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# The Daily Star BUSINESS

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## Unloading of food-grains gains momentum at ports

Unloading, storage and transportation of imported food-grains got momentum at Chittagong and Mongla ports following deployment of Bangladesh Army and Bangladesh Navy since September 17, reports UNB.

In Chittagong, 38,115 metric tons of rice and wheat from five foreign ships have so far been unloaded under the supervision of the army in cooperation with the port authorities.

About 4,833 metric tons of rice and 20,526 metric tons of wheat are also in the process of unloading from these ships, said an ISPR press release Tuesday.

The food grains were immediately sent to different silos, CSDs and LSDs in Dhaka, Chittagong, Rangamati, Khagrachhari, Comilla, Chandpur, Gazipur, Kishoreganj, Brahmanbaria and Narasingdi districts and three flour mills in Chittagong by roads.

Bangladesh Navy personnel have also provided necessary security assistance to the vessels on their journey to and from the outer anchorage and the harbour.

Meanwhile, Bangladesh Army continued to provide prepared food, drinking water and medical treatment to the flood victims in Dhaka as well as in other place of the country.

## Cameroon replaces Nigeria as most corrupt nation

BERLIN, Sept 23: Cameroon has replaced Nigeria as the country seen as the most corrupt in the world, according to a survey released Tuesday in Germany, reports AFP.

It was ranked bottom of a list of 85 countries in an annual survey drawn up by Transparency International, a non-governmental organisation in Berlin, and based on sources such as political and business analysts and economists.

Top of the chart as the least corrupt was Denmark, followed by Finland, Sweden, New Zealand and Iceland.

Above Cameroon and second from bottom was Paraguay, then Honduras, Tanzania and Nigeria in ascending order.

A country is ranked only if there are at least three reliable sources of information on its corruption level, meaning some nations are not included at all. Last year's list had 52 countries.

## Seminar on Uruguay Round Sept 28

Business Advisory Service (BAS) project of the Dhaka Chamber of Commerce & Industry (DCCI) in assistance with German Technical cooperation (GTZ) will organise a day-long seminar on the 'Consequences of the GATT Uruguay Round for the Textile & Garments Sector in Bangladesh' on 28 September at a local hotel, says a press release.

The seminar will include group discussions to identify the priority needs for action among the representatives of the business community and the government officials.

Tofal Ahmed, Minister for Industries and Commerce, will inaugurate the seminar as Chief Guest. Uwe W Schramm, Ambassador of the Federal Republic of Germany to Bangladesh and Syed Alamgir Farrouk Chowdhury, Secretary, Ministry of Commerce, will be present as the special guests.

R Maksud Khan, President, DCCI will chair the inaugural session.

## Equity returns Pubali 2nd among Asia Week-listed 20 banks

Star Business Report  
Asia Week's performance rating report published on September 11 ranked Pubali Bank Limited 449th in the list of 500 largest Asian commercial banks. The bank also ranked 2nd among 20 banks of the region, attaining highest equity return, says a press release issued yesterday.

IFIC Bank Limited and Agrani Bank of Bangladesh have been ranked 1st and 3rd respectively, according to highest return on equity rating.

The return on equity percentage of Pubali Bank last year was 62.9 per cent which increased up to 81.1 per cent this year by a noticeable margin of 18.20 per cent.

In the report, the value of assets of the bank has been shown as US\$ 516 million, deposits US\$ 478 million as of June, 1998. Loans were shown as US\$ 314 million, net interest income US\$ 19.5 million and net profit US\$ 9.2 million.

This year's quantum of loans in comparison with last year is down by 3.8 per cent. Pubali Bank earned a profit of Tk 70 crore last year. Its target of profit has been fixed at Tk 75 crore for the current year.

# Foreign investors call for restoring flood-ruined communication links

Foreign investors at a meeting at the Board of Investment (BOI) yesterday called for restoring the flood-ravaged communication links of the country as soon as possible and expand the existing one in all possible ways, reports BSS.

The investors representing the multinationals, joint venture industries, foreign banks and direct foreign investors gave top priority to the development of road communication between Dhaka and the port cities.

They also stressed the need for improvement of rail communication and devising ways and means to develop the vital river links for commercial purpose.

The investors also called for raising the efficiency of port and customs handling and ending both the container congestion and shortage to facilitate imports and exports.

Presiding over the meeting, BOI Executive Chairman Feroz Sobhan assured the investors of all-out help and co-operation of the government to solve the problems.

Sobhan said he would take

up the issues with the relevant ministries and seek intervention of the Prime Minister at a Board meeting of the BOI soon.

A total of 30 representatives of the foreign investors attended the meeting arranged by the BOI to assess the damage wrought by the devastating floods to their businesses and for seeking suggestions to recover those.

UNB adds: Poor services at Chittagong Port and flood-battered road networks, mainly Dhaka-Chittagong highway, have been the major concerns of foreign investors in Bangladesh.

The concerns were ventilated at a meeting between Board of Investment (BOI) and foreign companies in Bangladesh here yesterday.

Speakers at the meeting said that waterway can be a good alternative until rail and road communications between Dhaka and Chittagong develop to a satisfactory level.

Representatives of most of the leading multinationals said they did not suffer any massive direct damage by the flood.

But, some of them pointed

that production was suspended in some factories and disruption of communication between Dhaka and Chittagong badly affected transportation of their goods.

One of their suggestions was: Making a temporary arrangement between Bangladesh and India to allow cross-border movement of trucks to speed up transportation of foodgrains being imported to meet up post-flood shortfall.

Chief executive of a foreign company said flood further caused an image problem for Bangladesh.

He called for mobilising the available resources and struggle afresh to bring back the image of Bangladesh and gain confidence of foreign buyers.

"Distribution of goods is our concern," said an executive of a multinational company, mentioning that railway took more than 10 days to carry a cargo from Chittagong to Dhaka.

Riverine transportation helped them a lot when Dhaka-Chittagong road link remained snapped during the flood, and it can work well round the year, he suggested.

Representative of another foreign company complained of complex procedure in government offices that delay the shipment of their exportables.

Representative of another foreign company also complained of 'inefficiency and labour union problems at Chittagong Port' which, he felt, should be immediately addressed through short term and long term programmes.

Feroz Sobhan sought cooperation from foreign investors to rebuild country's infrastructure damaged by the flood.

Dhaka-Chittagong highway will be upgraded and it will not go under flood water in future, he said.

Development of railway and improvement of port services are also within the priorities of the government, the BOI chief said.

American Chamber of Commerce (AmCham) president Forrest Cookson, Youngone Group president Peter Bauer, Lever Brothers' executive Akhter Mateen, Citibank executive S Shridhar and Novartis MD G Doege were among the speakers.

## 'Forex reserve won't shrink in any way'

Country's foreign exchange reserve will continue to maintain a fairly balanced margin even with pressure for emergency food import necessitated by the devastating flood, said a top official of Bangladesh Bank.

The central bank's foreign exchange reserve now stands at around 1.8 billion US dollars, comfortably more than the average three-months' import bills of nearly 1.5 billion dollars.

"Foreign exchange reserve will not shrink in any way," the central bank official told UNB on Tuesday.

He said there is a pressure from food imports, but it will be offset by the emergency fund committed from abroad.

Besides, the NCBs and private banks also have a foreign remittance reserve of 500-600 million dollars, he informed.

Responding to the government's request for emergency financial assistance, the World Bank and the International Monetary Fund (IMF) have committed about 425 million US dollars as soft loans.

These emergency loans, expected to be disbursed shortly, will help the central bank to maintain a fairly balanced re-

serve of foreign exchange even after meeting the import bills of food grains and other essentials in the next two months.

The government will need over 210 million US dollars to import one million tons of food grains.

To meet the food shortfall, the government has initiated importing one million metric tons of food grains while the private sector will import another 1.5 million tons.

Meanwhile, official sources said, letters of credit have already been opened for importing one million tons of food grains in the government and private sectors.

## Tk 49cr Dutch grant for Bailey bridges

The Dutch government will provide 21.3 million guilders equivalent to Tk 49 crore as a 50 per cent grant under their ORET-Programme for supply of 330 portable steel (Bailey) bridge spans to the Roads and Highways Department, says a press statement issued in city yesterday.

The supplying company Janson Bridging BV has previous experience of supplying 250 similar bridge spans to RHD.

## Oil cos' chiefs hold meet next week

LONDON Sept 23: Heads of some of the world's biggest oil companies plan to meet in Vienna next week to discuss industry restructuring, technology and the geopolitics of petroleum, and the event's organisers said Wednesday, reports AP.

The summit of about 20 companies is thought to be the first time in recent years that oil industry chief executives have assembled informally for talks on the future of the sector, the Financial Times reported Wednesday.

The meeting, conceived over a year ago, is designed to provide a forum for industry executives to meet and discuss key issues, including industry restructuring, changing technology, the geopolitics of petroleum and the industry in society," said J. Robinson West, finance chairman of The Petroleum Finance Company, the industry advisory company staging the event.

The company said there will be no discussion of pricing arrangements at the meeting, to be held October 3 and October 4, and that participants will include representatives from a cross section of sectors, including national, international and independent companies.

Former US Deputy Secretary of Energy Lynn Coleman, now a Washington, DC-based energy lawyer, will also attend all sessions, the company said.

Companies expected to participate include some of the biggest publicly quoted western oil groups, including Royal Dutch/Shell, BP, Chevron, Elf Aquitaine, Total and Eni, the Financial Times said.

Several of the largest state oil and gas groups, such as Saudi Aramco, the world's biggest oil producer and exporter, and Statoil of Norway, also plan to take part.

## Malaysian capital controls may cut S'pore growth

SINGAPORE, Sept 23: Capital controls imposed by Malaysia could shave Singapore's economic growth by one to two percentage points this year and next, The Business Times reported here, reports AFP.

Economists polled by the Singapore newspaper said the controls — including a ban on once flourishing over-the-counter trade in Malaysian shares here — will affect Singapore's commerce and financial sectors.

Singapore is the main overseas trans-shipment port for Malaysian imports and exports and southeast Asia's foreign exchange trading centre.

The Malaysian ringgit will not be legal tender overseas starting October following the capital controls imposed on September 1, under which the currency's exchange rate was fixed at 3.80 per US dollar.

Another worry for Singapore is that if the Malaysian controls backfire and lead to a recession, this will have a further impact on Singapore, it said.

Singapore's official gross domestic product (GDP) growth forecast for 1998 is 0.5-to-1.5 per cent, sharply down from previous projections, because of the slowdown in east Asia. Last year, GDP grew 7.8 per cent.

## Motorola donates 100 walkie-talkies for relief operations

Star Business Report  
Graham Davey, Director of Government Relations Office and Abdur Rais, Business Development Manager for Bangladesh of Motorola, handed over 100 units of two-way walkie-talkie radios, worth 60,000 dollars to Prime Minister Sheikh Hasina on Tuesday, says a press statement issued yesterday.

The Motorola walkie-talkies, chargers, spares and other accessories will assist communication between leaders and members of relief teams involved in the distribution of food, medicine and other essentials for the flood-affected people of Bangladesh.

Davey emphasised the importance of the private sector working closely with the government to assist people. He informed the prime minister that Motorola had a long history of partnership with the governments of many countries to alleviate the sufferings of the people in times of natural disasters.

Bangladesh is expected to introduce Motorola's Iridium global satellite mobile system when it is brought into service globally later this year. Iridium will provide for communications from anywhere at any time and is expected to greatly enhance disaster relief efforts in Bangladesh in the future.

Davey and Rais told the prime minister that Motorola was looking forward to continuing and building on this important collaboration with the government and the people of Bangladesh.



REORIENTING THEMSELVES TO NEW CHALLENGES: The traders encouraged by fresh enthusiasm and vigour are seen drying their jute as stocks in most of the jute mills in Narayanganj were more or less damaged by recent flood waters. But with the beginning of water-recession, the traders wasted no time in salvaging stocks, some of which, as they say, have already been ruined. The picture was taken from a mill at Khanpur in the district recently.

— Star photo by Anisur Rahman

# Reversal of globalisation to be a grave mistake: Annan

United Nations Secretary General Kofi Annan yesterday told an audience of business leaders and the heads of international organisations that it would be "a grave mistake" to reverse the trend of economic integration in the world, says an ICC press release.

"The prospects of millions of people for improving their standards of living depend on the continued openness of markets," Annan said at the opening session of the Geneva Business Dialogue, a two-day conference called by the International Chamber of Commerce.

The dialogue, designed to build cooperation between business and governments in meeting the challenges of the global economy, was organised against the background of global financial and economic turmoil, which has spread from

Asia to Russia and now threatens Latin America. It has also led to pressures for the imposition of controls and restrictions on capital mobility.

In his video-taped message from UN headquarters in New York, Annan said: "I believe the United Nations has a responsibility as the global institution, to stress the global nature of the crisis — and to insist on the need for global solutions based on global rules that are fair to all."

The Secretary General's sentiments were in line with recent calls from ICC for a global framework of rules that will stimulate trade and investment, and for the World Trade Organisation to press ahead with further liberalisation of markets.

Annan said he wanted to build on the close ties already

existing between the UN and ICC. "Our expanding relationship is part of a trend that holds great promise for global peace and prosperity, the growing awareness that the goals of the United Nations and the goals of business can and should be mutually supportive. In today's interdependent world, the United Nations and the private sector need each other."

Referring to the volatility and uncertainty the world is now experiencing, Annan said globalisation was drawing people closer together, offering wider choices, and helping improve quality of life. But its benefits were not felt equally.

"Millions on this planet still live on the margins of the world economy. Millions more experience globalisation not as a great new opportunity, but as a profoundly disruptive force."

## Failure of 3 banks unnerving Kenyan business community

NAIROBI, Sept 23: The failure of three Kenyan banks is unnerving the business community in Nairobi, where some experts yesterday evoked the possibility of a generalised "crash," reports AFP.

Central bank authorities have frozen operations or put in receivers at two small banks Reliance and Bullion, and at another, Trust Bank which is among the 20 biggest banks here.

"If another bank like trust goes under, we'll risk a domino effect, and a serious crisis," one foreign banker told AFP, speaking on condition of anonymity. "Our biggest fear is to see a bigger bank like the listed National Bank of Kenya go under," he added.

The central bank made businessmen twitchy four months ago when it predicted that 23 of the 54 banks operating in Kenya might disappear next year.



Graham Davey, Director of Government Relations Office, and Abdur Rais, Motorola's Business Development Manager for Bangladesh, on Tuesday handed over 100 two-way walkie-talkie radios to Prime Minister Sheikh Hasina for relief operations.

— Motorola photo

# Philippines govt braces for PAL shutdown

MANILA, Sept 23: The Philippine government struggled Wednesday to prepare for the scheduled midnight closure of flag-carrier Philippine Airlines, a threat to the country's already ailing economy, reports AP.

The expected demise of Asia's oldest airline has saddened many Filipinos, and some television stations have broadcast poignant scenes from its 57-year history.

President Joseph Estrada's spokesman, Jerry Barican, said the government has abandoned a last-ditch plan to provide a 1.5 billion peso (33.7 million dollars) loans to the cash-strapped carrier, and is now focusing on ways to deal with the potentially disastrous effects of its shutdown.

"It's too late. PAL as PAL will cease at midnight today," Barican told The Associated Press.

"What we're attempting to do is to try to minimise the losses."

Estrada was scheduled to meet PAL chairman Lucio Tan later Wednesday in a final attempt to halt the closure, a PAL official said. The president has tried but failed several times to convince Tan and the airline's unions to settle their differences.

Ground workers of the airline voted Tuesday to reject a management-proposed recovery plan, dashing another government effort to avoid the company's shutdown.

Government labour officials had gone directly to PAL's workers through a referendum to see if they supported the plan, which union leaders had earlier rejected.

PAL says the plan is a prerequisite for it to recover from a

series of crippling strikes and Asia's currency crisis.

The airline announced last week that it will close at midnight Wednesday as a result of the unions' rejection of the rescue plan.

In the plan, Tan offered workers 20 per cent of the airline's stock and three seats on its board in exchange for a 10-year suspension of their collective bargaining agreement.

Ten owns about 70 per cent of PAL's stock, while the government holds an estimated 18 per cent. Estrada also offered one of four government board seats to the workers, but union leaders continued to reject the rescue plan.

PAL vice president Manolo Aquino said creditors, to whom PAL owes about 2.1 billion dollars, are insisting on guarantees of labour harmony before they

approve a restructuring plan.

Barican said the government plans to tap smaller airlines and private and air force planes to serve 14 domestic routes critical to trade and commerce. Officials also were exploring possible ways for the government to operate some of PAL's planes on those routes.

"If domestic flights are interrupted for a long time, it can have very serious consequences of the economy," Barican said.

He said the government was not as worried about international travel because of the presence of foreign carriers, who are banned from serving domestic routes.

PAL currently has a 50 per cent share of domestic passenger traffic, down from 75 per cent before a pilots' strike in June.

PAL's closure would leave

many areas of the sprawling archipelago of 7,000 islands without air service. Two smaller carriers were grounded last week over safety concerns and financial problems.

The only alternative for travel among the country's islands slow, often-unreliable ocean ferries. Last Friday, a ferry carrying 454 people sank in storm-whipped waters south of Manila.

If PAL closes, it would be the largest company to fail in the Philippines since Asia's currency crisis, which hit just as the airline was launching a four billion dollar expansion and reflecting plan.

PAL's last flight was scheduled to leave from Manila for San Francisco and Los Angeles on Wednesday night.

Barican said PAL's closure should serve as a lesson on the

need for management and labour to work harmoniously together, something which has eluded PAL for years.

"It's sad that a national symbol, an institution is going under. But we have to run these symbols substantially well because if not, they will not last long," he said.

PAL was founded on February 26, 1941, by a group of businessmen who wanted to profit from a gold mining boom in the northern Philippines. The first flight carried five passengers from Manila to the northern mountain city of Baguio the following month.

In July 1946, four chartered PAL planes took American servicemen home from the Philippines, making PAL the first Asian airline to cross the Pacific.