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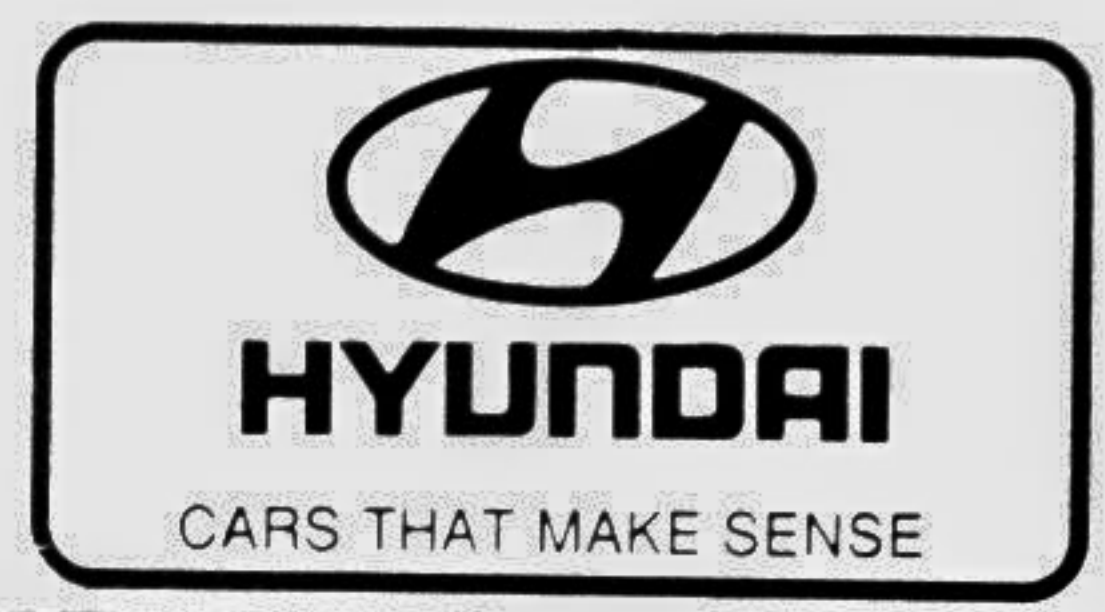
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Asian crisis is manageable, say G7 finance ministers

LONDON, Feb 22: Key world financial leaders meeting here at the weekend sought to reassure the financial markets that the Asian crisis is manageable, but warned the region that pushing ahead with economic reform is the only way to restore confidence, reports AFP.

G7 finance ministers and central bank governors also put their weight behind the International Monetary Fund (IMF) as the global policeman for financial markets, but urged sweeping reforms to forestall future crises.

And they stressed the need for Japan to take further measures to kick-start its economy, not only for its own sake but also as the engine for future Asian economic growth.

"As long as the affected

Asian countries follow through with reform, and the rest of the world responds appropriately, the overall effect of the Asian crisis on world growth in 1998 should be manageable," the G7 financial leaders said in a statement after a one-day meeting here.

"We believe that where countries pursue the necessary reforms, the prospects of a return of confidence to global investors and a resumption of vigorous growth in the medium term are good," the statement said.

The statement was an unusually long one for such gatherings, running to six pages including a two-page annex with detailed proposals for ways for the IMF to elaborate a new

global code of conduct to help forestall any future economic collapse.

But it insisted that the Asian crisis is not a reason for emerging economies to refuse to open their markets.

"We believe that opening financial markets in emerging economies to foreign firms will make a significant contribution to their financial stability," the statement said.

The final communique made no direct reference to Indonesia, but G7 chiefs did not pull their punches in comments after the meeting, urging President Suharto to stick to the reforms required by the IMF as a condition of a 43-billion-dollar rescue package.

Suharto should give up his plans for trying to rescue his

economy by pegging the rupiah currency to the US dollar, British Chancellor of the exchequer said.

The G7 stated "our support for the IMF view that it is not the appropriate time for a currency board to be established" in Indonesia, he said. "We were of the view that the Indonesian government must implement the IMF programme."

German Finance Minister Theo Waigel told reporters that Indonesia could recover if IMF reforms are "strictly applied".

He stressed the need for the private financial sector to take part in rescue packages, saying that "perhaps we would have had more success and more rapidly if that had been done" in the Asian crisis.

Japan also heard tough words. US Treasury Secretary Robert Rubin told a press conference that Japan must act "clearly and decisively" to strengthen its financial sector and either cut taxes or boost spending, both of which were absent from a reform package unveiled Friday.

However, Finance Minister Hikaru Matsunaga told reporters that "I did not make a commitment for taking additional measures." He defended the reform package saying it had not been "appropriately valued".

Meanwhile, the G7 finance chiefs stressed they would have to work together to keep the world economy on an even keel, within the IMF framework.

The joint statement said the

G7 looked "forward to the IMF making proposals soon for a code of conduct on transparency in fiscal policy" agreed in Hong Kong last year at the IMF annual meeting.

In addition, the G7 stressed its commitment to cooperate in foreign exchange markets to avoid "excessive depreciation" of currencies.

"We emphasised that it is important to avoid excessive depreciation where this could exacerbate large external imbalances", the final statement said.

"We agreed to monitor developments in exchange markets and to cooperate as appropriate," it said, but made no mention of any specific action to support crisis-hit undervalued Asian currencies.

business tips

ENTREPRENEURSHIP

Start-up No-nos

Undercapitalization is the single best reason why new businesses fail, asserts *Manager's Daily* (<http://www.dma.net/80/managers/>). So how much capital is enough? Enough capital for a full year of operations is a reasonable standard for start-up capitalization, but how you manage that capital will have a real impact on the success of your business.

Once you open shop, don't put that initial capital in the bank, and don't touch any gross income from the business during that year. Instead, save every penny of gross income for the year. Then once the year is up, take your income from that period, and use that for operating income for as long as it will last. Again, bank every penny that comes in the door during this period. Chances are, these new operating budgets will last for fewer and fewer months as you cycle through the exercise. By the time that period is close to zero, you should have positive cash flow if your business is really a winner.

EXPORT MANAGEMENT

Waiting to Get Paid

Selling to other countries is especially rewarding when you actually get paid. However, depending on where you're exporting to, how quickly you receive payment can vary wildly, notes Entrepreneur. If you ship a pallet of cookies to Italy, don't hold your breath waiting for a check. Send the same to Finland and you can usually expect payment in less than a month.

Curious to know how long it takes to get paid? Check out this chart:

Pay Days	
Average number of days to get paid:	
Finland	24
Denmark	35
Sweden	37
Germany	38
Netherlands	46
United Kingdom	50
Luxembourg	56
France	64
Spain	73
Italy	84

Bangladesh envoy made chairman of WTO body

The general council of the World Trade Organisation at its meeting on Thursday unanimously elected Dr Iftekar Ahmed Chowdhury, Chairman of the WTO Committee on Trade and Development (CTD) for 1998, reports BSS.

He is Permanent Representative, Permanent Mission of Bangladesh in Geneva.

The CTD is the main body concerned with development and trade activities within this global multilateral organisation.

The appointment is an acknowledgment of the success of Bangladesh government's economic diplomacy, says a press release.

Bangladesh-Japan course on sewing machine opens

Business leaders and experts at a function have underscored the importance of simultaneous application of skill and technology in the industrial sector, particularly in garments, to take off Bangladesh on to a higher level of economic growth, says BSS.

They said the proper harnessing of the country's human resources by upgrading their knowledge and skill is an indispensable factor for rapid industrialisation.

"To boost export, quality is the prime barometer and for quality products, training has no substitute. So man behind the machine be properly trained", they said while addressing the opening ceremony of a 12-day training course on "Bangladesh-Japan training course on industrial sewing machine maintenance technology at a hotel here yesterday."

The Association for Overseas Technical Scholarship (AOTS) organised the training course in cooperation with Juki Corporation, Japan, Juki Singapore, Juki Bangladesh, Japan External Trade Organisation (JETRO) and Bangladesh AOTS Alumni Society (BAAS).

Dhaka Chamber of Commerce and Industry (DCCI) President R. Maksud Khan attended the ceremony as the chief guest while Kazuko Kamado of the Embassy of Japan was the special guest.

PRAN takes up step to expand market

Star Business Report

AMCL-PRAN has launched a Taka 150 million expansion programme for setting up of a mineral water plant, an aseptic packaging tetra pak line for fruit based drinks, PVC injection molding and blow molding bottle making lines and an increase in the bottling capacity of the fruit based drinks.

The projects are expected to be completed before the summer sets in.

The company hopes that this programme will open up export prospects for the company.



The annual branch managers and senior executives conference of Al Baraka Bank Bangladesh Ltd was held in the city on Thursday. Kh. Ibrahim Khaled, Deputy Governor of Bangladesh Bank, is seen addressing the conference as chief guest.

Italian entrepreneur praises industrial policy

A visiting Italian entrepreneur has praised Bangladesh's industrial policy that favours foreign investment, reports UNB.

Europeans should do more business with Bangladesh for their own benefit, Anna De Leo, president of Sideron srl, a Milan-based elevator company, told a reception in Dhaka on Saturday.

Sideron, a 30-year-old company has been doing business in Bangladesh for the past three years.

Anna said her company stresses on quality of its product and follow-up services. She also spoke highly of the Bangladeshi businessmen.

Exchange Rates

The following are the Sonali Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 22nd Feb '98.

Buying			
Name of Currency	TT Clean	OD Sight Export	OD Transfer
US Dlr	46.1300	45.9605	45.8610
GB Pound	75.1694	74.8932	74.7310
D Mark	25.2499	25.1572	25.1027
F Franc	7.5195	7.4919	7.4757
C Dlr	32.3463	32.2274	32.1576
S Franc	31.3178	31.2027	31.1352
JP Yen	0.3572	0.3559	0.3551

Selling			
Name of Currency	T.T. & O.D.	B.C.	
US Dollar	46.5098	46.5495	
GB Pound	76.4061	76.4714	
D Mark	25.7208	25.7427	
F Franc	7.6614	7.6680	
C Dollar	32.9520	32.9801	
S Franc	31.9039	31.9311	
J.P. Yen	0.3677	0.3680	

A) TT (DOC) US Dollar Spot Buying Tk. 46.0452

B) Usance Rate

30	60	90	120	180
Days	Days	Days	Days	Days
45.655	45.2715	44.887	44.502	43.738

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

Shipping Intelligence

Chittagong Port

Berth position and performance of vessels as on 22.2.98.

Berth No	Name of Vessels	Cargo	L Port Call	Local Agent	Date of Arrival	Leaving
J/1	Amer Ved	GI	KOSI	OIL	18/2	27/2
J/2	Ni Jiang	GI	Chin	BDSHP	15/2	25/2
J/3	Yulin	GI	Sing	BDSHP	12/2	28/2
J/5	Alam Tenaga	Wheat (P)	F Land	Rainbow	3/2	23/2
J/7	Skyland	Dap (I)	CTPL		31/1	25/2
J/7	Ho Chi Minh	R Seed	Ukta	AASS	19/1	-
J/9	San Pablo (Roro/24)	Vehi	Hong	JF	22/2	23/2
J/10	Ikan Selayang	Wheat (P)	Kuan	AASS	3/2	28/2

Vessels due at outer anchorage			
Name of Vessels	Date of Arrival	L Port Call	Local Agent
Banglar Kallol	22/2	MGL	BSC
Mustafa	22/2	-	RML
Jon Jin	22/2	-	PSAL
Maritime Faith	22/2	-	Seaglor
Feliz Duckling	22/2	Huan	UMTL
Chahaya	-	-	-
Sejatta (48) 8/2	26/2	Sing	USTC
Maritime Master	23/2	-	Rainbow
Banglar Moni 9/2	23/2	Sing	BSC
Johanna 15/2	24/2	Sing	RSL
QC Pintail 12/2	23/2	Sing	QCSC
Xprss Resolve 18/2	24/2	Sing	RSL
Laut Tide	24/2	Dubai	TML
Josie (48) 22/1	25/2	Col	CLA
Banglar Robi 15/2	26/2	Sing	BSC
Hai Xiong 15/2	24/2	Sing	Pil (BD)
Devan-1	25/2	Col	AML
O/O Canyon	25/2	Fusa	Simm
Aditya Kanti	26/2	-	MBL
Kota Cahaya 16/2	26/2	Sing	Pil (BD)

Vessels at Kutubdia			
Name of Vessels	Cargo	L Port Call	Local Agent
Ismaya	-	-	B Bay
Orizont	-	-	Sing
Seabulk Besty	-	-	B Bay
Seabulk Carol	-	-	B Bay
Britoil-24	-	-	B Bay
Seabulk Energy	-	-	B Bay
Laut Timur	-	-	B Bay
Sea Gull	-	-	Sing
Eastern Xplorer	-	-	Sing
Gulf Battler	-	-	Sing
Derrick Barge-27	-	-	Sing
Carol Reef Explorer	-	-	Sing
Ronja	-	-	Sing
CBL-102	-	-	Sing
Mister John-H	-	-	Sing

The above are the shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC

MARKETING

Pitfalls of Naming a Product

Consider using a dictionary next time you're naming a product. Otherwise, you might find yourself in deep trouble.

Take Reebok, for instance. The company, which annually picks 1,500 new names for products, went wrong with one last year. *Sales & Marketing Management* magazine relates the sorry tale:

Reebok named a \$58-women's running shoe "Incubus" after a legal search found that the name wasn't previously trademarked. But Reebok didn't bother to search for the word in the dictionary. After shipping 53,000 pairs to retailers, Reebok learned that incubus means "an evil spirit that has sexual intercourse with women while they are sleeping."

MANAGING THE OFFICE

No Place for Cash

When a workplace safety programme ties cash incentives to the workplace accident rate, accidents that do occur may go unreported by employees who want to protect their incentive payments — until a major accident occurs. Problems can also arise when employees who want to report accidents are pressured not to do so by others who want to protect their cash payments. Dale Malcolm, safety director at Portland Glass in Maine, shares this two-pronged solution in *Inc.* magazine: Keep cash incentives out of safety programmes. Focus on safety training and creating a safety-oriented culture instead.

SALES MANAGEMENT

Sense and Salability

If your salespeople don't understand the financial aspects of your business, they might make sales that don't generate profits. "Salespeople can poison sales by offering discounts without realizing how much additional volume they need to make up for the loss in gross profits," warn *Entrepreneur* magazine. Other common mistakes are offering extended terms when the cost of carrying the accounts receivable is more than the profit on the transaction, or spending too much on marketing without calculating the sales necessary to support the campaign.

The solution? Build an alliance between your accounting and sales departments. Invite your accounting staff to sales meetings to help salespeople understand the numbers and cost-accounting procedures. Let your salespeople know that making profitable sales is far more important than simply making sales; salespeople need to understand how the expenses involved in making a sale affect the profitability of a transaction as well.

BARC workshop on financial management opens

A two-day workshop on Financial Management System began at Bangladesh Agricultural Research Council (BARC) here yesterday, reports UNB.

BARC Executive Chairman Dr Zahurul Karim inaugurated the workshop organised by the BARC, said a press release.

The opening session was addressed, among others, by Policy Reform Coordinator of Agricultural Research Management Project M Munir-uz-Zaman, Member-Director of Planning and Evaluation Dr M Nurul Alam And Director (Finance) of BARC Islam Uddin Mondol.

Twenty-five account personnel involved in financial management of different national agricultural research institutes are taking part in the workshop.

Drought reduces food output in Indonesia

ROME, Feb 22: El Nino-related drought, considered to be the worst in half a century, has reduced food production in Indonesia and exacerbated forest fires, adversely affecting the food security of the poorer sectors of the population, says a FAO press release.

The Asian financial turmoil, which affected several countries including Indonesia, has also played its part in aggravating the food situation through a reduced import capacity and domestic price rises due to currency devaluation.

The price rises, which sparked-off riots in several towns, seem also to have been accentuated by panic buying and hoarding by traders.

Paddy production in 1997 is provisionally estimated to be some 2 million tonnes below the previous year's output of 51.1 million tonnes, mainly reflecting the drought damage of crops harvested in the later part of the year.

The maize crop has also been affected. In addition to food-crops, drought has also reduced the output of coffee, cocoa and rubber, resulting in a contraction in incomes and erosion of purchasing power of the people dependent on such crops.



A reception was given to Dr Syed Mukarram Ali, new Chairman of Delta Life Insurance Company, by the Delta Life Officers' Welfare Association at its office on Wednesday.

City Bank donation

The City Bank Limited has donated Tk 2.00 lakh to Impact Foundation of Bangladesh to assist the setting up of a river boat hospital in Bangladesh, says a bank's press release.

The project, first of its type in the country, is being implemented in collaboration with Impact Foundation of the United Kingdom to provide medical services to the distressed people.

LONDON, Feb 22: Sugar prices fell to a more than four-year low this week, hit by slack demand and the Asian economic crisis, while oil prices rose slightly, reports AFP.

Sugar on the London futures market, for delivery in August, fell to about 286 dollars, the lowest level since December 23, 1993.

Consumers in Southeast Asia are currently stockpiling raw materials as a haven against inflation and currency depreciation against the dollar.

There are also many indications of high production in 1997-98, likely to depress prices in the coming months and possibly over the next year.

Analysts at Czarnikow and Licht Brokerages have both hiked their production forecasts for the current season.

GNI brokers say that the Thai and Cuban harvests are expected to recover next year and that 1997-98 could then see oversupply.

On the oil market, Brent crude rose slightly due to the possibility of Venezuela agreeing to curb its overproduction.

However, traders were not overly worried by the build up of tension in the Gulf over Iraq.

GOLD: Dull. Gold prices slid slightly in quiet trading on the London bullion market to about 297.85 dollars an ounce, down one dollar.

Gold was hurt by the strength of the dollar, which drew away investors.

SILVER: Dull. Silver prices fell about 30 cents to 6.7 dollars an ounce as investment funds sold and demand from Indian jewellers fell.

Turbulence was caused by new speculation over Warren Buffett's plans. Silver prices shot up to a 10-year high after he announced recently that his investment fund had bought up 20 per cent of silver supplies between July and January 12 on the London bullion market.

PLATINUM AND PALLADIUM: Falling. Prices fell as expectations grew of imminent negotiations between Russia,

minium prices fell sharply as stocks rose on the London Metal Exchange (LME) and demand continued to suffer from the Asian economic crisis.

Three-month aluminium traded at 1,457 dollars a tonne, down 49.5 dollars.

NICKEL: Profit-taking. Nickel prices fell back this week on profit taking, with three-month nickel at 5,495 dollars a tonne, 170 dollars lower.

LME stocks were 1,014 tonnes lower at 65,244 tonnes.

TIN: Sharper. Tin prices rose in calm trading, with three-month tin up 110 tonnes at 5,325 dollars a tonne.

LME reserves rose 50 tonnes to 10,380 tonnes.

OIL: Light. Brent North Sea oil rose to about 14.92 dollars a barrel, up seven cents, over the week after movement in OPEC and despite tension in the Gulf over Iraq crisis.

The market is in oversupply

after OPEC raised production in January and demand fell in Asia.

But traders said that Jose Toro Hardy, Director of Petroleos De Venezuela (PDVSA), which is half-owned by the state, has indicated he was ready to reduce production providing that other OPEC members and non-members did likewise.

Saudi Arabia has called on all producing countries, especially Venezuela, Nigeria and Qatar, which have been producing beyond their quotas, to lower production and support a stronger price.

Overproduction is so strong that even the threat of military action against Iraq, a major producer, is not enough to have a major effect on prices.

RUBBER: Flat. Rubber markets were calm, with prices rising slightly despite low demand and continued worry over the situation in Asia, especially Indonesia, analysts at Lewis and Peat Brokeage said.

COCOA: Hot. Cocoa prices rose due to worries over the effect of drought and strong demand.

Cocoa for delivery in May traded at 1,035 pounds a tonne, down 22 pounds.

COFFEE: Strong. Robusta coffee for delivery in May ended the week up 40 dollars at good US demand and supply problems, letting the market overcome the problem of a weak Vietnamese dong currency.

TEA: Absent. There were no tea auctions in London this week.

SUGAR: Weak. Sugar was hit by fears of a fall in demand from Asia, with prices on the London futures market sinking to about 286 dollars a tonne from 288.5 dollars for delivery in August — the lowest price since December 23, 1993.

Analysts said the Jack of

Commodity market : Sugar prices fall to 4-year low

duction, also pushing prices up, some producers said.

GRAINS: Crispy. The European wheat market was boosted this week by strong export demand at the expense of the US market.

Bangladesh and Egypt both ordered 150,000 tonnes of EU wheat, while Egypt also ordered 150,000 tonnes of Australian wheat and Algeria tendered for 100,000 tonnes outside of the United States.

COTTON: Frayed. Cotton prices sank in reaction to economic turmoil in Asia, especially the Indonesian crisis. Investors also responded negatively to a report in the Memphis commercial appeal daily that China is considering stopping cotton imports to use up its own stocks.

Prices sank 0.10 cents to 69.35 cents a pound on the cotton outlook index.

WOOL: Fluffy. Wool prices climbed, trading up 3 pence at 392 pence a kilo on the Bradford auction market. In Australia, the eastern index closed up three cents at 6.40 Australian dollars a kilo.

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