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**Malaysia holding talks with WB on \$700m loan**

KUALA LUMPUR, Nov 8: Malaysia is holding talks with the World Bank to secure a 700 million dollar loan from the institution, Malaysia's junior finance minister said Saturday, reports AP.

Malaysia obtained 300 million dollar in credit to finance rural development and social spending plans in July. But further disbursements have been delayed by the country's decision to impose some controls on the flow of capital in early September.

Talks on the releasing the remaining amount were held between Mustapa Mohamed, the junior finance minister, and visiting World Bank vice president Jean-Michel Severino.

"There's been some progress," Mustapa told reporters. "We're working on the details of this lending."

He stressed that the World Bank hadn't stopped the loans, because there hadn't been a definite agreement made to get further credit from the World Bank.

Mustapa also reiterated that Malaysia won't remove its capital controls until there is a significant commitment from the world's leading economies to curb destabilizing capital flows.

Prime Minister Mahathir Mohamad imposed the capital controls as part of his strategy to pull Malaysia out of its worst recession in more than a decade.

On Saturday Mahathir ruled out relaxing currency controls for fear that the move could expose Malaysia once again to speculative attacks by currency traders.

"As long as currency trading is not regulated by the international community and certain countries, there is no guarantee that currency traders would not return to stage another attack once they have overcome their present problems," he said.

**Padma Textile declares 25 pc dividend**

**Star Business Report**

Padma Textile Mills Ltd has declared a 25 per cent dividend for its shareholders for the year 1997.

The dividend was announced at the 14th Annual General Meeting of the company held at a city hotel yesterday with its chairman A S F Rahman presiding, says a press release.

In 1997, the total turnover of the company was Tk 1,753.42 million and it earned a profit of Tk 202.95 million. The turnover for the year increased by 18.19 per cent.

The Directors of the company Salman F Rahman, Marc G L Rachman of Commonwealth Development Corporation, C M Alam of IPDC of Bangladesh Ltd, M A Qasem and AB Siddiqui Rahman were present in the meeting.

The meeting was also attended by a large number of shareholders of the company.

**Beximco Textiles announces 5 pc dividend**

Beximco Textiles Limited declared a five per cent dividend for the year 1997 at its 4th annual general meeting at Sonargaon Hotel in the city yesterday, says a press release.

The company earned a gross profit and net profit of Tk 481.031 million and Tk 238.606 million respectively in the year 1997.

The meeting was presided over by A S F Rahman, Chairman of the Board of Directors. Salman F Rahman, Vice Chairman and directors Iqbal Ahmed, Marc G L Rachman, and Dr Nazmul Bari attended the meeting.

**Thailand to save foreign stake in govt banks**

BANGKOK, Nov 8: Thailand will offer foreigners who take a stake in three nationalised banks up to a seven-year guarantee on non-performing loans at those failed institutions, a newspaper said Tuesday, reports AP.

Kitti Patpong-pibul, deputy governor of the Bank of Thailand, said his bank would decide on a case-by-case basis whether to make guarantees to foreign investors in three banks, according to The Nation newspaper.

The government plans to sell three nationalised commercial lenders by the end of this year under the terms of a bank sector recapitalisation plan announced on Aug 14.

The sale comes in wake of the country's worst financial and economic crisis in modern times.

The guarantees would apply to foreign buyers taking a controlling stake in Bangkok Metropolitan Bank PCL, Siam City Bank PCL and Radhanasian Bank PCL.

Authorities have said as much as 75 per cent of each bank's shares could be sold to foreigners. Thus far, foreign investors have been slow to move in, fearing huge losses at the nationalised banks for the foreseeable future.

**Int'l price plunge shrinks shrimp exports**  
**Govt looks for a way out**

By Rafiq Hasan

The Commerce Ministry is looking for a way out of the situation created by the price fall of shrimps in the international market, which has hit the country's frozen food export badly.

According to sources, the ministry has taken the issue very seriously and has already asked the Export Promotion Bureau (EPB) to work out some measures for helping the exporters in facing the situation.

The bureau is collecting data from the exporters and will sit with the BFFEA leaders very soon.

The tumbling international prices have left shrimp exporters with over ten thousand tonnes of frozen food.

Currently, about 4,000 tonnes of frozen shrimp are waiting in the freezers for buyers, but the market is dull.

Exporters said Bangladesh usually exports shrimps worth between Tk 200 to 300 crore during September-October - the peak season.

But this year, only Tk 50 to 60 crore shrimps have been exported.

"As the international mar-

kets have seen prices fall, buyers are waiting for further cuts," one exporter said.

The price of a common variety shrimp in international market fell to US\$ 4.25 per pound from US\$ 6 earlier.

"If we can not export shrimps during the peak season the growth of the sector will come to a standstill," he added.

The price slump in the international market was attributed to bumper production and massive devaluation in some Southeast Asian countries.

"Massive devaluation of currencies made Southeast Asian products much cheaper," said Azizur Rahman of Asian Seafood and an executive body member of the BFFEA.

He said that Bangladesh was also expected to face a production shortfall of about 25 to 35 per cent this year.

This year the production of shrimp in the country is likely to be around 15,000 tonnes against last year's 25,000 tonnes.

BFFEA leaders said that

major exporting countries like Thailand, Philippines, Malaysia and Indonesia were dumping frozen foods to catch up with the Christmas sale in the European countries.

The shrimp sector has already been reeling under various problems including fallout from the recent devastating flood, EU import restrictions and dull international market.

This may force many fish processing plants out of business, industry sources said.

Fish processing plant owners fear that these reasons may force closure of 20 out of a total of 50 running processing units very soon. Seventy-three plants have already been closed in the last couple of years.

"It is very difficult to survive in such a situation because the sector has been facing series of disasters over the years," said Golam Mostafa, president of Bangladesh Frozen Food Exporters Association (BFFEA).

He said that the shrimp sector suffered from the devastating floods in 1988, 1995 and 1998 and the cyclone in 1991.

"The sector took yet another

bashing last year when the EC slapped a ban on shrimp imports to the European Union countries on the ground of poor hygienic conditions in and around the processing plants," Mostafa noted.

The ban was partly withdrawn six months later and only 17 companies, which complied with EU regulations, are now allowed to export shrimp to Europe.

Meanwhile, the government has sent a list of another 10 companies last week to be allowed to export shrimp to the European countries.

If the list is approved, the number of shrimp exporting companies to EU would be 27.

The 10 companies recommended by the government for EU approval are: Meghna Sea Food Limited, Sirajul Islam Trawlers Limited, Anraj Fish Products Ltd, Chowdhury and Company Bangladesh Ltd, Sea Foods Corporation of Chandpur, Sadullah Enterprise of Sunamganj, Oriental Sea Foods, Zemi Sea Foods and Delta Sea Foods in.

**US stocks end week in good shape**

NEW YORK, Nov 8: The Dow Jones index of 30 blue chips rose 4.46 per cent for the week on reassuring words from Federal Reserve Chairman Alan Greenspan, reports AFP.

The Dow closed at 8,975.46 Friday, up 383.36 points for the week and compared with a gain of 139.80 points last week.

The tech-heavy Nasdaq Exchange rose 85.17 points (4.8 per cent) to 1,856.56 for the week, that's up 77.53 points for the week.

On the bond market, interest rates on the Treasury Department's benchmark 30-year notes rose to 5.362 per cent Friday up from 5.143 per cent one week previously.

Wall Street ended the week in good shape, with investors appearing reassured by the results of Tuesday's US election in which Republicans did considerably worse than had been expected.

On Thursday, Federal Reserve Chairman Alan Greenspan calmed investors' fears by noting that there were signs of credit easing.

Greenspan's comments also pushed up the dollar, in particular against the yen. Gains

against the German mark were limited by the Bundesbank's decision to leave interest rates unchanged.

Greenspan told the US Securities Industry Association that "the current episode of investor fright will dissipate and yield spreads and liquidity premiums will soon fall into more normal ranges."

He added: "Indeed, we are already seeing signs of some significant reversals."

Traders next week will turn their attention to Brazil, which has been negotiating with the International Monetary Fund for a massive bailout package, said Ed Lavarnway, an analyst with First Albany Corp.

And traders have not forgotten Japan, where a mass of bad debt is weighing down the nation's banking system, he said.

Among the gainers for the week, JP Morgan closed at 104 up from 94 a week ago, and Merck closed at 144.15/16 up from 135-1/4.

Citigroup was among the most stable stocks, at 46, even though the surprise departure of a top executive on Sunday temporarily pushed down the stock price.

**China lays off 450,000 textiles workers**

BEIJING, Nov 8: China's deep-cutting reforms of its outdated textiles sector have resulted in the lay-off of 450,000 people, the official Xinhua news agency reported yesterday, says AFP.

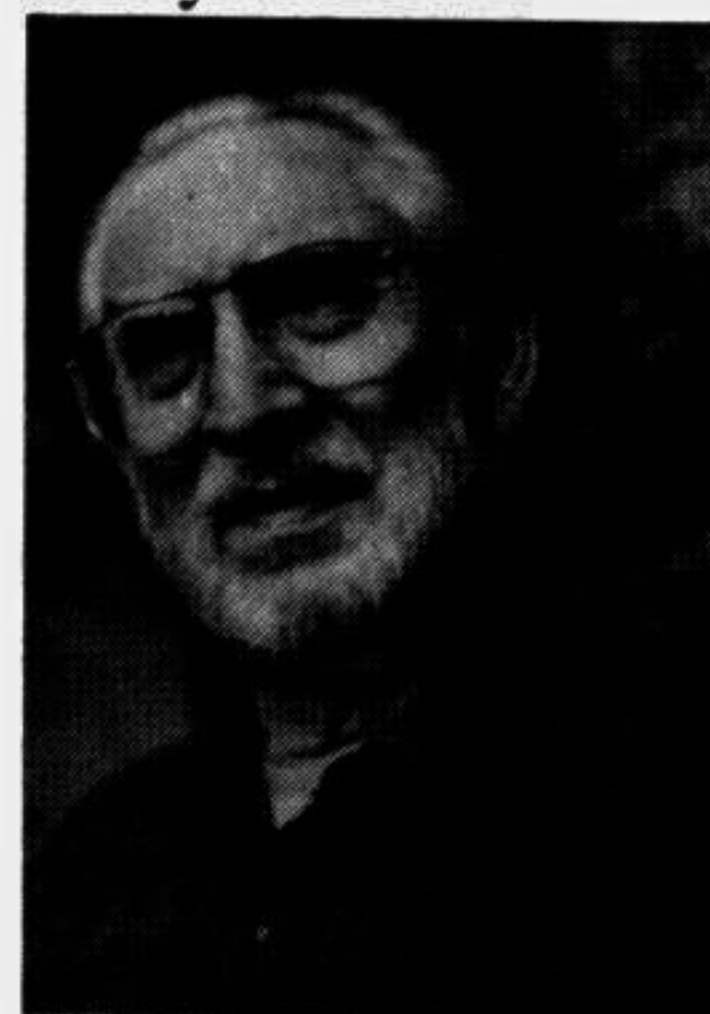
By October 15, China had reduced 4.32 million spindles, which accounts for 90 per cent of the planned workload, while 450,000 workers, or 75 per cent of the planned number, had been laid off, Xinhua said quoting Du Yuzhou, chief of the state textile industry bureau.

"The oversupplied domestic market and difficulties in export as the result of the Asian financial crisis, forced the producers to choose to eliminate some spindles and receive government subsidies that encourage the cuts," Du said.

China plans to reduce a total of 10 million outdated spindles in three years, and lay off 1.2 million workers to drag the textile industry — which has been losing money since 1993 — out of the red.

The report did not indicate of the laid off textiles workers had found other employment.

**UK management trainer due in city on Nov 11**



An eminent consultant and trainer from England, Sidney Callis will arrive here on November 11, says a press release.

Invited by Rapport Bangladesh Limited, Callis will be the principal trainer of two workshops on "time management" and "effective writing for business" organised by Rapport Bangladesh Limited at Pan Pacific Sonargaon Hotel and Dhaka Club on November 12 and 13 respectively.

A BSc (Hons) graduate in Economics from the University of London, Callis is also a Chartered Accountant (FCA). He is a Fellow of the Institute of Personnel and Development (UK) and Association of Business Executive (UK).

He held many important positions in prestigious companies like Buckingham Consulting Group, Ernst & Whinney, PA Management Consultants, and Thamaasani University, Bangkok.

He conducts training programmes on management topics.

**Bid to weather economic crisis**  
**ROK workers demand speedy reforms**

SEOUL, Nov 8: Some 30,000 workers, farmers and students marched in Seoul Sunday, demanding speedy reforms to overcome South Korea's prolonged economic crisis, reports AP.

"It's one year since the economic crisis began but the situation has not improved much," protesters said in a statement before starting the 2-kilometer (1.25-mile) march in southern Seoul.

More than 10,000 riot police were deployed for possible violence, but there were no reports of arrests or clashes.

The march began after a "people's rally" on a riverbank, during which participants strongly criticised what they felt was a lack of progress in resolving South Korea's economic

crisis.

Organisers of the rally, representing 60 labour and civic groups, demanded, among other things, that the government disband the nation's bloated, debt-ridden conglomerates and increase financial assistance for the unemployed.

"The lives of workers are becoming more and more impoverished while company heads and government officials who are responsible for the crisis have not been properly punished," they said in the statement.

South Korea's family-controlled chaebol, or conglomerates, have come under public criticism for their heavy borrowing to expand business, which experts say is partly responsible for the country's economic crisis.



Tens of thousands of South Korean workers hold flags of their company unions during a rally urging the government to carry out reforms "in the right direction" at Seoul's Yeido business district Sunday. — AP/UNB photo

**Fund sought for starting computer courses in technological instts**

Star Business Report

Former adviser to the caretaker government Prof Jamilur Reza Chowdhury yesterday sought funding support from the government to start computer courses in technological institutes.

"Four BITs and 20 polytechnic institutions are likely to begin computer courses, but they are faced with fund constraints," said Prof Chowdhury at the inaugural ceremony of IIT Bangladesh, a joint venture between two computer companies — CMC India and IOE of Bangladesh.

International Office Equipment (IOE) teaming up with CMC is going to launch an international standard IT education and training facility called Institute of Information Technology (IIT), Bangladesh.

IIT would have an initial capacity to train 1500 IT profes-

sionals every year.

Prof Chowdhury, who is also the chairman of the Committee on Software Export and Export Data Processing Services under the Ministry of Commerce, welcomed computer tax exemption.

Finance Minister SAMS Kibria while inaugurating the ceremony underscored the need for setting up IT training facilities in every district of the country for developing skilled manpower to facilitate software export.

"We have set a goal to develop and export software. With this in view, we have exempted VAT and taxes on computer imports," Kibria said.

"I am happy to note that the beginning of IIT shows a significant development in the export of software from Bangladesh," Kibria said. "But computer training facilities

should not be confined to Dhaka and Chittagong only."

Chairman of IIT Bangladesh Aftabul Islam said that the government had fulfilled its promises by waiving taxes on computers. "Now it's up to the private sector to fulfill our promise to export software."

"This capacity would be increased in the future as we have plans to go for country-wide expansion," he said.

The IIT is expected to begin its operation in the last week of the month, he said.

CMC Chairman and MD SS Gosh said that the sub-continent offered huge software developing potentials at cheaper prices.

"Like garments, software business also offers tremendous export opportunities for Bangladesh," he added.

**American Airlines announces major cuts in its fleet**

FORT WORTH, Texas, Nov 8: American Airlines yesterday announced major cuts in the growth of its fleet and said it would postpone some previously announced flights in the face of a weakening global economy, says AFP.

"While we continue to see 1999 as a year of growth, we have revised our plans to reflect changing global economic conditions," said Gerard Arpey, Chief Financial Officer at American Airlines.

He said in a statement that while the company would take delivery of 45 new Boeing aircraft but would retire eight DC 10-10 and two Boeing 727-200 planes several years earlier than planned.

In all, 16 planes will be taken out of the service next year.

The company said the 10 additional retirements will save 40 million dollars in the next three years in maintenance and modification costs.

In addition, the carrier will defer some previously announced international services, including Chicago-Moscow, Chicago-Amsterdam and non-stop Chicago-Asuncion.

Plans for Boston-Tokyo and New York-Tokyo flights will also be postponed because of a lack of slots at Narita Airport.

The changes will have no impact on employment levels, according to the company.



Md Sheikh Wahiduzzaman, Secretary of the Export Promotion Bureau, and Abul Fazal Mahmud, Deputy General Manager of Janata Bank, sign a memorandum of understanding Sunday between the two organisations at JB head office in respect of sanctioning working capital to data processing software exporters. AB Chowdhury, Vice Chairman of EPB, and M A Hashem, Managing Director of Janata Bank, were also present on the occasion along with executives of the bank and the bureau. — Janata Bank photo

**Business without needed permission**  
**Natore hotel owners depriving govt of huge revenues**

NATORE, Nov 8: The government is being deprived of substantial revenues as some residential hotel owners here are running their business without obtaining required permission from the authorities, says APB.

Government rules have it that one has to obtain health and police clearances and a municipal trade licence at first to run a residential hotel.

Thereafter, permissions are required from the district administration and a licence from the Ministry of Tourism.

Many of the hotels in the town, however, do not have any such approval or licence, sources said. As many as four such hotels have been opened at the Station Road area here recently.

These hotels are unwholesome and the rooms for boarders are not spacious enough for one to stay comfortably, sources informed.

Natore Boarding, Adarsha Boarding, Raj Hotel, Uttara Motel, Ruksana Hotel, Hasina Hotel and Crescent Hotel, which have been running their business without legal papers, fall in this category, they said.

As per rule, a residential hotel needs to have a minimum of eight rooms to run it on a commercial basis. Most of them have rooms more than the requirement, but they never care to obtain any permission from the authorities.

Minimum health standards are not being maintained, but, the authorities concerned do not seem to care the least, the sources complained.



Zafar Ahmed Chowdhury, Chairman of UCBL, addresses a function at Chittagong Club arranged for according him a reception on his being elected member of the FBCCI Executive Committee. — UCBL photo

**UCBL chairman accorded reception**

**Star Business Report**

Zafar Ahmed Chowdhury, Chairman of United Commercial Bank Ltd (UCBL), was accorded a reception by the executives, officers and employees of the bank on his being elected Member of Executive Committee of the FBCCI at a function held at Chittagong Club, says a press release issued in city yesterday.

Al-haj A B M Mohiuddin Chowdhury, Mayor of the Chittagong City Corporation, who attended the reception as chief guest felicitated Zafar Ahmed Chowdhury and hoped that the newly-elected FBCCI members would continue to dedicate their services for the development of trade, commerce and industrial sector of the country.

Presided over by KC Rezaul Huq, President and Managing Director of the bank, the meeting was also addressed by Directors Md Jahangir Alam Khan, Sabir Ahmed and Nuruddin Javed, while Deputy Managing Director Hamidul Huq delivered the address of welcome.

**Indian Stocks Forecast**

**Prices to see moderate rises this week**

BOMBAY, Nov 8: Indian shares are expected to rise moderately this week from current low price levels, but market sentiment could remain subdued on domestic concerns, brokers said Saturday, reports AFP.

The 30-share Bombay Stock Exchange (BSE) sensitive index was up 71.88 points, or 2.6 per cent, to 2,884.37 points at close of trade Friday over the previous week's close.

The National Index, tracking 100 shares, was up 22.44 points, or 1.8 per cent, to 1,283.22 points at close of Friday over the previous week.

The moderate rally seen towards the close of this week is expected to continue next week as well but there will be no major surge," said Ajit Ambani, a broker.

Ambani selling pressure was expected to come in at higher price levels.

"Both buying and selling are likely to be more or less balanced next week," he said.

Broker Lashit Sanghvi said: "A short term rally is expected next week as selling pressure seems to have tapered off, otherwise the fundamentals continue to be as gloomy as before."

"The only attraction is the low prices of most scrips."

Brokers said concerns over the two-year-old economic slowdown and the health of the giant, state-owned mutual fund Unit Trust of India (UTI) continued to worry the market.

UTI, the country's largest mutual fund and the biggest investor on the stock markets, recently declared a negative balance in the reserves of its flagship scheme, which yields the equivalent of 5.5 billion dollars.

"We do not yet see any economic revival on the horizon and the government has not yet set out a credible plan to sort out UTI's troubles," said Sanghvi.

"Compared to the rest of Asia we are in a bad state. Last month our stock markets performed the worst among all emerging markets, there is no significant return of investor confidence," he said.

In trade this week, Associated Cement shares rose 27.50 rupees to 946.50 rupees. Glaxo was up 38.25 rupees to 515.50 rupees and Reliance Industries increased by 9.90 rupees to 119.60 rupees.

The state-run State Bank of India lost 0.40 rupees to 155.20 rupees. TATA Engineering moved up by 14 rupees to 126.90 rupees, while TATA Steel rose 5.70 rupees to 86.70 rupees.

**BB T-bill auction held**

The 10th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year Treasury Bills were held yesterday, reports UNB.

Fifty-two bids for a total of Tk 763.50 crore, one bid for Tk 5 crore, 3 bids for a total of Tk 13 crore, 17 bids for Tk 206 crore and one bid for Tk 3 crore were offered for the 28-day, 91-day 364-day, 2-year and 5-year bills respectively.