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The Daily Star BUSINESS

DHAKA, TUESDAY, NOVEMBER 3, 1998

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New taxi cab service in city soon

Star Business Report

As the demand for taxi service is growing fast, another private company is going to launch taxi cabs in the city next month.

Capital Cab Company Ltd has already brought 50 Korean-built Daewoo sedan cars to launch its service. The cars are waiting for clearance at the Chittagong Port.

Another 50 cars will arrive by December. Capital Cab officials told the Daily Star, adding that the company will introduce a total of 500 taxi cabs in phases in the city.

Any individual can become a partner of the Capital Cab by buying a car in instalment at an initial down-payment of Tk 2.24 lakh.

The company will charge Tk 20 for the first two kilometers from commuters and Tk 8 for next each kilometer.

Islami Bank plans to invest Tk 700cr in two years

Star Business Report

Islami Bank Bangladesh Limited is going to undertake a Tk 700 crore new investment programme for the years 1999 and 2000.

This was stated by the Executive President of the bank, M Kamaluddin Chowdhury while speaking at a day-long conference of branch managers of Bogra Zone at a local hotel recently, says a press release.

The conference was inaugurated by Mohammad Yunus, Vice-Chairman of the Bank and addressed among others by Md Abdul Maleque, Senior Vice-President and In-charge of Bogra Zone.

Of this amount, 16 per cent will be for export-oriented, import-substitute, agro-based, preferably labour-intensive and environment-friendly industries, 14 per cent for industrial working capital, 40 per cent for trade and trade-related activities, 12 per cent for agricultural and rural investment, six per cent each for housing and real estate, transport and communication, two per cent each for electricity, gas, water, sanitary services, storage and other economic activities.

Nazim U Chy visits CSE

Nazim U Chowdhury, Bangladesh Ambassador-designate to Turkey, recently visited Chittagong Stock Exchange (CSE), says a press release.

He met CSE president Amir Khosru Mahmud Chowdhury MP and held a courtesy meeting with the Board of Directors.

He was given a detailed presentation on the vision and activities of CSE by a senior executive.

Chief Executive AGM Shamsul Kamal explained to him future programme of CSE.

In his brief speech, Chowdhury expressed his optimism that he would work for a better trade and economic relations between Bangladesh and Turkey.

It may be mentioned that the Federation of Euro Asian Stock Exchange (FEAS) is based in Istanbul, Turkey, of which CSE is a member.

Later Chowdhury observed on-line trading on computer screen and visited its specialized library.

Mahathir calls for regulating currency trade

KUALA LUMPUR, Nov 2: Prime Minister Mahathir Mohamad warned Monday that steps to revive the global economy will fail if currency speculation is not recognised as the fundamental problem, says AP.

"Cosmetic adjustments, correcting peripheral causes, will not do any good at all," Mahathir told a gathering of financial experts.

His comments came just days after the Group of Seven leading industrial nations released a communique on how to tackle the ailing world economy and study the activities of hedge funds.

The G-7 prescription involved creation of a new International Monetary Fund credit line that would provide loans to healthy economies threatened by financial contagion.

Mahathir has been the most vocal proponent of a new global financial architecture, arguing that speculative capital flows sparked the Asian financial crisis that has now hit Russia and is looming over Latin America.

"Currency trading must be forced into the open. There's no reason why the world cannot act in concert to regulate currency trading," Mahathir said.

He said currency traders should be registered and licensed, and banks should be made to cut the amount of cash they are allowed to lend to hedge funds.

Land dispute holds up Hafiz Textile sale

By Rafiq Hasan

In the beginning it was the lack of political commitment, and now a piece of disputed land, which have left privatisation of Hafiz Textile Mills out in the cold for about three years.

The Privatisation Board (PB) started the process of selling the mill in 1995 and floated an open tender to attract bidders.

But the buyer who won the bid is yet to take over the factory by making full payment for it.

The main contentious issue now appears to be a labour colony belonging to Hafiz Textile Mills, but occupied by workers of another state-owned mill, Hafiz Jute Mills.

In a latest bid to resolve the issue, the PB tried to cut a deal by offering the buyer a same size of land from Hafiz Jute Mills instead of the labour colony.

Alhaj Khalilur Rahman, Managing Director of the KDS Group of Companies, which won the bid for Hafiz Textile, was informed of the latest offer during a negotiation meeting about two weeks back, sources said.

He did not react instantly, but promised to inform the PB

very soon about his decision in this regard," the source said.

This correspondent could not reach Khalilur Rahman even after trying several times over telephone for his comments.

According to PB sources, the buyer, KDS Group of Companies, paid only Tk 2.10 crore as earnest money against a total price of Tk 8.43 crore in late 1997.

But the off-loading process stopped there, and the buyer did not pay the rest of the money over various unresolved issues.

The privatisation of Hafiz Textile Mills became a contentious issue for the government as the World Bank castigated it for failing to transfer the mill to private hands.

One of the conditions for continuing the Jute Sector Adjustment Credit (JSAC) was to offload Hafiz Textile. The JSAC was later cancelled because of non-fulfilment of various conditionalities.

The mill sprawling over 54 acres of land at Sitakunda near Dhaka-Chittagong highway was established during the pre-independence period.

"The buyer is now raising

various objections regarding a labour colony and the long-term loan liabilities of the mill," said a senior official of the PB.

It was mentioned in the tender documents that the mill had long-term loan liabilities of Tk 4.31 crore to be borne by the buyer. But after getting the letter of intent (LOI), the company said it did not know about the long-term loans," the official said.

The main controversy, according to sources, centred round a piece of land belonging to the mill, but occupied by the workers and employees of a nearby factory.

The disputed territory covering about seven acres of land is adjacent to Hafiz Jute Mills, which was a sister organisation of Hafiz Textile Mills during the pre-liberation period. The same person owned both the mills.

The owner had built several quarters to house the workers and employees of both the mills.

As the government nationalised both the mills in 1972, these came under the ownership of Bangladesh Jute Mills Corporation (BJMC) along with the

labour colony. When the PB floated tender, it included the labour colony as the property of Hafiz Textile Mills. All the workers and employees of Hafiz Textile, however, were given a golden handshake. But the workers of Hafiz Jute Mills are still occupying the staff quarters.

The buyer company now fears that it would be very difficult to evacuate the workers and employees from the quarters.

The company also lodged a case with the Chittagong sub-judge court alleging deprivation of the facilities mentioned in the tender documents by the PB, it was learnt.

At this stage, the PB came up with a new offer and told the buyer that the land could be deducted from the project and the price of the mill would be adjusted proportionately.

But the buyer did not accept the offer. "Instead they demanded a big chunk of money to be deducted from the price of the factory," said a PB official.

"We are still waiting for a reply from the buyer to our latest offer," said a senior official of PB. "If it responds positively, we can hand over the mill shortly."

Joint commission meets in Bangkok tomorrow

Dhaka's trade deficit to top agenda

Trade imbalance, heavily against Dhaka is expected to top the agenda for the forthcoming meeting of Bangladesh-Thailand Joint Commission, reports APB.

Bangladesh is likely to propose convening a meeting of the existing Joint Trade Committee at the soonest in the two-day session of the commission, beginning in Bangkok on November 4, officials said.

Foreign Minister Abdus Samad Azad, who leaves here Tuesday for the Thai capital, will lead the Bangladesh team to the JC meeting.

He returned home Sunday morning after attending the 75th founding anniversary of the Republic of Turkey.

Thai Foreign Minister Surin Pitsuwan will lead his country's team to the meet, sixth one of the Joint Commission, established in 1982. The last meeting was held in Dhaka in June 1994.

The two foreign ministers will review the entire spectrum of bilateral relations as well as regional and international issues of common concern, the officials said.

They said the JC would discuss the overall bilateral trade, paying special attention to a huge gap in the two-way trade.

In 1997, Bangladesh imported goods worth 135.86 million US dollars from Thailand and exported items valued a paltry 14.57 million US dollars to that country.

Bangladesh is likely to request Thailand to purchase more commodities from Bangladesh in a move to remove the imbalance in trade in phases.

The commodities that can be exported in larger quantity to Thailand from here include tea, jute goods, shrimps, frozen fish, crabs, tortoise, leather, jute yarn, twin and readymade gar-

ments. The two countries may discuss ways for increasing trade through private sector.

Matters relating to fish project and investment in Bangladesh will also come up for discussion in the JC meeting, the officials told APB.

The agenda for the meeting also include LPG (liquefied petroleum gas) project, maritime cooperation and civil aviation affairs.

The two foreign ministers are expected to exchange views on the areas of cooperation of BIMSTEC (Bangladesh-India-Myanmar-Sri Lanka-Thailand Economic Cooperation).

Azad will fly to Tokyo from Bangkok on November 6 for a six-day visit to Japan.

On way back home, the sources said, he will make a stopover in Yangon on November 11 to sign Land Boundary Treaty with Myanmar.

Business dialogue on privatisation tomorrow

A business dialogue on "Implications of Privatisation in the Context of Economic Globalisation" will be held at Hotel Sonargaon in city at 9 am tomorrow, reports UNB.

Finance Minister Shah A M S Kibria will be present as chief guest and Commerce and Industries Minister Tofael Ahmed as special guest.

International Chamber of Commerce (ICC) Bangladesh, the World Business Organisation, has organised the dialogue, to be participated by several leaders, parliamentarians, academicians, economists, legal experts, bureaucrats, business leaders and representatives of UN agencies.

It will emphasise on the urgency to accelerate the process of privatisation and thereby liberalise the economy making it responsive to the dynamic of globalisation.

'Hyundai-DPRK deals to spur economic ties'

SEOUL, Nov 2: President Kim Dae-jung expressed hope Monday that deals struck by South Korea's largest conglomerate with North Korea would spur economic exchanges and help ease tension on the peninsula, says AP.

Kim made the remarks after receiving a briefing from Chung Ju-yung, founder of the Hyundai group, on his just-concluded trip to North Korea, during which he discussed joint ventures in the isolated communist country.

During a five-day visit that ended Saturday, Chung met North Korean leader Kim Jong Il and won his support for a series of joint venture projects Hyundai is pushing in the North.

The deals include a 906 million dollar tourism project, a thermal power plant, assembly of automobiles and car audio systems, and building a gymnasium and an industrial park.

The tourism project allows Hyundai to send several thousand tourists a week for a five-day tour of Diamond Mountain, a major attraction on the Northeast coast, beginning on Nov 18.

Chung said financial and other details of all except the tourism project, gymnasium and car audio assembly plant remain to be worked out.

Hyundai plans to build the gymnasium in Pyongyang, the capital, and donate it to the North Korean government.

Air Lanka setting up advanced computer reservation system

COLOMBO, Nov 2: Sri Lanka's international carrier, Air Lanka, is setting up an advanced computer reservation system which will help it reach 39,000 reservation offices in 98 countries, an airline official said Monday, reports AP.

The airline, which sold 26 per cent of its shares last year to Emirates, the flagship of the United Arab Emirates, has signed an agreement with Galileo International to help set up the system, said airlines spokeswoman Munuela Motha. Galileo, based in Rosemont, Illinois, provides electronic distribution services for the travel industry.

Air Lanka's new system is to become operational in December.

Air Lanka flies to 26 destinations.



Model Emma B poses with the world's first platinum phone from NEC, during a photocall at Harrods store in London, Monday. The platinum DB2000 is priced at 10,000 pounds (US\$ 16,700), and with only ten being made they will be in short supply when they go on sale exclusively at Harrods. — AP/UNB photo

Post-flood rehabilitation BKB disburses Tk 304cr agri loan so far

About Tk 304 crore has so far been given to 2.5 lakh farmers as farm credits under the post-flood rehabilitation programme by the Bangladesh Krishi Bank, says APB.

More than 60 per cent of the targeted loan of Tk 1250 crore is expected to be disbursed by December," said a senior official of the bank.

Officials said the payout speed was satisfactory as necessary steps were taken to reach the crop credits to the doors of the farmers.

They said lending for crop cultivation had been made to some 1.75 lakh growers while some 75,000 farmers were given loan in the non-crop sector for buying bullocks and others.

"We are extending the credits targeting the rabi season when country's maximum crops are produced," said Fazlul Kabir, Assistant General Manager and Chief of Public Relations of the BKB.

To accelerate the credit programme, he said, some 650 extra booths have been set up in remote areas across the country.

According to the latest data, the agri-financing bank disbursed Tk 83.40 crore in Dhaka, Tk 97.44 crore in Chittagong, Tk 48.42 crore in Barisal, Tk 31.47 crore in Khulna and Tk 23.40 crore in Sylhet.

Officials, however, said necessary instructions had been given to branches to provide the farmers with loan according to the requirement.

They said many share-croppers were coming forward to take the agricultural credits this year as rules and regulations were simplified for them.

Credit-supervising teams have been working across the country to oversee the credit operations. A two-member team for each two branches will see transactions and settle any dispute on the spot for smooth conduct of the rehabilitation crusade.

SAARC workshop on agriculture told Technology transfer can ensure rapid growth

Transfer of technology to SAARC countries will facilitate modernisation of agriculture to improve the lot of millions of poor farmers in the region, reports APB.

Experts at a SAARC workshop on agriculture in the city yesterday underlined the need for technology transfer to ensure rapid economic growth in the countries of South Asia.

The quickest means for achieving that is a rapid transfer of important agricultural technologies and ensuring their application in the field, they said.

State Minister for Foreign Affairs Abul Hasan Chowdhury inaugurated the four-day "SAIC

Regional Workshop of Experts in SAARC Countries on Transfer of Technology in Agriculture" at BARC auditorium.

Welfare and prosperity of this region depend mainly on the scientific development of agriculture, he said urging the agriculture experts to devote all their wisdom, talent and energy for the wider diffusion of farm technologies.

He pointed out that economic growth and social development in the region largely depended on the development of agriculture which accounted for the livelihood of more than 80 per cent people in SAARC countries.

Japanese FM in Jakarta for talks on Asian crisis

JAKARTA, Nov 2: Japanese Foreign Minister Masahiko Komura arrived in Jakarta on Monday on a visit to discuss efforts to revive the region's battered economies, reports AP.

Komura was scheduled to hold talks Tuesday with President BJ Habibie and Foreign Minister Ali Alatas. He arrived in the Indonesian capital on a Japan Airlines flight from Tokyo, the Japanese embassy said.

Japan, though itself in recession, has been called on to lead the region to recovery from the worst economic crisis in decades. It has contributed to a multi-billion dollar bailout for Indonesia that was crafted by the International Monetary Fund.

Asian stocks close higher

HONG KONG, Nov 2: Asian stock markets closed higher across the board Monday, with prices surging in Tokyo on word of a possible alliance between two of Japan's largest banks, reports AP.

Tokyo's benchmark 225-issue Nikkei Stock Average rose 388.24 points, or 2.86 per cent, closing at 13,952.75. On Friday, the Average had fallen 104.21 points, or 0.76 per cent.

Traders said investors pushed up heavily weighted banking shares after Fuji Bank Ltd. and Dai-ichi Kangyo Bank Ltd. said Saturday that they may form a strategic alliance in Trust Banking operations.

Meanwhile, the US dollar was quoted at 115.70 yen in late afternoon, down 0.38 yen from late Friday in Tokyo and also below its New York level of 116.14 yen late Friday.

Singapore shares soared on expectations of interest rate cuts in the next few days, dealers said.

The Straits Times Index gained 58.52 points, or 4.9 per cent, to 1,273.14.

The spread between Singapore domestic interbank rates and prime lending rates has widened to more than four per-

centage points, putting pressure on banks to slash rates soon.

The prime lending rate currently stands at seven per cent after two recent 25 basis point cuts.

New Zealand share prices also closed sharply higher, with the key index posting its largest single-day points gain since April 1994 thanks to renewed overseas buying interest.

Brokers said the renewed interest was sparked by gains on regional markets Monday following a 97.07-point rise on Wall Street on Friday.

The NZSE-40 Capital Index surged 71.19 points, or 3.8 per cent, closing at 1,949.74. It was the largest single-session gain since 73.15 points on April 6, 1994.

Malaysian share prices surged 3.6 per cent as the trial of former deputy prime minister Anwar Ibrahim began in the High Court on corruption charges.

Dealers said Malaysian shares were buoyed by an influx of cash from government-linked investment funds as well as changes in market regulations.

at 419.78. Markets in the Philippines were closed for a holiday.

JAKARTA: Share prices closed higher on continued buying in some state-owned stocks. The Composite Index rose 6.428 points, or 2.1 per cent, to 307.19.

TAIPEI: Shares closed higher, boosted by the rise in the Taiwan currency against the US dollar. The market's key weighted Stock Price Index rose 52.11 points, or 0.7 per cent, to 7,218.09.

HONG KONG: Share prices closed little changed in moderate trading. The Hang Seng Index rose 15.14 points, or 0.1 per cent, closing at 10,170.08.

SYDNEY: Australian share prices closed higher for the sixth straight session, fuelled by speculation of a cut in interest rates. The All Ordinaries Index rose 25.2 points, or nearly 1 per cent, to 2,672.5.

BANGKOK: Thai share prices closed higher. The Stock Exchange of Thailand Index rose 3.64 points, or 1.0 per cent, to 334.93.

SEOUL: Share prices closed slightly higher. The Korea Composite Stock Price Index rose 1.17 points, or 0.2 per cent, to 404.61.



Mr Nazim U Chowdhury, Bangladesh Ambassador-designate to Turkey, at a meeting with the Chittagong Stock Exchange President Amir Khosru Mahmud Chowdhury, MP, during his visit to the CSE recently. Vice President M Salman Ispahani and Chief Executive Officer AGM Shamsul Kamal are also seen in the picture. — CSE photo