

DThe Baily Star DUSINESS

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Global financial crisis 'won't affect euro launch'

VIENNA, Sept 27: EU finance chiefs insisted yesterday that the recent global economic turmoil sparked by the Russian and Asia crises was no cause for alarm, and will not harm the imminent launch of the euro. reports AFP.

But European Commission President Jacques Santer did call for EU unity in the face of the risk of global, economic meltdown, saying Europe must not spend too much time on internal argument.

"We cannot be inward-looking. Faced with the crises, the time has come to unite our efforts," he told the ministers gathered in Vienna, for their last such informal meeting before the euro is launched at the start of 1999

EU Monetary Affairs Commissioner Yves-Thibault De Silguy meanwhile also expressed confidence in resolving a thorny issue over who will speak for the euro after its

launch on January 1.

Above all however he said there was no cause for alarm. "There is no need to panic. Even though we are going through uncertain times, the European economy is well," he

told a press conference on the second day of the EU finance minister's meeting. Referring to the euro's January 1, 1999 launch date, he

added: "Everything will start on time, even if international conditions could have been better." The finance ministers' talks have been overshadowed by the crises in Russia and Asia, and

the recent turmoil in global

stock markets. Although the direct impact of the turmoil to the east in terms of EU countries's trade patterns is limited, the backdoor consequences of the crises are beginning to make them-

In particular, the recent sharp fall in the dollar — pre-

cipitated by the slide in world stock markets - is a major concern because of its negative impact on the exporting sectors which have led Europe's recovery over the last two years.

Apart from discussing the crises, the key formal issue to be discussed is how to represent the euro in international for a such as the Group of Seven (G7) leading industrialised coun-

France has proposed that the euro be represented on a rotating basis by the three Euro-zone countries which are also in the G7: France, Italy and Germany Bonn does not support the idea, and smaller euro-zone countries have other ideas.

De Silguy said talks on resolving the issue had been open and lively, "there was no frontal confrontation between the two sides... We hope to reach a solution by the end of the year," he said.

The EU ministers are also presented with a 12-point plan for a joint EU approach to international economic issues. proposed by France on the eve of their meeting.

The proposal calls for a joint approach on issues ranging from EU growth to the need for economic reform in Japan. Whether to give more power to the IMF, measures to ensure reform in Russia.

On the sidelines of the Vienna meeting Greece and Denmark - two of the four EU countries not in the euro-zone agreed to participate in an up dated Exchange Rate Mechanism (ERM II) linked to the

The Greek drachma will participate in the ERM II with a fluctuation band around its central rate against the euro of plus or minus 15 per cent, while the Danish krone will participate within a 2.25 per cent plus or minus band.



View of a section of a Spanish airliner after it crashed into a north Moroccan hillside killing all 38 passengers and crew members. The accident happened on September 25, 25 kilometres north of the Spanish enclave of Melilla in north Africa, as the plane was ap-— AP/UNB photo proaching Melilla from Malage in mainland Spain.

Dhaka to get \$7.73m UNDP assistance

United Nations Development Programme (UNDP) will provide assistance totalling 7.73 million US dollars for two poverty alleviation projects in Bangladesh, says UNB.

Two agreement were signed between UNDP and the government at the conference room of Economic Relations Division here yesterday.

ERD Secretary Dr A K M Mashiur Rahman and UNDP Resident Representative David E Lockwood signed the agreements on behalf of their respective sides, said a PID handout.

As per the agreements, UNDP will provide 5.36 million US dollars to Rural Poverty Alleviation in Kishoregani Sadar thana project and 2.37 million US dollars to Appropriate Resources for Improving Children's Environment (ARISE)

project. These projects will provide a tangible contribution to national efforts aimed at poverty alleviation through adoption of a model for poverty alleviation and rural development and development of a national strategy for empowerment of most vulnerable children, including resource mobilisation and community based service provision.

Huge molasses, bagasse remain unsold every yr

JHENIDAH, Sept 27: Sugar mills could earn huge profits if by-products of sugarcane are increasingly utilised as raw materials in paper mills and distilleries, experts said, reports APB.

Mills sources said, a large quantity of molasses and bagasse remained unsold at different sugar mills of the country almost every year.

If these materials could be

put to proper use, then the fi-nancial condition of the sugar mills would improve remarkably, experts observed. According to an estimate,

about 10 lakh tonnes of bagasse and about one lakh tonnes of molasses remain unsold and unutilised every year at 17 public sector sugar mills, including Mobarakganj Sugar Mills here. Of them, only one lakh tonnes of bagasse are used by

ducing paper. Meanwhile, two of the sugar mills under BSFIC have kept their production suspended for the last two years due to their financial indebtedness.

the Paksey Paper Mills for pro-

Sources said, molasses are used by distilleries as raw materials for producing spirit and alcohol, which, in turn, can fetch huge amounts of foreign exchange for the country.

Vietnamese exports up 4.1pc, imports down 0.3pc

HANOI, Sept 27: During the first nine months this year. Vietnam's exports increased 4.1 per cent to 6.93 billion US dollars, while imports decreased 0.3 per cent during the same period last year, the Vietnam news agency reported Saturday, says Xinhua

During the said period, the country's trade deficit was 1.65 billion US dollars, said the agency in a report.

During the nine months, Vietnam sold abroad over 8.6 million tons of crude oil, the country's top export item, representing a 21 per cent rise from

the same period last year. However, the price of exported crude oil dropped by between 30 per cent to 40 per cent compared to 1997's average. As a result, the value of oil exports fell despite increased quantity.

Cyber rush holds up Internet connections in India

by K.S. Nayar

NEW DELHI, Sept 27: An unprecedented demand for Internet access has forced India's monopoly Internet service provider to temporarily stop new connections.

"It would be incorrect to say

that we have frozen new connections," said officials of the Videsh Sanchar Nigam Limited - better known as VSNL. They however acknowledged that VSNL has not been granting new connections because of the swelling number of applications for Internet access. India has 150,000 Internet subscribers and most of them are in the two metropolitan cities of Delhi and Mumbai. While the waiting list in Delhi had crossed 2,000, in Mumbai it is reported to be over 1000, the sources said. Unofficial estimates put the waiting list at

A fortnight ago, the Mahanagar Telephone Nigam Ltd. (MTNL), the government-owned company that provides basic telephone services in Delhi and Mumbai, had agreed to release more lines to handle the grow-

LISBON, Sept 27: The Lisbon

world's fair is coming to a rue-

ful end, with attention focused

as much on waste and corrup-

tion as on what the fair was

supposed to show: Portugal's

arrival on the world stage, re-

Expo 98 was touted by its or-

ganisers as a symbol of a new

Portugal, yanked from decades

of economic backwardness by

membership in the European

2.4 billion dollars fair would

spotlight the fast-paced mod-

ernisation — fueled by EU de-

velopment aid — of the country

But with the exposition ring-

And officials are uncovering

ing to a close Wednesday, atten-

dance has been only half what

corruption at high levels. A

land-sale scam resulted in the

arrest of one of the fair's top ex-

ecutives and the suspensions or

of 9.8 million people on Eu-

rope's southwestern corner.

was predicted.

They hoped the four-month.

ports AP.

Union.

25,000 in the two cities.

ing Internet traffic. "In Delhi, the MTNL has now

released 400 additional lines that would help us clear the pending applications for Internet connections within a few weeks," a VSNL spokesman told India Abroad News Service. In Mumbai, an additional 5,000 lines are to be released shortly. At the time when India was

laying copper lines, nobody had thought that there would be such huge demand for data traffic, he said. The copper lines are not technically suitable to handle high traffic. Adding to MTNL's woes is the

use of cheap and inefficient modems by subscribers, who complain about disconnections and the long waiting time to get connected to VCNL, which operates the Gateway Internet Access Services (GIAS)

It is estimated that VSNL is operating its GIAS at a subscriber-to-telephone line ratio of 1:15, which means that there is only one telephone line for every 15 Internet subscribers. This overloading has led to congestion of lines as, out of ev-

ery 15 subscribers, only one can get connected to the Internet in Chennai, Bangalore, Hyderabad and Ahmedabad.

On the recommendations of the National Task Force on Information Technology and Software Development set up by the Prime Minister, the government has announced that it would allow private Internet service providers. The committee had suggested

dismantling of the VSNL monopoly over international gateway for Internet. It wanted Internet to be made available to every school, polytechnic, college and university by year

The government expects that, with the growth of electronic commerce, Internet services will inevitably expand. The International Data Corporation (IDC), one of the world's largest information technology market research firms, estimates that India's e-commerce volume will climb sharply to \$160 million by 2001, up from \$2.8 million in 1987.

- India Abroad News Service

SCB workshop on LC & performance for JB executives

Star Business Report Standard Chartered Bank Bangladesh organised a workshop on 'Letters of Credit and Performance for Janata Bank executives yesterday, says a

press statement.

Inaugurating the workshop. Geoff Williams, Chief Executive Bangladesh of Standard Chartered Bank referred to the importance of the subject to help develop the country's trade and the necessity for strict compliance with international obligations.

Dr Debapriya Bhattacharya, an economist and Director of Janata Bank was present as guest of honour. He emphasised the importance of migrating best practices from foreign banks to help modernise the banking industry.

Toufic A Chowdhury, Faculty Member of BIBM, Mamun Rashid, Head of Treasury and Institutional Banking, Kanti Kumar, Relationship Manager of Institutional Banking, and AK Paul, Manager of Trade Finance of StanChart Bank conducted the workshop. Fifteen officials from Janata Bank participated.

Onion, garlic output shows no rise over two decades

PABNA, Sept 27: The production of onion and garlic has not increased commensurately over the last two decades, reports

No commendable initiative has so far been undertaken to increase production of the two necessary cooking ingredients.

According to the Bangladesh Bureau of Statistics, total production of onion was 1.30 lakh tonnes and that of garlic was 41 thousand tonnes in the year

In the 1987-88 season, production of the same were 1.38 lakh tonnes and 38 thousand tonnes respectively.

Onion was cultivated on some 34 thousand hectares of land in the year 1990-91 and the total harvest was 1.43 lakh tonnes. Some 38 thousand tonnes of garlic was produced on 12 thousand hectares of land in the same year.

In 1996-97, nearly 1.81 lakh tonnes of onion was produced on some 47 thousand hectares of land. The average rate of its production was 3.85 tonnes per hectare in the season.

Statistics show that there has not been much of a progress in the cultivation of onion and garlic in the country over the last 17 years.

During the current season (1997-98), production of onion and garlic has suffered owing to the countrywide flood.

The production target of both onion and garlic has failed during the year. The season's total production of garlic was 1.15 lakh tonnes and that of onion was I lakh tonnes.

The onion-producing districts of the country are Pabna, Faridpur, Rajbari, Jhenidah, Kushtia, Magura, Chuadanga and Raishahi

The price of onion has increased by Tk 7 a kg in the mar kets of the district. It was selling at Tk 23 a kg in the first half of this month. The price of onion also registered a rise by two taka per kg.

Experts feel that production of onion and garlic can be increased substantially by using high-yielding varieties of seeds throughout the country.

ICC conference recommends

Steady int'l business can help crisis-hit economies recover

The ICC conference recommended that a steady international business could help world's crisis hit economies recover faster and that they should follow long-term policies instead of embarking on short-term reactions, reports

Its suggestion came in the Geneva Business Declaration at the end of a two-day international dialogue in the Swiss city on Friday, according to a message received in Dhaka Saturday. ICC president Helmut O Maucher presented the declara-

Some 450 international organisations and business leaders from around the world attended the conference.

The Paris-based International Chamber of Commerce (ICC) organised the meet to build cooperation between business and governments in

meeting the challenges of global

A nine-member delegation, led by the ICC. Bangladesh chapter President, Mahbubur Rahman, attended the business conference.

Other members of the delegation were FICCI president AKM Shamsuddin, former DCCI president ASM Quasem, ex-MCCI, Dhaka President Sampson H Chowdhury, Arab Bangladesh Bank MD A Rahim Chowdhury, MCCI Secretary General CK Hyder, Supreme Court advocates Barrister Rafiqui Haque, Barrister Dr M Zahir and Barrister Rokanuddin Mahmud.

The ICC President said deregulation and improvement of market access must continue as a gradual process and should be accelerated where discriminatory double standard were still being used to defend entrenched interests. "This process of liberalisation will ultimately foster competitiveness and prosperity," the declaration said, adding that free flow of goods and services, investment, technology, knowhow and information

Urging a global framework of rules for cross-border investment, the ICC president said global problems could not be solved by isolated national or regional efforts alone. The public policymakers

should remain a priority.

should be made aware of these essentials and ICC is contributing positively in this field both as an adviser and through its own standard setting, he added. He stated that ICC was going to lead in the areas of trade fa-

cilitation and electronic commerce, including the digital certification. New rules of arbitration designed to meet today's more

complex business environment are in place as are rules to combat corruption, he mentioned.

Maucher observed all coun-

tries could gain from globalisation provided they focused on the right policies, but there should be a clear understanding of globalisation and its true impact on jobs and wealth.

"Unless this is done, the global-phobia cannot be opposed and the unskilled will still fear the risk to be left out."

The ICC chief refuted the allegation that globalisation would make the countries lose their social and ethical values, it would rather enrich mankind by offering choice, cross-fertilisation and strengthening of ideas and values.

The ICC recommended that the adequacy of international organisations and global governance required priority consideration and the competencies at supranational, national subnational and world levels must be recognised to a broader overall view.

Too much duplication and inadequate coordination are preventing intergovernmental bodies from effective handling of the complex and inter-related problems at present.

Post-flood rehabilitation

Tk 6.82 lakh AED programme in Norsingdi

NARSINGDI, Sept 27: The Agricultural Extension De-partment (AED) has taken up a Tk 6.82 lakh post-flood rehabilitation programme in the district, reports APB.

The first phase of the programme has been taken by the district office of the AED on the basis of damage assessment.

. According to AED sources, transplanted aman on 20.50 thousand hectares of land and aman on some 2.07 lakh hectares have been damaged completely by flood waters in the district.

Besides, seedbeds of transplanted aman on some 1.41 thousand hectares of land were also affected by the flooding.

Jute on some 1.56 thousand hectares of land was also damaged. Meanwhile, flood water destroyed vegetables on 12.30 thousand hectares of land.

The rehabilitation programme aims specially at helping small and marginal farmers, who have been hit hard recoup the losses.

Under the programme, farmers will be provided with various agricultural inputs to undertake cultivation of Taman, boro, wheat, maize, soyabean, mustard, pulses and winter crops.

Most Asian currencies strong

HONG KONG, Sept 27: Expectations of a rate cut in the United States caused most regional currencies to strengthen over the past week. But political wrangling in Japan over plans to rescue the ailing banking sector pushed the yen down, reports AFP.

Japanese yen: The yen fell against the dollar during the holiday-shortened week due to a stalemate over Japan's key financial reform bills, dealer

It was quoted at 134.63-66 to the dollar late Friday in Tokyo against 132.08-11 a weak ear-

The yen eased Monday as the stock market tumbled to a near 13-year low on worries over the banking sector. It fell again Tuesday to the 135 level as investors followed up on the dollar's rally the previous day in overseas markets.

Financial markets were closed on Wednesday for a public holiday.

Australian dollar: A series

of domestic data, the Australian election climax and a tipped rate cut in the US will lend volatility to the Australian dollar in the week ahead, brokers said.

It rallied strongly on Friday, closing the session half a cent stronger at 58.72 US cents, but down from last week's 59.11 cents close.

Colonial state bank economist Richard grace said election risks could no longer be discounted as pressure on the local currency," a knife-edge election outcome is a clear possibility which would prove negative for the bond market and the Australian dollar." he

A likely tight election result would see a risk premium, built into longer term yields and would cap any Australian dollar euphoria about a rate cut in the US."

Hong Kong dollar: The Hong Kong dollar closed on Friday at 7.7472-7.7477 to the greenback compared to 7.747-7.748 the previous week. Singapore dollar: The Sin-

gapore dollar ended stronger at 1.7105 to the US dollar from 1.7200 a week earlier as the greenback was weakened by the troubles of a major hedge fund, long-term capital management. Indonesian rupiah: The In-

donesian rupiah strengthened to close the week at 10,850 to the greenback, compared to the previous week's 11,465. Dealers said further strengthening was held back by corporate settlements at the end of the month. Philippine peso: The Peso

rose 0.3 per cent to 43.76 pesos to the dollar on Friday from 43.91 a week earlier.

South Korean won: The won strengthened from 1,390 won a week earlier to 1,386 won Saturday as sentiment improved following reports that the United States is likely to lower interest rates.

Taiwan dollar: The Taiwan dollar rose 0.1 per cent against the greenback over the week to close at 34.545 on Friday.

But analysts said the local currency may weaken in the week ahead if the central bank announces cuts in interest rates and bank reserve requirements after its board meeting Monday.

The currency stood at 34.526 on Monday and slipped to 34.572 Tuesday. It dropped to 34.638 Wednesday but rebounded to 34.578 Thursday. Thai baht: The baht rose strongly against the dollar

thanks to foreign capital pouring into the share market and exporters selling off the greenback, traders said. It closed Friday at 39.40-50

baht to the dollar, its highest level in almost four months, compared to the previous week's close of 40.60-61.



Snuff bottles with late Princess Diana and Chinese leader Deng Xiaoping's portraits are displayed at Hong Kong's Convention centre, Wednesday. The bottles cost US\$ 6,200 each.

- AP/UNB photo

Expo 98 ringing to a rueful end resignations of others. "The whole thing was disgraceful," said Jose Sousa, a 41-

made us look like a country of second-rate con men. Auditors alleged millions of dollars were skimmed off the top of real estate sales of land zoned for building after the fair ends.

year-old Lisbon banker with in-

ternational connections. "It

Police are also investigating graft in the awarding of computer contracts and in the leasing of three luxury cruise ships intended to provide lodging during the fair. Hotels never filled up, and the ships sat idle in Lisbon harbour. The final admission total is

now projected at around 8 million, instead of the 15 million originally forecast to visit the 150-acre (60-hectare) fairgrounds occupying a strip along Lisbon's eastern riverfront. Few of the 100-plus national pavilions - prefabricated struc-

tures that will be dismantled af-

ter the fair - were sophisticated enough to stir much interest. except as air-conditioned havens from the heat and unrelieved glare of white paving stones.

The biggest draws have been the multimillion-dollar theme exhibits, such as the Oceans pavilion featuring Europe's biggest aquarium and the hightech Pavilion of the Future. Expo 98 has not been a

wholesale disaster. At the least, it prompted a vast modernization of the capital. But the financial deficit, estimated at 400 million dollars. probably will have to be paid by the taxpayers, turning the fair into a political liability for the

governing Socialist Party in

next year's elections. The opposition is already saying that in a country with a minimum monthly wage of only about 320 dollar, the money could have been better spent on such things as pensions, medical care and educa-

Antonio Mega Ferreira, an Expo 98 director, concedes the land fraud scandal bruised the fair's image. But he remains up-

He said in an interview that revenue from real estate sales and sponsorship deals was almost twice what was projected and the fair's deficit would not increase. He insisted the number of

tations, was not bad. More than seven million visitors in four months is not exactly chicken feed," Mega Ferreira said. He disagrees with sugges-

tions that world fairs -

admissions, while below expec-

launched more than 100 years ago to showcase the latest technology for people with little chance to travel — are an anachronism in an age of dazzling theme parks and international tourism.

World expositions are scheduled for Hanover, GerPhilippines, in 2002. World's fairs still have a market niche." Mega Ferreira said. "They must offer cultural enrichment as well as the type

many, in 2000, and in Manila,

of pure entertainment that EuroDisney or the Epcot Center of-He said Expo 98 attempted to convey its message — the need to preserve the oceans and topical issues like El Nino and Global warming — by blending science

with the high-tech thrills of

For many restaurant and bar operators, the fair fizzled. "We're pretty disappointed, obviously," said California born Rob Murray at the expo's Tex Mex Saloon, owned by an American company that has run restaurants at 14 world

virtual reality.

fairs since 1951.

I think Expo 98's marketing was weak," he said. "It's too expensive for most Portuguese and, well, I think it's just not a very interesting fair.