The Daily Star BUSINESS

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UK trade mission arrives in city Sunday

A high-level British trade mission arrives in Dhaka Sunday on a six-day visit to stimulate bilateral business ties, reports UNB.

This will be the first trade mission to visit Bangladesh after the recent flood. Another British trade delegation visited the country early this year.

The 24-member mission organised by Southern Asia Advisory Group of the UK's Department for Trade and Industry will be led by Peter Lee, Managing Director of Mott Macdonald Int Ltd, a worldwide engineering consultancy.

The prime objective of the mission is to create new business linkages between Bangladeshi and British companies.

The mission, representing 18 British companies, will meet ministers, government officials and trade community leaders during its stay in Bangladesh.

Members of the mission will have the opportunity to pursue their own particular business interests with their local agents and other interested Bangladeshi organisations.

The focal point of the mission is a day-long seminar on "Doing business in Bangladesh" and the "Millennium Bug Issue" to be organised by the British High Commission at Sonargaon Hotel on October 20.

The mission will leave the city for Britain on October 23.

EU eases brake on Japanese car sales

BRUSSELS, Oct 15: The European Union, buoyed by the health of its auto industry, has raised the quota of Japanese cars that may be sold in the 15-nation bloc by 23,000 units this year, a European Commission spokesman said yesterday, Reports AFP.

The agreement to increase in the "voluntary" ceiling of Japanese imports to a total of 1,190,000 cars was agreed in EU-Japan talks overnight, the spokesman said.

The first meeting of the bi-annual negotiations in March had initially fixed the limit at 1,167,000 cars.

But according to new figures, car sales in Europe should be 4.9 per cent higher than for last year. The total carpark of new vehicles sold this year will be around 15,158,000 units — well above the 14,741,000 estimated in March.

For Britain, the quota will lift the number of new Japanese-made cars that may be sold by 4,000 units to 190,000 in Portugal, the bar goes up by the same amount to 43,000 cars. In Spain, another 4,700 cars may be sold up to a total of 70,000.

UK announces review of BBC funding

LONDON, Oct 15: The British government said yesterday it would launch a review of future funding of the BBC in 2002, but that it stood by the licence fee paid by all British television viewers as the main source of money of the time being, reports AFP.

Culture Secretary Chris Smith said that "it is not yet appropriate" to consider alternatives to the licence fee "as the main source of BBC funding."

However, the minister noted that the current system, which has been sharply criticised by media competitors such as Rupert Murdoch, was indeed "an imperfect funding mechanism."

The review will examine the balance between the BBC's public service and commercial activities, Smith said.

It comes against a radical shift in the broadcast landscape, as digital television and radio, launched in Britain in recent weeks, are expected to replace traditional analogue signals.

The cost of updating technology is immense, and competitors argue that the BBC is shielded from market concerns by the licence fee.

FDIs in Poland reach $26.6b since 1989

WARSAW, Oct 15: Direct foreign investment in Poland has reached 26.6 billion dollars since the country shucked of communist rule in 1989 and six billion of that amount has come in this year alone, the governments Paiz Survey Agency announced yesterday, reports AFP.

"The crisis in Russia has not caused a lessening in the interest shown in Poland by foreign investors," said Paiz Deputy President Barbara Jarzebowska.

According to data gathered at the end of June, the United States is the main source of inward investment with a value of 4.7 billion dollars. Germany (3.23 billion dollars) and multinational companies (1.9 billion) come next.

Italy's biggest private group, Fiat, tops the list of corporate investors, having kicked in 1.24 billion dollars, its South Korean rival Daewoo is close behind with investment of 1.2 billion dollars.

Asian stock exchangers call for stronger rules, more co-op

SINGAPORE, Oct 15: Asian stock exchange chiefs meeting at an economic summit Wednesday pledged more transparency and a stronger regulatory framework to rein in increasingly volatile financial markets and hasten recovery, reports AP.

"There are serious concerns about transparency," said Michael Shepherd, vice chairman of the Australian Stock Exchange. "The perception is that it's risky to invest here."

Other stock exchange leaders agreed, detailing plans to more carefully manage their markets in the interest of fairness and bringing back wary investors.

However, only the chairman of Thailand's Stock Exchange, Amaret Sila-on, was willing to predict a domestic upturn within the next 12 months.

"Strict supervision of brokerage firms can be an effective tool to boost investors' confidence," said Amaret. Because of new regulations and enforcement, "We will be in much better shape coming out of this recession that when this financial turmoil began."

Several central bank governors, meeting in a separate panel, said they expect increased restrictions to be placed on hedge funds, which speculate on currency instability and have been blamed for sudden, disastrous devaluations in Indonesia, Malaysia and Thailand.

"It is no longer relevant to talk about the Asian economic situation. The region continues to be affected by global developments," US Assistant Secretary of State Stanley Roth told reporters. He said many conference participants had agreed on "the urgent necessity for leadership" by the Group of Seven major industrialised nations.

Participants expressed concern about the drift of the world economy and the growing risk of global recession. They called on the Group of Seven to establish a new regime for monitoring, disclosure and regulation of highly leveraged short-term financial flows and other potentially volatile transactions.

Some of those ideas were expressed in a 15-point action plan adopted Tuesday by the economists, officials and businessmen at the East Asia Economic Summit, organised by the World Economic Forum, a private agency based in Switzerland.

"Our aim is an open, orderly and efficient market," said Lee Hon Chiu, chairman of the Stock Exchange of Hong Kong. He said it was time to "establish a sort of international supervision" of markets.

While agreeing that new international rules are a priority in the region, most of the stock exchange leaders said they were optimistic.

Yoshiaki Kaneko, senior managing director of the Tokyo Stock Exchange, said the Japanese economy is at the "turning point."

"Our aim — our 'big bang' — is to achieve a free, fair and global market by the year 2001," Kaneko said, adding that the Japanese government is "firmly committed to stimulate the economy."

Kaneko said some signs of recovery will appear in the first half of 1999. But he cautioned that foreign investors, who in the past year have been leaving Japan, will not come back in larger numbers before they've been encouraged by domestic investors.

Review meeting told

Country's overall exports show upward trend

The country's overall exports in the first two months of the current fiscal have experienced an upward trend against the corresponding period of the last financial year despite the devastating flood, reports BSS.

This was disclosed yesterday at a review meeting on overall export of the country with Commerce and Industries Minister Tofail Ahmed in the chair, an official press release said, reports BSS.

The meeting was informed that the total export during July-August was 944.28 million US dollars which was 921.87 million dollar in the July-August of financial year 1997-98 and the export growth is 2.43 per cent.

In the sector-wise statement, RMG has experienced 4.58 per cent growth over the last year which amounts to 561.51 million dollars. The RMG export is also 7.64 per cent higher than the target of the two months fixed at the beginning of the year.

Exports of tea and handicrafts also recorded growth over target and last year's performance. The frozen food export in the two months was 60.61 million dollars which recorded 13.65 per cent growth over the target.

The meeting was also informed that due to prompt actions taken by the government as directed by Prime Minister Sheikh Hasina including special goods train, Kanchupur-Daudkandi special ferry service, arrangement of air-lifting of exportable and joint efforts of the government and exporters, the export target for vital sectors like RMG have been achieved.

The exports of knitwear, engineering products and other manufacturing goods have recorded growth over last year but could not achieve the target due to production losses during the flood.

Massive *rabi* crop cultivation drive taken up in Feni

FENI, Oct 15: The government has taken up a massive programme in the district to cultivate rabi crops on a vast tract of land as per its post-flood rehabilitation programme, says UNB.

According to Agriculture Extension Department, a total of one lakh hectares of land have been brought under rabi crops cultivation to overcome the damages caused by the devastating flood.

It has also taken up another programme to cultivate vegetables on 35,000 hectares of land.

Under the programmes, the flood affected farmers would soon be provided with loans and other other facilities, the sources said.

The government under its first phase rehabilitation programme sanctioned Tk 14,00,520 of which Tk 8,93,020 was distributed to cultivate transplanted aman on 300 acres of land and the rest Tk 5,07,500 to cultivate vegetables in five thanas of the district.

Under its second phase the government will also allocate a total of Tk 9.5 lakh to extend help to flood affected farmers and supply fertiliser among them free of cost.

Foul weather, commodity price fall may put brake on LDCs' growth

UNITED NATIONS, Oct 15: The inclement weather and the commodity price falls are likely to put a brake on the recent economic recovery in the 48 least developed countries (LDCs), the United Nations warned yesterday, reports Xinhua.

The LDCs, mostly in Africa, have a combined population of 600 million and an average per capita GDP of about 230 US dollars. They recorded another solid performance in 1997.

LDCs' gross domestic product averaged 4.8 per cent against 3.2 per cent for the world economy and 5.4 per cent for developing countries as a whole, down from the 5.5 per cent they chalked in 1996, the UN Conference on Trade and Development (UNCTAD) said in its latest report on LDCs.

Looking ahead, UNCTAD said devastating floods in Bangladesh and above-average rainfall in Bhutan and Nepal this year and hurricane damage in Haiti foreshadow further difficulties in 1999.

"What makes the LDCs especially vulnerable to the vagaries of the weather and world commodity prices is their lack of export diversification," UNCTAD said.

Over the past decade, most LDCs' exports have been limited to two or three products, almost all of which were sold in raw or semi-processed form.

Of the 28 LDCs for which there are comparable export data, only five reduced their commodity dependence during the decade.

Moreover, their integration into world trade has declined, compared with that of other developing countries, UNCTAD noted. Output in 1996 represented less than one per cent of world GDP and their export share was only around 0.4 per cent. Among the 48 LDCs only 29 are world trade organisation members.

The LDCs received only 1.5 per cent of foreign direct investment flows into developing countries.

Official development assistance (ODA) from OECD (Organisation for Economic Cooperation and Development) countries dropped to 0.05 per cent of their GDP in 1996.

Senior oil giant officials in city

Senior representatives from Unocal, Shell, and Cairn Energy are in the city to meet the Prime Minister and other senior Bangladesh government officials, a USIS press release said, reports UNB.

John Kincannon, spokesman of the US Embassy said, "the executives are here to show their continued interest in the development of the country's energy sector."

"To this end, we understand the companies are willing to cooperate with the government of Bangladesh and each other. The companies look to the Bangladesh government for guidance on how to accelerate progress in the energy sector."

The spokesman said that this effort has the US Embassy's complete support, but added that many other US companies had also presented competitive bids on various blocks.

Swedish Ambassador to Bangladesh Anders Johnson (2nd from left) called on DCCI President R Maksud Khan (2nd from right) at the DCCI office Wednesday. The two discussed issues relating to economic and trade cooperation between the two countries. DCCI Senior Vice-President Masudur Rahman (extreme right) and Swedish Embassy First Secretary Malena Mard were present on the occasion. —DCCI photo

Taka gains ground on adequate dollar supply

Taka became firm against the US dollar in the interbank trading yesterday due to adequate supply of greenback in the wake of decreased food-grains imports, foreign bank dealers said, says BSS.

They said that taka was quoted at 47.2350/47.2450 per dollar against yesterday's closing level of 47.2350/47.25.

Taka gained a strong ground in the money market at the end of the session due to adequate supply of the dollar as food-grain importers showed less interest to open their letters of credit (LC).

Dealers said that the interbank call money rates fell yesterday to the level of 7.5 to 8.50 per cent against yesterday's closing level of 9 to 10 per cent.

Following are interbank rates of Taka against the major foreign currencies (computation based on dollar):

Unit	In Taka per unit
Pound sterling	81.7308
Deutsche mark	29.3068
Japanese yen	.4049
Pakistani rupee	.87
Indian rupee	1.150
Malaysian ringgit	12.4930
Singapore dollar	29.5660

Foreign investment in Myanmar reaches $ 7b

YANGON, Oct 15: Foreign investment in Myanmar reached 7.064 billion US dollars at the end of March this year, according to a latest official statistics, reports Xinhua.

The investment, that came from 23 countries and regions, covers 303 projects.

Of the projects, those in oil and gas sector drew the largest amount of investment, reaching 2.303 billion dollars, followed by manufacturing, hotels and tourism, real estate and mining.

The statistics also show that Singapore ranked the first among foreign investors, injecting into the country 1.485 billion dollars, followed by Britain, Thailand, Malaysia and the United States.

Since Myanmar adopted an open-door market-oriented economic policy in late 1988, investment environment gradually improved with foreign investors stepping in.

However, due to the impact of the Asian financial crisis, Myanmar received only 1.3 billion dollars of foreign investment in 1997, one billion dollars less than that in 1996.

The country drew 222 million dollars of foreign investment in the first six months of this year.

Meanwhile, Myanmar has decided to permit tourists entering through border points to visit the country's central parts far up to the capital of Yangon to bring about more tourist arrivals, reports Xinhua.

It was disclosed by Lieutenant-General Khin Nyunt, First Secretary of the Myanmar State Peace and Development Council, at the Tourism Development Management Committee (TDMC) meeting here Tuesday.

Khin Nyunt, who is also Chairman of TDMC, was quoted by Wednesday's newspaper the new light of Myanmar as saying that tourists entering through these points will also be permitted to visit attractive destinations such as Mandalay, the second biggest city, and Bagan, the ancient city rich with cultural heritage.

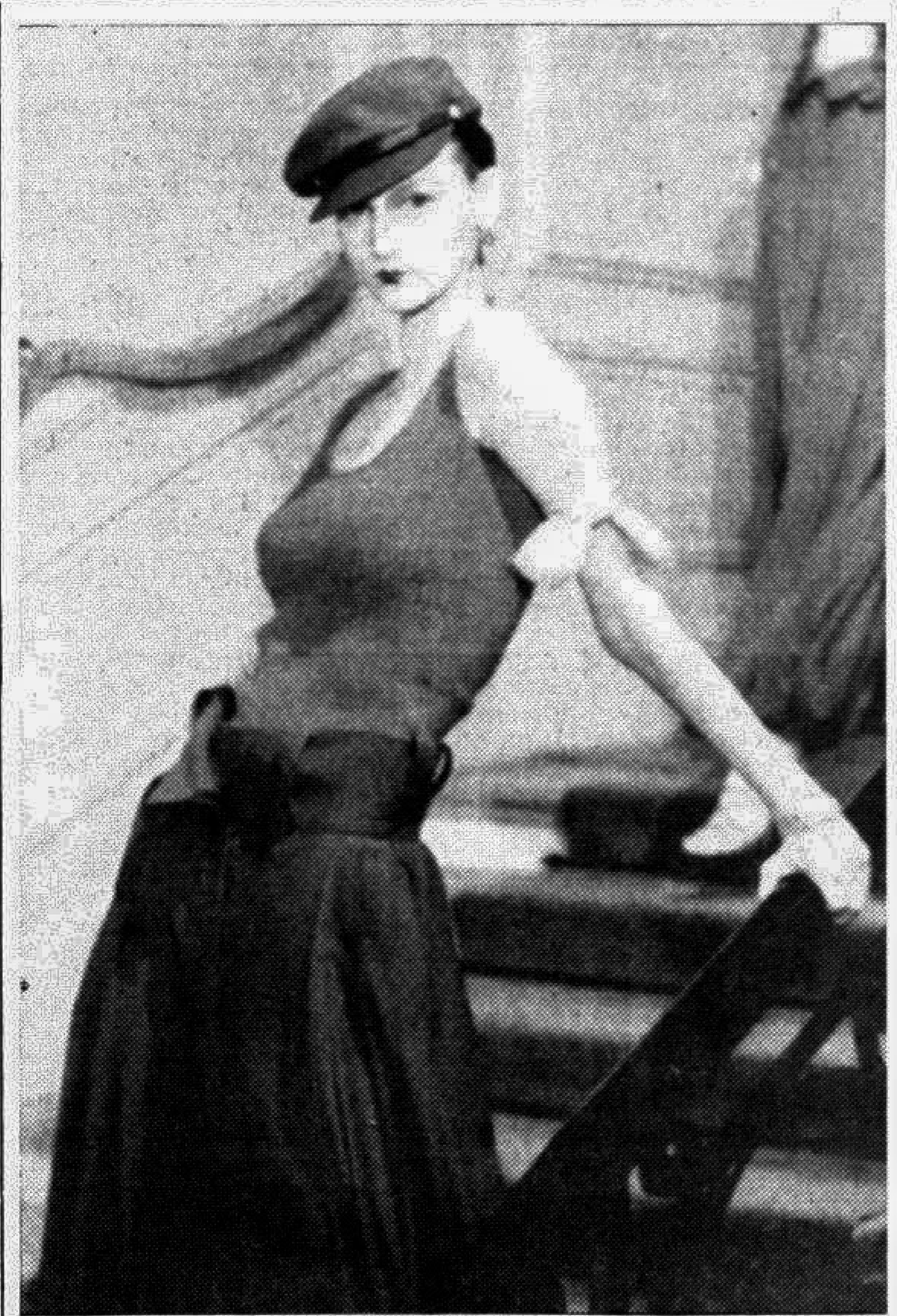
Despite the "visit Myanmar year" campaign launched in 1996, Myanmar has received fewer tourists in the past two years than expected.

"Because of the internal and external conspiracies to destroy Myanmar economy, the number of tourists were less than that should be," Khin Nyunt said.

To speed up development of the country's tourism, Myanmar has opened six border points with China — Bhamo, Namkhan, Muse, Kyuhkok, Kunlong and Mongla, and four similar points with Thailand — Tachilet, Phaya Thonzu, Myawaddy and Kawthoung.

The number of the foreign tourists visiting Myanmar reached 567,458 in 1997-98 fiscal year which ended in March, of which, 302.336 entered through border points.

Thailand plays a key role in supplying tourists to Myanmar among its neighbours and ranks the second after Japan.



A model presents a green woolen top and a large bottle green skirt and a cap as part of Christian Dior's 1999 spring/summer ready-to-wear collection designed by Britain's John Galliano and presented in Paris Tuesday. — AP/UNB photo

Plan to punish oversuppliers

Kuwait threatens to flood oil market

KUWAIT, Oct 15: Kuwait's oil minister has threatened to flood the oil market, warning the Gulf states will not tolerate other oil suppliers pumping beyond their quotas, Kuwaiti newspaper reported Wednesday, reports AP.

"Patience has limits," the Arab Times quoted Sheik Saud al-Sabah as telling a seminar in Kuwait late Tuesday. "We will not continue to pay the price for other countries' non-compliance. We refuse to be exploited."

He did not specify which countries he was accusing. But he said both members and non-members of the Organisation of Petroleum Exporting Countries were overproducing, destroying efforts to raise oil prices through agreements to cut back production.

"We warn, as we have repeatedly warned that (Gulf Cooperation Council) states are capable of flooding the international markets," the official said, adding that Gulf countries can manage with "very low" prices while other producers cannot.

However, he said "we hope that we will not be forced to resort to this policy because this will hurt all."

Sheik Saud blamed the fall in oil prices on OPEC's agreement in Jakarta last year. The cartel decided then to boost its output by 10 per cent to 27.5 million barrels a day, and prices have taken a downward turn since despite two cuts that followed.

Gulf oil prices are now about $12 a barrel, up only slightly from the 10-year low they plummeted to in August.

Sheik Saud did not attend the Jakarta meeting. He took office in March in a government reshuffle, and he has been strongly pushing for improving the price of oil, the mainstay of his country's economy.

Kuwait is pumping 1.98 million barrels a day, and it foresees a shortfall of 1.92 billion dinars ($6.27 billion).

China to give 80,000 tons of crude oil to DPRK

SEOUL, Oct 15: China will give North Korea 80,000 tons (586,400 barrels) of crude oil, the North's official news media has reported, says AP.

China decided to make the donation, valuing the DPRK (North Korea) China friendship and preserving the excellent traditions of helping each other in adversity," the Korean Central News Agency said in a dispatch late Wednesday.

China is North Korea's last remaining major communist ally.

With its economy in shambles, many of North Korea's factories sit idle and its transportation system is on the verge of collapse for lack of fuel and spare parts.

Whirlpool profits up 58pc

Star Business Report

This years first quarter results of the Whirlpool Corporation indicate a strong performance of the company.

The company's earnings are up by 58 per cent over the corresponding period of the previous year, says a press release.

The company ended the year 1997 with record unit shipments in several product categories with the net sales of 8.6 billion US dollars. Its net earning for this period was 283 million US dollars.

Whirlpool Corporation, the world's leading manufacturer and marketer of major home appliances, started its business in 1911 in Benton Harbor, Michigan, USA. The company has its manufacturing units in 12 countries and markets products under 11 major brand names such as Whirlpool, KitchenAid, Roper, Estate, Bauknecht, Laden and Ignis.

The 80s marked the beginning of Whirlpool's aggressive strategy to be a world-wide competitor. The Philips white goods business in Europe was acquired for one billion dollars.

Its global strategy has not made it number one Appliance Company in North America but also the leading one in Latin America.

In Asia, Whirlpool is the leading western company and is consistently improving its share of the market.

Today Whirlpool represents over 25 per cent of the global appliance units sold — every two seconds a Whirlpool appliance is sold around the globe.

White House, Congress on verge of budget deal

WASHINGTON, Oct 15: White House and congressional budget bargainers all but completed agreement on a 500 billion dollars package of spending for education and other programme, Republican lawmakers said. Democrats claimed victory in their quest for education money, but cautioned there's not a deal yet, says AP.

The two sides worked out most differences over what had been their highest-profile dispute, participants said Wednesday. They agreed to give President Bill Clinton the dlrs 1.1 billion he wanted for hiring 100,000 new teachers, though Republicans won concessions that the money could also be used for special education and for teacher training.

"I am very happy the Republicans have come to our position" on education, said House Minority Leader Dick Gephardt, a Missouri Democrat.

Disagreements remained over details of how the money would be distributed to communities, Democrats said.

In the late afternoon, Senate Majority Leader Trent Lott, a Mississippi Republican, and House Speaker Newt Gingrich, a Georgia Republican, told reporters that agreement on the entire bill was imminent. But Democrats angrily insisted that unresolved problems remained, and indeed the two sides planned to meet again for perhaps a final session on Thursday.

"Basically, everything is done except for two or three little final details," Gingrich told repeaters at a nighttime press conference.

He said remaining disputes involved GOP plans to restrict pornography on the Internet and to delay implementation of some workplace safety rules, plus details of a small tax package.

Rep. David Obey, a Wisconsin Democrat, said Disagreements also remained over how nearly $ 6 billion for farmers hurt by falling crop prices would be distributed, and the exact size and nature of a multibillion-dollar package for upgrading federal computers and other so-called emergencies.

Gingrich said the emergency measure would total nearly dlrs 20 billion, half for intelligence, missiles defense and other needs. The measure, which included the farm aid, was to be paid for out of expected federal surpluses.

Another remaining dispute was Clinton's plan for using scientific sampling to buttress the 2000 census, Obey said. Earlier this week, administration and Republican bargainers had agreed, in effect, to delay a decision on the issue for six months — which Gingrich said was the final decision.

Gingrich also said there was an accord on a Democratic plan to require most federal workers' health plans to cover prescription contraceptives. He said individual doctors would be exempted if they object to providing the devices for moral or religious reasons.

Agreement would clear the way for Congress to vote on a giant measure financing dozens of departments and agencies for the federal fiscal year that began Oct. 1. Included are the departments of Health and Human Services, Education, State, Commerce, Justice and Interior as well as the foreign aid programme.

The final vote, which Republicans said would probably occur Friday, would allow lawmakers to go home for re-election campaigns — something many incumbents have been itching to do. A deal also would end of a week of political brinkmanship that the two political parties waged leading up to the Nov. 3 elections that will determine who controls Congress the next two years.

After weeks of stories on Clinton's possible impeachment dominating the news — including last week's vote to launch a House impeachment inquiry — Democrats tried to use the budget battle to turn the focus to their fight for more education money.

"We've already won," Rep. Jim McDermott, a Washington Democrat, said even before the deal was completed. "If we'd have gone out with our last vote being on impeachment, that would be the end of it. But now we've been struggling and we've forced them to debate about education."

Republicans also expressed satisfaction, saying the package included extra defense spending, some anti-drug legislation and local controls over how the additional money for education would be spent.

As the negotiations proceeded, Congress voted to let federal agencies remain open through Friday night.

The stopgap measure — the fourth since fiscal 1999 began on Oct 1 — cleared both the House and Senate on voice votes, and Clinton signed it. The previous short-term bill ran only through Wednesday night.

Republicans scored a win when White House chief of staff Erskine Bowles and other administration bargainers, as expected, dropped Clinton's demand for nearly dlrs 1 billion a year to help communities leverage bonds for school construction and modernization.

Republicans prevailed in their fight with Clinton over his plan for voluntary national testing of elementary school students. Language would allow the development of those tests but no field testing or implementation — the same restrictions that exist under current law.

A modest package of expiring tax breaks for business and others might still be included in the massive spending measure, Lott said. An aide said the measure would include breaks for corporate research and development, farmers and for companies hiring workers from some low-income areas.

Salt factories in Barisal region incur Tk 3 cr loss

PIROJPUR, Oct 15: Salt industry in the Barisal region suffered a loss of about Tk 3 crore during the devastating floods, reports APB.

Twenty-one salt refineries and factories in the districts of the region, which produce some 750 tonnes of salt daily, experienced an output fall of less than 150 tonnes a day due to the floods.

Owners said some 10,000 tonnes unrefined salt in these mills and factories had melted away in the flood waters.

They further said that about 5,000 workers of 20 factories — two in Pirojpur, 15 in Jhalakhati and one each in Bhola, Muladi and Patharghata — had been thrown out of employment.

The losses incurred during the floods would take at least two years to be fully made up, they added.