

### SAARC summit fails to lower telecom tariffs

COLOMBO, Aug 1: A seven-nation South Asian Summit ended here yesterday without agreement on lowering telecommunications tariffs in the region, officials said, reports AFP.

Leaders of the South Asian Association for Regional Cooperation (SAARC) were expected to announce lower rates for telephone calls from one member country to another.

Telecommunications ministers of SAARC, which groups Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka, agreed in May to work out lower rates to be announced at the three-day summit which ended Friday.

However, instead of declaring lower rates, the summit called for the speedy implementation of an "action plan" adopted by the telecommunications ministers to share expertise and improve services.

The ministers had earlier agreed that they should allow the use of satellite phones by people travelling within the region while mobile phones should be permitted to take advantage of international roaming facilities.

### 11 oil mills close down in Noakhali

NOAKHALI, Aug 1: Production in 27 edible oil mills of Lakshimpur, Feni and Noakhali districts is being hampered due to shortage of raw materials and necessary capital, reports UNB.

A total of 11 oil mills out of the total 38 have already been closed down rendering some 5,000 labourers unemployed, the mill sources said.

The oil mill owners said shortage and high prices of raw materials in the local markets and complexities in getting bank loan are responsible for the set back in production.

The owners said they are compelled to import raw materials from Canada, Russia, France and different other foreign countries due to acute shortage in the local markets.

Besides, the owners have to pay 30 per cent import and other taxes to the government for maintaining the oil production. But they alleged that they were forced to sell their products below production cost.

The mill-owners urged to the Agriculture Department to ensure supply of necessary seeds at fair prices and provide soft term bank loans to ensure "smooth production" of edible oils.

### Pak rupee ends higher, seen rising

KARACHI, Pakistan, Aug 1: The Pakistani rupee closed 0.20 Paise up at 56.10 rupees to the dollar in the kurb market today and dealers said the rupee was likely to rise further, says Reuters.

"It seems that the rupee will touch the 56 level before any fresh buying of the dollar starts," one dealer said.

Dealers say uncertainty about economic conditions has lowered activity in the forex market and has pulled the dollar down. The State (central) Bank of Pakistan's rate was 46.00/46.23 to a dollar, unchanged since July 22, 1998.

### US economy grows 1.4pc

WASHINGTON, Aug 1: The US economy contracted sharply in the second quarter but still managed to grow by a stronger than expected 1.4 per cent, the Commerce Department reported Friday, says AFP.

The government said gross domestic product (GDP) expanded at a revised annual rate of 5.5 per cent in the first quarter.

Many analysts had forecast flat growth in the April-to-June period in response to weaker exports, reflecting the Asian financial crisis, inventory draw downs, and the effects of a strike at General Motors.

A price index linked to gross domestic product rose 0.8 per cent in the April-to-June period, compared with 0.9 per cent in the first.

The government estimated that the GM strike shaved one percentage point from second quarter growth.

Final sales in the second quarter rose 3.9 per cent after a 4.3 per cent rise in the first.

Friday's growth figure is the commerce department's first estimate of second quarter GDP data. The government will revise the data twice before it becomes final, with the first revision to be released on August 27.

The real change in business inventories reduced growth in the second quarter by 2.3 percentage points, the government said.

Businesses increased inventories by 44.7 billion dollars in the second quarter, down sharply from the record 91.4 billion dollar gain in the first.

The trade sector meanwhile subtracted 2.4 percentage points from second quarter results.

Exports declined by an annualised 20.6 billion dollars, or eight per cent, while imports rose 33.8 billion dollars, or 11.9 per cent.

Consumer spending stayed strong in the second quarter, increasing 7.1 billion dollars, or 5.8 per cent, down only slightly from a 6.1 per cent rise in the first quarter.



WATER, WATER EVERYWHERE: The picture shows a dairy farm and its haystack, the main cattle feed, half-engulfed by the rising flood water at city's Manda, under Sabujbagh thana. The situation has recently forced the farm-owners to shift their animals to safer places. - Star photo by Sk Enamul Haq

# Asian crisis dampens demand ASEAN to pursue energy co-op

SINGAPORE, Aug 1: ASEAN ministers here today pledged to pursue cooperation in energy projects to ensure self-sufficiency for the region in the long-term, despite a slump in demand for energy due to the Asian economic crisis, reports AFP.

The ASEAN ministers "acknowledged that the present turmoil has dampened the overall energy demand," a statement at the end of the day-long conference said.

"However, they agreed that ASEAN should not lose sight of long-term strategic goals and while tackling immediate problems, must continue to pursue economic co-operation at the working level and keep strategic projects moving," it said.

They voiced confidence in the viability of 12 projects among ASEAN members, including an agreement signed in May for Indonesia to sell natural gas from the Natuna field off the nearby island of Borneo to Singapore via a 480-kilometer (297-mile) gas pipeline.

They also included the upgrading of a power interconnection project between Thailand

and peninsular Malaysia. Intra-regional electricity trade was also given a boost by the addition of two new inter-connection projects between Thailand and Laos and Vietnam and Laos to the ASEAN power grid venture, the ministers said.

Projects under the venture now number 10 with the new tie-ups. The Association of South East Asian Nations (ASEAN) groups Brunei, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

Meanwhile, another report from Hong Kong says: Tension and working hours are among the few growth areas in recession-hit Asia, with Hong Kong heading the region's stress-related index, according to a survey published Thursday.

As unemployment heads up and bourses and currencies head down, executives are working more and enjoying it less, according to the Far Eastern Economic Review.

However they would still chose their careers over their family and friends, the magazine's annual lifestyles report said.

The majority of respondents in every country said they were definitely stressed out, with Hong Kong people hanging on to their position as one of the world's most stressful cities, with over 80 per cent of those polled feeling the strain.

Across the region, 67 per cent of executives poled said financial security was the most important form of security, in Singapore and Malaysia that figure topped 80 per cent.

The stress looks set to continue in the search for financial bliss as 65 per cent of respondents said they would take cash over leisure.

The definition of a good life seems to be universal: good health, a happy marriage, interesting job, leisure time and having one's own home ranked high on everyone's list.

However the divide was greater along the gender line, with 71 per cent of men saying children are essential to a good life as opposed to 58 per cent of women.

Economic security was found to be more important for women (75 per cent) than men (69 per cent). Women also set

more store by a college education. Despite the preference of cash over leisure and career, spiritualism and traditional "Asian values" were still deemed important, although Australians, non-Asian expatriates and Hong Kongers were less convinced.

Australians put higher value on individual rights and freedoms than their neighbours. Only a third of Australians said respect for authority was important.

Outside Australia, respect for learning, authority, harmony and an orderly society ranked high.

Hard work, honesty and self-discipline were given as the top-ranked values. In Thailand, honesty was rated first (81 per cent), except in business matters where it slumped to third.

In Hong Kong, only 51 per cent said honesty was important for business success.

The Far Eastern Economic Review findings were given by a random sample group of over 3,000 subscribers to the magazine.

### Japanese banks punished for bribery

TOKYO, Aug 1: Japan's financial supervisory agency said yesterday it had punished 13 banks and securities firms for entertaining financial officials in return for leaked information, reports AFP.

The most severe punishment went to Sanwa Bank, which was banned from establishing holding companies or engaging in over-the-counter sales of certain investment funds for 12 months starting August 3.

The move could make Sanwa fall behind rivals in over-the-counter sales of investment trusts, which are to be liberalised in Japan in December.

Other major banks including Bank of Tokyo-Mitsubishi Ltd, Industrial Bank of Japan and Sumitomo Bank were ordered to submit reports to the agency about how to improve their operations.

The institutions are believed to have wine and dined officials of the finance ministry and the Bank of Japan in return for favourable treatment.

### Vietnam hails US decision to boost trade

HANOI, Aug 1: The US House's backing for President Clinton's decision to promote trade with Vietnam is the first significant step in normalising trade relations, the Communist Party newspaper The People said Saturday, reports AP.

The Foreign Ministry of Friday had welcomed the vote as a positive development in promoting bilateral trade and economic normalisation.

The House, by a 260-163 vote on Thursday, rejected a motion to overturn a presidential waiver issued last March that opens the way for Vietnam to get US government credits and investment guarantees.

### Selling process of Aussie defence industry continues

CANBERRA, Aug 1: US, British, French and Swedish contractors are among the companies seeking to buy ADI, the Australian government-owned defence industry business, analysts said Friday, reports AP.

The five short-listed groups will now be invited to undertake due diligence and prepare bids for assessment. Defence Minister Ian McLachlan and Finance Minister John Fahey said in a joint statement.

The five companies were not named. However, defence industry sources listed them as: - Systems Engineering Consortium of Australia, comprising Visy Industries, National Australia Bank (NAB) and Swedish arms conglomerate Celsus.

- GEC-Marconi Australia, subsidiary of the British defence electronics firm, GEC-Marconi, owned by General Electric Co of Britain.

- British Aerospace Australia, subsidiary of British Aerospace of Britain.

- Tenix Defence Systems of Melbourne and Lockheed-Martin, the US aerospace giant.

- Transfield of Australia and French firm Thomson-CSF.

Excluded, apparently because it said it was only interested in acquiring ADI's systems division, was US aerospace firm Raytheon.

ADI was formerly Australian Defence Industries.

### Ansar-VDP Bank plans branch in every thana

Star Business Report

The Ansar-VDP Unnayan Bank has a plan to open one branch in every thana headquarters of the country.

This was stated by the founding Managing Director of the bank, Shahzada Syed Nizamuddin Ahmed while presiding over the bank's half-yearly branch managers' conference held at the bank head office in the city recently.

The conference was inaugurated by one of the directors of the bank and Director-General of Bangladesh Ansar and VDP Brig. Khondaker Mohd. Nurul Nabi as chief guest.

The Managing Director said the bank has taken up the plan under its expansion programme.

He said so far the bank has opened 37 branches in different thana and district headquarters. It has disbursed Taka 11 crore 46 lakh to 19,876 shareholder-borrowers, of which Taka 6.76 crore has been covered. The rate of recovery is 100 per cent, he added.

He said the bank started lending in November, 1996 through its diversified micro-credit programme.

G H M Aminul Haque, General Manager, Md Nurul Alam Talukder, Deputy General Manager and other senior executives, officials and branch managers of 37 branches were present at the conference.

Speaking on the occasion, the chief guest advised the branch managers to make all-out efforts for extending micro credit to shareholders to alleviate their poverty and make them self-reliant.

### US okays merger of Chrysler, Daimler-Benz

WASHINGTON, Aug 1: The Federal Trade Commission has approved the merger of Automaker Chrysler of the United States and Germany's Daimler-Benz, a commission spokesman said on Thursday, reports AFP.

The 92 billion dollar deal was endorsed July 23 by the European Union's executive commission.



The half-yearly managers' conference of Ansar-VDP Unnayan Bank.

# Indian shows how to use a paper again and again

SAN FRANCISCO, Aug 1: For India-born American Sushil Bhatia, a natural inclination to seek out ways to protect the environment has intersected nicely with a unique business opportunity.

The man, who did his masters degree in Delhi, has invented a device that removes ink and toner from paper typically used in offices.

The 54-year-old Bhatia, founder and president of Framingham, Massachusetts-based Imagem Technologies Inc., owns seven patents including one for a glue stick sold by former employer Avery Dennison Corp.

Bhatia's machine, which he hopes will become as common in the workplace as a Xerox machine or a computer, applies a white, non-toxic, liquid at low heat to a sheet of paper or a colour transparency. Seconds later, the cleaned sheet is ready for reuse. The process even works on hard-to-remove ink from faxes and laser printers.

His invention has been widely recognised in this country. He was interviewed by The Wall Street Journal and was one of 45 finalists among 4,000 entries for Discover magazine's

ninth annual technological innovation awards.

He has been profiled on CNN and his company was selected in June by the US Environmental Protection Agency for a \$70,000 Small Business Innovation Research award.

The Imagem decopying machine could reduce tree cutting and help cut back on the 81 million colour transparencies and tonnes of paper being dumped into landfills each year, Bhatia pointed out. No wonder that prospective investors have been calling from as far away as Singapore and Australia.

The efficiency of Bhatia's machine extends beyond just decopying. Even the ink removed from the paper won't go to waste. It can be recycled and used, for instance, as fill in roadside construction.

One potential customer, Boston Edison, is so impressed with the environmental possibilities, Bhatia claimed, that the company is evaluating an investment in Imagem. "We are reasonably convinced there is a strong opportunity to carve out a defensible niche in the market," Mark Ferri, manager of

new-business development for the utility company, told the Journal. "This is really smart manufacturing."

Bhatia is seeking at least one million dollars in venture capital to build a prototype of the machine, which would wipe copy at a speed of 60 pages a minute.

Bhatia said he has decopied over 7,000 sheets of paper in beta testing. Paper sheets can be reused about four times before discolouring while transparencies, which can cost from 35 cents to \$1.50 when new, can be recycled even more often.

The way things are going, he told the California newspaper India-West, "we should have the prototype built soon. We are in the process of assembling (it)."

Ashok Kalelkar, a senior vice president for technology and product innovation at Arthur D. Little Inc., a Cambridge, Massachusetts-based consulting firm, raved to the Journal about Bhatia's technology. "You know how we can write on chalk boards with these magic markers and simply wipe it off? This is that spectacular," he said.

- India Abroad News Service

## business tips

### MARKETING

#### THE LANGUAGE of PRICING

Creating a cohesive overall pricing strategy is possible only if you can determine your marketing goal for each product or service. The key: master the language of pricing. *Nation's Business* describes various pricing tactics:

**Bundling** means pricing several related products and/or services together to provide a competitive advantage.

**Follow** means raising or lowering prices when industry leaders do.

**Penetration** is pricing below the prevailing level to gain market entry or increase market share.

**Premptive** pricing is very low to discourage competitive market entry by making the market appear unattractive.

**Psychological** pricing means pricing at a level that "sounds" lower than it is (example: "\$99.95").

**Push-versus-pull** is the pricing trade-off between motivating the sales network and pleasing the customer.

**Slide down** means to move prices over time to tap successive market groups.

**"The market is a place set apart where men may deceive each other."**

-Diogenes Laertius

Want to *really* spark creativity — and be known for your ability to ignite discussion? Try asking your staff questions like—

- \* What would this organization be like if your mother ran it?
- \* What are the most popular lies people tell here at work?
- \* Name a competitor's brilliant product or strategy: Why didn't we think of that?
- \* If you were fired or promoted, what would be the most likely reason?
- \* What are the top 10 reasons why you won't get the bonuses you deserve next year?

-From Quick Takes

### ENTREPRENEURSHIP

#### NOTHING BEATS SIMPLICITY

Many small business owners falsely believe that when they reach a certain size, they must incorporate. But many will be served just as well by their existing business structure, be it a sole proprietorship or a partnership, according to Small Business Exchange (<http://www.americanexpress.com/>).

The key is to stick with the simplest business structure that meets your needs. Then, when your needs change, you can move up to something more complex.

### CUSTOMER SERVICE

#### MAKE IT EASY to COMPLAIN

If you really want to know what customers think, make it safe and easy to complain, advises *Success Connection* (<http://www.loska.com/>). For example, structure your questions in such a way that it will encourage people to share with you any negative experience they have with your product or service. Even offer a small prize — say, a corporate premium in exchange for constructive feedback.

### COMMUNICATION

#### PACK THEM in

Need to boost your chances of drawing a crowd to your special corporate event? Consider these ideas from *Communication Briefings*:

Hold it in an unusual site such as film studio or a museum. But before you commit, make sure the location has enough electrical power, ample parking, and noise restrictions.

Enlist endorsements from those with clout and lots of friends. For many people, this will satisfy the "What's in it for me?" question.

Invest in an intriguing invitation. It should grab attention and describe the event's theme and quality.

### MANAGING PEOPLE

#### 18 REASONS PEOPLE DON'T CHANGE

If you have trouble getting people to change, perhaps one — or more — of the following reasons are to blame, explains Morgan McCall, Jr., author of *High Flyers*:

- \* Garbled feedback
- \* Don't react well to criticism
- \* Suspicious of others' motives
- \* No incentive to change
- \* Benefits are unclear
- \* No role models
- \* No support
- \* Intimidated by others
- \* Threatens self-image
- \* Can't tell what's really important
- \* Fear of failure
- \* Fear of manipulation
- \* Arrogance
- \* Fear of being exposed
- \* Too lazy
- \* Requires giving up something valued
- \* Imposed from outside
- \* Undermines self-confidence

### AVOID SERIOUS HIRING MISTAKES

In hiring, only one valid criterion applies: Is this person right for the job? The challenge, therefore, is to be wary of the ever-present hiring traps. *Bottom Line / Business* cites three:

**Experience trap.** Experience is not the best predictor of success. Sometimes 12 years of experience represent one bad or mediocre year warmed over a dozen times.

**Education trap.** A superior education doesn't necessarily tell you whether an applicant is bright, empathic, or flexible enough to learn and grow with your company.

**"Hiring-in-your-image" trap.** Surrounding yourself with people who are like you is bound to create an unbalanced organization. Staff whose strengths are similar to yours will also be subject to your limitations.

### INTERNATIONAL MANAGEMENT

#### GET GLOBALLY WIRED

The Internet is becoming one of the most productive ways for global leaders to access current international business information. Whether you require country data, advice on traveling, international business statistics, or news on international trade shows, cyberspace has it all.

Following is a list of some of the most useful Internet addresses for the global leader:

- \* CIA World Factbook: <http://www.odj.gov/cia/publications/>
- \* Nijenrode Business Information Services: <http://www.library.nijenrode.nl>
- \* Global Trade Center: <http://www.tradezone.com/>
- \* WebEc International Economics: <http://www.helsinki.fi/WebEc/webec.html>

### CAREERS

#### MOVE UP or MOVE JUST OVER?

To find out whether you're ripe for a lateral or a vertical move, ask yourself these questions posed by Career Builder's *Achieve* magazine (<http://www.careerbuilder.com/magazine/>):

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