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DHAKA, MONDAY, OCTOBER 12, 1998

UK trade mission due in city on Sunday

A 24-member British trade mission will arrive here on a six-day visit on October 18 to flourish bilateral trade ties and create new business linkages between Britain and Bangladesh, reports UNB.

The trade mission, the second this year, representing 18 British companies, will have meetings with the government officials and leaders of chambers and business community in Dhaka and Chittagong, says a British High Commission press release.

Peter Lee of Mott MacDonald International will lead the mission, which is sponsored by the Southern Asia Advisory Group (SAAG) of the United Kingdom's Department of Trade and Industry.

Spurred by trade bodies and private sectors the prime objective of the mission is to stimulate, coordinate and consolidate flourishing bilateral trade ties and to create new business linkages between British and Bangladeshi companies.

The focal point of the mission is a day-long seminar on 'Doing Business in Bangladesh' and 'Millennium Bug (21K) Issue' organized by the British High Commission.

Britain is one of the largest foreign investors in Bangladesh with some 50 companies. The trade team will leave Dhaka on October 23.

President, FBCCI team discuss economic issues

An 18-member delegation of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) made a courtesy call on President Justice Shahabuddin Ahmed at Bangabhaban yesterday, reports BSS.

President of the federation Yusuf Abdullah Harun led the delegation.

The members of the delegation apprised the President of the present and future economic challenges before the country in view of the global economic recession and devastating flood.

They said that damage to agricultural crops is colossal which requires immediate steps to face the situation. They mentioned that the flood has caused serious damage to handloom sector of the country.

The members of the delegation opined that development of industrial sector of the country should be given top priority with a view to achieving a sound economic base.

They referred to their continuous efforts in streamlining the country's economy during the last two years of their tenure in the federation and said that they had apprised the problems and prospects of the country's economy to the government and the opposition leaders.

President Shahabuddin appreciated their efforts in developing the economy of the country. He said that as members of the business community they should enlighten the government on specific steps to be taken for solving the problems lying ahead and in revitalising the country's economy.

StanChart may get licence to open Beijing branch

Standard Chartered Bank is expected to receive a licence for opening a branch in Beijing soon.

This was indicated by the British Prime Minister Tony Blair during talks with Chinese Premier Zhu Rongji in Beijing on Wednesday, says a press release.

Standard Chartered Bank has applied to the People's Bank of China for the licence and is likely to receive formal approval shortly.

"This is an important step forward for everyone at Standard Chartered," said Sir Patrick Gillam, Chairman of Standard Chartered PLC.

This year the bank is celebrating its 140th anniversary in China. It is the longest established foreign bank in China and has the largest network of branches and representative offices.

Standard Chartered Bank has been operating a Beijing Representative Office since 1982.

Once the branch licence has been received, the Beijing branch will provide premium services to Chinese and foreign enterprises, and will participate and assist in China's economic construction.

It will be the eighth branch for Standard Chartered in China and will oversee the bank's North China business including the Tianjin branch and Dalian and Qingdao representative offices.

Standard Chartered PLC has its headquarters in London. The Group, together with its subsidiaries and associated companies, provides a versatile range of banking, financial and other related services through some 500 offices in more than 40 countries around the world.

The Group's business is focused on the developing markets of Asia, Africa, the Middle East and Latin America.

5-member body report by Nov 30 Suggestion for BSRS revitalisation likely

By Govinda Shil

Revitalisation of Bangladesh Shilpa Rin Sangstha (BSRS) is likely to be suggested by a committee formed by the government to determine the Sangstha's fate—reconstruction or privatisation, sources close to the committee said.

The five-member committee, which was formed by the Finance Ministry on August 25 this year, started its work during first week of September to examine the viability of BSRS and Bangladesh Shilpa Bank. The committee is expected to submit a report by November 30, sources said.

Established in 1972 to arrange medium and long-term credit facilities, the organisation has earned a total pre-tax profit of Tk 150 crore. Its officials are calculating Tk 8 crore profit for the 1997-98 fiscal and Tk 10 crore for 1998-99 fiscal year.

This correspondent held talks with three out of five members of the committee. They all declined to disclose their findings but narrated the

importance of the development financing institutions (DFIs) in the country.

Committee Chairman Qazi Kholiqzaman, who also declined to comment, said: "We need more facilities of this (DFI) kind. We cannot convert entrepreneurs into enterprises unless they are allowed access to funds."

One must repay his loan so that another can receive it. Non-repayment of loan is detrimental to industrialisation," added Kholiqzaman, also chairman of Bangladesh Unnayan Parishad, a research organisation.

He said it doesn't matter which—either private sector or public sector DFIs—would come forward to finance industrial activities. "I would appreciate if it is better served by private entrepreneurs, but I won't mind if industrial financing is better done by public sector institutions."

Sources said all relevant papers of BSRS (and BSB) have been gathered by the committee

that has so far held five meetings.

The members were of the opinion that Bangladesh needed more DFIs, because "It is a growing economy and preparing its base for industrialisation."

"The demand for capital is high in the domestic market... but we cannot satisfy our prospective customers due to acute fund shortage," said a senior official of the BSRS, adding its loanable fund is only Tk 125 crore which cannot even finance a composite textile mill.

The Sangstha has called for a Tk 100 crore fund to start BMRE of its 200 projects out of the total 350. But the government is yet to respond.

Its activities, other than recovery and BMRE, were frozen for 10 years in 1985 which its officials believe was a blue print for privatisation. "Many industrial units got sick during this period, many of our clients deserted us in a utter misery."

Taka remains unchanged against dollar

Taka remained unchanged against the US dollar in the interbank trading yesterday as demand for the US currency was not higher because of weekend holiday of most international money markets, foreign bank dealers said, reports BSS.

Taka was quoted at 47.23/47.24 per dollar against the previous day's similar close level.

Taka remained unchanged as businessmen were reluctant to open letters of credit against the imports due to the weekend closure of international money markets.

The dealers said that the interbank call money rates were also unchanged between 7.5 and 9 per cent yesterday against the previous day's close level of 7.5 to 9 per cent.

Following are interbank forex rates of Taka against the major foreign currencies (computed basing on dollar).

Unit	(In Taka per unit)
Pound sterling	81.4915
Deutsche mark	29.2597
Japanese yen	4130
Pakistan rupee	1.11
India rupee	12.45
Malaysia ringgit	29.03
Singapore dollar	29.03

'Hong Kong a free market by law'

NEW YORK, Oct 11: Hong Kong's law provides that it should remain a free market and actually it is, said Finance Secretary Donald Tsang here, reports Xinhua.

Hong Kong is still probably the freest economy in the world with no restrictions on capital flows, a stable and freely convertible currency, no restrictions on gold or silver trading, he said.

Hong Kong has no duties payable on virtually all goods, no trade quotas, he said, noting that what Hong Kong has is a low tax system, the rule of law and a fast unfettered flow of news and information.

Tsang made the remarks at a luncheon co-hosted by the national committee on US-China relations and the Hong Kong economic and trade office in New York.

Tsang is on a three-week tour of world financial and business centres to give a factual picture of the economic situation in Hong Kong and to exchange views on how to stabilise the world financial market.

His trip, kicked off on September 27, has already taken him to Frankfurt, Munich, the Hague, Amsterdam and Washington.

"We thrive on a free market, he said, we will not impose capital controls, we have no intention of taking a covert position in the stock market, we will not devalue the Hong Kong dollar."

"It is unfair to judge our commitment to the free market by a single, extraordinary battle at a time of great economic turmoil, and when massive, creative and destructive capital flows were creating havoc in the markets," said Tsang.

Inadequate power supply in S dists Industrial units incur Tk 17cr loss in 9 months

JESSORE, Oct 11: Mills and factories of the country's southern districts incurred a loss of more than Tk 17 crore during the first nine months of this year owing to irregular and inadequate supply of power, reports APB.

Concerned sources said a total of 179 industrial units belonging to five industrial estates in the Khulna and Barisal divisions had to face 2,374 hours of loadshedding during the period.

Besides, more than 100 mills and factories of the region had become sick or inoperative owing to irregular power supply, they said.

The 69 industrial units of Jessore BSCIC industrial estate did not get any power supply for 318 hours during the period, resulting in a production loss of goods worth Tk 1.39 crore.

Similarly, 50 industrial units in Khulna, sources said, incurred a loss of Tk 8.70 crore owing to 559 hours of loadshedding.

Moreover 19 units in Kustia, 20 in Barisal and 21 in Swarupkathi incurred a loss of Tk 4.71 crore, Tk 1.43 crore and Tk 79.69 lakh respectively for similar reasons, they said.

Meanwhile, 11 jute mills in Khulna zone suffered a loss of

Tk 37.47 crore owing to irregular power supply during the fiscal 1996-97, according to the concerned sources.

These mills had total production deficit of the order of 11,782.46 tonnes, they informed.

In the 21 districts of PDB's Khulna zone, about 310 megawatts of electricity is needed a day, but the supply of it cannot meet the requirement, which causes huge losses to the region's mills and factories, sources added.

Merrill Lynch cuts 3000 jobs

LONDON, Oct 11: US Finance giant Merrill Lynch will announce on Tuesday that it is cutting more than 3,000 jobs around the world, it was reported here, says AFP.

The British weekly, The Observer, said that some 400 of these job cuts would be in London.

The global cutbacks will amount to around five per cent of Merrill Lynch's worldwide workforce of 63,000 people.

Merrill, in common with other investment banks, has been hit by the shying away from emerging markets.

Faridpur farmers to get Tk 27cr BKB loans

FARIDPUR, Oct 11: Bangladesh Krishi Bank (BKB) has planned to disburse Tk 27 crore as agri-loan among the farmers in Faridpur district in the current fiscal year, reports BSS.

According to official sources, of the total amount, Taka eight crore will be disbursed for pisciculture, livestock, poultry and poverty alleviation programme while the rest 19 crore will be given for crop production.

The agri-loan will be given to new 20 thousand farmers in addition to old 42 thousand borrowers in the district.

The official sources said that in view of the devastating flood the procedure of disbursing loans has also been changed. It has been simplified and easier for the farmers.

The BKB officials will carry-out motivational campaigns in the hats and bazars about the agri-loan with necessary loan documents and papers.

The farmers will get their loans within 48 hours from the temporary bank counters set up in the hats and bazars.

The BKB personnel have also been cautioned regarding any irregularity and corruption.

The loan applicants will get their desired loan instantly observing simple formalities, the official sources added.

Tk 11.57cr for Magura

Bangladesh Krishi Bank (BKB) will disburse Tk 11.57 crore loan among the farmers in district during the current fiscal year, reports UNB.

The loan is being given for crop cultivation, dairy and poultry farming, cow fattening, buying of cattle and power pumps, poverty alleviation, small scale and cottage industries.

The bank disbursed Tk 1.50 crore among the growers in the last three months.

Bengal Textile Mills on verge of closure at Noapara

JESSORE, Oct 11: Bengal Textile Mills, one of the largest units of BTMC, is on the verge of closure as it has been incurring losses for the last eight years, reports UNB.

Sources said that it incurred losses due to various reasons including corruption, malpractice in administration, mismanagement and negligence of duty by some officials and employees.

The mill was established at Noapara in Avoyanagar thana of the district beside Jessore-Khulna highway in 1962.

The unit went into production from May 1963 with a capacity of 23 lakh pounds of yarn and became a profitable concern within a short time, said the sources.

The management of the mill was taken up by Bangladesh Textile Mills Corporation in 1979 and subsequently it began to incur losses.

In the fiscal 1996-97, the loss incurred by the mill was over Tk 9.91 crore, said a sources close to the management of the unit.

The wages of the workers remained unpaid for the last six months, alleged the workers and unrest is prevailing among them.

Emirates' annual commercial confce held in Dubai

Star Business Report

The annual commercial conference of Emirates Airlines was held in Dubai recently. The conference was opened by HH Sheikh Ahmed bin Saeed Al Maktoum, Chairman of Emirates, says a press release issued in city yesterday.

The theme of this year's conference—Focus on the Objectives—provides the strategies for success in the face of global economic difficulties.

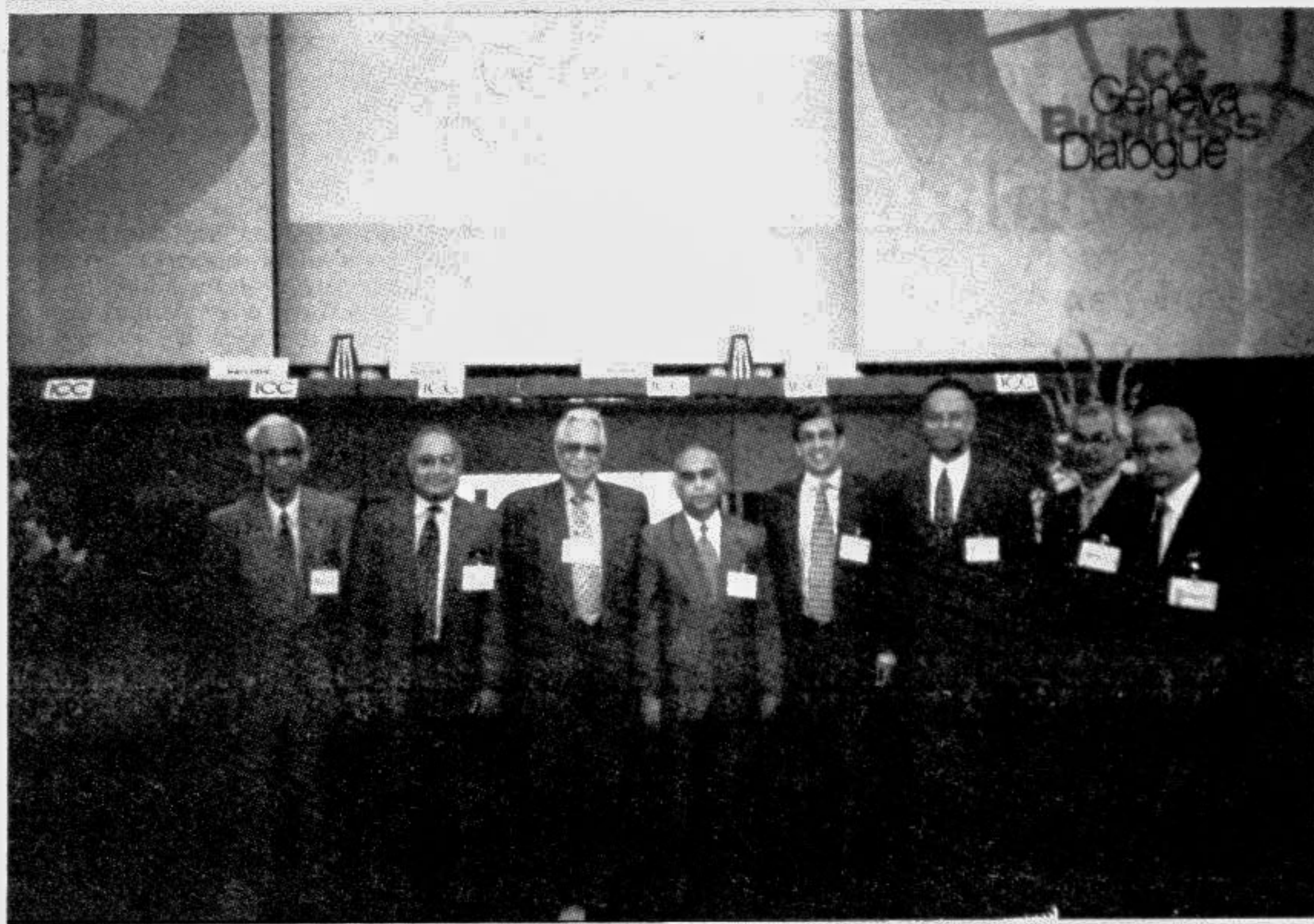
Emirates is maintaining a confident outlook at a time when the aviation industry is plagued by rising costs and falling yields, said Sheikh Ahmed while inaugurating the conference.

"This network conference has been organised so that we can focus on the main objectives of the airline and together find a solution to our problems. In fact, we are quite confident—and this is underlined by our recent announcement of the order for six Airbus A340-500s with 10 options for delivery in 2002," he added.

The conference was attended by over 100 managers and general sales agents from across the world.

The A340-500 is the world's longest range aircraft which will enable Emirates to plan non-stop services to as far as Australia or the US west coast.

The conference agenda included presentations by Gary Chapman, Chief Director Group Services; Ghaith Al Ghaith, Commercial Operations Director; George Rickabaugh, Senior General Manager Planning and Development and Richard Ng, Senior General Manager Customer Affairs and Service Audits.



A nine-member Bangladesh delegation led by Mahbubur Rahman, President of International Chamber of Commerce — Bangladesh (ICCB) attended ICC Business Dialogue and 75th Anniversary of ICC Court of Arbitration in Geneva recently. Seen in the picture are (left to right) Barrister Rafiqul Huq, former President of DCCI ASM Qasem, former President of MCCI, Dhaka Samson H Chowdhury, President of ICCB Mahbubur Rahman, Barrister Dr M Zahir, Barrister Rokanuddin Mahmud, President of FICCI AKM Shamsuddin and Secretary General of MCCI, Dhaka CK Hyder. —ICCB photo

Camdessus cites 5 elements of global financial reform

WASHINGTON, Oct 11: Reforming the global financial architecture should include the five key elements of increased transparency, sound financial systems, involvement of the private sector, orderly liberalisation and internationally accepted standards and codes of good practice, said Michel Camdessus, managing director of the International Monetary Fund (IMF), according to UNIS.

"The same principles that have served us so well nationally, must now be extended to the international arena," said Camdessus, in remarks at the closing session of the IMF/World Bank meeting October 8.

"As the architecture is being designed, inevitably the Fund is concentrating on the core issues of financial and macroeconomic policy," said Camdessus, noting that in earlier statement he had outlined how these five would be handled.

The increased transparency

of countries' financial accounts will be assisted by governments adopting new codes for good practices in fiscal transparency and in monetary and financial systems, involvement of the private sector, orderly liberalisation and internationally accepted standards and codes of good practice, said Michel Camdessus, managing director of the International Monetary Fund (IMF), according to UNIS.

Market participants must also provide more information through regulatory and disclosure requirements, he said. The IMF will also help by making available on the Internet data provided by Fund members that meet the IMF's two-year Special Data Dissemination Standard.

Strengthening banking and financial systems will be focus of Fund technical assistance and training, as well as bilateral and multilateral surveillance, said Camdessus. "Strong frameworks of regulation and supervision must be put in place, supported by the worldwide adoption of consistent standards of accounting, auditing, insurance, securities, pay-

ment systems and banking supervision," he said.

In looking to involve the private sector, Camdessus cited the need to provide the proper incentives to foster sustained private sector participation in global capital markets, minimizing the risk of sudden withdrawals, while avoiding moral hazard — which occurs when implied or explicit guarantees from governments encourage private firms to engage in reckless investments.

While continuing to advocate greater liberalisation of trade and capital flows, the IMF is urging that this process go forward "cautiously and in an orderly fashion... in the context of properly sequenced financial reforms and of strong macroeconomic balance," said Camdessus.

The adoption of international standards and codes of best practices is also crucial, said Camdessus.



Hh Sheikh Ahmed bin Saeed Al Maktoum (centre), Emirates' Chairman, addresses the airline's annual global commercial conference. Also seen in the picture are (L-R) Ghaith Al Ghaith, Commercial Operations Director, Tim Clark, Chief Director Airline, Maurice Flanagan, Group Managing Director, and Gary Chapman, Chief Director Group Services.

— Emirates photo

IMF-WB talks offer little solace for crisis-hit Asia

HONG KONG, Oct 11: Asian financial chiefs have come away disappointed from the world monetary talks, which analysts said offered little solace to recession-struck regional economies grouping for recovery, reports AFP.

Indian Finance Minister Yashwant Sinha seemed to sum up the Asian mood at the annual International Monetary Fund-World Bank talks in Washington which ended on Thursday.

"We may be at the edge of a full-blown global recession... but the brute fact is that after five days of intensive discussions and debate we are still at a loss as to why contagion has continued to spread."

"Nor do we seem to have achieved clear, agreed and effective measures to contain a crisis that has grown unrelentingly over 15 months," Sinha

lamented.

Six Asian economies — Japan, South Korea, Thailand, Indonesia, Malaysia and Hong Kong — are mired in recession after 15 months of turmoil which has roiled regional currencies and stock markets.

Regional governments have clamoured for ways to monitor and regulate flows of capital which has stamped out of the region, ending a decade of rapid economic growth, and to avoid future shocks. Calls for reforms of the world financial system have grown louder.

But the Washington financial talks offered few solutions beyond broad recommendations, analysts said.

The IMF and the World Bank failed to address problems of the Asian currency crisis and those of the emerging markets," said Taiyo Suzuki, a senior analyst in the Asian

Studies Centre at Japan Research Institute in Tokyo.

"Their talks focused only on ways to reform the institutions without giving much thought on why both the IMF and the World Bank failed to properly handle problems seen in Indonesia and Thailand, he said.

The IMF has arranged bailout packages worth some 120 billion dollars for Thailand, Indonesia and South Korea since the regional currency contagion began with the float of the Thai baht in July 1997.

But the world body has been criticised for imposing harsh austerity programmes in return, including sky-high interest rates which led to a credit crunch and plunged the economies deep into recession.

Debapriya Bhattacharya, a researcher with the Bangladesh Institute of Development Studies in Dhaka, noted the IMF and

the World Bank acted "not only like lenders, but also a source of policy advice."

While the institutions have "the luxury" of rethinking policy, governments risked losing "politically" by following their advice, he said.

The Australian newspaper said the world's financial leaders had failed to find a prescription to fix the fragmented world economy, but that was only to be expected.

"There is no quick or easy prescription for ending the ills of the international financial system," it said in an editorial, adding that any changes to the world's financial system must be evolutionary, not revolutionary.

Regulating hot money flows and improving quality of information so that economic difficulties can be identified sooner were essential.

"The ways of containing the contagion are there," it said adding "western nations need to develop the will to work together to ensure they can be implemented."

Jimmy Koh, regional economist with British financial house idea in Singapore, said there was "nothing much" the two world bodies could do to help Asian economies which first need to address structural weaknesses.

"The fact that hedge funds activities have been drastically reduced in recent weeks buys a lot of time for Asia and emerging markets," Koh said.

Asian officials took consolation from the fact that at the Washington talks the world's industrial economies, and the IMF had acknowledged the current crisis could balloon into a global recession.

"It was a good start. At least

now there is a growing awareness that something articulated and combined must be done by the world's strongest nations as well as its most trouble-hit," a finance ministry official said in Seoul.

"What is essential is that concerted global efforts must continue to ensure that the crisis does not spread further globally and that efforts are made at future prevention."

"The change in thinking is now afoot," Thailand's nation daily commented on calls for a restructuring of the world's financial architecture.

"But there are still stubborn people — US Treasury Secretary Robert Rubin and Federal Reserve Chairman Alan Greenspan are still talking as though the world financial and economic contagions are a surprise."