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# The Daily Star BUSINESS

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## Association Group FBCCI upholds earlier polls results

By Staff Correspondent  
The FBCCI Election Appeal Board yesterday upheld the election of Abul Motalab of Bangladesh Polypropylene, Polythene Malik and Bannik Samity as executive committee member of the FBCCI.

Following an objection filed by Tareq Kamal, the election board announced the results after recounting of votes.

## FBCCI to observe Silver Jubilee today

The Federation of Bangladesh Chambers of Commerce and Industry will observe its Silver Jubilee and accord a reception to the newly elected Executive Committee members today, says UNB.

On this occasion, it has organised a programme at the Osmani Memorial Hall at 6.30 pm, said an FBCCI press release.

Commerce and Industries Minister Tofail Ahmed will address the function as chief guest.

FBCCI President Yusuf Abdullah Haroon, Vice-President Kazi M Shafiqul Islam, newly elected President and Vice-presidents Abdul Awal Mintoo and MA Mumin respectively will also speak on the occasion.

## Rangs showroom opens at Uttara

Star Business Report  
Rangs Group opened its 35th showroom at Uttara in the city yesterday.

Rihito Sato of Toshiba inaugurated the opening ceremony, says a press release. Top executives of the Group and elite of the city were present.

The showroom is engaged in marketing the world famous home appliances like Toshiba, Pioneer, Mitsubishi, BPL and Canon camera.

## Asian currencies relatively stable

SINGAPORE, Oct 20: Asian currencies were relatively stable though slightly lower against the US dollar mid-morning today as trade resumed here following a holiday, says AFP.

The Singapore dollar stood at 1.6230 to the greenback from its close on Friday of 1.6198, the Thai baht was at 37.85 from 37.84 and the south Korean won at 1,326.50 from 1,323.5.

However the Indonesian rupiah firmed to 8,000 from 8,325.

The Philippine peso stood at 42.945 to the greenback, down from its close in trade in Manila of 42.81 on Monday.

The Taiwan dollar stood at 32.933 from 32.910 at its close the day before, when the central bank intervened to check the appreciation of the unit.

## Australia to call for more trade liberalisation at APEC meet

CANBERRA, Oct 20: Australia would use next month's Asia Pacific Economic Cooperation forum meeting in Malaysia to push the case for further trade liberalisation and better regional economic governance, Foreign Affairs Minister Alexander Downer said Tuesday, reports AP.

Downer also said that Prime Minister John Howard was considering visiting Jakarta on his way to the APEC meeting in mid-November, although no final decision had been made.

"We as a government are placing a very great emphasis on this year's APEC summit," Downer told Australian Broadcasting Corp. radio.

"It's going to be important that the APEC summit not only come up with a further commitment to the trade liberalisation agenda, and we want to keep the momentum of trade liberalization going at this difficult time for the region, but also to address the broader economic governance issues in the region."

Australia is pushing the case for further trade liberalization ahead of next year's World Trade Organization talks, which are expected to cover further scrapping of agricultural trade barriers.

Getting APEC support for such moves is seen as a crucial test of support for Australia's case for further trade reform.

Meanwhile, The Australian newspaper reported that the Australian government will also use the APEC summit to push its neighbours to accelerate economic reforms in the wake of the Asian financial crisis.

The Australian strategy to be presented to APEC's 21 member nations would represent a fundamental change in the organization's role, the newspaper said.

## Tofail suggests formation of UK-Bangladesh trade body

# British businessmen keen to set up 100pc equity or jt venture projects

The visiting British trade mission has shown keen interest in setting up 100 per cent equity or joint venture projects in Bangladesh, reports UNB.

The mission also sought government support for smooth implementation of export-oriented projects when it called on Commerce and Industries Minister Tofail Ahmed at his office yesterday.

Members of the mission, led by Peter Lee, enquired about the possibilities of setting up of captive power plant, medium-scale manufacturing units, sea food and agro-based industries.

They also expressed their interest to participate in the on-going privatisation programme in the country.

Tofail said Bangladesh always appreciates the British support to "our development programmes" and with the increase of bilateral cooperation.

UK has become an important development partner of Bangladesh.

He urged the Bangladeshis living in UK to take action-oriented programmes. He urged them to make plans and take specific investment projects in the country.

The minister said the government is pro-private sector and out to attract foreign direct investment. "If you face any problem to implement your project, we are ready to remove it instantly," he said.

He said there should not be any problem as BOI has been invigorated through establishing one-stop counter to facilitate all services to the investors.

"We have very liberal and attractive investment policy which would be supported by a prudent industrial policy to be announced soon."

Elaborating the incentives offered to the investors in the investment and industrial policies, Tofail said foreigners to some extent are allowed for employment and work permit is easily available.

He said the government is offering tax holiday to the investors for different period in different sectors. "We have opened sectors like energy, telecommunication, road and other infrastructure for private sector."

Besides, the government is negotiating with ADB and the World Bank for sanctioning loan to medium scale projects costing between 10 million dollars and 15 million dollars, he said.

He said the government has decided to privatise the state-owned enterprises in jute, textile, paper, sugar steel and engineering sector and welcomed foreign investors to participate in the programme.

Referring to the British companies working in Bangladesh, the minister said their success stories should be projected in UK so that more UK entrepreneurs get encouraged to invest in Bangladesh.

He advised the delegation members to establish a Bangladesh-UK Chamber or forum for regular interaction between the business people of both the countries.

The delegation appreciated the government for making various steps in attracting foreign investment and hoped that it would create very good impacts among the investors.

British High Commissioner to Bangladesh David C Walker and Commerce Secretary Sayed Alamgir Farouk Chowdhury were present in the meeting.

## Bid to woo Japanese investment Dhaka plans Business Summit next year

Bangladesh plans to hold a Business Summit in Dhaka in February or March next year to attract Japanese investment, reports UNB.

The summit will be held for five years from 1999, said Bangladesh Ambassador to Japan Rashed Ahmed at the Global Business Opportunities Convention (G-BOC) '98 in Osaka, Japan yesterday, according to a message received here.

Businessmen and representatives of trade bodies from 54 countries joined the three-day G-BOC that began Monday. A 15-member Bangladesh delegation comprising public and private sector representatives is participating in the G-BOC.

Ahmed said the Business Summit involving small and medium entrepreneurs is expected to enhance not only the prospect of Japanese investment in the country but also help overcome economic setback caused by recent floods.

It will also help develop industrial, physical and social infrastructure of the country and transfer technology, technical

know-how as well as generate employment opportunity.

A selected group of Japanese businessmen is expected to visit Bangladesh in the first week of November to discuss this matter with the BOI Executive Chairman and the President of FBCCI.

The Bangladesh Ambassador urged Japanese investors to take advantage of the investment promotion and protection agreement initiated during the visit of Prime Minister Sheikh Hasina to Japan.

He said the excellent investment climate as well as political and economic stability in Bangladesh have not been affected by the recent Asian financial turmoil.

Zahid Hossain of BOI, Abdul Haque of FBCCI and Yoichiro Katagiri of Dream Bengal Garments Ltd also spoke on the occasion.

Bangladesh Embassy in Tokyo and Board of Investment put on display the Bangladesh products and trade, investment and tourism promotion materials in two separate booths.

## IJO bodies meet on Oct 22-26

The 30th session of the International Jute Organisation (IJO) Committee on Projects (COP) and the first meeting of the Preparatory Committee, established by IJO to prepare a new international agreement on jute, will be held at IJO headquarters here on October 22-26, reports UNB.

The one-day COP session and three-day Preparatory Committee sessions are expected to be attended by five jute exporting countries and 21 importing members, including EC.

The current jute exporting countries are: Bangladesh, India, China, Nepal and Thailand. India has served notice of withdrawal from the IJO which will take effect after January 7, 1999.

The 21-importing members are: Australia, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, United Kingdom, Egypt, Indonesia, Japan, Norway, Switzerland and European Community.

The delegates of the COP session will review the progress of the IJO projects under implementation and will consider new proposals submitted by the IJO secretariat.

From 24-26 October, the first meeting of the Preparatory Committee comprising all members and selected observers from non-member countries, will commence work in drafting a new successor agreement to replace the current International Agreement on Jute and Jute Products, 1989, the validity of which will expire on April 11, 2000.

Informal talks will also be held to persuade India, a major player in the world jute economy, to reconsider its decision to withdraw from IJO.

## PKSF, ASA sign loan agreement

Star Business Report  
PKSF has given a loan of Taka 140 million to ASA.

The money has already been handed over to the NGO under a loan agreement for poverty alleviation programme, says a press release.

Dr Saleh Uddin Ahmed, Managing Director of PKSF and Md Shafiqul Haque Chowdhury, Managing Director of ASA, signed the agreement on behalf of their respective organisations in the city recently.

Md Fazlul Kader, Deputy General Manager of PKSF and Mohammed Azim Hossain, Deputy General Manager (RLF) of ASA, were present on the occasion.

Already PKSF has given a loan fund of Tk 878 million to ASA, which will be used to 311 unit offices for microcredit implementation. Upto August '98, ASA has distributed a total of Tk 3,527.4 million (cumulative) loans among 332,010 members and collected Tk 259.1 million as savings from 27 districts of 140 thanas under its PKSF funded microcredit programme.

Uptill now ASA has made a total (cumulative) of Tk 10,860.3 million loan distribution among 792,359 loanees out of 1.4 million organized members and Tk 866.2 million has been collected as savings through 712 unit offices of 355 thanas under 61 districts. Present loan recovery rate is 95.95 per cent.

## Indonesian maids work for one S'pore dollar a month

SINGAPORE, Oct 20: To escape poverty at home, hundreds of Indonesian women are working for just one Singapore dollar (62 cents) a month as domestic servants in Singapore, reports AP.

The regional economic crisis has increased the supply of imported maids in this rich island state, prompting local maid agencies to cut already low rates to a symbolic fee.

About 100,000 house maids work up to 90 hours a week in often gruelling conditions, and earn an average of 250 Singapore dollars (\$150) a month. Most of the maids are from the Philippines, whose government recently declared it will not let them travel to work in Singapore for anything less than the 350 Singapore dollars (\$212) a month.

But Singapore's Deljey Employment Agency in April began offering Indonesian maids at a dollar a month of the first five months, after which their salary should increase to 230 Singapore dollars (\$140) a month. The agency receives a finder's fee from the employers.

Protesting the token fee, the Indonesian government last week suspended all maid exports to Singapore for the next three months. So far about 1,000 Indonesian women have agreed to work under the new scheme, Deljey said Tuesday.

"I don't mind," Yuyun Juju, 28, told The Straits Times newspaper. "Life is difficult in the kampung."

Singaporeans, who rely on maids for their typical dual career lifestyle, seem divided on the issue of cheap maid.

"For us employers, we have nothing much to lose if we send the maid back or when she runs away," said senior Yoke Yeng, a 40-year-old businesswoman who just hired an Indonesian maid from Deljey.



Rihito Sato of Toshiba inaugurates the 35th Rangs showroom at Uttara in the city yesterday. Rumea A Hossain, Executive Director of Rangs Industries Ltd, is also seen.

—Star photo

## Taka ends soft against dollar

Taka ended soft against the US dollar in the interbank trading yesterday as demand for the greenback continued to rise for the second day yesterday for paying higher import bills of foodgrains and industrial raw materials, foreign bank dealers said, reports BSS.

Taka was quoted yesterday at 48.61/48.65 per dollar compared to yesterday's closing level at 48.55/48.62.

The dealers, however, said market behaviour is gradually stabilising from the impact of the recent money rate refraction by the Bangladesh Bank.

Dealers said that the downward trend of interbank call money rate continue to persist at the close of yesterday trading at 6 to 8 per cent against the yesterday's closing level of 7.5 to 8.50 per cent.

## Repayment of external debt Pakistan denies 'rumours' of moratorium

ISLAMABAD, Oct 20: Pakistan officials yesterday denied 'rumours' of an impending moratorium on repayment of Pakistan's external debt, reports AFP.

The officials, quoted by the government-run news agency APP, said the government was "taking appropriate measures to raise resources to enable it to discharge its obligations."

Pakistan's foreign debt is estimated at around 32 billion dollars, the country makes yearly repayments on principal and interest, together totalling around two billion dollars, in quarterly instalments.

Foreign exchange reserves

have reportedly dipped to around 550 million dollars after the country was plunged into a financial crisis in the wake of US-led economic sanctions over nuclear tests in May.

The International Monetary Fund (IMF) stopped instalments under a 1.56 billion dollars package agreed last year and the sanctions also hit lending by the World Bank and other multilateral financial institutions.

On Saturday the Advisor on finance to Prime Minister Nawaz Sharif announced the postponement of a scheduled visit here by an IMF mission for a third round of negotiations on a bailout.

## IMF postpones mission to Pakistan for govt-power producers row

WASHINGTON, Oct 20: The International Monetary Fund, which has been weighing financial aid to Pakistan, has postponed a mission to Islamabad because of a lingering conflict between the government and power producers, an IMF spokesman announced here yesterday, says AFP.

The proposed IMF mission of Pakistan has been postponed and no new date has been set," the spokesman said, adding that the visit was to have begun October 21.

Cancellation of the mission dealt a serious blow to Pakistan's hopes of securing a loan package worth 1.56 billion dollars.

The resumption of discus-

sions depends to a great degree on the satisfactory resolution of the government's conflict with independent power producers and the issue of WAPDA (Water and Power Development Authority), including electricity tariffs," the fund spokesman said.

The government of Pakistan has lately been locked in a tussle with the operators of Independent Power Projects (IPPs) over power tariffs.

"If these issues are satisfactorily resolved, the IMF stands ready to proceed on a mission to finalise details of Pakistan's macroeconomic programme," the IMF spokesman said.

Contracts for some 20 IPPs

involving billions of dollars in investment by foreign companies were signed during the rule of former Prime Minister Benazir Bhutto.

The tariff dispute erupted earlier this year when the government of Prime Minister Nawaz Sharif launched a probe into the contracts after allegations the deals were secured through bribes and corruption.

The government has said the country's economy was severely damaged because of agreements with the IPPs to purchase power at 'exorbitant' rates, putting an unbearable burden on the state-run water and power development authority.

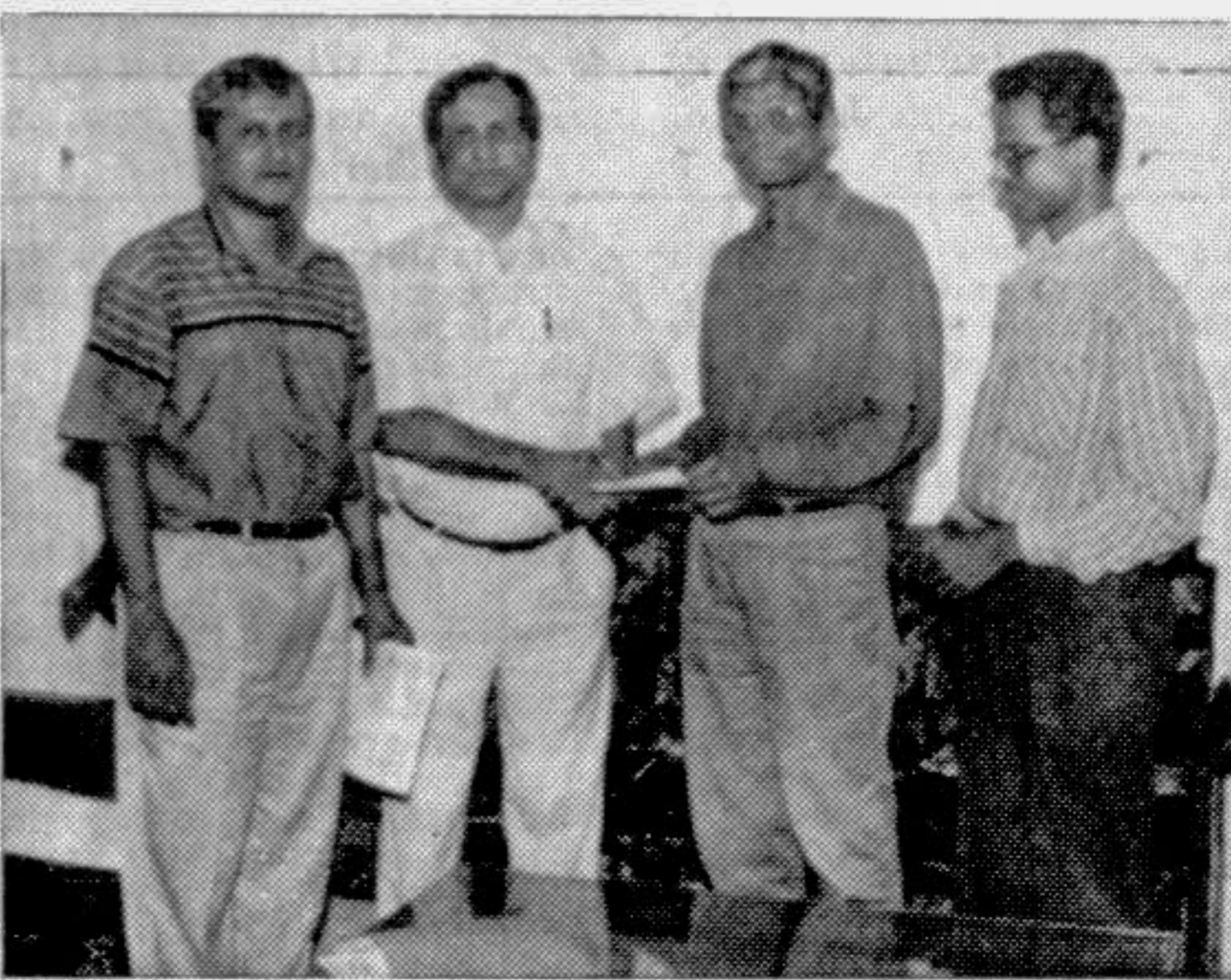
The government-IPP row

has reportedly stirred concerns among foreign governments, the IMF and the World Bank hit investor confidence.

Pakistan and the IMF started the negotiations here in September as the country's foreign exchange reserves plunged in the wake of US-led economic sanctions imposed after Pakistan's nuclear tests in May.

The sanctions stopped loans by the IMF and other multilateral agencies, aggravating an existing economic crisis.

According to officials the country's foreign exchange reserves have dipped to around 550 million dollars — causing severe balance of payments problems.



Dr Saleh Uddin Ahmed, Managing Director of PKSF and Md Shafiqul Haque Chowdhury, Managing Director of ASA, exchange documents after sign Tk 140 million loan agreement in the city recently.

## BIBM course on int'l finance concludes

A 10-day training course on "International Finance" was concluded at the Bangladesh Institute of Bank Management (BIBM) yesterday.

The course was designed to familiarise the participants with different foreign exchange market operations, exchange rates determination, managing foreign exchange risks and position, says a press release.

Participants were trained on topics like foreign exchange market, determination of exchange rate, foreign exchange derivative markets, risk management in international finance, international monetary and financial system, etc.

A total of 34 officers from different banks and financial institutions participated in the course.

Dr Muinul Islam, Director General of BIBM, chaired the concluding session and gave away the certificates to the participants.

## Import of Japanese cars, Russian steel EU rejects US call to lift curbs

BRUSSELS, Oct 20: The European Union yesterday rejected a US call to lift import curbs on Japanese cars and Russian steel as part of efforts to boost global economic growth, reports AFP.

US Trade Representative Charelene Barshevsky, speaking at the start of a tour of European capitals, urged the EU to act in these sectors as a signal it was ready to accept "more of the burden" of absorbing imports from countries stricken by the global financial crisis.

While the EU's trade figures remained close to balance, the United States trade deficit was set to reach 240 billion dollars this year and rise to 300 billion next year, she said.

"That is not politically sustainable," Specifically, Barshevsky called on the EU to bring forward

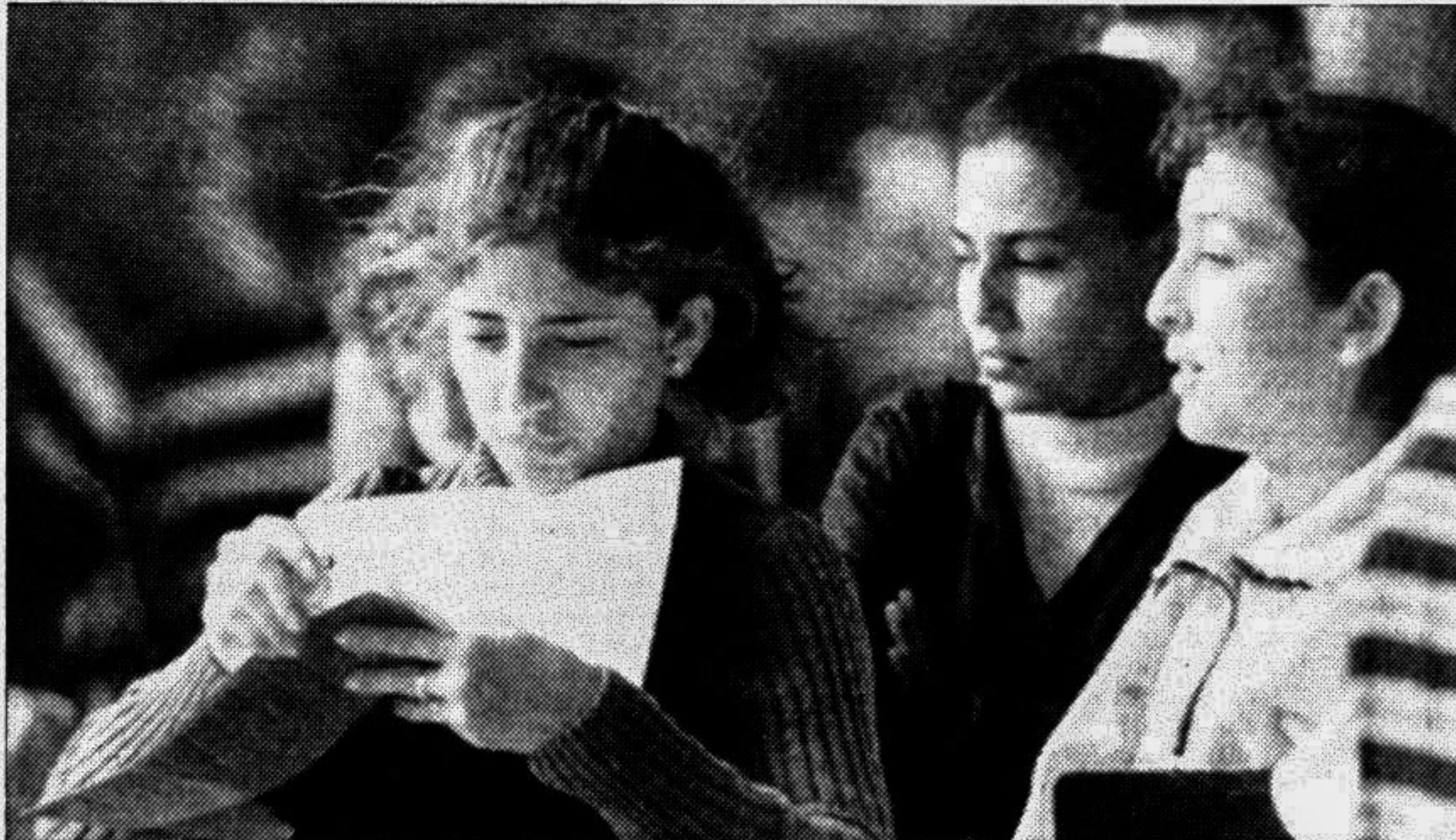
from December 31, 1999, the phasing out of curbs which limited sales of Japanese cars in Europe to around 11 per cent of the market and to increase quotas which limit imports of Russian steel.

But the US demands were dismissed as unjustified and unrealistic by the EU's top trade official.

"I would like to know kind of comparable measures the US is planning," said European Commission Vice-President Sir Leon Brittan.

The EU official also dismissed the broader suggestion that the EU was not accepting its share of the burden.

EU contributions to IMF bailout packages exceeded those of the US and Japan combined, he noted.



A woman fills up a job application while standing in line at the Metal Workers Union in the city of Sao Paulo, Brazil on Monday. Several thousand people lined an entire city block in order to fill up a job application. The unemployment rate in the state of Sao Paulo has reached 20 per cent and more layoffs are expected as tough fiscal measures will be announced this week in order to combat the growing economic crisis.

—AP/UNB photo

# 105th US Congress makes history by balancing budget

WASHINGTON, Oct 20: The 105th Congress made history by balancing the budget for the first time in three decades and for only the third time starting impeachment proceedings against a sitting president. Otherwise, the achievements of the two-year session were modest at best, reports AP.

The balanced budget deal worked out last year with the White House, and the prospects of surpluses in the foreseeable future, is of profound importance to the nation's economy.

House Speaker Newt Gingrich noted that when the Republicans took over control of the Congress in 1995 the projected deficit over the next 11 years was \$3.1 trillion. Now he said, "because of Republican re-

forms working with a Democratic president... we are talking about a surplus of \$ 1.65 trillion."

But that good fortune has not resulted in a more bipartisan and productive Congress. Democrats blocked the Republicans' effort to use \$80 billion of the surplus over the next five years for tax cuts, insisting with President Bill Clinton that all the surplus go to saving Social Security.

Republicans in turn rejected all the top Democratic priorities, including a raise in the minimum wage, campaign finance reform, a huge \$500 billion anti-smoking bill and legislation to enhance the rights of patients in managed care programmes.

"This Republican Congress has become a graveyard. It is where good ideas come to die," said Rep. Rosa DeLauro, a Connecticut Democrat, sounding a theme that Democrats hope will win voters for them in the Nov. 3 election.

Democrats also criticized Republicans for concentrating on the impeachment inquiry and other investigations against Democrats. Apparently they would rather undermine the institution of the presidency than fix America's schools, protect our elderly or provide working people with decent health care," said Rep. John Conyers, a Michigan Democrat.

Republicans, naturally, dif-

ferred in that assessment. "This has been a remarkably successful Congress," said House Ways and Means Committee Chairman Bill Archer of Texas. "We balanced the budget, provided the first tax cut in 16 years, reformed the IRS and improved the lives of the needy by helping them move from welfare to work."

Among the major accomplishments of this session were measures in the balanced budget act last year to extend the life of Medicare — the health insurance programme for the elderly — and provide tax relief, including a \$500-a-child tax credit and a cut in the capital gains rate.

This year's big spending package that Congress will vote

on this week before adjourning includes important changes in public housing policy and a new White House-promoted programme to hire 100,000 elementary school teachers.

The Senate ratified the chemical weapons treaty last year and this year agreed to extend NATO membership to three former Soviet-bloc nations — Poland, Hungary and the Czech Republic — a dramatic affirmation of the end of the Cold War.

Left pending, however, was Senate action on a treaty banning nuclear testing.

Congress this year passed, and the president signed, a popular bill to protect citizens from Internal Revenue Service abuses and a \$ 216 billion

highway and mass transit act that will have a major impact on the nation's infrastructure over the next six years.

Republicans succeeded in putting into a \$20 billion emergency spending bill accompanying the budget package an additional \$ 690 million to fight illegal drugs and more than \$ 9 billion to reverse a 14-year real decline in defense spending.

But the Republicans' top social issue, a bill banning a type of late-term abortions, was vetoed by Clinton and Congress could not override it, and proposed constitutional amendments allowing school prayer and imposing term limits on members of Congress were defeated.