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DHAKA, WEDNESDAY, SEPTEMBER 9, 1998

Japan remains biggest ODA provider

TOKYO, Sept 8: Japan was world's largest provider of aid to developing countries in 1997 for the seventh straight year, the Foreign Ministry said Tuesday, but the amount declined in dollar terms, reports AP.

Japan's overseas development assistance fell 1.8 per cent to about 9.4 billion dollars in 1997, mainly because of the Japanese yen's steep depreciation against the dollar, the Foreign Ministry said in report.

It was the second straight year of decline in dollar terms in Japan's ODA commitment, the report said.

However, Japan's ODA in yen rose 9.2 per cent to about 1.14 trillion yen. That amount represented 0.22 per cent of Japan's 1997 Gross National Product, ranking Japan 19th out of the 21 donor countries in terms of the ratio of ODA commitment to GNP.

Japan's aid to specific countries fell 20.9 per cent to 6.61 billion dollars while its ODA to international institutions such as the World Bank rose 125 per cent to 2.82 billion dollars.

Patuakhali farmers to get Tk 3 cr BKB loans in Sept

PATUAKHALI, Sept 8: Bangladesh Krishi Bank (BKB) has taken a loan programme of Taka three crore for disbursement against aman crop among farmers through 21 branches the bank in Patuakhali district, said a BKB press release today, reports BSS.

The bank has already distributed among the 2538 farmers. The programme will continue till the end of this month. Allocation of loan for aman crop would be increased to 100 per cent, the release said.

Under the programme in Patuakhali, 60 farmers were given loans of Taka one lakh. Md Nurul Islam Khan, General Manager, BKB, Barisal, Ananda Chandra Roy, ADC (Rev), Patuakhali, Ruhul Amin Munshi, TNO, Patuakhali Sadar, N H Chowdhury, DGM, BKB and S R Moilah, R M, Patuakhali were present during the loan disbursement.

Tk 52 cr loan for Tangail farmers

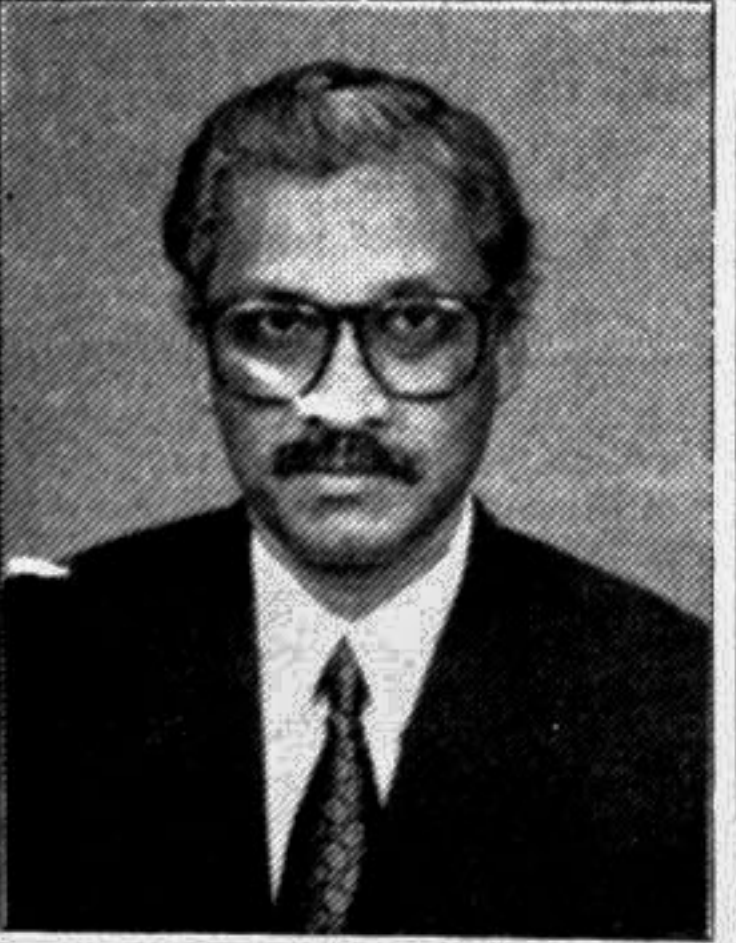
TANGAIL, Sept 8: Four commercial banks and Bangladesh Rural Development Board have taken up a programme to disburse loan of Taka 51,99,10,000 in agriculture sector, reports BSS.

The loan will be given for crop cultivation, purchasing of irrigation appliances, setting of dairy, poultry and pisciculture, processing and marketing agricultural products and poverty alleviation programmes.

The disbursement of loan may be accelerated after the floods.

First MD of Grameen Bitek

Star Business Report



Engineer M Khairul Alam, a fellow of the Institute of Engineers, Bangladesh, has joined Grameen-Bitek Ltd., a recently formed technology-based industry, as its first Managing Director.

Prior to joining Grameen Bitek, he was Director of corporate affairs at a group of companies.

He worked at major multinational like Pakistan Oxygen and Bangladesh Tobacco Ltd, said a press statement.

Grameen-Bitek is a joint venture company, established in early 1997, with Grameen Fund as a major shareholder and Professor Muhammad Yunus as its Chairman.

Originally, the company, Bangladesh Innovative Technology group was formed in 1993 by Dr Siddique-e-Rabbani, a Professor of Dhaka University and his ex-student A K M Shamsul Huda.

Grameen-Bitek has been founded with the corporate mission of promoting Bangladeshi technology in the field of power, protection system, bio-medical equipment, renewable energy and electronics.

HDI ranks Bangladesh 147 World will consume record \$24 trillion in '98

As the world is hungry enough to consume more than ever, Bangladesh ranks 147th in the Human Development Index (HDI) scale for 1998 in terms of life expectancy, educational attainment and adjusted real income, the UNDP said.

The Human Development Report 1998, to be released today globally by the UN Development Programme (UNDP), says the humankind will consume a record US\$24 trillion in goods and services this year. It also tries to explain what individuals, communities and governments can do to share the benefits of the consumption boom more equitably.

The Report estimates that 86 per cent of expenditure for personal consumption is made by 20 per cent of the global population.

Global consumption of goods

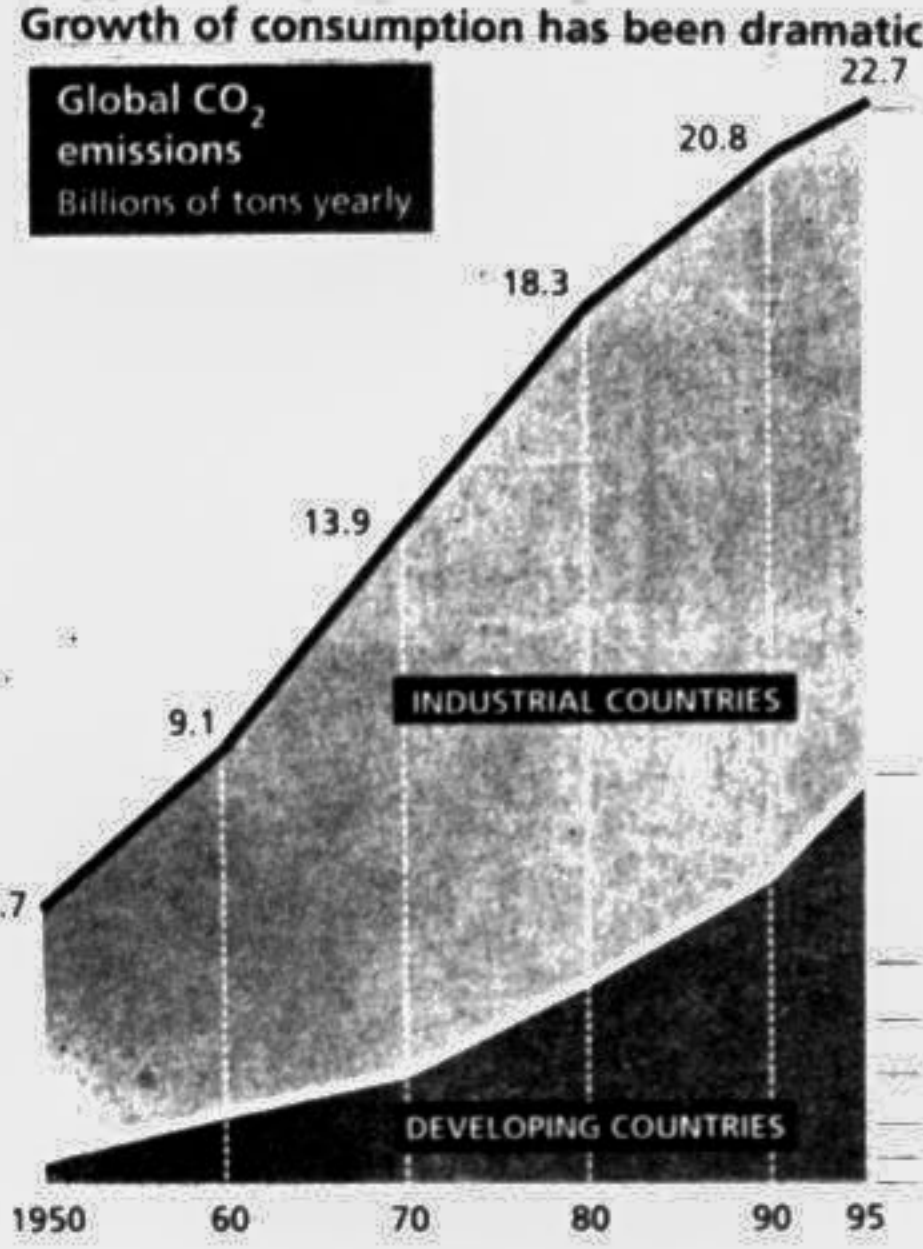
and services this year is six times higher than that in 1975. Because, it says, people are consuming more in food, energy, education, transportation, communication and entertainment than ever before.

According to the report, Canada ranks first in overall health, general level of education, and the degree to which an average person enjoys a standard of living.

The French follow the Canadians. The Norwegians come third.

The report also exposes the pervasive poverty amid buying sprees of consumers in the affluent nations.

Affluence has reached beyond the arm's reach but the ranks of the homeless, the unemployed and the hungry are creeping high even in the wealthiest nations.



Indo-Bangla venture to build cardiac hospital in Dhaka

Star Business Report

A 250-bed cardiac hospital will be built in the city by year 2001 under a joint venture of a local diagnostic centre Lab Aid Ltd and B.M. Birla Heart Research Centre of India.

An agreement has been signed by the two parties who would bear the cost of Tk.120 crore on a 51-49 per cent basis, said Dr AM Shamim, Managing Director (MD) of Lab Aid Ltd.

Talking to The Daily Star Dr Shamim said construction of the hospital would begin by early next year at Dhanmondi.

"Cost of services in the proposed hospital would be half that in Birla's Calcutta outlet and one tenth of that in Singapore," Shamim said.

The proposed cardiac hospital will provide all sorts of treatment related to cardiac disorders. The Centre will also arrange training for local doctors by foreign specialists, Dr. Shamim said.

A delegation from Birla Heart Research Centre(BHRC) led by its executive vice president Bani Daga earlier visited Dhaka to discuss the project.

BHRC chief administrator Col (retd) A.K. Chatterjee, senior cardiologists Dr. Tarun Kumar Prohoraj and Dr. Debashish

Biswas came to Dhaka to attend the signing ceremony. Health and Family Welfare

Minister Salahuddin Yousuf witnessed the signing as chief guest while Prof. Modasser Ali,

Chairman of the Bangladesh Medical Research Council (BMRC) was special guest.



Salahuddin Yousuf, Minister for Health and Family Welfare, poses for a photo with the promoters of a joint venture 250-bed cardiac hospital in the city recently.

Corporate giants in disarray over how to tackle global crisis

CERNOBBIO, Italy, Sept 8: The threat of contamination from the economic crises in Asia and Russia took centre stage at a weekend get-together in Italy by some of the world's market movers and shakers — but consensus on what to do about it was far from in evidence, reports AFP.

The fact that dozens of presidents of multinationals, central bank directors, five EU commissioners and a plethora of Asian, European and US economists found the time to address the worrying developments in a luxury lakeside villa here showed they agreed the problem was there, and looming large.

The preferred solutions,

given in comments away from the closed-door affair, showed a disturbing disarray, however.

The bosses — possibly keeping one eye on their stock prices — each said their group was not affected by Asia's sudden loss of wealth or Russia's downwards spiral. The head of BM's Europe operations, Lucio Stanca, said "the countries hit by the crises today aren't strategically important."

Nevertheless, they said there was a lot of nail-biting going on over the risk that industrialised countries might suddenly find their economies shedding speed. Fiat President Gianni Agnelli even spoke of a "slight recession".

The solution, many appeared

to be saying, was to get Europe and the United States to cut interest rates to whip up activity, thus countering the malaise that started in south-east Asia a year ago.

China's Deputy Science Minister, Deng Nan, warned the richer countries were not protected from a downturn in global demand and urged them to be "more active."

The central bank directors were said to have Deng's warning — echoed by others — on board.

An economist at the US Massachusetts Institute of Technology, Rudi Dornbush, said Europe should make the first rate-cutting move, and not wait for the US Federal Reserve.

But Goldman Sachs chief economist Gavin Davies felt that would be a premature move for Europe, as 11 EU countries were only four months away from introducing a single currency.

Former French Prime Minister Alain Juppe said a 2.5 per cent growth forecast by EU Finance Commissioner Yves Thibault De Silguy demonstrated "perhaps a little too much confidence on Europe being able to get by on strong domestic demand."

A member of the Bundesbank council, Reimut Jochimsen, declared the whole question of whether to change interest rates to stimulate demand was a no-starter.

Pakistan drifting towards \$30b debt default

KARACHI, Pakistan, Sept 8: Pakistan is again drifting towards default on its 30 billion dollars debt and scant hopes of avoiding such a move rest with the IMF, analysts said on Monday, reports Reuters.

"With 700-750 million dollars in debt repayments in September, almost equivalent to prevalent forex reserves, any delay in balance of payment support will result in the imposition of a unilateral debt moratorium, said Aneesur Rehman, head of research at Brokers Societe Generale Securities.

A decision on a long-awaited 1.5 billion dollars funding by the Jeddah-based Islamic Development Bank (IDB) is expected some time this week. An International Monetary Fund mission is scheduled to hold policy discussions on resuming aid with Islamabad next week.

But analysts said none of the sources was likely to dole out the needed amount fast enough to let Pakistan meet its September debt obligation. The government warned in June that it might have to consider declaring a debt moratorium.

Officials say the country faces a funding gap of 4.5 billion dollars in its balance of payments because of suspension of aid, commercial loans and private inflows following US-led international sanctions against its nuclear tests last May.

City Bank donates Tk 10 lakh to PM's Relief Fund

The City Bank Limited donated Tk 10 lakh to the Prime Minister's Relief Fund for the flood affected people.

MA Hashem, Chairman of the Bank, handed over a cheque for the amount of money to Prime Minister Sheikh Hasina at her secretariat office yesterday.

Vice Chairman Saleh Ahmed Chowdhury and directors Deen Mohammad, ZH Chowdhury, Anwar Hossain and Acting Managing Director Mohammad Faiz were present, said a press statement.

India urges WHO Reconsider cuts in SE Asian budget

NEW DELHI, Sept 8: Indian Health Minister Dalit Ezhilmalai appealed to the World Health Organisation (WHO) yesterday to reconsider proposed cuts in its Southeast Asian budget, reports AFP.

The cuts have come at a time when Southeast Asian regional countries are undergoing economic stress and are looking to the WHO to meet their critical needs," Ezhilmalai said.

The minister was speaking to the 51st meeting of the WHO's Southeast Asia regional committee. WHO Chief Gro Harlem Brundtland had earlier addressed the same committee.

The WHO said in May it was virtually halving its annual budget for Asia to 51 million dollars, causing uproar among the countries concerned.

Thailand said the cut would seriously affect health programmes in 10 Asian countries battered by an economic slump. The affected countries, which include India, are home to one-quarter of the world's population.

Ezhilmalai called on Brundtland to keep in mind the needs of regional countries while formulating policies on resource allocation.

The WHO chief later yesterday defended the proposed cuts and argued the "budget-reallocations" had become unavoidable because of larger needs in

Africa and Eastern Europe.

"Our last assembly meeting had decided that more funds were needed for Africa and Europe," she told a news conference.

Europe has changed in the last 10 years and the needs of the former Soviet Union republics have grown. We have also not been giving as much as is required in Africa," she said.

Brundtland, however, said the WHO was looking for avenues to augment its funds through governments, donors and private-sector partnerships.

"Brundtland, a former Norwegian prime minister, also reiterated her pledge of extensive reforms in the WHO, which she took over in July.

"I will see to it that we are both transparent and accountable," she said and added that the WHO would provide more information through greater use of the Internet.

She urged governments to step up the fight against Acquired Immune Deficiency Syndrome. "Unless states take more serious efforts we are not going to make any differences," she said.

"Governments should take AIDS as a major national challenge and not at the level of health ministries but at the level of prime ministers and presidents."

Business Briefs Asian crisis to push NZ into deficit

WELLINGTON: The Asian contagion and commodity price fallouts will push the New Zealand economy into deficit over the next two years, after earlier forecasts predicted continuing growth and solid surpluses, the government said Tuesday.

The latest forecasts point to a bleak short-term outlook for a weakened economy, as the deficit and unemployment rate rise. But they also foreshadow a return to growth within a year.

Releasing the new projections, Finance Minister Bill Birch confirmed the economy is in recession and will shrink by half a per cent in the current financial year, down from the projected growth rate of 2.9 per cent.

While the economy is projected to contract this year, ending June 30, 1999, it would bounce back to 2.9 per cent growth in 1999/00 and 4 per cent in 2000/01.

Birch said this would occur because the lower value of the currency would increase New Zealand's competitiveness.

Unemployment, currently at 7.7 per cent, is expected to continue rising and peak at 8.5 per cent by early next year.

After five years of budget surplus, Birch is now projecting a deficit of New Zealand dollars 700 million (\$351 million) instead of a New Zealand 2 billion (\$1.1 billion) surplus next year.

Japanese cos to see fall in profits

TOKYO: Major Japanese companies will post an average 15 per cent fall in parent pretax profit this fiscal year due to stagnant domestic demand and the Asian economic crisis, a private think tank said Tuesday.

The Daiwa Institute of Research Ltd's assessment was considerably bleaker than its previous prediction of an average 8 per cent decline for the fiscal year ending March 31, 1999.

Profits are being battered as both households and companies cut back on spending because of Japan's severe credit crunch and the negative effects of asset deflation, Daiwa said.

The think tank, which is a research arm of Daiwa Securities Co., also said the government's 16 trillion yen (\$112 billion) stimulus plan was unlikely to lead to an immediate recovery in domestic demand.

Corporate profits will be further eroded by the economic woes of Southeast Asian countries, which will limit exports to the region, Daiwa said.

Daiwa had a brighter projection for the fiscal year ending March 31, 2000, saying corporate pretax profits are expected to rise 11 per cent, the first increase in three years.

Peugeot to invest \$37.5m in Cairo

CAIRO: The French car company Peugeot will invest 37.5 million dollar in building a factory to produce car engines in the free zone at Ismailiya, 120 kilometers (75 miles) northeast of Cairo.

The governor of Ismailiya, Abdel-Aziz Salamell, was quoted by the Al-Hayat newspaper on Sunday as saying the project will create 3,000 new jobs.

A recent study by the Arab Organization for Industrial Development said there were 14 car manufacturing factories in Egypt with invested capital of 2.6 billion dollar and production capacity of 100,000 cars a year.

The study predicts that Egyptians will buy 110,000 a year by the year 2000.

Tokyo downgrades its economic assessment

TOKYO: The Japanese government downgraded its assessment of the economy Tuesday and the head of the country's chief economic agency warned Japan stands at the brink of entering a dangerous deflationary spiral.

Taichi Sakaiya, the director-general of Japan's Economic Planning Agency, said that while the economy has not yet fallen into a deflationary spiral in which prices sink lower and lower, "we are at the entrance of one."

"We must take actions to prevent the economy from being sucked in," he said at a regularly scheduled press conference.

Sakaiya's remarks followed the release of the Economic Planning Agency's latest monthly report on the economy, which used the term "very severe" to describe the current situation — stronger language than the agency has used in the past.

The report cited a deterioration in key areas of the economy, noting sluggish housing starts and rising unemployment.

EPA chief Sakaiya said the Japanese economy could enter an "extremely dangerous" phase should the economic situation outside of Japan continue to worsen. But he added that Japan's hefty trade surplus and government stimulus spending will likely offset the negative impact of the global economy's woes.

— AP reports

'Developing nations can follow Indian small industries'

by Chander Mehra, India Abroad News Service

NAIROBI, Sept 8: India can show the way to Africa and developing nations on how thriving small industries can lead to economic growth, visiting Indian officials said here.

"India is ideally placed to help Africa develop thriving technological enterprises. Much of the country's technological and engineering prowess has its roots in lending technological support to agriculture," G.D. Shah, chairman of India's Engineering Export Promotion Council (EEPC), said.

"And technological improvements have helped the country transform from a major importer into a net exporter of equipment and expertise."

Shah was here for the India Tech '98 exposition jointly organised by the EEPC and the Electronics and Computer Software Export Promotion

Council (ESC).

India can prove to Africa that small industries hold the key to economic progress, O.N. Vaid, Joint Secretary of Electronics in the Ministry of Commerce, said. A small business in India is an enterprise with an annual turnover of up to \$700,000.

"India has over two-and-a-half million small-scale engineering enterprises. Over 16 million people make a living directly from these enterprises. Small industries are the backbone of our economy," Vaid told India Abroad News Service.

"Our dramatic success in the fields of electronics and computer software technology, telecommunications equipment and information technology is based on our achievements in technical education," ESC managing director D.K. Sa-

reen said. "If Africa wants to achieve progress, it must prioritise micro-chip, computer hardware and telecommunications training."

"A testimony to India's success in technical training," he added, "is the American giant Microsoft. Of the 70,000 Microsoft employees, more than 20,000 are of Indian origin. And out of last year's Fortune 500 ranking of leading software firms, 169 were Indian."

Roop N. Bhardwaj, Deputy Director-General of the Telecommunications Department, stressed that research and training were the key to India's success in the field. He said government-sponsored centres for development of telematics had developed a wide range of telephone exchanges and other telecommunications

equipment. The research centres had helped India produce its own telecommunications "which can rival foreign competitors in quality and beat them on price."

N.P. Damania, adviser on technology to the Department of Telecommunications, said: "The Indian telecommunications company ITI produces complete digitally-operated rural exchanges whose cost per line is about half that of foreign competitors. Besides, the similarities between Indian and African climates make Indian products ideally suited for the continent."

The four-day India Tech '98 last week was described by visitors and participants alike as "extremely successful."

"The exhibition was a major initiative to strengthen India-

Africa cooperation," Indian High Commissioner Rajiv Bhatia said. "With its focus on promoting linkages in the small-scale industry sector and facilitating transfer of appropriate technology and investments, the fair will, in the short and medium term, doubtless bring rich dividends to small and medium companies specialising in electronics, engineering, telecommunications and information technology fields."

Officials and entrepreneurs alike offered Indian expertise in setting up joint ventures in Africa, especially East Africa. Top Kenyan officials and business leaders expressed the need to strengthen economic and political ties between India and Kenya.

Among those who visited India Tech '98 were Kenya's Industrial Development Minister

Francis Masakhalia, Investment Promotion Council Chairman Joseph N.K. arap Ng'ok, National Chamber of commerce and industry chairman Kassim Owango, Federation of Kenya Employers chairman Hirjee Shah, Kenya Association of Manufacturers chief Chris Kirubi, Trade and Industrial Development Ministry Permanent Secretary Francis Awor.

All of them acknowledged that India Tech had demonstrated the country's "tremendous progress" in various fields. They stressed the need for developing countries to discard their Eurocentric mentality which forced them to go in for "white elephant" projects using Western equipment instead of reliable and "cost-effective" Indian technology and expertise to hasten Africa's development.



A Momen, Chairman of Pragati Insurance Ltd, hands over a cheque for Tk 4,84,00,000 to Golam Mustafa, Managing Director of Coastal Seafoods Ltd of Chittagong, in settlement of an insurance claim at the company's head office in the city on Monday. Also seen in the picture are (from left) A K M Abu Taher, Chairman, Zyta Group of Industries & Director National Bank Ltd, Al-haj Khalilur Rahman, Chairman, KDS Group of Industries & Director National Bank Ltd, and A K M Rafiqui Islam, Managing Director, Pragati Insurance Ltd. — Pragati Ins photo