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DHAKA THURSDAY DECEMBER 11, 1997

## Meghna PET plant starts commercial production today

**Star Business Report**  
Meghna PET Industries, a subsidiary of the Meghna Group of Industries Ltd, will launch its commercial production of food preservation containers today.  
Finance Minister S A M S Kibria will be chief guest at the launching at the plant site, Meghna Ghat, Sonargaon, this afternoon.  
Company officials said PET or Polyethylene Terephthalate products are made of plastics, and containers made of it were "clear, light, hygienic and environment-friendly for storage of food stuff and drinks".  
A computerised production system, it is approved by the US Food and Drug Administration, they said.

## BOC plant foundation stone laying today

**Star Business Report**  
President Shahabuddin Ahmed will lay the foundation stone of a new air separation plant of the BOC Bangladesh Ltd at Rupganj today.  
David John, the BOC Group Chairman, flew in yesterday to attend the ceremony, the company officials said.

## Tk 141cr Norwegian grant for 3 projects

Bangladesh will receive 220 million Norwegian kroner equivalent to Tk 141 crore as grant from Norway, reports UNB.  
Three agreements to this effect were signed here on Tuesday between the governments of Bangladesh and Norway, said an official handout.  
ERD Secretary Dr Mashur Rahman and Norwegian Ambassador Hans Fredrik Lehne signed the agreements on behalf of their respective governments.  
The grant will be utilised to implement three projects — Female Secondary Education Stipends, Rural Electrification and Non-formal Education programmes.

## 5 more merchant banks suspended in S Korea

SEOUL, Dec 10: Struggling to shore up its ailing economy, South Korea suspended five more shaky finance companies Wednesday and announced measures to induce foreign investment, reports AP.  
"The government expects that the measures will help ease spreading concern in the financial market," Finance and Economy Minister Lim Chang-yul said.  
But analysts said the measures expected for days, may fall short.  
"I don't think they will have any significant effect. What we see now is the whole banking system crumbling. The government must become more actively involved to inject new liquidity through such measures as issuing state bonds," said Cho Il-han, an analyst at Boram Securities Co.  
In accepting the International Monetary Fund's record 57 billion dollars bailout of its economy last week, South Korea agreed to overhaul its inefficient finance industry and drastically open its stock market to foreigners.  
Under those measures, the limit on foreign ownership of stocks in a listed company was scheduled to rise from the present 26 per cent to 50 per cent on Saturday.

## Beef import issue UK farmers defy court ruling

LONDON, Dec 10: More than 600 British farmers defied a European court of justice ruling on road blockades early today by converging on west coast port and continuing to protest against beef imports, reports AFP.  
The farmers were attempting to turn back lorryloads of meat from Ireland that had been shipped to Liverpool, earlier they had also tried to block deliveries of foreign beef to nearby supermarket.  
The protests started 10 days ago when farmers in Wales dumped more than 40 tonnes of Irish beef burgers in the sea at the Port of Holyhead. The demonstrations then spread along the West Coast of Britain, to Scotland and Plymouth in the South and also to the main South and East Coast ports on the key transport routes to Europe, such as Dover and Harwich.  
Farmers are angry at the continuance of subsidised imported beef at a time when there is a worldwide ban on British beef export because of the link between "mad cow disease" — or bovine spongiform encephalopathy (BSE) — and a new strain of the fatal human brain disease creutzfeldt-jakob disease (CJD).

# US investors' conference in Calcutta Tofael points to Bangladesh's location

CALCUTTA, Dec 10: Commerce and Industries Minister Tofael Ahmed today urged the foreign investors and businessmen to come forward to invest in Bangladesh, reports UNB.  
Addressing a two-day Indo-US Investment Summit: The Emerging East, organised by the Indo-US Joint Business Council (JBC) in Calcutta, the Industries Minister said Bangladesh strategically located between South and South-East Asia provides an ideal setting for investment from abroad.  
Indo-US JBC Chairman RP Goanka presided over the meeting held at a local hotel, United States of America, India, Bangladesh, Nepal and Bhutan are participating the two-day Investment Summit.  
He said the country prepared a unique opportunity and put out an all-out effort to attract foreign investment in almost all sectors of economy, particularly in infrastructural development.  
Referring to the economic development of the region, Tofael Ahmed said, this geographical area, without question, offers huge natural and human resources for development.  
He expressed his optimism that this summit would highlight the opportunities from the point of view of the government and people of this region. Identification and implementation of specific projects in core economic sectors of transportation and communication, energy, trade facilitation and promotion, tourism, information

technology and telecommunication, bringing in tangible benefits for the people.  
Such investment will significantly contribute to poverty eradication, employment and income generation, social development and improvement in the quality of life of the people, he added.  
Mentioning Bangladesh as the sixth largest apparel exporter to the United States the Bangladesh minister said, the preferential treatment of the US government to us as an LDC member has helped Bangladesh to reach this position.  
Tofael Ahmed said Bangladesh has created a history in the elimination of child labour from the labour intensive garments sector.  
Explaining the Bangladesh's

elimination method of child labour from garments sector the minister said, the methodology, followed in Bangladesh has become a model and is being replicated in other countries like our micro credit programme for income generation at the grassroots level.  
Mentioning Bangladesh the member of WTO, the minister said Bangladesh is following the path of globalisation and liberalisation with unwavering commitment and Bangladesh has reduced import tariff to the lowest level in a remarkable short period of time and has out the controlled list for import to a bare minimum of items.  
He urged the foreign investors to come Bangladesh and to invest in gas, energy and petro chemical sectors on their own or in joint-ventures.  
He assured the foreign investors that their investment will yield high returns.  
**MOU signed with US company**  
An American advanced communications company, QUALCOMM incorporated will supply 25 million US dollar worth of telecommunications material to Bangladesh Rural Telecom Authority (BRTA) for expanding its network across the country, reports UNB.  
A Memorandum of Understanding (MOU) to this effect was signed in Calcutta yesterday in presence of US Secretary of Commerce William Daley and Bangladesh Commerce and Industries Minister Tofael Ahmed.  
Under the terms of the multi-year MOU, the San Diego-based QUALCOMM will supply a CDMA (Code Division Multiple Access) system to BRTA, according to a message received here.  
CDMA wireless local loop system will allow the BRTA to quickly move forward with providing high-quality and reliable telephone service in Bangladesh.  
It will not only deliver much-needed basic telephone service to residents and businessmen throughout the country but will reliably keep communications open during monsoon.

## Basu welcomes US investment in Calcutta

NEW DELHI, Dec 10: India's most prominent communist leader today welcomed US investment in his state, which has been governed by a leftist coalition for more than 20 years, reports AFP.  
Jyoti Basu, Chief Minister of the eastern state of West Bengal, told a business meeting in Calcutta attended by US Commerce Secretary William Daley that he prayed for "a sizeable US investment in the near future."  
Indian states "would welcome the involvement of US companies in various industrial activities," the United News of India quoted Basu as saying at the two-day meeting.  
Basu is a leader of the Communist Party of India-Marxist (CPI-M), which supports India's outgoing United Front coalition government. Basu was picked to head the Indian government in June 1996, but his party vetoed the idea.  
Basu said leading US companies had made sizeable investments in West Bengal since the start of national economic reforms in 1991. "Some more are in the pipeline."  
He denied his party encouraged labour unrest in West Bengal.

## Tk 5,950 a tola Gold gets cheaper, buyers still shy

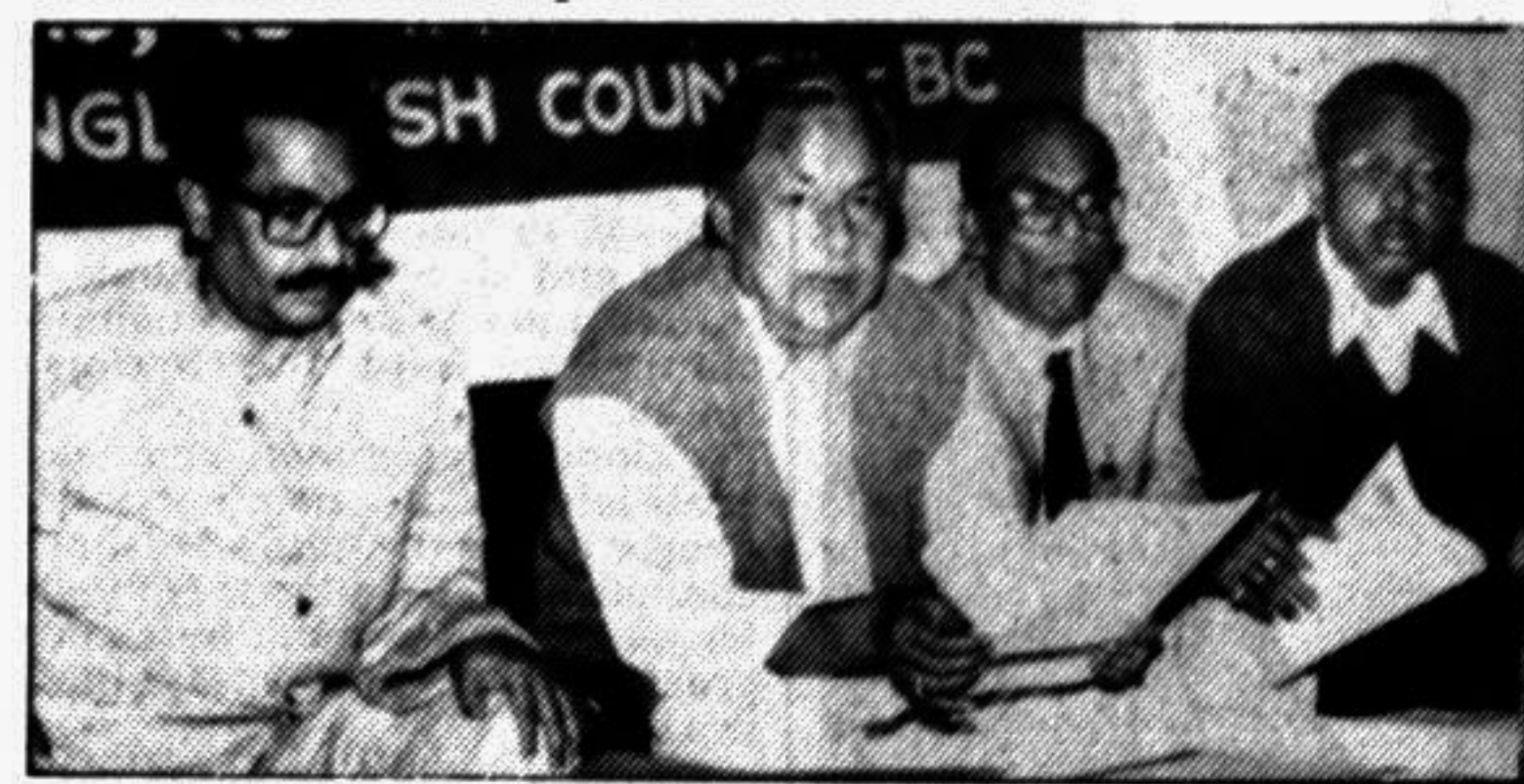
**By Govinda Shil**  
Gold prices have gone down further, but buyers are not responding.  
One tola (11.664 gm approx.) of guinea gold is now being sold at Tk 5,950, down from Tk 6,300 last week. The price of the precious metal declined Thursday when Bangladesh Jewellers Association (BJA) sought to readjust prices in line with the international level, city jewellers said.  
"We decided to curtail gold price when the London market fell last week," said M A Wadud, president BJA. He said sale orders were not however adequately reflecting the fall in prices.  
"Our sale is as usual though this is a season for social ceremonies like marriages," said Bablu Dutta Milton of Lily Jewellers at the Baitul Mokarram Market, Milton, however, said businesses had increased moderately against sales during the July-August period.  
The price was Tk 6,700 in October last year, but declined to Tk 6,530 in January this year. It went to a record low of Tk 5,750 a tola in recent years during June.  
"When prices are down," Wadud said, "people tend to believe prices would decline further. And so they do not buy. But when prices begin to rise, people rush to the jewelers and place orders."  
"Gold market analysts in Dhaka say the price may go down further as some central banks in Europe, Asia and South American countries may sell parts of their deposits.  
Argentina announced recently that it had sold 124 tonnes of gold, according to an AFP report.  
An analyst in London, Ted Arnold of Merrill Lynch Investment Bank, told AFP last week that the gold prices might fall to as low as US\$ 280 (Tk 12,600) per ounce (equivalent to 31 grams or about 2.65 tolas) before the speculative investment funds move back into the market.  
Analysts also say financial turmoil across Southeast Asia and Japan has also hit demand for gold.  
Turnover of a large-scale jeweler is now at Tk 75-100 lakh in the city. A small jeweler hits a monthly revenue of about Tk 10 lakh, according to sources in the jewelry industry here.

## Indian rupee weakens

BOMBAY, Dec 10: The Indian currency closed lower today at 39 rupees to the dollar, reports AFP.  
The currency weakened to 39.15 to the dollar in early trade but recovered marginally later in the day to inter-back squaring up, foreign exchange dealer Shah said.  
"The political uncertainty at New Delhi is the key issue depressing the market," he said, adding he expected the currency to weaken further over the next few days.  
"The sentiment for the rupee is still weak, at least over the medium term, corporate demand there and is expected to remain the next couple of months," he said.  
Pradeep Sharma, at the Foreign Exchange and Travel House Thomas Cook, added: "There is a fair amount of corporate demand for dollars we are still bullish on the rupee."  
The rupee has lost almost 10 per cent against the dollar since mid-September due to domestic political turmoil, which saw the collapse of India's coalition government last month, and turbulence in Asian markets.  
India's central bank stepped in last week with a series of steps which stabilised the currency after it fell to a record low of 39.75 to the dollar on December 2.

## Labour leaders want to shed political colour Trade unions move to come under one national banner

**Star Business Report**  
Labour leaders in Bangladesh have reiterated their longstanding demands as a part of their global campaign to implement ILO and human rights conventions.  
"Workers are deprived of their just rights enshrined in the Constitution, Universal Declarations of Human Rights and ILO Conventions," Nazrul Islam Khan, a leader of the Bangladesh chapter of the International Confederation of Free Trade Unions (ICFTU), told a press conference.  
Labour leaders of the BNP-backed BJSJ, the Awami League-backed Bangladesh Jatiya Samik League (BJSJ), the JP-backed Jatiya Samik Party (JSP) and Bangladesh Free Trade Union Congress (BFTUC) have formed the Bangladesh chapter ICFTU, which aims to popularise trade union movement worldwide.  
Bangladesh has about 5,000 registered trade unions and 1.75 million members, Khan said. 14 national trade union organisations were working together to form a Trade Union Confederation. The proposed confederation would be free from the influence of the political parties.  
"The members may have their own political affiliations, but the main objective will be to realise their demands using this single platform (confederation)," he said. "This will be a significant step towards freeing the trade union movement from political influence."  
ICFTU Bangladesh Council, in observance of the World Human Rights Day, also announced a week-long programme (December 7-13) which included seminars, rallies, and processions.  
The leaders pressed for their right to free trade unionism, collective bargaining, safe workplace, minimum wages, social security, and an even distribution of national income.  
Khan told a questioner that the government should include trade union leaders in policy making process before it took any major industry-related decision, for example, privatisation of the nationalised industries.  
"Sometimes such government decisions do not only stand against labourers' interests, but also against national interests," he said.  
Khan told another questioner that he supports linking wages to labour productivity. In addition, he said, profits should also be shared between labourers and owners.  
Among others, Mujibur Rahman Bhuiyan of BJSJ, Shah Md Abu Zafar of JSP and Mamun-Ur-Rashid Chowdhury of BFTUC were present.



Nazrul Islam Khan, flanked by colleagues of the local chapter of the International Confederation of Free Trade Unions (ICFTU), spoke to reporters yesterday to voice their demands for free trade unionism. — Star photo

## Thailand cuts legal minimum for oil reserves

BANGKOK, Dec 10: Thailand's Cabinet has cut the amount of legal minimum oil reserves for energy companies by two per cent in order to conserve another precious commodity: foreign exchange, reports AP.  
In a Cabinet decision announced Wednesday, oil refiners and traders can cut their reserves of crude and refined products such as diesel fuel, from five per cent of total stock to three per cent.  
The Cabinet estimated the new rule will cut the cost of oil imports by 9.43 billion baht (224 million dollars). Thailand spends about 200 billion baht (4.76 billion dollar) a year on imported oil.  
Thailand is suffering an economic, financial and liquidity crisis, having used up much of its foreign reserves in a failed defence of its currency, which was floated earlier this year.  
The crisis necessitated a 17.2 billion dollar bail out supervised by the International Monetary Fund.  
Thailand's energy needs escalated rapidly during the last decade as the country raced towards industrial development. Although Thailand has some natural gas deposits, it is heavily dependent on crude oil from the Middle East.

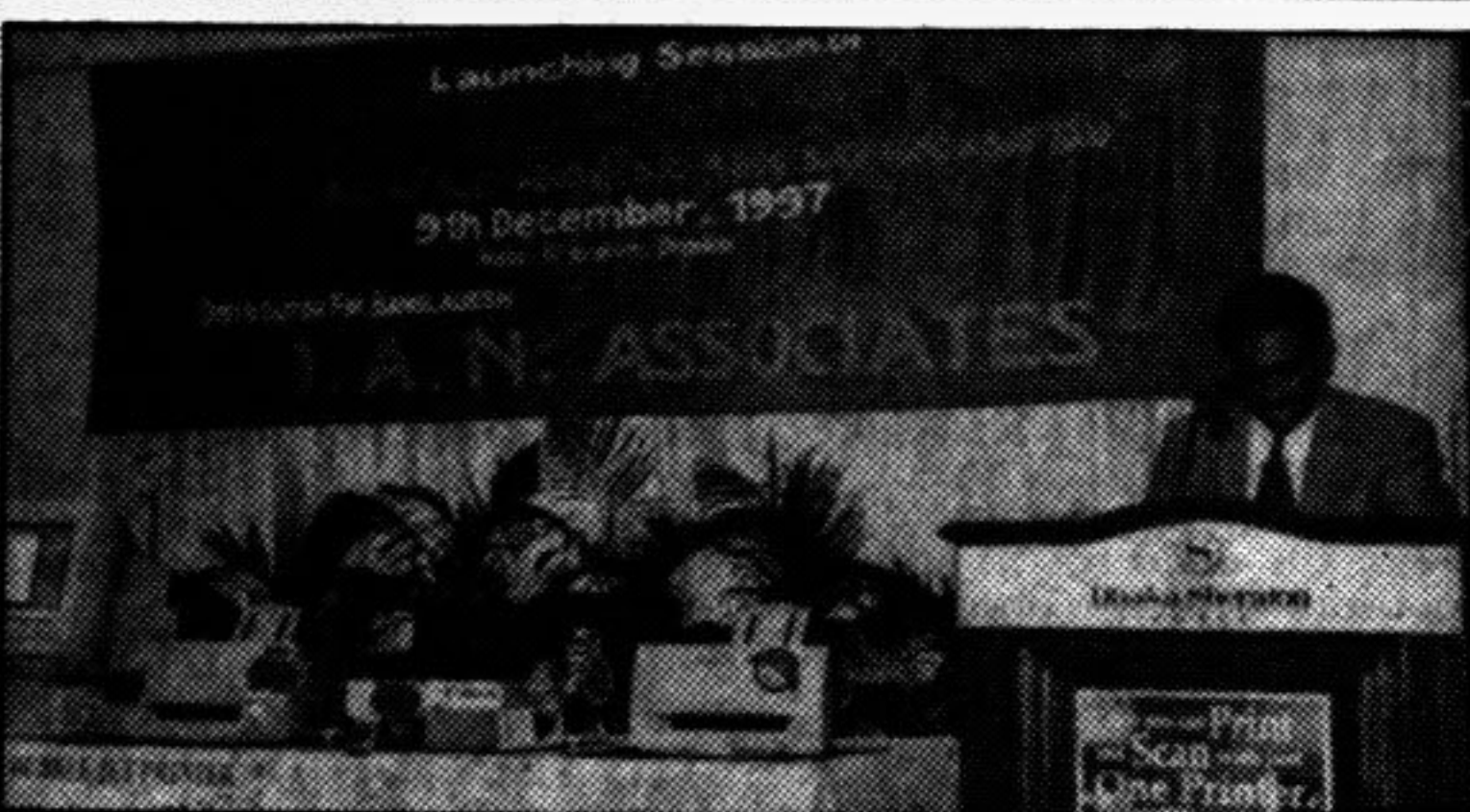
## REGIONAL SALES CONFERENCE '97 RANGS GROUP



Rume Akhtar Hossain, Executive Director, Rangs Industries Ltd, presided over the regional sales conference of Rangs Group. On his right Gaus Kutubuddin, General Manager, addressing the conference.

## Sales confce of Rangs held

**Star Business Report**  
A two-day regional sales conference (eastern region) of Rangs Group was held in Chittagong recently.  
The conference presided over by Rume Akhtar Hossain, Executive Director of Rangs Industries Ltd was also attended by all executives of Rangs Industries Ltd from Chittagong and Sylhet divisions.  
The main topic of the conference was "evaluation of sales of Mitsubishi, Pioneer, BPL and Canon Camera from June '97 to December '97 and determining the sales strategy for the next fiscal year," says a press release.



Abdullah H Kafi, Managing Director of JAN Associates, speaking at the launching ceremony of Canon Colour Bubble Jet Printers at a city hotel on Tuesday.

## Seminar tells textile technologists Exploit your talent

The textile technologists will have to play the key role in the textiles sector by timely utilising their merit and intellect to face the challenge of the coming century, says BSS.  
This was observed at the conference of textile engineers at a local hotel on Tuesday where the professionals of the textiles sector expressed their firm determination to ensure technological development as well as required level of standard in this vital sector.  
Minister for Post, Telecommunications, Housing and Public Works Mohammad Nasim and State Minister for Jute and Textiles AK Fayezul Haq were the chief guest and special guest at the conference held under the auspices of the Institution of Textile Engineers and Technologists, Bangladesh (ITET).  
With the president of the institute Abdul Matin in the chair, the function was also addressed by its Vice-President Dr Nital Chandra Sutradhar and Secretary General Md Masudur Rahman.  
The institute officials said Bangladesh had already accepted the challenge of the 21st century through launching open market economy and the textile technologists and engineers would act as ideal professionals to make Bangladesh self-reliant in textiles.  
Mohammad Nasim called

## 2 computer giants extend alliance in Bangladesh

**Star Business Report**  
Two computer giants — IBM and Oracle — have recently extended their alliance in Bangladesh, the two companies announced last week. From now, IBM will sell and support Oracle products in Bangladesh.  
A product presentation was also arranged to mark the event, in which Krishna Arani from IBM ASEAN/South Asia presented an IBM R/6000 (IBM's UNIX based system) and Yashi Kant gave a presentation on Oracle products. A large number of IT professionals and business executives from all over the country attended the event.  
Both IBM, in Bangladesh for 33 years, and Oracle believe that their alliance in Bangladesh will help their customers to get a total solution from one single vendor resulting in better solution and service at less price.



The launching ceremony of IBM and Oracle Alliance was held at a local hotel on Monday. Executives from IBM ASEAN/South Asia, IBM Bangladesh, Oracle India and Graphics Information Systems Ltd (IBM Reseller) are seen in the picture.

## ECONOMIC FREEDOM And low lies Bangladesh

**By Dr A R Chowdhury**  
Seventy-three countries have been classified as either Free or Mostly Free, while the remaining eight-three countries are considered to be either Repressed or Mostly Unfree.  
Several conditions have factored heavily in the ranking. Countries with liberalized financial system, low tax, low inflation have generally ranked higher in the order.  
Not surprisingly, in its ranking, the Heritage Foundation considers most of the countries in the western hemisphere to be either free or mostly free. Among these countries, Switzerland and the United States rank highest (#5) followed by the United Kingdom.  
Interestingly, many of the leading European countries such as France and Germany rank quite low.  
A sharp contrast is evident among the countries in south and south-east Asia. While Hong Kong and Singapore top the list of countries in the ranking, three other countries (South Korea, Malaysia, and Thailand) are ranked in the top 20 per cent. On the other hand, Bangladesh with a ranking of 120 is considered to be the least economically free country in this region. Both India and Pakistan rank higher than Bangladesh.  
The low ranking for Bangladesh can be attributed to such factors as severe weakness in the banking system, lack of competition in financial services, and unnecessary government regulation. The close links between the government and various industrial groups have forced banks to provide non-performing loans to uncreditworthy companies.  
Countries in Latin America, North Africa, and the Middle East have fared reasonably well in the ranking. The absence of personal income tax and corporate profit tax propelled Bahrain to the third most economically free country in the world, surpassing all the western countries. Finally, countries in the Sub-Saharan Africa collectively remained the most economically unfree — and the poorest — region in the world.  
Given the recent trend in globalization of financial services and the removal of government regulation in the economy, there is no doubt that this ranking would be used by various international organizations and donor countries in their negotiation with the developing countries, including Bangladesh. There may be criticism about the way this ranking has been done, it will certainly be portrayed as an important indicator of a country's overall economic health.  
The author is associate professor of economics at Marquette University, Milwaukee, Wisconsin, USA.

## Index of Economic Freedom 1998 Rankings

FREE	53.	Tunisia	107.	Burkina Faso
1.	Hong Kong	53.	Belize	107.
2.	Singapore	54.	Costa Rica	108.
3.	Bahrain	55.	Guatemala	109.
4.	New Zealand	56.	Israel	110.
5.	Switzerland	57.	Peru	111.
6.	United States	58.	Saudi Arabia	112.
7.	Luxembourg	59.	Turkey	113.
	Taiwan	60.	Uganda	114.
	United Kingdom	61.	W Samoa	115.
		62.	Indonesia	116.
			Latvia	117.
			Malta	118.
			Paraguay	119.
			Hungary	120.
			South Africa	121.
			Benin	122.
			Ecuador	123.
			Gabon	124.
			Morocco	125.
			Poland	126.
			Sierra Leone	127.
			Burundi	128.
			Suriname	129.
			Zimbabwe	130.
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