

Sri Lanka may suffer from E Asia's currency crisis

Minna Thaheer writes from Colombo

Sri Lankan economists predict that the island nation will face a marginal set back due to adverse effects of the East Asian currency crisis.

This will be mainly due to the disadvantage faced by Lankan exports such as garments and rubber which are finding difficulty in competing with the exports of South East Asian countries whose products have become cheaper as a result of currency depreciation.

World Bank experts too have warned that the economic growth of the country would slow down mainly because of loss of competitiveness in some exports and lower direct foreign investments.

In a recent tour of Colombo, World Bank's chief economist for South Asia Roberto Bentjerodt said that the increase in competitive strength of Indonesia and Thailand, especially in garments and rubber products would be a severe jolt to Sri Lanka's exports of those products.

"At the moment the impact for Sri Lankan exports is very much attenuated by the difficulties experienced by Indonesian and Thai economies because there is no credit by importer to provide raw material to ex-

porters," he said. "But when it is solved and credit is forthcoming, Indonesia and Thailand will be formidable competitors."

Bentjerodt, however, said Sri Lankan industries have a tremendous resilience to overcome crisis. "Never underestimate Sri Lankan industries to compete. Sri Lankan garment sector is competing very aggressively and they are successfully moving to non-quota markets," the World Bank expert said.

The central bank (Sri Lanka Reserve Bank) report says during the last year, Sri Lanka's rubber product exports plunged by 22 per cent and the coconut product exports, which marked a six per cent increase in the first nine months, declined by 27 per cent in the last quarter.

Sri Lankan currency, however, maintained a reasonable stability despite the East Asian crisis. The SL rupee depreciated only by 7.4 per cent last year compared to the average value drop of about 40 per cent in South East Asian countries.

"We are monitoring the developments closely," said World Bank's chief economist Joseph Stiglitz, who participated in a

conference in Colombo last week. "In Sri Lanka and Bangladesh, there has not been an obvious impact as yet. But in India, the trade figures in the last three months have not been terribly good and Pakistan had two bad months, but latest figures are quite good," he said.

A spokesman for John Keells Stock Brokers said rubber and rubber based companies will be badly affected with the massive price drop of similar products in South East Asian countries. "When those countries get over the credit difficulty, we will be in trouble. Except Indonesia, other countries seem to be getting their act together," he said.

The government rejected the demand for a devaluation made by rubber exporters.

"Most of the third world countries that went through huge devaluation have been plunged into economic turmoil with soaring inflation and interest rates and many businesses going bankrupt with a subsequent explosion in unemployment," an economist said.

Export Promotion Board advocated early assistance to the export sector affected by the East Asian currency crisis.

CHITTAGONG STOCK PRICES

Slight fall in index

CHITTAGONG, Apr 11: Week's trading at Chittagong Stock Exchange began after a four-day Eid-ul-Azha holiday today with a slight fall in the price index, reports UNB.

The price indicator at the country's second bourse dropped by 0.06 per cent or 0.18 points to 292.08 against Monday's 292.26 points.

Of the 25 listed securities transacted today, only five gained, 19 incurred loss and one remained unchanged.

Some 102,695 shares and debentures valued at Tk 46.80 lakh were traded on the day against 239,650 shares and debentures worth Tk 1.91 crore on Monday.

Beximco Pharma (40,000), Quasem Drycells (18,450), Eagle Star (12,500) and RH Ball Pen (11,500) were among the volume leaders.

There was no significant gain in the day's trading.

Market capitalisation stood at Tk 49.29 billion equivalent to 1.05 billion US dollars as against Tk 49.31 billion equivalent to 1.06 billion US dollars on the previous trading day.

Saturday's trading performance

Company	Avg Rate	Prv Rate	Change	Shares Traded
Quasem Drycells	21.03	21.36	-0.33	18450
Aftab Auto	202.00	206.00	-4.00	20
Olympic Industries	205.38	207.00	-1.67	200
BD Zipper	88.50	90.00	-1.50	50
Bengal Biscuit	71.16	73.00	-1.84	500
Cig Vegetable	82.00	82.00	0.00	70
Apex Weaving	53.50	53.83	-0.33	100
Chie Tex Ltd	7.80	7.87	-0.07	8000
Monno Fabrics	91.80	91.67	0.13	250
Eagle Star	8.90	8.95	-0.05	12500
All Tex Ind	62.01	63.00	-0.99	2500
Ashraf Tex	16.80	16.95	-0.15	3200
Square Pharma	783.00	785.29	-2.29	20
Beximco Pharma	57.61	57.54	0.07	40000
Shine Pukur	83.00	83.06	-0.06	1650
Eastern Housing	129.68	129.00	0.68	1400
Confidence Cement	269.00	271.82	-2.82	440
Cig Cement	694.02	696.26	-2.24	865
Meghna Cement	229.50	231.07	-1.57	400
Niloy Cement Ind	189.00	188.64	0.36	50
Apex Tannery	291.55	294.36	-2.80	80
Excelsior Shoes	58.25	59.25	-1.00	200
Aramit	47.00	47.10	-0.10	50
Beximco	54.95	64.10	0.85	200
RH Ball Pen Ltd	24.57	24.60	-0.03	11500

CSE at a glance

CSE All Securities Price Index	292.08
Day's Change in Points	-0.18
Day's Change in Percent (%)	-0.0616
Turnover in Value (Taka)	4,680,880.00
Turnover in Volume	102,695
Total Issued Capital (Taka)	23,048,262,890.00
Total Market Capital (Taka)	49,282,963,021.72
Total Market Capital (US\$)	1,059,848,667.13
Total Number of Contracts	268
Total Issues Traded	25
Issue Gained	5
Issues Declined	19
Issues Unchanged	1
Total Listed Securities	143
Listed Companies	130
Listed Mutual Funds	9
Listed Debentures	4

Probe body delivers 'dynamite' report on Thai central bank mismanagement

BANGKOK, Apr 11: A commission set up to investigate Central Bank of Thailand mismanagement contributing to the country's economic collapse on Friday delivered a "dynamite" report to the government, reports said, according to AFP.

Commission members said they would deliver a hard hitting report showing the central bank had mismanaged macroeconomic and foreign exchange policy, the Nation daily reported Friday.

Headed by former central bank Governor Nukul Prachuabmoh, the team has put together a 200-page report, which has been three months in the making, and submitted it to Finance Minister Tarrin Nimmanaheminda.

"It was a pain and an embarrassment to the nation (the central bank) whose record of failures will go down in the history books forever. I hope the report will be an interesting read," Nukul said.

The bank has been accused of contributing to the country's economic meltdown through mismanagement and the squandering foreign reserves while defending the baht before its collapse last year.

Although he would not divulge the contents of the report, a member of the commission said it was "dynamite" and that its publication could cause wide-spread anguish.

He said it would detail mistakes made during Thailand's roller-coaster ride to becoming a bubble economy, the mis-allocation of resources and political interference.

"If politicians can tell the central bank what to do, then that is the end of it," the commission member told the Nation daily.

He said the economic crisis was home-grown and largely the work of some 20,000 senior people in the finance industry here who doubled the country's foreign debt to 90.5 billion dollars in the five years to 1996.

He said that in the boom years these people got richer, but "in these hard times, they might be poorer, but they have dragged some 60 million Thais down with them."

The nation quoted another commission source saying that it would be up to the government whether the report was made public.

"But if you choose to disclose it, you should disclose all of it," the source quoted Nukul as telling the finance minister earlier.

"The Thais may know how to learn, but they don't know how to think. If they knew their duty or knew how to think, the problems wouldn't have occurred."

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Delhi to welcome foreign capital in food processing

NEW DELHI, Apr 11: Diluting somewhat its concept of economic nationalism, India's new right-wing government said Sunday it would welcome foreign investment in food processing — a consumer goods area, reports AP.

"Not for domestic consumption but certainly for export food processing is an area where foreign investment will be welcome," said Finance Minister Yashwant Sinha in an interview with a private television channel.

The economic agenda of the right-wing government calls for encouraging foreign investment in building infrastructure, including the power sector, telecommunications and roads.

The new Hindu nationalist Bharatiya Janata Party-led government, which assumed office last month, is opposed to letting foreign companies flood the Indian market. It believes some of the most needed protection for at least seven years to give them time to prepare to compete with foreign rivals.

Asked whether he considered consumer products a non-priority sector for the new government, Sinha said on Sunday: "Not all of them. I wouldn't say all of them."

"We have a large agricultural base and we should be in food processing in a big way. Food processing is a consumer goods area but if we get high technology, good packaging and produce for exports, foreign investment is welcome," the finance minister said.

The transcript of the minister's interview was made available by the Home Television network.

"We are looking at foreign investment in a very positive manner. We are saying foreign investment is welcome in sectors which are important to us nationally like infrastructure,

New York's yellow cabs turn to natural gas

NEW YORK, Apr 11: Nearly 600 of New York's traditional yellow cabs will be fueled by natural gas by 2000 under an initiative launched jointly by the Ford Motor Company and New York Governor George Pataki yesterday, reports AFP.

Of the 12,000 yellow cabs plying the city's streets — virtually all of them the Ford company's crown Victoria model — only 150 are powered by natural gas. The rest use unleaded gasoline.

Under the initiative, announced during the New York auto show, a 3.5 million dollars fund will be set up to pay cab drivers to convert their vehicles to natural gas at an estimated 5,000 dollars each.

Any cabbie who buys a new natural gas-powered car will get a 6,000 dollars rebate.

Ford promised to sell natural gas taxis at the same price as gasoline-fueled cars.

India loses \$ 215m in cellular licence sell-off

NEW DELHI, Apr 11: Indian government lost about 215 million dollars while selling off cellular telephone licences to private companies, reports said yesterday, reports AFP.

The Times of India, quoting a report from the Comptroller and Auditor General, said the telecommunications department had underestimated the number of cellphone subscribers while deciding the licence fees.

The licence fee to be paid by the operators was fixed roughly at the rate of 128 dollars per year per subscriber, the actual number of subscribers turned out to be five times higher than assumed," it reported.

India opened up its state-run telecommunications sector in 1994, private cellular telephone services were launched the following year in New Delhi, Bombay, Calcutta and Madras.

More than 15 service providers, all joint ventures between Indian and foreign companies, have mushroomed since then.

The Auditor General said the department had also allowed companies to launch their services with tariffs 27 per cent higher than initially agreed while not making corresponding increases in the licence fee.

The report said the cellular licences "had no safeguards for the government's interests."

The department, in its defence, said "exact projections" had not been possible before the licences were granted, adding: "the calculations made by the audit are not verifiable."

Private cellphone companies, currently charge fees for both making and receiving cellular calls. Subscribers pay 32 rupees (88 cents) per minute during peak hours. Critics say the high tariffs have restricted the spread of mobile telephones.

Indian, with a population of 960 million, has about half a million cellphone subscribers. The number is expected to grow to five million by 2002.

Iran's exports of non-oil products fall by 6 pc

TEHRAN, Apr 11: Iranian exports of non-oil products fell by 6.1 per cent to three billion dollars in the year to March, customs officials said yesterday, reports AFP.

However, the volume of exports rose to 19.3 per cent to 8.2 million tonnes over the 12-month period, they said.

The drop in revenue from non-oil exports is a major concern to Iran, already hit by a drop in the price of crude oil which it relies upon for 80 per cent of its foreign currency earnings.

Earnings from exports such as carpets and pistachio nuts reached a record 4.8 billion dollars in 1995, but slumped to 3.2 billion dollars in 1996, largely due to a complex web of red tape.

Chinese export grows

BEIJING, Apr 11: Chinese exports grew 12.8 per cent from a year earlier to 40.10 billion dollars in the three months to March, the China Daily reported today, reports AFP.

The official English-language daily, quoting data released by China's General Administration of Customs, said imports rose 2.6 per cent from a year earlier to 29.57 billion dollars.

The rise in first quarter exports followed a 20.9 per cent increase for all of 1997, while imports rose 2.5 per cent for the year.

The figures show a clear impact from the Asian financial crisis.

Exports to Asian countries grew by only 4.2 per cent to 22.65 billion dollars, representing 56.5 per cent of total exports, down from an average 60 per cent in the past.

But Asia was the leading source of imports, up 7.3 per cent to 18.88 billion dollars.

"The financial crisis in East and Southeast Asian countries may have spurred this growth," the China Daily said.

Imports from South Korea rose 11.6 per cent to 3.25 billion dollars, while imports from Thailand surged 33.5 per cent to 520 million dollars, the Customs figures showed.

The China Daily said the rise in imports reflected Chinese government attempts to encourage imports.

Foreign firms increased imports by 6.0 per cent from a year earlier to 16.52 billion dollars, while imports by state-owned enterprises declined 2.0 per cent to 12.22 billion dollars.

The China Daily said foreign-funded ventures were the driving force behind the rise in exports.

Goods exported by foreign firms rose 18.4 per cent from a year earlier to 17.04 billion dollars, while state-owned enterprises saw exports rise 7.8 per cent to 21.75 billion dollars.

But overall exports had been affected by the region's financial turmoil prompting exporters to look elsewhere for markets.

Exports to other regions rose more than 17 per cent, with exports to Latin America jumping nearly 40 per cent, the China Daily said.

business tips

MARKETING Keep the Best, Trim the Rest

Many companies, particularly those in the mail-order business, are lowering their postal costs by cutting back their mailing lists to the real or best customers. Here's how Fox Valley Spring Inc. separates the browsers from the buyers:

The \$3-million maker of industrial springs in Wisconsin greased the wheels for its initial catalog mailing by sending out a glossy postcard as an invitation to call for the catalog. The responses gave Fox Valley a targeted list for a more costly catalog mailing, plus its first set of customers. Three to five per cent of those who received the postcard alone put in orders, and six per cent of the postcard recipients called for the catalog.

Big and Bold

Want to really maximize your advertising dollars? Then think big and bold, urges *Directions* magazine. Specifically —

- Set lofty goals. Humble goals produce humble results.
- Focus on the big fish. Home in on the key influencer of your purchase.
- Fear mediocrity, not controversy. Bold ads get talked about. Word of mouth is free. Nobody notices the wallpaper, no matter how much you spend on it.
- Create synergy. Big ideas travel well across different media.

STRATEGY The Best Tools for the Job

Successful companies choose the best tools for specific issues and fully commit to their usage.

Before signing up for the next great fad, check out the following chart courtesy of *Consultant News*:

Management Tool/ Application	Financial Results	Customer Equity	Performance Capabilities	Competitive Positioning	Organisational Integration
Activity-based Costing	✓				
Agile Strategies					✓
Benchmarking					✓
Customer Retention	✓				
Customer Satisfaction Measures	✓				
Cycle Time Reduction					✓
Groupware					✓
Growth Strategies	✓				
Mission/Vision Statements					✓
Pay-for-Performance					✓
Portfolio Analysis					✓
Self-directed Teams					✓
Shareholder Value Analysis					✓
Strategic Alliances					✓
Strategic Planning	✓				
TQM					✓

Source: Bain & Company

COMMUNICATION Don't Deny Rumours

The worst thing you can do about rumors is to deny them. Cy Charney, author of *The Manager's Tool Kit*, says that doing so will jeopardise both your credibility and the trust between you and your people.

Try to track down the source of the rumor and establish whether the information is truth or fiction. When you have the facts, let people have them right away.

Kick Out Your "But's"

If you eliminate the word "but" from your memos, e-mail, conversations, and dealings with employees, you'll strengthen your ability to persuade others. Why? Any time you use "but", what you're really saying is that you disagree with that person, according to *The Motivational Manager* newsletter.

For example, if you say, "I agree with you, but let me say this...", employees will wonder if you really agree with them. The solution? Replace "but" with "and". In the preceding example, you would say, "I agree with you, and let me say this..." Using "and" eliminates contradictions from your message, and makes what you say more powerful.

SELF-DEVELOPMENT Don't Wait for a Kodak Moment

Most of you feel guilty some of the time, aware that you spend a large part of the day away from your family. The urge to try to schedule quality time can be strong.

But it's not a good idea to set up a specific moment with children, according to Carol Turkington, author of *Reflections for Working Parents*. "You can't legislate the best time to get together and communicate," she says. "Instead, try to pay attention to your kids during the everyday moments of your life — when you're riding in the car, for instance." It's those times, she adds, when it seems easiest and most natural to relate to your kids.

MARKETING How to Reach New Markets

Looking for a profitable way to reach new markets? Consider private labeling — manufacturing a product that is sold under another company's label. As a market opportunity, private labeling is significant, reports *Entrepreneur*. For example, a number of store-brand products sold today are manufactured under private-label arrangements.

If you're going to pursue private labeling, start small and stick to your niche. Work closely with your customers on the actual label. Make a checklist of everything that must be on the product — contents, warnings, codes, weights, and so on.

MANAGING PEOPLE Who Should Telecommute?

The question of who should telecommute is one of the major concerns managers must resolve. "People who work with materials are not eligible," asserts Motorola Semiconductor's senior programme manager Ed Tynan. "But the programme works in most other areas."

So, which positions are ideal for a telecommuting arrangement? The results of a survey by *CFO* magazine show the following:

Employee Resignation Alert

Keeping employees satisfied with their jobs isn't enough to stop them from quitting after several years, a new study suggests. Researchers found that after about four years with an employer, early-career workers who rated their job satisfaction as high were just as likely to quit as those who rated their job satisfaction as low.

"Job satisfaction is important initially in predicting which employees will quit, but it becomes less significant over time," Mary Roznowski, co-author of the study, told *Columbus CEO* magazine (<http://www.cols-ceo.com>). She notes that such factors as family considerations and desire for new challenges may come into play.

Given these findings, what should you do to hold on to your best talent? "Find ways to build a sense of commitment in your employees," Roznowski advises. "Make them feel that they're working for the best possible company."

QUALITY 4 Heresies, New Truths

Certain heresies — or old truths — about quality don't work. The challenge, therefore, is to create new ones. As Robert Galvin, Motorola Inc.'s chairman of the executive committee, did, Galvin identified the new truths in *In Search of Quality*:

Heresy	New Truth
1. Quality is a company, a department, or an institutional responsibility	Quality is a personal obligation. If you can't talk about quality in the first person, then you haven't moved to the level of involvement of quality that is very essential.
2. Costs will increase if you decide to raise your quality.	You can't raise costs by raising quality. If you really have a quality programme, you change so many things that can't raise costs.
3. In running a quality programme, keep data to a minimum.	To solve problems, you can't have too much relevant data. Keep records on everything.
4. The expectation of perfection is unreasonable.	The expectation is perfection on everything — delivery, reliability, paperwork. All these things are possible.

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Government of the People's Republic of Bangladesh
Office of the Executive Engineer, R&H
Road Division, Moulvibazar
Phone: 52245

Tender Invitation Notice

- Tender Notice No. 22 (twenty-two) EE R&H, Road Division, Moulvibazar 1997-98.
- Name of work : Construction of flexible pavement at 18th km part of Juri-Fultala-Batuli road under Moulvibazar Road Division during 1997-98 financial year.
- Head of expenditure : [Blank]
- Estimated cost : Tk 15,70,315/-
- Earnest money : Tk 31,407/-
- Estimate approving authority : Superintending Engineer, R&H, Sylhet Road Circle, Sylhet.
- Time for completion of work : 60 (sixty) days from the date of issuing work order.
- Offices where tender will be sold from : 1. Divisional Commissioner/Sylhet Division, Sylhet.
2. Executive Engineer, R&H, Road Division, Moulvibazar/Habiganj/Sylhet/ Sunamganj/Planning & Design, Division, Comilla/Planning (Road & Bridge) Division, Dhaka.
3. Sub-Divisional Engineer, R&H, Road Sub-Division, Moulvibazar/Kulaura/ Sreemangal/1st Line Workshop Sub-Division, Moulvibazar.
- Offices where tender will be received at : 1. Divisional Commissioner, Sylhet Division, Sylhet.
2. Additional Chief Engineer, R&H, Comilla Zone, Comilla.
3. Superintending Engineer, R&H, Sylhet Road Circle, Sylhet.
4. Superintending Engineer, R&H, Monitoring & Evaluation Circle, Dhaka.
5. Executive Engineer, R&H, Road Division, Moulvibazar.
- Last date of selling tender : 19.04.98 up to office hours.
- Date & time of receiving tender : 20.4.98 up to 12.30 PM.
- Prescribed date & time of opening tender : 22.4.98 at 11:30 AM at the office of the undersigned.
- Date & time of lottery to be held : 24.4.98 at 11:30 AM at the office chamber of the undersigned.
- Eligibility of contractor : R&H Directorate's 'A' to 'D' general class contractors.

Executive Engineer, R&H
Road Division
Moulvibazar

DFP-7397-2/4
G-731

Mongla Port Authority
Mongla, Bagerhat

Tender Invitation Notice

Tenders in Bangladesh Form No. 2911 under sealed cover are hereby invited for supply of the undermentioned goods.

- Tender Notice No : 16/98
- Name of work : Supply of electrical goods for various transports & equipment of M&E Division.
- Price of tender : Tk 60.00 (sixty) non-refundable
- Earnest money : Should be submitted with the tender at the rate 2% of quoted value in the form of Bank Draft in favour of Mongla Port Authority.
- Class of tenderer : Bonafide manufacturer, importer, dealer/agent & supplier (current year valid trade licence as supplier & TIN certificate should be submitted at the time of purchasing tender).
- Offices where tender will be available from & received at : Office of the Senior Accounts Officer, Mongla Port Authority, Mongla, Bagerhat.
- Last date of selling tender : 20.4.98 up to 2-30 PM.
- Last date of submitting tender : 21.4.98 up to 12-00 Noon.
- Date & time of opening tender : 21.4.98 at 12-30 PM.
- Place of opening tender : At the tender receiving office to be opened before the tenderers present (if any).
- Time limit for supply of goods : Within 25 days from the date of issuing work order.
- Other terms & conditions of tender : Will be available with the tender.

The Authority reserves full right to accept or reject any tender in part or full without assigning any reason.

MPA/Board PR/PR/1411
DFP-7243-1/4
G-730

Senior Finance Officer
Mongla Port Authority



Chinese pass by a magazine featuring China's new Premier Zhu Rongji on the front page, at a sidewalk news stand in Beijing Friday. Zhu, who masterminded China's recovery from runaway inflation in the mid 1990's, was elected Premier three weeks ago after his predecessor Li Peng stood down. The headline in the magazine reads "Grand Master of Ruling the Country". — AP/UNB photo