

**SANYO**

Washing Machine

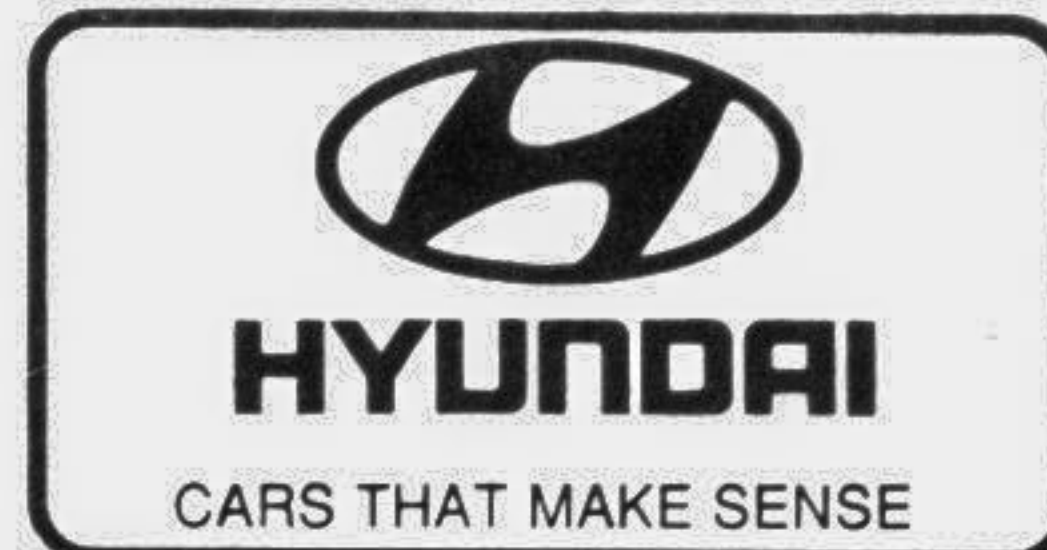
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# The Daily Star BUSINESS

DHAKA MONDAY, MAY 4, 1998



## Glaxo Wellcome okays 17.5 pc final dividend

Star Business Report

Shareholders of Glaxo Wellcome Bangladesh Limited has approved a 17.5 per cent final dividend for the year 1997.

The approval was given at the 25th Annual General Meeting of the company held at a hotel in Chittagong recently, says a press release.

The Chairman of the company, G M Chowdhury, presided over the meeting.

The meeting was apprised that with the interim dividend paid earlier in the year would make a total dividend of 27.5 per cent i.e. Tk 2.75 per 10 taka share.

Speaking on the occasion, the chairman apprised the shareholders briefly of the company's operational results and its future development plan.

He said the turnover of the company at Tk 777.3 m represents a growth of 9.5 per cent over that of 1996 and it earned a profit after tax of Tk 81.7 m as against Tk 79.1 m of preceding year.

He also said the company launched three new products including Vitamin B Complex Syrup during the year 1997.

The Chairman said more products are in the pipeline for introduction in 1998.

## Axiom signs MOU with Aptech

Axiom Technologies Ltd of Bangladesh has signed a memorandum of understanding (MOU) with the Software Export Division of Aptech Limited (India) for transfer of technology and know-how in the area of software development and export.

The signing of the MOU took place at a simple ceremony at Aptech's corporate head-office in Mumbai recently.

Rizwan Bin Farouq, Executive Director of Axiom Technologies and Ganesh Natarajan, Managing Director of Aptech Ltd, signed the MOU on behalf of their respective companies, said the local firm in a press statement.

Aptech Ltd along with its subsidiary companies, has a strong global presence in the field of information technology (IT) covering IT education and offshore software development.

Aptech has extensive experience in software development on various Group is among the few Indian companies who have successfully completed international V2K projects.

Axiom Technologies Ltd, established its name in IT arena by establishing the first Aptech Computer Education Centre in Bangladesh.

## Fisons holds AGM

The annual general meeting of Fisons (Bangladesh) Ltd, a subsidiary of the Rhone Poulenc Rorer, was held in the city recently, says a press release.

The meeting was chaired by DD Chopra — Managing Director RP India.

Members of the Board of Directors representing the two major shareholders — Ministry of Industries and Fisons (Bangladesh) Ltd, attended.

The other Directors Anwarul Hoque, Chairman, of Bangladesh Chemical Industries Corporation (BCIC), Md. Nuruzzaman Mia, Joint Secretary of Ministry of Industries, AKM Shamsuddin, Managing Director, of Fisons (Bangladesh) Ltd, HW Imam, Director Finance & IT Fisons (Bangladesh) Ltd, were also present.

## Dutch to head central bank

## 11 EU countries to adopt 'euro' January 1

BRUSSELS, May 3: British Prime Minister Tony Blair early today sealed a historic summit here which formally launched 11 founder members of the European single currency with a pledge that the euro unit would be a "strong currency," reports AFP.

"It is essential right at the beginning that we make this very clear statement that the euro is a strong currency and that the provisions of the (Maastricht) treaty be upheld in full," Blair told journalists here.

The holder of rotating presidency of the European Union said that the 15 European leaders had formally selected Dutch head of the European Monetary Institute, Wim Duisenberg, as first president of the European Central Bank.

The founder members are: Germany, France, Italy, Spain, Portugal, Belgium, Luxembourg, Netherlands, Finland, Austria and Ireland. Of the four remaining EU members, Greece failed to meet the economic conditions for joining and Britain, Sweden and Denmark opted out for the moment.

Even without those four, the euro-zone will stretch from Mediterranean and from the Atlantic to Balkans.

# Computer dealers slam NBR for flouting government directives

Star Business Report

Bangladesh Computer Samity (BCS) yesterday blamed non-cooperation from bureaucracy as the main hindrance to development of software industry and demanded full withdrawal of duty and Value Added Tax (VAT) on computer hardware import in the coming budget.

The Samity alleged the civil servants failed to implement the government's policy directives on the computer industry.

The Samity leaders told a press conference yesterday that the Prime Minister had recently declared the software industry as the 'one of the three thrust sectors for exports' and that a high-level finance ministry meeting on January 4 also decided to withdraw taxes on import of computer software for rapid expansion of the sector.

The January 4 meeting, they pointed out, had also decided to reduce Customs duty from 7.5 per cent to 2.5 per cent on computer hardware and withdraw infrastructure development surcharge, advance income tax and licence fee from computer hardware.

"But despite the government initiative and clear directives, the bureaucrats in the National Revenue Board (NBR) are delaying the process of making computers duty free," BCS General Secretary Ahmed Hassan complained.

Following the government move, the NBR had withdrawn duty and VAT on software and reduced duty on computer import from 7.5 per cent to 2.5 per cent as advanced income tax while the 15 per cent VAT continued to exist on computer im-

port.

"The decision helped reduce duty and VAT from 31 per cent to 24 per cent only. Whereas the decision was to reduce duty and VAT to 2.5 per cent. The NBR did not implement the directives of three ministers," the president of the Association Aftab Ul Islam said, referring to the presence of finance, commerce and planning ministers at the meeting.

According to statistics provided the Samity leaders, India has a three billion dollar software market with eight lakh computer users compared to two million dollar market in Bangladesh with 40,000 thousand computer users.

"The growth in the sector fully depends on the price of computers. The price of a stan-

dard computer is still above purchasing power of the middle class.

"To enter the US\$ 300 billion global market, we will have to increase the annual computer users number to 1.5 lakh by year 2000 which is possible only if the price is reduced," the BCS president said. "And the future of ten crore people cannot depend on few bureaucrats in NBR," he said.

He said Bangladesh could also earn a huge foreign exchange as it offered the cheapest price for data processing — three to five dollars per thousand key strokes. India offers 10 dollars while, in the US, it is 30-50 dollars for the same job.

A huge number of unemployed youths could make a good living if right conditions could be created, Aftab said.

# 'Govt should guard against multinationals' negligence'

Star Business Report

A US economist has suggested that national governments keep a stronger vigil against multinational companies trying to get away with negligence which leads to such accidents as the recent explosions at gas well drilling sites.

Professor John Adams of North Eastern University at Boston said it was sad that sometimes multinational companies did not work with proper care and attention.

But the government should be careful, he said. "A sovereign state has power and it could use

that carefully," Adams said.

Adams' comment came after local economists had vehemently criticised multinational companies' conducting their operations in developing countries with negligence in some cases.

Union Carbide was responsible for the devastating Bhopal accident in India while Occidental was responsible for Magurhara accident, said Swapan Adnan, an economist.

He told the American professor, in Dhaka on a USIS invitation to attend a workshop on

"Challenges of Globalisation and Research Needs in Bangladesh", that developed economies had always wanted developing nations to make things easier for the multinational companies.

Adnan said industrial nations became rich through their long time protectionist policies.

"Having been rich, they now want us to open our market for them," Adnan said. He blasted Cairn Energy, now developing gas field in the Sangu valley, and said the company did not even care to inform the relevant public authority of a test which required its approval.

"Later, using its political influence, it organised a consent from the authorities."

Adnan said these multinational companies did not have good track records and that they were used to "buying and managing" officials after a serious accident.

Adams responded by saying: "National sovereignty is a very important issue and the national government is there to do certain things (against any negligence)."

The workshop was moderated by BIDS director general Abu Abdullah. State Minister for Planning and Science and Technology Mohiuddin Khan Alamgir and US Ambassador to Bangladesh John C Holzman also spoke.

Adams gave a talk on the process of globalisation, the challenges for Bangladesh and movement of labour across the world.

He was critical about the nation's poor achievement in public health, education and rural electrification. "You could have developed these fundamental things in 25 years if you had an agenda," he said blaming all the previous governments.

Adams said Bangladesh's export basket should be broadened and investment in the human resources should be increased.

The Planning Minister and other BIDS researchers criticised the developed nations for not allowing free movement of

labour force from the developing nations.

"When we are allowing free movement of capital and technology in to our countries, they are not admitting free labour force from us," Mohiuddin Khan Alamgir, the chief guest of the workshop, said.

Khan said that Bangladesh had taken up the issue of globalisation and that the country now wanted to benefit from it. He also said that an equitable distribution of results of globalisation must be ensured for the developing nations.

Adams said the issue of labour mobility was a complicated one, calling it a "flaw" in the basic rules of international economics.

The US Ambassador said Bangladesh was marching towards a perfect democracy for which it needed an "educated citizenry." Terming the ongoing democratic process "market democracy," Holzman said continuation of the process was essential. However, he put emphasis on administrative, legal and judicial reforms for having a transparent and democratic dispensation.

Robert Kerr, a USIS official, later talked to Adnan and explained that the contract between the government and Occidental did not properly define the responsibilities about an accident. He said the government had also a role to play without thoroughly blaming Occidental.

Adnan told him that if the accident took place in the US, the repercussions would be far more serious. "People and the government there would have reacted sharply."

## FedEx to purchase MD-11 aircraft

Federal Express Corp (FedEx) has agreed to purchase 20 used McDonnell Douglas MD-11 aircraft from Flightlease Ltd a wholly-owned subsidiary of AirGroup.

Delivery of the aircraft will begin in August, 2002 and end in December, 2006, FedEx said in a press statement.

# BCI demands changes to Artha Rin Adalat Act

Star Business Report

Bangladesh Chamber of Industries (BCI) has demanded revision to Artha Rin Adalat Act and removal of disparity between private and public sectors.

Speaking to journalists, BCI Acting President Rashed Mowdud Khan said yesterday that the Act had been termed a black law by the industrialists.

He demanded that the Adalat be "repealed or otherwise revised".

"This law is one-sided and biased. It does not have any scope to provide any kind of co-operation to the entrepreneurs," he said.

On the other hand, Khan alleged, the entrepreneurs who were the real participants in development and poverty alleviation activities were being harassed by the bureaucrats.

"In the name of recovering the defaulting loans, the bankers and the government officials are nipping the budding entrepreneurs," the BCI acting president commented.

"The banks are willfully hindering the pace of industrialisation and encouraging the

flourishment of trading and imports," he said, giving the BCI view on the situation.

The BCI leader also resented the publication of a long list of defaulters, saying that it would not yield any fruitful results.

He however said that the recently-passed Bankruptcy Act could produce desired results if executed properly and promptly.

Portraying a gloomy picture of the country's economic scene, Rashed Mowdud Khan, managing director of Bengal Fine Ceramics Ltd, said that most of the industries had been experiencing a decline in their production.

He disagreed with the government claim that the industrial production had been increasing since the beginning of current fiscal.

"I do not see any sector which has achieved a remarkable growth in recent years," he said.

Referring to the textile sector, he said most of the specialised textile mills became sick due to non co-operation from the banks.

"Banks only provide loans," he said and blamed the banks' failure in taking responsibility as one of the main causes for default culture in the country.

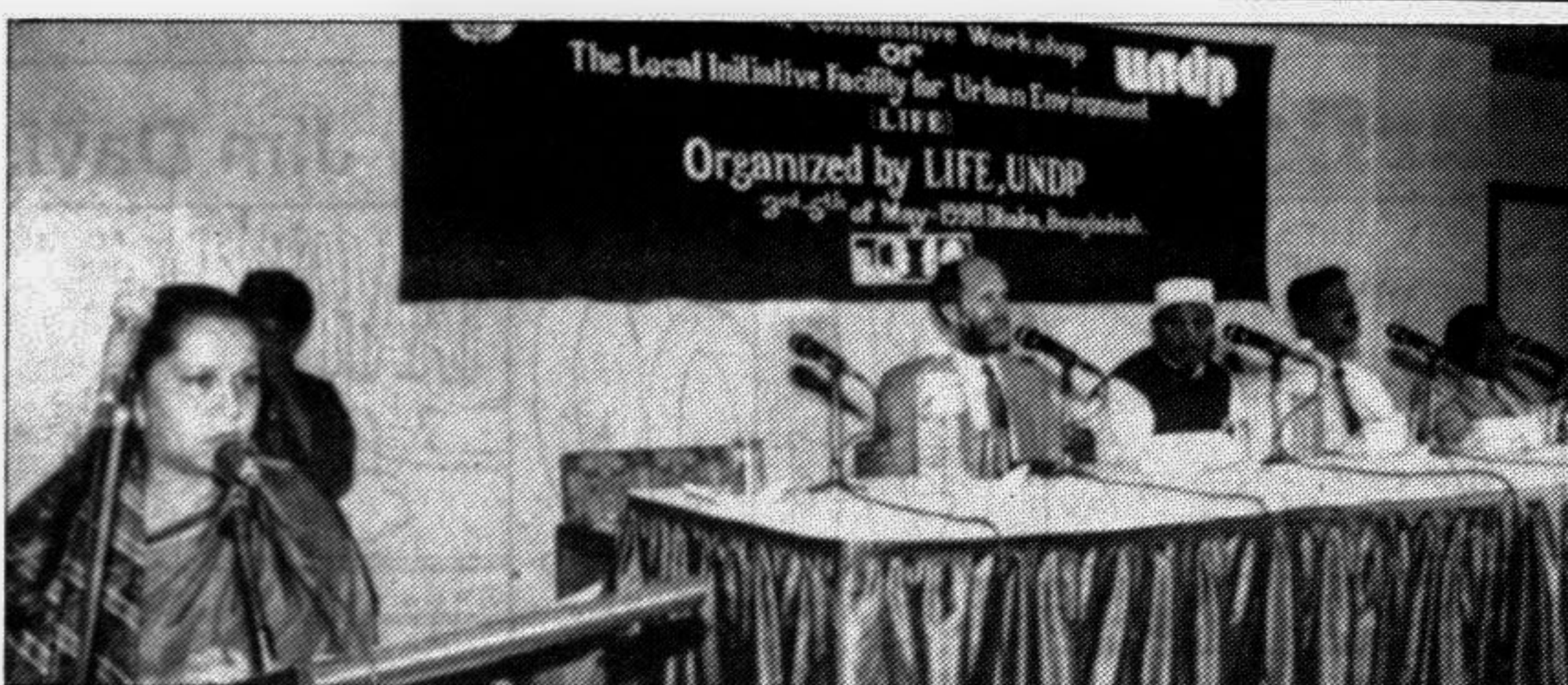
"Why should one wait at least three years for getting approval for loans from a bank in favour of an industrial project?" he asked. "If that industry fails, the concerned bank should also be blamed for delaying the project and pushing it towards sickness," he commented.

The BCI leader expressed grave concern over social degradation which was reflected in growing incidents of violence and repression on women recently.

The main cause of this social degradation, he said, was massive unemployment in the country.

"Massive investments are a must for creating jobs," Mowdud said.

He demanded that priority be given to the entrepreneurs who would create more jobs and help the country to free from the scourge of unemployment and poverty.



Tanzina Haque Hossain, the UNDP national coordinator for Local Initiative Facility for Urban Environment, speaks at the inauguration of a workshop on the programme in Bangladesh yesterday. Mayors of Chittagong, Rajshahi and Khulna joined the ceremony in the city along with UN officials including David Lockwood, the UNDP Resident Representative here.

## UNDP's urban environment programme

# LIFE leads locals to work

Star Business Report

The UNDP has launched a new programme called the Local Initiative Facility for Urban Environment (LIFE) in Bangladesh. Pressing urban problems being identified and addressed under LIFE are air and water pollution, inadequate provision of water and sanitation, poor management of solid and liquid waste, lack of environmental education and health care, the use of polluting technologies, lack of environmental consideration in urban planning and inadequate means for earning livelihoods.

The inaugural ceremony, held yesterday in the city, of the National Consultative Workshop of the life programme of UNDP Bangladesh is being followed by three days of working sessions with more than 60 participants from the government, donors, UN Agencies, NGOs, private sector and the media. The workshop will discuss the priorities for urban environment and community participation, the UNDP said.

The inaugural session was addressed by the Mayor of Chittagong City Corporation A B M Mohiuddin Chowdhury, Mayor of

Rajshahi City Corporation Mizanur Rahman Minu, Mayor of Khulna City Corporation Tayebur Rahman and UN Resident Coordinator and UNDP Resident Representative David E Lockwood.

LIFE was launched as a pilot programme by the United Nations Development Programme at the (1992) Earth Summit in Rio de Janeiro in order to demonstrate local solutions to urban environmental problems. It is now functioning in 12 countries around the world and is supported by UNDP and five other industrialised countries.

Realising its importance in Bangladesh, the UNDP's Dhaka office requested LIFE at UNDP headquarters for the programme to be started here especially as the country had the requisite criteria for having the programme — a well-developed NGO and CBO movement, sufficient autonomy and strength of municipal authorities, willingness on the part of the local authorities to collaborate with CBOs and NGOs on serious urban environmental issues.

The premise of LIFE is that local people and organisations can best determine which environmental problems need urgent attention and that locally inspired solutions have a better chance of success than those imposed by governments or donors.

LIFE's watchwords are local dialogue and teamwork. Local government, non-governmental organisations and the urban residents themselves are encouraged to work together to improve their city's environment.

The pilot projects funded by the programme show what can be done with a little money and a lot of cooperative effort and are executed by the people in the community, the UNDP said.

LIFE serves as a global conduit through which successful local projects are transferred to other areas in the same city, to other towns and cities in the same country and to urban areas in other countries.

But the greatest legacy of the programme will be a strengthened local institutional capacity that will allow city dwellers and their communities to continue to deal effectively with environmental problems without LIFE's help, the UNDP said.

# Commodity market : Prices of gold down, oil up

LONDON, May 3: Gold featured this week on commodities markets, giving up almost six dollars an ounce as the market eyed the approach of the official launch of the European single currency, the Euro, and the installation of the European central bank, reports AFP.

The gold market has lived for months with fear of central banks sales of reserves, but currently is concentrating solely on creation of the European central bank forgetting the other factors, analysts say with regret.

Investors, hoping the new bank will have large gold reserves and will keep national central banks from getting rid of their gold, reacted strongly to remarks by the Portuguese central bank governor. He said gold should not account for more than 20 per cent of the European central bank's regional central banks would be free to sell their own gold.

Investors were also very nervous about the continuing battle over the new central bank's presidency.

Elsewhere on the commodities markets, oil prices fired markedly, to around 14.50 dollars a barrel for Brent, helped by the prospect of another fall in world supply.

Oil producers indicate that further output cuts could be decided even before the OPEC

summit meeting in June.

**GOLD:** Tarnished. The precious metal dropped substantially this week, falling below 310 dollars an ounce to finish the week at around 306.20 compared with 312.70 at the end of the previous week.

Gold was already under pressure due to a market correction after its surge last week and was further undermined by remarks by the Bank of Portugal Governor, who said gold would account for 10 to 20 per cent of the European central bank's reserves. He suggested that national central banks would be free to dispose of their reserves as they wish.

Analysts said the issue monopolized gold market attention, at the risk of making the market forget other factors that could affect the gold supply.

**COPPER:** Cooked. Copper prices fell this week, despite a decline of stocks, under the pressure of technical factors and on a mistrustful market. The price of three-month copper gave up 42 dollars on the week to end at 1,829 dollars a tonne even though London metal exchange reserves slipped to 262,200 tonnes against 277,350 a week earlier.

**SILVER:** Technical. Silver prices eased slightly this week in mainly technical trading, operators said.

Silver stood at around 6.21 dollars an ounce at week's end

against 6.32 the previous Friday.

Trading was very limited ahead of the annual meeting on May 4 of Warren Buffett's investment company. The famous investor might make an announcement about his silver holdings.

**PLATINUM AND PALLADIUM:** These metals' prices weakened markedly this week, after a sharp rise the previous week, as the market reacted this week to the prospect of deliveries from Russia in the near future.

Palladium stood at the end of the week at about 365 dollars an ounce against 383 a week earlier, while platinum stood at 403 dollars against 421.

**TIN:** Tony. Three-months tin staged a good performance thanks to continued tightening of supply on the physical market as the metal gained 254 dollars to 5,835 dollars per tonne.

Ted Arnold, an expert at Merrill Lynch, said physical supply is experiencing a tightening, and he expects higher prices in coming weeks. That tightening is largely explained by the drop of LME reserves, down 425 tonnes on the week to 6,410.

**ALUMINIUM:** Fused. Three-month metal gave up 42.50 dollars a tonne this week to end at 1,408.

Market sentiment was hurt by copper's fall as well as by in-

creasing criticisms of Japan's latest economic stimulus plan, which brought some aggressive selling by investment funds.

**VEGETABLE OILS:** Stable. US soy prices fluctuated within narrow margins, tugged in opposing directions by delays in planting in the United States and damage wreaked on Argentinean plantations, and a rise in US soy oil stocks to eight million tonnes.

Soya prices on the Chicago Board of Trade fell two cents to 6.41 dollars a bushel, (27.2 kg for May delivery) due to disruptive rainfall in the US producing areas.

**OIL:** Firmer. Brent oil, the benchmark North Sea crude recovered strongly with the prospect of further OPEC production cuts and the renewing of the embargo against Iraq.

The price ended at 14.56 dollars a barrel for June delivery, up from 14.10 dollars the previous week.

**COCOA:** Lower. Cocoa prices fell this week to 1,092 pounds a tonne (July delivery) from 1,094 pounds.

The market was quiet this week, influenced only by technical factors and erratic movements of investment funds.

**RUBBER:** Flat. The rubber market stayed in the lethargic state it has been in for the past few months, an analyst from trading house Lewis and Peat said.

Several markets, such as Japan or Malaysia, were closed for part of the week because of public holidays, which limited the volume of trading.

**GRAINS:** Weak. Cereal prices fell sharply again this week because of excess supply, making it a buyers' market.

Worldwide production of wheat and other grains during 1997-98 (July to June) will rise to 1,512 million tonnes, from 1,497 million tonnes the year before, the International Grains Council (IGC) has forecast.

**SUGAR:** Crumbling. Sugar prices dropped sharply over the week on a market weighed down by surplus supplies and expectations of a healthy sugarcane harvest in India this season and in Brazil for 1998-99.

On the London futures market, October delivery sugar traded at 250.2 dollars a tonne, from 256.5 dollars.

The market has also been undermined by rumours that Russian importers lack the money to pay for deliveries. Some traders said that several sugar cargoes would be held up at Russian ports for this reason.

**NICKEL:** In a bind. Nickel prices stayed within a narrow range this week in the absence of any important new factors and much supported by a slight dip of LME stocks.

Nickel at three months gave up 30 dollars a tonne to 5,460

while LME reserves slipped to 64,332 tonnes against 65,376 a week earlier.

**COFFEE:** Hot. Robusta coffee for July delivery hotted up to 1,795 dollars from 1,780 dollars on a wave of buying by coffee roasters and producers, at a time of scarce supplies.

"There is good quality buying, from roasters and coffee industrialists and producers sit on their own bags, they are not selling," said Tony Chadwick, a coffee analyst for brokerage Prudential Abche.

**TEA:** Holidays. The London tea auctions were closed last week.

**COTTON:** Recovery. Cotton prices recovered modestly after US Department of Agriculture (USDA) statistics for March showing that consumption of the fibre in the United States rose slightly to 11,401 million bales over the previous 12 months.

Prices were also supported by expectations of a fall in output in California, where heavy rainfall disrupted planting. However similar delays in the southern US cotton-belt should not have any impact, analysts said.

**WOOL:** Frayed. The price of British wool is being increasingly frayed by the strength of sterling, which has eroded its competitiveness against New Zealand and Australian wool.

## Exchange Rates

The following are the **Sonali Bank's** dealing rates (BD Tk for one unit of Foreign Currency) to public as on 3rd May 98

Name of Currency	Buying	
	TT Clean	OD Sight
US Dir	46.1500	45.9605
GB Pound	76.5106	76.1965
D Mark	25.7814	25.6756
F Franc	7.6884	7.6669
C Dir	32.0173	31.8859
S Franc	30.7667	30.6403
JP Yen	0.3425	0.3411

Name of Currency	Selling	
	T.T. & O.D.	B.C.
US Dollar	46.5100	46.5500
GB Pound	77.7353	77.8022
D Mark	26.2510	26.2736
F Franc	7.8302	7.8370
C Dollar	32.6027	32.6308
S Franc	31.3393	31.3662
JP Yen	0.3524	0.3527

A) TT (DOC) US Dollar Spot Buying Tk 46.0552

B) Usance Rate

	60	90	120	180
Days	Days	Days	Days	Days
US Dir	46.2911	46.4905	46.5919	47.5338