

SANYO
Colour TV
NEW
Easy installment scheme
Sole Distributor in Bangladesh
Transfin Trading Limited
100, Kazi Nazrul Islam Avenue, Dhaka-1215
Tel: 815307-10, Fax: 813062

The Daily Star BUSINESS

DHAKA, SUNDAY, JULY 26, 1998

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Washing Machine
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Shippers' Council for end to empty container crisis

The Shippers' Council of Bangladesh has urged the government to take immediate steps to resolve the artificial shortage of empty containers at Chittagong and Mongla ports.

In a press statement issued yesterday, the chairman of Shippers' Council of Bangladesh, M R Ali expressed deep concern over the acute shortage of empty containers now prevailing in the country's two ports.

This virtually paralysed shipping of export cargo in this peak season of export of jute goods, frozen food and ready made garments, he added.

All observed that there was no cogent reason for such sudden shortage of empty containers when there was no shortage so long. This shortage is likely to be an artificial one created by the Shipping Lines to avoid lifting of export cargo from our two sea ports. Recent increase of port charges by the Chittagong Port Authority may be a reason for such avoiding.

He said recently the Shipping Lines has increased ocean freight suddenly and unilaterally without proper notice and consultation as required under UNCTAD Convention on shipping. This has already been brought to the notice of the Ministry of Shipping.

New deposit scheme of Rupali Bank

Rupali Bank Limited has introduced Festival Deposit Scheme (FDS) for increasing national savings as well as for growing deposit habits among the people of the country, says a press release.

Any body can open this account without introduction and can deposit in the account as many times as he desires.

The depositors can withdraw money from the account on the occasion of Eid, Durga Puja, Buddha Purnima, X-mas day, personal festival and family festival.

Three occasions are allowed to withdraw money according to the option given by the depositor at the time of opening the account.

To make the scheme attractive and profitable the rate of interest will be always higher than that of the savings deposit.

Any mentally-sound-adult person can open the account jointly, severally or individually giving an initial deposit of Tk 1000 only.

Interest will be given two times a year in June and December for the balance of the account minimum Tk 1000/= and maximum any amount.

BGMEA blasts AIT on imported generators

The Bangladesh Garment Manufacturers and Exporters Association has drawn attention of the authorities concerned to the forced collection of advance income tax on imported electricity generators by some customs officials.

A BGMEA press release yesterday said that the government had waived AIT, duty and VAT on imported generators for a one-year period (March 10, 1997 to March 10, 1998). The Board of Revenue later extended the tax and duty exemption period up to December 31, 1998.

BGMEA acting president Nurul Huq Sikder said, as a violation of the government order, some customs officials were asking the garment manufacturers to pay AIT and other duties on their imported generators.

Sikder urged the concerned authorities to protect the manufacturers from such harassments. He said that the manufacturers were importing the generators only to ensure uninterrupted power supply to their factories and to ship their products in time.

"Such harassment of the businessmen is a violation of the government directives and is not expected," he said.

2 CSE executives to take part in US training course

Two executives of Chittagong Stock Exchange Md Abdul Muleeb and Rabul Hasan left Dhaka yesterday for USA to participate in a training course on "Data-based Network", says a CSE press release.

The course will be organised by Bellcore Inc to make the participants conversant with the latest technology on "on-line real-time" trading from anywhere in the country.

The CSE launched its computer-based automated trading system on June 2 this year taking the country's capital market to a new era of modernisation.

BGMEA dissatisfied with softer ministry stand against US quota manipulators

By Govinda Shil

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) is unhappy with a recent Commerce Ministry decision to deal softly with quota manipulators, saying this would set a bad precedent.

An government-BGMEA inquiry found some 16 manufacturer-exporters involved in quota fraudulence for exports to the US.

The process of punishing the identified manipulators was delayed because of appeals entertained by the ministry which allegedly eased the usual penalty, BGMEA leaders said.

They said the quota rule violators were allowed to adjust the quotas for high-price products with low-price ones.

The US government's embargo on the entry of apparels

in some seven categories during December 1997 was violated by these 16 accused manufacturers. As a result, some 20 regular exporters suffered and could not ship their products to the US market.

The US government has given Bangladesh the highest limit for apparel exports to its markets in 31 dress categories. Exporters cannot ship garment products of a particular category if its quota for the year is exhausted before the end of a quota year (Jan 1-Dec 31).

The probe committee, formed with officials of Commerce Ministry and BGMEA of office-bearers, submitted its report on February 9, 1998, suggesting punitive actions against the quota manipulators and the involved EPB personnel. Some EPB officials and employees

helped the exporters ship more products apparels than they were entitled to, the report said.

According to rule, the manufacturers must return the quota, which they enjoyed illegally, to the EPB, the report said.

The BGMEA leaders alleged that the quotas, misused by the accused garment industry owners, were high-priced ones and said they should be made to return them.

"But the Appellate Committee was seeking ways to allow the manipulators chances to compensate with some low-priced quotas," BGMEA vice president Nurul Huq Sikder said.

The BGMEA leaders said the EPB was involved in delaying the punishment procedures. "Though it has taken some steps against minor exporters,

the major exporters were yet to be duly punished," another BGMEA leader said.

The BGMEA leaders also alleged that an influential minister (not the commerce minister) lobbied for some exporters. A senior commerce ministry official also admitted the minister's involvement.

The exporters had appealed to an appellate committee against the probe committee recommendations. The committee, headed by commerce secretary Syed Alamgir Farouk Chowdhury, softened the punishment, according to BGMEA.

The commerce secretary sought to defend the appellate body decision, made last month. "I am satisfied with the Appellate Committee verdict," he said, adding that there were provisions in the existing rules

to shift the quota from one category to another if it equalled the total value of the quotas. Sikder said that BGMEA was not even told of the Appellate Committee decision.

"Once a manipulator is favoured this way," the BGMEA leader argued, "others would be encouraged to take the same course. Stern actions can only check such irregularities."

Meanwhile, Abdur Razzak, Director General at EPB's textiles cell, told The Daily Star that he had fined the companies in November 1997 when he had detected the irregularities. The penalty was duly awarded," the DG claimed.

Razzak said the EPB was trying to computerise the quota maintenance section to guard against such irregularities.

SAARC plans 'framework treaty' to speed towards SAFTA

COLOMBO, July 25: South Asian leaders meeting in Sri Lanka next week will adopt a "framework treaty" to speed towards a regional free trade block. Foreign Minister Lakshman Kadirgamar said yesterday, reports AFP.

The seven-nation South Asian Association for Regional Cooperation (SAARC) which opens its 10th summit here on Wednesday, will adopt the treaty to reaffirm its commitment to free trade, the Sri Lankan minister told reporters.

"The framework treaty will reaffirm the political will and the meaningful steps to be taken to achieve the objective of having a free trade area," Kadirgamar said. "The dates and the nuances are to be fine-tuned."

Kadirgamar said SAARC, which groups Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka was committed to a free trade block but admitted members had been slow in moving toward a preferential trade pact.

Negotiations are underway between member states on commodities for which they would grant preferential tariffs under the South Asian Preferential Trade Agreement (SAFTA), which should have been in place by last year.

The 10th SAARC summit is expected to devote more attention to economic matters and work out a common SAARC position to deal with global trade issues affecting the region, the minister said.

Kadirgamar said the three-day summit was expected to guide officials on how to move towards achieving the South Asian Free Trade Area (SAFTA) by 2001 as previously agreed although some experts were skeptical.

Diplomats said a South Asian free trade area was envisaged in 10 years.

The issue has sparked fears from smaller countries that their economies would be swallowed up by big countries such as India and Pakistan, if they rush into a free trade area without a stronger economic base.

The World Bank's chief economist for South Asia, John Williamson, has said some analysts considered SAFTA a waste of time while others thought it might benefit smaller member

countries.

"Smaller countries like Bangladesh, Sri Lanka and even Pakistan will find it difficult to develop their industries unless India opens its market to them," Williamson said during a visit here this year.

Sri Lanka's Chamber of Industries said when India lifted tariffs on 126 commodities, Sri Lankan industries found only about 25 were actually without hidden non-tariff restrictions such as import licence fees.

Rice price falls sharply in Netrakona

From Our Correspondent

NETRAKONA, July 25: Rice sells for Taka 10 per kg, half the price prevailed in the corresponding period last year in different markets of the district.

Market source said the prices of rice was Taka 20 in local markets during the first week of July last year.

Kaun, a low quality cereal sells for Taka five per kg.

Official sources said the district had a surplus output of 50,000 metric tons of rice in the last Boro season.

Observers attributed the fall in rice prices to the surplus production, employment crisis and stoppage of government procurement.

PC Tel becomes dealer of Siemens GSM handsets

Star Business Report
PC Tel, dealer of TM International (B) Ltd, has been appointed dealer for Siemens GSM handsets.

An agreement to this effect was signed by Anwar Hossain, Divisional Manager-Mobile Products, Siemens and Sheraz B Faruk, Managing Director of PC Tel on Thursday, says a press release.

Under the agreement, PC Tel will market full range of GSM handsets of Siemens along with full service back-up.

DSE's automated system ready for launch WAN demand delayed it, says Tandem official

Star Business Report

Tandem Computers International Inc., the contractor for DSE automation, yesterday attributed the delay in automation to incorporation of the wide-area network (WAN) facilities.

"The contract originally aimed at automating the bourse under local-area network (LAN)," according to Alan Noble, Tandem's Asia Pacific Regional Director. "But the new DSE council's demand for WAN, which was not in the original contract, delayed the automation as we had to re-negotiate."

The tandem officials were speaking at a press conference on the eve of formal launching of the automated mock trading on DSE floor.

The contract, signed when Imtiaz Hossain was the Chair-

man, was inadequate, said the DSE officials. "The brokers later demanded WAN which prompted the current DSE leadership to form a task-force headed by the FBCI chief."

The committee later re-negotiated with Tandem officials for installing WAN along with LAN.

"The revised contract did not cost DSE an extra penny. Instead, the DSE authorities can now groom the bourse with new-generation hardware coupled with the WAN facilities at the same cost of US \$ 1.76 million," the DSE CEO GQ Chowdhury said.

Under the amended contract, Tandem has agreed to provide the US\$ 70,000 integration cost along with printers and other hardware.

But according to Saiful Hasan, the DSE automation project director, the WAN cost DSE Tk 22 lakh extra for procuring hardware.

The DSE automation project commenced in 1997 with Tandem Computers International Inc and its partners, Indigo Technologies and Systematic Computing (Syscom) winning the contract.

Tandem, an American Fortune 500 company, marks its presence in almost 80 per cent of world's leading stock exchanges, including the New York Stock Exchange and London Stock Exchange, Tandem officials said.

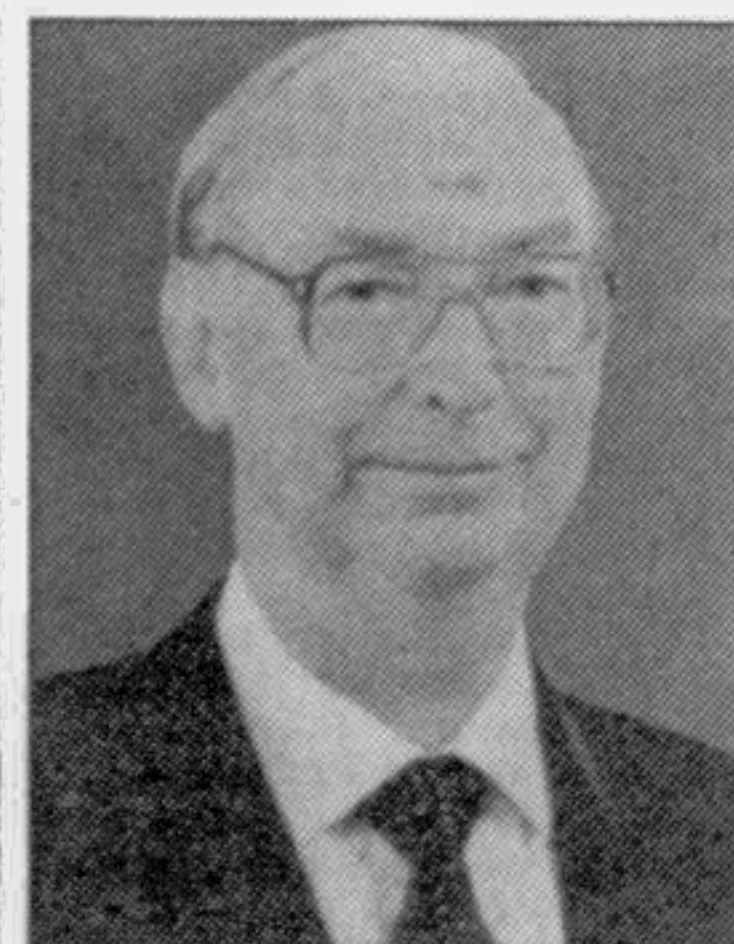
The automated trading on DSE, scheduled to be launched formally on August 10, will begin under local-area network

although the system will have WAN facilities, according to DSE officials.

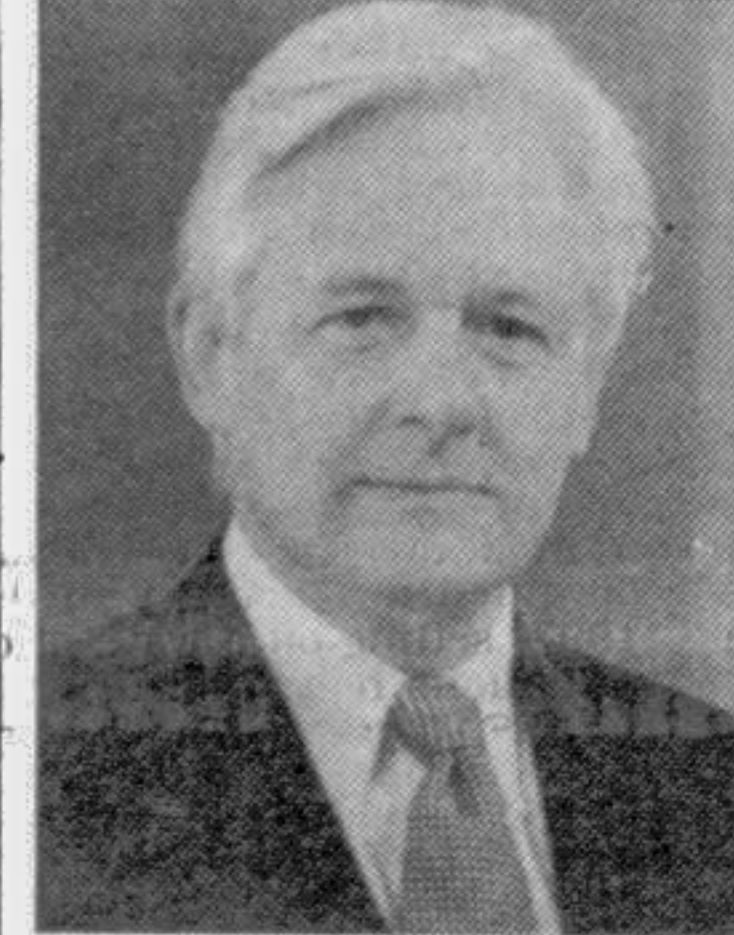
"The market demand would force DSE to open up. The bourse has all the systems in place and a broker can open offices in Sylhet or Khulna, if he so wishes," a DSE official said. "Its upto the members and not the Exchange. Our system has also the capability to absorb investors from outside the country."

The official said that DSE would provide services to its members and brokerage firms, and these firms will provide services to its clients.

The already-installed 185 connections are ready under LAN while another 50 connections are waiting to use WAN, he said.



Charles Goode



John McFarlane

ANZ Banking Group Chairman, CEO due today

Star Business Report
Charles Goode, Chairman and John McFarlane, Chief Executive Officer of ANZ Banking Group Ltd, are arriving in the city today for a short visit to Bangladesh.

During their stay, they will meet the finance minister and the governor of Bangladesh Bank.

They will also visit ANZ Branches in Dhaka, meet dignitaries, senior government officials and businessmen, said a press statement.

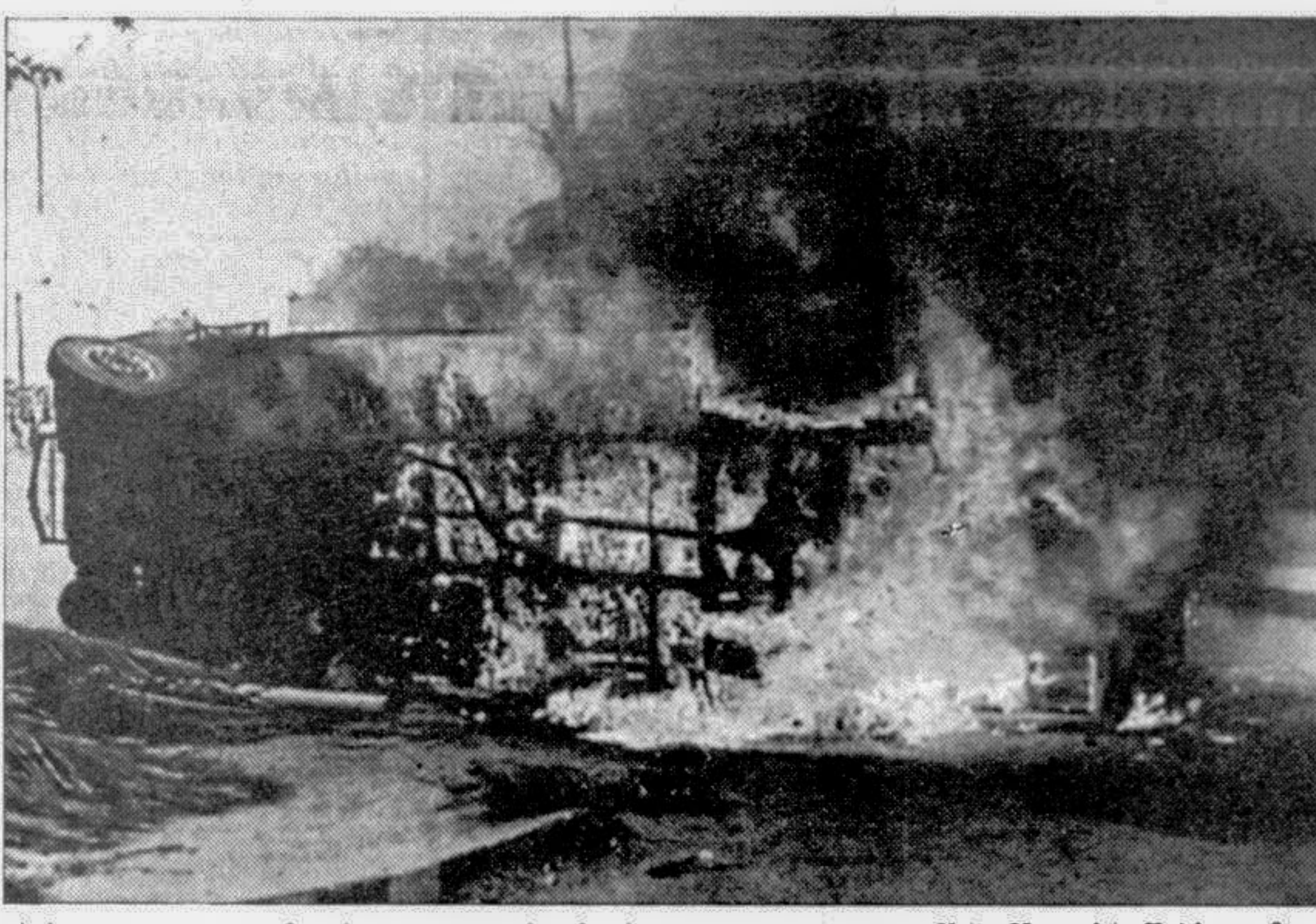
ANZ Grindlays Bank is the largest foreign bank in the country operating in Bangladesh since 1905.

This visit emphasizes the commitment of the Group to its Bangladesh operations.

They will leave Dhaka for New Delhi tomorrow evening, it added.



Sheraz B Faruk (L), Managing Director of PC Tel and Engineer Anwar Hossain, Divisional Manager Mobile Products of Siemens, sign a dealership agreement on Thursday. — PC Tel photo



A bus was set on fire by angry mob of telecommunications staff in Karachi, Friday after three workers were killed by a speeding vehicle Thursday. Communications staff also shut down the Clifton Exchange, disabling thousands of telephones in southern Karachi, in an apparent protest against the police failure to apprehend the driver of the vehicle. — AP/UNB photo

Crisis makes dent in condom sales in Asia

BANGKOK, July 25: Condom sales in Southeast Asia are shrinking because the region's economic crisis means less people can afford to patronise the sex industry, a condom maker reported as saying, reports AP.

Jon Gray, commercial director for London Royal Consumer Products which makes Durex condoms, said a survey by his company shows sales are already slumping in Thailand, Singapore and Indonesia, according to Saturday's The Nation newspaper.

Thailand and Indonesia are battling through their worst economic crises in 30 years, Singapore is in better shape, but its economy has been affected by the regional problems and slowed.

During the last five years, Thailand, with its once-booming economy and rampant commercial sex industry, was among the fastest growing markets in the world, registering 10 to 15 per cent increases each year.

Indians await e-mail delivery at their doorsteps

By Durga Ray

NEW DELHI, July 25: People in India might soon have their e-mail delivered at their doorstep by the local postman. This is part of the ambitious package the Task Force on Information Technology and Software Development has proposed.

The 108 recommendations, which were submitted to Prime Minister Atal Behari Vajpayee in the first week of July, are expected to be implemented shortly, according to senior officials.

"In about a week or so, the cabinet would give its approval and the government would issue notifications to individual ministries to take action," N. Sheshagiri, member-convener of the Task Force and the director general of the National Informatics Centre, told India Abroad News Service in an interview.

Elaborating on the much publicised plan to convert 600,000 public phone booths in India into "information kiosks", Sheshagiri said that it would need installation of a multimedia personal computer (PC) by the booth owner, with very few peripherals. To be known as a Public Tele-information Centre (PTIS), the booth would offer the public facilities like e-mail, Internet browsing, fax,

tele-information services and even desktop video conferencing, Sheshagiri said.

"Every post office will have an e-mail address.

The Department of Posts is already installing computers at post offices," Sheshagiri said, adding that e-mail sent to the address of the post office would then be delivered by the postman to the addressee.

This is a new technology movement. It is a poor man's solution. It costs hundred times more to talk over the telephone for the same message content," he said. The recommendations of the Task Force, which was constituted on May 22 by Vajpayee, was scrutinised by a panel comprising the Union Ministers for Communications, Finance, Defence and Human Resource Development who made some "positive modifications" and passed it onto the Prime Minister, Sheshagiri said. He said that TV owners who wanted to access the Net and interact through e-mail would have to buy a "high speed cable modem or a 'set-top box' to download it into their sets.

The cable operator would have to install a server to the Net for providing this service to his subscribers. Asked whether people would actually opt for this scheme, he said: "One has to experiment. Many people are not interested in buying a computer but want Internet access."

The Task Force has been in touch with private software entrepreneurs for implementation of the revolutionary "IT Action Plan", Sheshagiri said.

The plan envisages removal of the monopoly of the government-controlled Videsh Sanchar Nigam Limited (VSNL), which is the sole provider of Internet access at present, by

opening more external gateways to the Net. These will be controlled by the Department of Telecommunications and authorised Internet Service Providers (ISPs).

Emphasising that "greater freedom has to be given to the private sector", Sheshagiri said that having only one gateway to the Internet was "virtually damping enterprise".

"Our ambitions are very high and we can achieve them. But first, constraints have to be removed," Sheshagiri said.

Not only does the Action Plan for "de-bottlenecking" the path of IT development in the country intend to bring the World Wide Web within the reach of common people, it also recommends quick building of information infrastructure.

To accomplish this, the railways, state electricity boards and other organisations involved in building nationwide infrastructure, would be allowed to lay fibre optic cables simultaneously.

With a view to making India a global IT leader with annual software exports of \$50 billion within 10 years, the Union Finance Minister had earlier this month announced a fiscal package giving massive tax concessions to the Information Technology sector.

ICCT seminar concludes

The one-day seminar on "processing and preservation of foods and fruits products of Bangladesh" ended at the head office of the Bangladesh Chemical Society yesterday, says a press release.

Organised by the Institute of Chemists and Chemical Technologists (ICCT), the inaugural session of the seminar was presided over by A S Salahuddin Ahmed, acting president of Bangladesh Chemical Society.

Prof Golam Mowlah, Institute of Nutrition and Food Science, University of Dhaka, and former director general, BSTI presented the key note paper on "aspects of standards and quality management as process for development."

Prof S Z Haider, honorary Director General, ICCT and Dr M Fazlul Haq, Chief Coordinator of the seminar and general secretary, Bangladesh Chemical Society, spoke on the occasion.

While presenting key note paper, Prof Mowlah stressed the need for achievement of quality standard and management process for preservation of foods and fruits products.

Nine scientific papers were presented in the two technical sessions by Dr M A Rahman and Dr M Mulemmuddin Ahmed, former directors, IFST, BCSIR, M Abdul Gafur, CSM, BCSIR labs, Rajshahi, A Z M Sayem of BRAC, Md Mokhlesur Rahman G M of Tabani Beverage, Prof Dr Md Shahidul Haq of Agricultural University and Sreekantha Sheel of BARI.

South America seeks free trade by 2005

USHUAIA, Argentina, July 25: Six South American presidents pledged to strengthen democracy in their "Zone of Peace" to pave the way for free trade and resolved to push for full economic integration by 2005, reports AP.

Meeting amid snow-dusted peaks in southernmost Argentina, the four presidents of the potent Mercosur trade bloc were joined by Bolivian and Chilean counterparts at the one-day summit.

South African President Nelson Mandela also took part, expressing interest in greater ties across the South Atlantic while declaring that the rush toward globalisation should not leave out the poorer, less powerful nations.

"Today we affirm that Mercosur in a 'Zone of Peace' and is at peace," President Carlos Menem of Argentina said at a luxury hotel on a snowy mountainside overlooking Ushuaia, the southernmost city on earth.

The Mercosur countries of Argentina, Brazil, Uruguay and Paraguay said peace and democracy was "essential" to full economic integration, and said that their region was free of arms of mass destruction.

"The full exercise of democratic institutions in an essential condition for the development and process of integration" by member nations, said the declaration, called the "protocol of Ushuaia".

It warned that any break in

the "democratic order" would constitute a grave threat to stability and could lead to expulsion from Mercosur.

Bolivia and Chile also joined in the declaration as associate members and neighbours of the trade bloc, which groups 204 million people.

Mercosur has taken steps this year to free up bidding in services and government services, but no progress was reported on accords to open up key automobile and sugar markets.

Delivering the address of honour, Mandela declared that "new conditions today allow us to come together as neighbours across the Atlantic."

"Finding itself at the juncture between the Indian and Atlantic oceans, South Africa is in every sense a part of the South. Our strategic location gives us the potential of being a bridge between South America and Asia," said Mandela.

He praised growing trade between South Africa and the Mercosur countries, but cautioned that free trade's benefits must alleviate poverty in the developing world.

"We cannot avoid the process of globalisation. The world politically and economically is becoming closely integrated," Mandela told reporters. "But globalisation must not benefit the big powers to the detriment of those who are poor or powerless."