited the cargo terminal there and went round its different sections. He asked the concerned authority there to modernise and quicken the delivery of imported goods and ensure security of the exportable items.

Managing Director of Bangladesh Biman, Air Commodore M. Rafiqul Islam and high officials of the concerned authority were with the State Minister during the visit.

Indian software
industry booming

NEW DELHI, Oct 7: India's software industry is expected to grow almost 50 per cent in the fiscal year to March over the previous year and to continue its boom into the next century, business chiefs said yesterday, reports AFP.

The National Association of Software and Service Companies said turnover was likely to touch one billion dollars after growing 669 million dollars in the fiscal year to March 1997.

It added that by 2000 the software sector would post a turnover of 3.4 billion dollars.

The association, in a report on the domestic market, said India's software exports had also registered growth of almost 50 per cent over the past five years.

New laws preventing software piracy and higher tax concessions had helped the boom, it said, adding that domestic firms introduced 127 new software products in the Indian market during 1996-1997.

The association said further cuts in taxes would make India more computer-friendly.

"The population of computers here is around 1.8 million, which is even less than one-third of the total number of computers in New York alone," it said, arguing that high costs of imports stunted sales.

India, while excelling in home-grown computer software, still relies on imports for computer hardware which are heavily taxed, making them more expensive than in the West.

Microsoft Corp. chief Bill Gates, during a visit here in March, had said India could turn into a "software superpower" if more investment was made into infrastructure.

'Currency turmoil
has little impact on
S'pore economy'

SINGAPORE, Oct 7: Singapore Finance Minister Richard Hu said today the turmoil in Southeast Asian financial markets was having little impact on the economy, reports Reuters.

He told parliament the extent of any longer-term impact would depend on how long it took the region to recover.

He said Singapore's de facto central bank, the Monetary Authority of Singapore (MAS), would continue to allow gradually increased use of the Singapore dollar in international markets.

The Singapore dollar fell after Hu's comments, breaching 1.56 to the US dollar at one point before recovering to around 1.5575 at 0730 GMT, still well below its morning high of 1.5380.

Asked how Singapore was being affected by the financial crises in other Southeast Asian countries, which have seen big falls in many of their currencies, Hu replied: "The immediate impact is very small, certainly for this year."

"He long-term impact will depend on how the regional economies recover and resume their growth," he said.

\$23.6m Japanese
aid for Palestinian
refugees

TOKYO, Oct 7: Japan will give 23.6 million dollars in aid to Palestinian refugees under pressure due to Israel's economic blockade of the Gaza Strip, the Foreign Ministry said yesterday, reports AFP.

The aid will be provided through the UN relief and works agency for Palestinian refugees, the UN Development Programme and the Japan-Palestine Development Fund, the ministry said.

Kibria rules out adverse impact of SEA currency crisis

Taka won't lose value,
says finance minister

Finance Minister Shah AMS Kibria yesterday ruled out the possibility of taka devaluation in response to massive erosion in the value of South East Asian currencies, reports UNB.

"I'm confident and sure that there will be no reflection of the South East Asian crisis on Bangladesh," he told a press conference, claiming that the economy is sound and it is performing in full gear.

The minister asserted that the economy will be kept stable and there will be no change in



the country's monetary policy or exchange rate in the wake of currency crisis in the ASEAN countries.

He said the trade relations with the South Asian countries are not as extensive as with the countries in North America, Europe and South Asia, which is a reason of not changing in the exchange rate.

There has also been no impact of the crisis in the neighbouring countries, like India and Pakistan, Kibria said.

Identifying convertibility of

the currency in the capital account as one of reasons behind the crisis, he said Bangladesh is yet to make its currency convertible in the capital account.

The minister said the economy is performing well and growing steadily despite disruptions caused by various problems like power shortage.

Export marked a 20 per cent rise while the capacity utilisation of the industrial units increased which is evident from the increased disbursement of working capital, he said.

Laws drafted to speed up
privatisation of SOEs

Privatisation Board Chairman Kazi Zafar Ullah yesterday said the Board has drafted a legal framework to be placed before the Jatiya Sangsad to pave the way for the government to privatise state-owned enterprises (SOEs), reports BSS.

He was exchanging dialogue with economic reporters at the board room here yesterday as part of its public awareness programme to mobilise opinion in favour of privatisation in the country.

The draft, he said, will be sent to the Ministry of Law for its vetting before placing it before the Jatiya Sangsad so that all hurdles could be overcome.

Describing privatisation as a bitter pill to swallow, Zafar Ullah said that the present government was determined to privatise SOEs as a matter of principle. Not at under any pressure.

"We have laid the foundation of privatisation. Now the pace will be accelerated. We want to make units more profit-making and efficient. We want to reduce our staggering losses of Taka 43,400 crore of different SOEs in last 25 years, he said.

He said the Board has finalised 32 SOEs for privatisation. Out of those, board has already issued letters of intent for handing over nine SOEs. Gov-

ernment shares of nine other SOEs are now being sold through ICB with the approval of the Prime Minister.

Zafar Ullah emphasised the need for mobilisation of public opinion in favour of privatisation and called for media support and coverage in this respect.

Referring to the nomination of two opposition MPs including former Finance Minister and BNP leader M. Saifur Rahman as part-time member of the privatisation board, he said politicians played an important role in moulding public opinion in favour of privatisation.

He said that the Board would launch a massive cam-

paign highlighting various advantages of privatisation. He cited the success stories of New Zealand, Pakistan and Sri Lanka in this regard.

The board, he said, would organise a series of seminars, campaigns and meetings in industrial areas, radio and television programmes, poster, publicity and media campaign to mobilise public opinion.

Privatisation Board member SM Zakaria said that the board would sit down with the workers and employees of SOEs so that their problems could be addressed and they could get their due benefits at the time of privatisation.

CDS soon to make share trading easier

'Laws need changes'

By M Shamsur Rahman

Work on setting up of a so-called central depository system (CDS), which will have share trading scrippless and transfers made by book entry, is underway as a high-level committee discussed its legal and operational framework yesterday.

The eight-member CDS Committee, formed on September 24, with Securities and Exchange Commission member Shahabub Alam as convenor has been assigned to design and sort out the legal and operational framework of the system. The other members are SEC legal advisor, an SEC executive director, the FBCCI chief, the DSE chief, the CSE chief, ICAB chief and the managing director of Peregrine Capital.

At its first meeting yesterday, the committee came up with a number of proposals for the effective implementation of CDS in Bangladesh.

Sources said the meeting stressed the need for a Depository Act and some amendments to the existing ones. "To implement CDS, the Company Act 1994, Securities and Exchange Ordinance 1969 and the Stamp Act 1899 need to be amended," an SEC official said quoting meeting sources.

If implemented, the CDS will boost confidence of investors and is likely to eliminate the kerb market. "There will be no paper share certificates," a committee member said.

"All shares will be collected and kept in the central depository and a buyer will get the distinguishing number against a purchase and not the actual paper certificates," the committee member explained.

Automation is not a prerequisite to CDS. "In Pakistan and India, initiative for CDS had been taken before automation. Automation is a trading system, and CDS is a way of keeping track of shares," a committee member said.

"Under the Central Depository System, share transfer will be quicker, forged share certificates will not exist and it will help in eliminating kerb market," the member said.

IIM, IBA talk
collaboration

Star Business Report
India's top business school, the Indian Institute of Management, Calcutta (IIMC), and the Institute of Business Administration (IBA), Dhaka University are planning to collaborate with each other offer business courses in South Asia.

"There are significant scopes for collaboration of management development programmes for working executives in the field of strategic management," said Dr Ranjan Das, a professor of Strategic and International Management at IIMC.

"We have also discussed an elective course for the final year MBA students at IBA," he said.

Professor Das told The Daily Star that the proposed collaboration would "help generate resources for the two institutions to conduct such courses."

The Department of Business Administration, Khulna University, is also considering offering management development programmes for working executives.

IIMC is rated as one of the best business schools in India, set up in collaboration with Ulfred P Sloan School of Management, MIT, USA.

Dr Das, on a five-day visit here, said the planned exchange programmes would both institutions share their experiences.

He said Bangladesh needed management resources more than creation of new assets. "Managerial competence is the key requirement right at this moment."

Motia wants modern
agri technology

Agriculture Minister Matia Chowdhury has emphasised on adoption of modern technology for the expansion of agriculture, says UNB.

The minister was inaugurating a day long seminar on "Recent Trend in Agricultural Development of Bangladesh: Policy implications" at BARC auditorium yesterday, organised by Bangladesh Agricultural Economists' Association.

The government, NGOs and farmers should take efforts in marketing the products of the farmers, Matia said emphasising on proper storage of agri-products and establishment of agri-market linkage at home and abroad.

She, however, regretted that agri-economy is not getting on solid foundation due to lack of formulation of proper planning and its implementation.

Former president of the association Dr Jahangir Alam presented the key-note paper at the seminar, attended by 500 agricultural experts and social scientists.

Presided over by the Presi-

dent of Bangladesh Agricultural Economists' Association Dr SM Elias, the opening session was also addressed by head of Social Science Division of IRRI, Dr Mahabub Hossain, and Member of Planning Commission Dr Lutfar Rahman.

BIBM course on
'human resources
development' ends

A 10-day course on conducted human resources development by Bangladesh Institute of Bank Management ended here on Monday, says a press release.

The course was designed to acquaint the participants with various tools and techniques of human resources development.

A total of 23 officers from different banks participated in the course.

BIBM Director General, AHM Nurul Islam Chowdhury presided over the concluding session and gave away the certificates to the participants.



Participants of the training workshop on Integrated Farm Management, organised by Business Advisory Services Centre (BASC).

Indian Airlines
raises fares

NEW DELHI, Oct 7: Indian Airlines yesterday announced its fourth fare increase in two years, hiking prices by up to 14 per cent, an airline spokesman said, reports AFP.

The spokesman said the company was forced to act following increases in input costs... beyond the control of the airline.

"Even with the increase, the domestic fares in India remains among the lowest in the world."

The loss-making state-run domestic carrier said charges for shorter routes would increase by 14 per cent, with 10 per cent rises for longer hauls.

Indian Airlines, which receives a 45-million-dollar annual government subsidy, has accumulated losses of 166 million dollars since 1993.

It has announced plans, however, to post a profit of 26 million dollars in the fiscal year to March 1998.

BASC certificate
awarding ceremony

Certificate awarding ceremony of the 5-day training workshop on Integrated Farm Management, organised by Business Advisory Services Centre (BASC) was held on at the BASC Training Hall in the city on Sunday.

A Hafiz Choudhury, FCA, Chairman BASC Board of Directors, attended the ceremony as chief guest and distributed certificates among the participants, says a press release yesterday.

The training workshop was participated by 20 participants from Hytek Garments Ltd, Sonali Matsya Hatchery, Inter Exports International Ltd, Sabir Prawn Culture Farm, Gachihata Aquaculture Farms Ltd, Halia Farms Ltd, Kalyani Khmar, Pisciculture Training Centre, PEP-BRDB, RD-5 Project, Adarsha Khmar, Cox's Bazar Government Fish Farm, Agrani Bank, BRAC and some emerging private sector organisations.

Iran posts \$ 7.5b
trade surplus

TEHRAN, Oct 7: Iran had a trade surplus of around 7.5 billion dollars for the 12 months ending March 1996, thanks to higher revenues from crude oil exports, the central bank said yesterday, reports AFP.

The figures, published in the government newspaper Iran, also put Iran's foreign debt at 16.8 billion dollars along with 15.8 billion dollars in "financial commitments" — goods and services purchased but not yet received.

Crude sales accounted for much of the 22.5 billion dollars of goods exported last year, while imports stood at 15 billion dollars, the central bank said.

It did not give a figure for the oil revenue. Other exports did not exceed three billion dollars, amid a crisis in the non-oil exports caused mainly by strict government regulations.

Iran is the largest exporter of crude in the Middle East after Saudi Arabia with an average sale of 2.5 million barrels a day.

The bank also said that the country's foreign debt had dropped to 16.8 billion dollars last March from 22 billion dollars a year before.

About 12.3 billion dollars of the total debt is long and medium-term and the rest short-term, it added.

But the figure excludes the money owed for goods purchased last year but not yet taken delivery of that added, the country's foreign debt would rise to 32.6 billion dollars, the bank said.

The bank said in January that Iran owed about 23.35 billion dollars in foreign debt.

The unprecedented debt resulted from runaway imports in the early 1990s, when the government opened up the economy after the 1980-1988 war against Iraq.

In an about-face prompted by growing public criticism, the government sharply curbed imports three years ago to save hard currency to pay back the debt.

RBI may deregulate
interest rates further

BOMBAY, Oct 7: Bankers said today they expect the Reserve Bank of India (RBI) to further deregulate interest rates in a key policy announcement later this month but some said the market may not be ready for total deregulation, reports Reuters.

The RBI announces its monetary and credit policy for second half 1997/98 (April-March) on October 21 amid widespread speculation it will cut its key bank rate by at least a half percentage point from 10 per cent.

RBI Governor Chakravarty Rangarajan on Monday told a bank economists' conference that banks had to be ready for a deregulated interest rate regime, where they are free to fix their own rates on deposits and loans.

But he also said there was little more to do in this area.

"The deregulation of interest rates has gone to the maximum extent, I think we have deregulated the interest rates how much more than what Japan had done until a few years ago, except for some small loans, Rangarajan said.

But bankers saw scope for further loosening of the reins.

"We think interest rates for deposits below one year may be freed," said P H Ravikumar, senior vice-president at ICICI Banking Corporation (ICBK, Bo).

The process of interest rate deregulation, started in the early nineties as part of the financial sector reforms, earlier the RBI prescribed all interest rates.

At present the RBI sets the maximum interest banks can pay on deposits with maturities from 30 days up to one year. It is now at 8.0 per cent. Banks are free to set rates for longer maturity deposits.

Banks are also free to set their lending rates for loans above 200,000 rupees, while the central bank sets rates for loans up to 25,000 rupees and for loans between 25,000 and 200,000 rupees.

"If not for all deposits below one year, at least rates on deposits longer than 90 days or 180 days may be freed," Ravikumar said.

US warns China,
Japan over trade
surpluses

HONG KONG, Oct 7: US Secretary of Commerce William Daley issued stern warnings to China and Japan over their huge trade surpluses with the United States, reports AFP.

Tokyo's trade surplus with Washington was approaching politically unacceptable levels and Beijing's was a direct result of protectionist policies which the Washington believed should bar China from the World Trade Organisation (WTO), he told reporters here.

Daley arrived in Hong Kong en route for top level talks with Chinese leaders.

"China's reach is great, its economic impact and potential boundless," he told an American Chamber of Commerce meeting.

"But for trade to continue to thrive, China must be willing to accept the obligations as well as the opportunity that open trade brings."

The world is waiting for China's commitment to the basics of open and fair trade in all aspects of its global economy."

The United States has a 44 billion dollar trade deficit with China, Washington's second biggest after Japan, compared to a trade balance some 12 years ago.

The United States wanted China's entry to the World Trade Organisation (WTO), but "in a way that generates firm commitment to the principles and practices of the WTO and that genuinely opens the Chinese market," Daley said.

Despite China's stunning economic development since market reforms were launched in the early 1980s, the mainland accounted for just 1.9 per cent of US exports, he added.

And even though Chinese exports to the United States have increased an average 25 per cent a year since 1985, US sales to China have only risen 11 per cent a year over the same period.

"There must be greater access for US exports. American trade policy is built on a basic, unwavering demand for fairness and a level playing field."

With the other 140 members of the WTO, we recognise that the increasingly open global market system comes with rights — and obligations."

DHL to buy
7 planes

DHL Airways Inc. has signed a memorandum of understanding to buy seven Airbus Industrie A-300B4 converted freighter aircraft to supplement the international air express leader's US fleet, says a press release.

The delivery of the planes will begin in the second half of 1999.

All of the planes will be based at the DHL North American hub at the Greater Cincinnati/Northern Kentucky International Airport.

The routing of the aircraft has not yet been determined.

The A-300B4 is well suited for high volume routes between the DHL hub and major business centres throughout the United States and possibly Mexico.

Emirates signs
order for two
more Boeings

Emirates has signed an order for two more Boeing 777s which are likely to join the fleet late '98.

A press release said meanwhile Emirates seventh Boeing 777 has arrived at Dubai International Airport.

Emirates latest Boeing 777, A6-EMJ, is the last of its firm orders with Boeing. It brings the total number of the fleet to 22 aircraft — seven Boeing 777s and 15 Airbus.

Exchange Rates

The following are the Janata Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 07/10/97.

Name of Currency	Buying		
	TT Clean	OD Sight Export Bills	OD Transfer
US Dir	44.4350	44.2519	44.1433
GB Pound	71.4434	71.1405	70.9660
D Mark	25.1938	25.0870	25.0254
Fr Franc	7.4928	7.4611	7.4428
JP Yen	0.3626	0.3610	0.3602
C Dir	32.2066	32.0701	31.9914
S Franc	30.5952	30.4655	30.3907

Name of Currency	Selling	
	T.T & O.D.	B.C.
US Dollar	44.7115	44.7510
GB Pound	72.4578	72.5225
D Mark	25.5970	25.6198
Fr Franc	7.6128	7.6195
JP Yen	0.3708	0.3713
C Dir	32.7285	32.7576
S Franc	31.0903	31.1180

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

US Dir	Selling		Buying
	45.2000	44.7000	
GBP	71.4600	69.4600	
S Riyal	11.9000	11.6000	
Uae DH	12.0500	11.6000	
KUW DI	146.5000	141.5000	

US firms waging fight against sweatshops

As part of effort to eradicate sweatshops from the garment industry, several US investment firm managers say they are steering dollars into companies that protect rights of their employees, says UNB.

"We believe there is no reason in this day and age for worker abuse," Steve Schueth, chairman and president of the Social Investment Forum, told reporters at a September 22 news conference with US Labour Secretary Alexis Herman in Washington.

A USIS news release issued here Monday said the forum — a non-profit association of investment professionals, educators, researchers, community development organisations and others — calculates that total dollars managed in "socially responsible" portfolio

grew from about 65,000 million US dollars in 1985 to 639,000 million US dollars by early 1996.

Such portfolios screen companies for various criteria, including their environmental practices and the quality of their employer-employee relations.

Investors thus have the option of using their financial clout to support sound social policies. According to the forum, those investments can also yield high profits.

"These are not investors sacrificing returns for social good," Herman told reporters.

She cited an independent 1996 study which concluded that there were no "significant" differences between the performances of traditional investment funds and funds that took social criteria into considera-

tion. "We know that responsible companies pay off," said Joan Bavaria, president of Franklin Research and Development Corporation.

Bavaria and the other investment professionals who gathered at the Department of Labour focused their comments on the garment industry, which has come under close scrutiny in the United States and overseas for violations of national and international labour laws.

"Despite concerted efforts by governments, labour organisations, and non-government organisations to eradicate sweatshops, we find that deplorable working conditions continue to be a problem around the world," the investors said in a signed statement.

Herman acknowledged that

while the many of the worst reported labour violations occur overseas, investors have uncovered sweatshops operating in the United States.

"It is such an underground problem that there is no definitive source on how many sweatshops really do operate in this country."

But we certainly know that one is clearly too many," she said.

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