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DHAKA, THURSDAY, NOVEMBER 12, 1998

Fall-out of hartal

City business hub takes a nap

By Rafiq Hasan

Motijheel, the busy commercial hub of the country, wore a spooky look during the last three days.

The busy roads were empty, the behemoths of concrete buildings stood silent like dead serpents, enough to remind one of a ghost town. All these gloominess spoke of the impact hartal had on businesses.

It was past noon yesterday. Around a dozen armed police were guarding a foreign bank near the Shapla Square at Motijheel.

The front gate shutter of the bank was pulled down and perfectly locked. Just a few yards away, a boy at a small cigarette shop informed this correspondent that the building had a backdoor, but outsiders were not allowed to use it.

The security guard at the back door would not let anybody through this door.

But after repeated requests, the private security guard led

this correspondent to a room where a few officers were passing their time gossiping.

"The bank is officially closed, but we came here to spend our time and do some pending work," one official said.

"The business world has been shut down for three days now and payments, remittances, opening of L/Cs and shipment of goods are all closed," one of them said.

All sorts of banking transactions remained closed from Monday through Wednesday last as a non-stop countrywide strike was in force.

Bank officials informed this correspondent that there had been huge money withdrawals at the advent of the hartal as people wanted to have enough cash in their hands while transactions remained suspended.

No foreign staff of the bank came to the office on hartal

days. There is an office order saying, "if you want to come to the office, you can. But we will not be responsible if any untoward incident happens to you."

The situation was the same for most offices and business houses located in the country's business centre during the three-day shutdown.

The main gates of the private and commercial offices remained closed. But few officers and workers entered inside through backdoors to finish pending works.

The gates of government banks and offices were kept open amid tight security measures.

Dozens of police personnel were deployed in front of the Sonali Bank Head Office, Bangladesh Bank, Bangladesh Shilpa Rin Sangstha, Dhaka Stock Exchange, Standard Chartered Bank, American Express Bank and Credit Agricole

Indosuez.

Transactions at the government banks were about 70 per cent less on hartal days than that of a normal banking day, said a high official with a government commercial bank.

Only Tk 4 lakh was transacted yesterday through a cash counter of Sonali Bank's local office branch at its Head Office while it used to be above Tk 50 lakh on normal days.

The officer at the counter said that transactions were very low because people did not dare to carry money during hartal hours.

A receptionist at the multi-storied Sena Kalyan Sangstha Bhaban said most of the private offices located in the building were open and people came as usual.

The main gate of the Bhaban was, however, closed and people were forced to use a back door. Cars were parked inside the

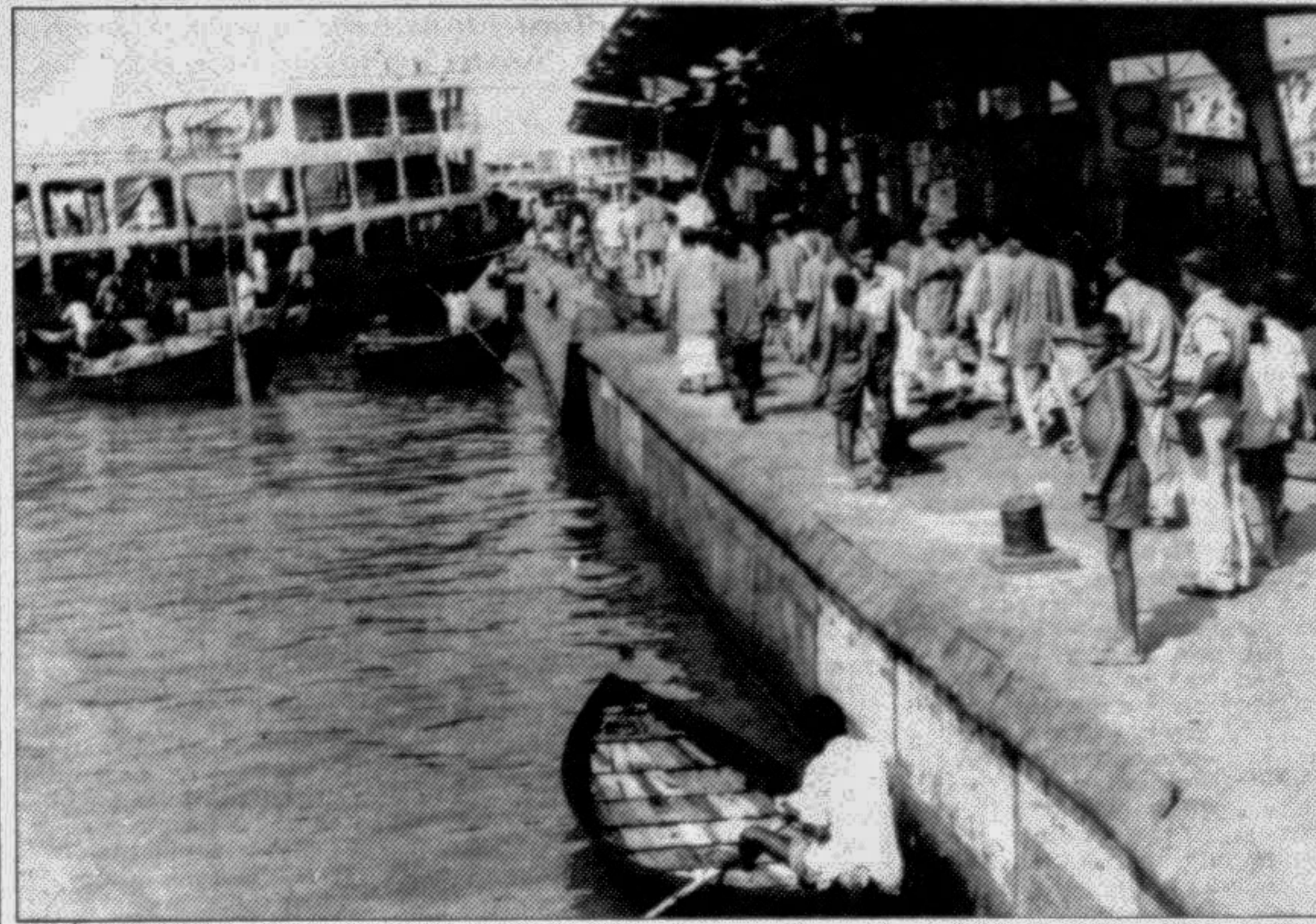
building premises as officials left their vehicles behind and came by rickshaws and other vehicles.

Few buses including some double-deckers of Bangladesh Road Transport Corporation (BRTC) carried the office-goers, but many passengers preferred rickshaws fearing attacks on motorised vehicles.

An elderly person working at a chamber office could not go to his workplace in the first two days of hartal, but came yesterday as he was feeling bored at home.

"I came by a BRTC bus, but I was always afraid of picketers," the chamber official said.

Syeda Sharmin Jahan, a junior executive of City Insurance Company, also came to office on a rickshaw from the Elephant Road. 80 per cent of the workers and employees of the bank's Motijheel branch attended the office during hartal, but there was no work.



AN UNUSUAL SADARGHAT SCENE: The river port on the outskirts of the city, which always makes one visualise a cluttered up place with launches ready to sail to all directions, assumed an empty look on the final day of the opposition-enforced hartal yesterday. Some passengers came to the port though, only to find the launches moored elsewhere.

ECNEC okays Tk 959 cr projects

The Executive Committee of National Economic Council (ECNEC) yesterday approved seven projects at an estimated cost of Tk 958.74 crore, including a project aid component of Tk 125.50 crore, reports UNB.

The approval was given at a meeting of ECNEC with Prime Minister Sheikh Hasina at the cabinet.

The projects are: Renovation and development of damaged roads in Dhaka Metropolitan City at a cost of Tk 19.66 crore, greater Jessore district infrastructure development project at a cost of Tk 152.00 crore, physical infrastructure development of nine regional Cooperative Training Institutes (amended) at a cost of Tk 15.95 crore, re-excavation of the Gorai river (amended) at a cost of Tk 223.75 crore, Food for Education Programme involving Tk 499.07 crore, modernisation of Bangladesh Police Hospital at a cost of Tk 30.00 crore and setting up of a 10-kilowatt medium wave full-bridged Radio Station at Bandarban.

Concerned ministers, Principal Secretary to the Prime Minister, concerned secretaries and senior officials attended.

Japan to unveil Asia recovery plan at APEC summit

TOKYO, Nov 11: Japan will unveil a new recovery plan for turmoil-struck Asia at the Asia-Pacific Economic Cooperation (APEC) summit in Kuala Lumpur, a spokesman for the premier said today, reports AFP.

The Asian economic and financial crisis was the top priority for the November 12-18 meetings, said Prime Minister Keizo Obuchi's Deputy Press Secretary, Akitaka Saiki.

Referring to "Asian regional cooperation," he said Tokyo had "some plans which we have in the pocket... This new plan will be discussed and disclosed in Kuala Lumpur."

Obuchi would tell Asia-Pacific leaders that "Japan is determined to recover its own economy first of all and try to play a leadership role in Asian economic situation," Saiki told a foreign media briefing.

He did not provide further details of the plan, which would complement Finance Minister

Kiichi Miyazawa's announcement last month of a 30 billion dollar package for crisis-hit Asian nations.

Casting the economic storm as the main theme for APEC, Saiki fought back against criticism of Japan's refusal to join region-wide tariff cuts in forestry and fisheries products during the meetings.

Japan has refused to budget on demands by the United States, Australia and other nations for early liberalisation in the two sectors in APEC, and Saiki said Tokyo had found support from some APEC members.

"Up to date, we have been receiving some very positive signals from some of the member governments supporting the Japanese position. So I don't think we are going to be isolated," he said.

APEC is calling for the elimination of tariffs by the end of 2005 in the fisheries sector and even earlier for such products

as wood, furniture, pulp, paper and printed products.

But Tokyo says the tariff matter should only be discussed at the World Trade Organisation.

Saiki warned other countries against trying to isolate Japan within APEC. "I don't know whether this isolation tactic is going to work, tactics adopted by some member governments," he said.

While Japan was ready to be flexible, "there will be no unilateral concession on any item of discussion," the premier's spokesman said, stressing that the APEC tariff cut plans were voluntary.

"Voluntary is the key word for the discussion," he added.

"In Kuala Lumpur next week we shall advocate for a voluntary nature of the market-opening efforts by member states."

International Trade and Industry Minister Kaoru Yosano, however, indicated intense criticism could force Japan to reconsider its stance at the APEC meeting.

There "may be an occasion" requiring him to seek fresh orders from the premier, said Yosano, who leaves Thursday for Malaysia where he will attend a ministerial segment of APEC before the leaders meeting.

The APEC meetings would not be "all about trade liberalisation," Saiki said, stressing that other key topics included the Asian crisis, and discussion of possible regulations on short-term capital movements.

On the sidelines of APEC, Japan's premier would meet his Malaysian host Prime Minister Mahathir Mohamad next week, Saiki added, despite global concern over the trial of ousted Deputy Premier Anwar Ibrahim.

"What is happening in Malaysia is a domestic issue and no foreign leader has a right to intervene in a domestic matter," Saiki said. This did not indicate a lack of concern by Obuchi, he said.

US President Bill Clinton and Canadian Prime Minister Jean Chretien have declined traditional one-on-one meetings with Mahathir due to Anwar's treatment.

UK unemployment rate unchanged at 4.6 pc

LONDON, Nov 11: Britain's unemployment rate remained unchanged at 4.6 per cent of the active population in October, government figures showed today, reports AFP.

The number of people claiming unemployment benefits rose 6,800 to 1,319 million people but the rate remained unaffected, the Office for National Statistics said.

When calculated on a three-monthly basis using methods set by the International Labour Organisation, the number of jobless rose 3,000 to 1,804 million people in the three months to September.

The study stressed the financial assistance should be earmarked for poor countries that are nonetheless soundly managed of which the bank says there are now 32.

If aid flows to well-run economies were increased by 10 billion dollars a year, an extra 25 million people could escape poverty. But in contrast, the same increase allocated across the board would lift only seven million people out of poverty, according to the Bank.

While nearly two billion people live in poverty in countries where move foreign aid could improve living standards, overall assistance had plunged to a paltry 0.22 per cent of the



A worker prepares a sign outside the media centre of the Asia Pacific Economic Cooperation (APEC) summit in Kuala Lumpur Wednesday. The summit which starts Saturday, will bring together the leaders of 21 Pacific rim nations to discuss the current Asian economic crisis and global economic issues.

US urges Japan to carry out banking reform

WASHINGTON, Nov 11: US President Bill Clinton Tuesday again urged Japan to move quickly to carry out banking reform, spur domestic growth and open its markets to help revive economies throughout Asia, reports Xinhua.

Speaking at a 'town hall' meeting on trade, Clinton told students and business executives that restoring growth to Japan was critical to the entire Asia-Pacific region.

"We will work on speeding the economic recovery in Asia, strengthening the social safety net, helping companies there to restructure their debt so they can emerge from the crushing burdens they face," Clinton said.

The US President is scheduled to leave Washington on Saturday to attend the November 17-18 summit of leaders from the 18-member Asia-Pacific Economic Cooperation (APEC) group in Kuala Lumpur.

Kushtia Sugar Mills starts crushing

KUSHTIA, Nov 11: Sugar crushing season of Kushtia Sugar Mills for 1998-99 year was inaugurated on Friday by two elderly sugarcane growers, reports UNB.

Managing Director of the mills, General Managers Agriculture and Finance, President and General Secretary of Sramik Karmachari Union were present on the occasion.

Speaking on the occasion, the MD said 2.10 lakh mts of sugarcane will be crushed and the target of production this season has been fixed at 16,800 mts.

Inflation in Turkey slows

ANKARA, Nov 11: Consumer prices rose 76.4 per cent in Turkey in the past year, indicating a slowing in the rate of inflation, the State Statistical Institute said yesterday, reports AFP.

Wholesale prices rose 62 per cent in the same period from November 1997 to October 1998, the institute said.

In January inflation over the previous year stood at 101.6 per cent for consumer prices and 92.5 per cent for wholesale prices.

In October consumer prices rose 6.1 per cent, down from 6.7 per cent the previous month and 7.3 per cent in September 1997, for wholesale prices the rises were 4.1 per cent, 5.3 per cent and 6.3 per cent respectively.

WB decries steady decline in aid to poor states

WASHINGTON, Nov 11: The World Bank yesterday decried a steady decline in foreign aid to poor countries now down to its lowest point in more than 50 years and said even a modest increase in assistance could lift 25 million people out of poverty, reports AFP.

A Bank report assessing aid found that while more and more developing countries were now pursuing sound economic policies they were getting markedly less help from rich nations.

It is ironic and tragic that the volume of aid is declining just as the environment for effective aid is improving, said David Dollar, a World Bank economist and lead author of

the study.

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While nearly two billion people live in poverty in countries where move foreign aid could improve living standards, overall assistance had plunged to a paltry 0.22 per cent of the

gross domestic product (GDP) of major donor countries' more.

Financial aid from rich to poor nations is now a third lower than it was in 1990.

Among the least generous according to the bank study, is the United States, where aid was a mere 0.08 per cent of gross national product (GNP) in 1997.

It said Sweden and other Nordic countries have traditionally given nearly one per cent of GNP, while among large countries only France commits more 0.45 per cent to foreign aid.

World Bank chief economist Joseph Stiglitz attributed the slump in aid to expanding budget shortfalls in certain donor nations.

A euro week for UK town

ROTHERHAM, (Northern England), Nov 11: Shoppers, retailers and businesses in this town in South Yorkshire adopted the euro for a week despite the fact that it has not yet been launched and that Britain will not even be part of the euro zone when it does appear, reports AFP.

Thousands of euro banknotes were distributed in the town to shoppers who could cash them in for discounts in certain stores, where prices were marked in euros and cents as well as pounds and pence.

The labour politicians for Rotherham, Denis Macshane, said the drive for the euro week comes from Rotherham firms. They know that as of January 1, British Steel, the town's biggest employer, will start invoicing and even paying in euros.

The president of the Rotherham Chamber of Commerce, Julie Kenny, said "We want to show Britain and Europe that business in Rotherham is ready for trade in euros. The new currency will be operational on January 1 and we want to start making money in euros as soon as possible."

She added: "My firm exports 40 per cent of its output to Europe, we need to be euro ready and euro friendly if we are to keep winning orders."

The euro awareness campaign in Rotherham is backed by British Steel, a leading advocate of British membership of Economic and Monetary Union (EMU), and other local companies.

Eleven countries will adopt the euro in January, Austria, Belgium, Germany, Finland, France, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain.

Britain has ruled out joining EMU during the term of the current parliament, which runs to mid 2002 at the latest.

Equity dearth keeps women entrepreneurs at bay

Star Business Report

At least eleven factors including the lack of equity and collateral facilities throttle the development of women entrepreneurship in the country.

A research study conducted by Shoab Ahmed, Managing Director of Bangladesh Krishi Bank (BKB), identified the factors while assessing the role of women entrepreneurship in the development of national economy.

The findings of the paper were presented at a seminar recently.

The factors also include least attention in the industrial investment policy, complicated and time-consuming lending procedures, lack of awareness about institutional credit and other facilities among potential women entrepreneurs, inadequate financial support to set up and run project and absence of adequate marketing facilities.

"Women entrepreneurs often face tax assessment problems which they find a bit pesky and sometimes tough to solve. This discourages them to set up new projects to a great extent," the paper said.

Identifying the factors as hurdles for development of women entrepreneurship in the country, Shoab Ahmed further said that "very little importance was given and a scanty amount of money was spent on its development."

Besides, he said, "most of the interested entrepreneurs face multiple problems in taking their projects up to the final stage of production."

While focusing on the role played by Bangladesh Krishi Bank in developing women entrepreneurship, Shoab Ahmed said that the bank had so far provided loan facilities to 66,098 women.

The total loan amounting Tk 81.19 crore was disbursed under three separate projects -- Tk 63.08 crore for Rural Women Employment Creation Project, Tk 6.14 crore for Rural Poor and Destitute Craftsman Development Creation Project and Tk 11.97 crore for Women Entrepreneurship Development Project.

The bank has already recovered as much as Tk 62.84 crore till June 30, this year.

According to a study paper, the recovery rates against those projects were 92, 83 and 70 per cent respectively.

The Rural Women Employment Creation Project was carried out in only 12 thanas of the country and its recovery rate, which was found to be at 90 per cent, earned appreciation from different quarters.

In some thanas, namely Dumira and Sreemongal, the recovery rates were hundred per cent.

In another paper, Zulfia Asaf, Director, Education and Development of Sonargaon Hotel noted that though women constituted about 49 per cent of

the country's total population, their participation and status were much lower than that of men.

"The traditional socio-cultural practices limit their access to education, skill development, employment and participation in the country's overall development process," she said.

Hotel business is developing very fast in Bangladesh, but this sector too is reeling under gender inequity.

Citing examples, she said that there were only four women pilots, 33 officers and 251 cabin crew in Bangladesh Biman, Bangladesh Parjatan Corporation, the lone government agency for the development of the country's tourism industry, has 68 employees whereas Sonargaon Hotel and Sheraton are run with 55 and

50 women employees respectively.

She pointed out several measures which should be taken for increasing the participation of womenfolk in this sector.

The measures include government support for setting up low-cost training institutes for women, preference during recruitment, promoting women to higher positions depending on their professional skills, ensuring security while at work and flexible working hours for women.

She further suggested that financial institutions should give support to women entrepreneurs in establishing baby care and child care nursing homes and poly clinics for ensuring better health services and well-being of the mother and child.

Revenue workers' strike Indian export badly hit

NEW DELHI, Nov 11: A nationwide strike by 100,000 revenue workers threw exports into chaos Wednesday and businessmen warned of an industrial shutdown in an economy already struggling with a slump, reports AP.

The strike for higher wages by officers and other employees of customs and tax departments began Tuesday, and its organisers vowed to remain off work indefinitely if their demands were not met by Thursday.

Trade-related operations were paralysed at international airports, cargo depots and ports across the country on the first day, Wednesday's newspapers said.

"It will have a tremendously damaging impact," said M. Roy, a director with the Confederation of Indian Industry. "Imports and exports will come to a grinding halt."

The Federation of Indian Export Organisations said the strike could send shock waves through India's economy, which faced negative growth in the first six months of this fiscal year.

The economic losses on the first three days of the strike were projected at five billion rupees (\$120 million), FIEO president Ramu Deora said.

But federal Commerce Minister Ramakrishna Hedge struck an optimistic note Wednesday, saying exports were set to go by 15 per cent this year despite the slump. He promised new policies to spur exports further.

"I'm not a person to give up hope," Hedge told reporters during a meeting of an Indo-Kenyan joint business council.

But the government's own estimates do not support Hedge's optimism.

India's provisional trade

deficit widened to \$5 billion during April-September, the first half of the fiscal year ending March 31, compared with \$2.5 billion in the same period a year earlier, the Commerce Ministry said last week.

Exports fell 4.9 per cent to \$2.8 billion in September, the latest month reported, from \$2.9 billion in September 1997. Imports for the same month rose more than 20 per cent, according to government estimates.

"At a time when the industry is already facing a slowdown, strikes will only add to the difficulties," CII's Roy said.

"The exporters would not be in a position to meet the deadlines and would suffer on account of cancellation of orders meant for the Christmas season," Deora said.

"The country's prestige as a dependable and reliable supplier would be jeopardized," he added.

Lucent signs \$108m Irish telecom deal

NEW YORK, Nov 11: Lucent Technologies Inc has signed a five year 108 million dollar contract with a joint venture of British Telecommunications PLC and the Electricity Supply Board of Ireland to provide a voice and data services network in Ireland, says AP.

Lucent, a huge maker of telecommunications equipment, said Thursday that the network will link the cities of Dublin, Belfast, Cork, Limerick, Galway and Waterford.

The joint venture, called Ocean, is based in Dublin. It employs 100 people, but that number is expected to double

Ukraine's national debt reaches \$14.9b

KIEV, Nov 11: Ukraine's national debts reached 14.9 billion US dollars by the end of September, amounting to 48.4 per cent of the country's gross domestic product (GDP) in the period, reports Xinhua.

This was announced by Minister for Finance Lgor Michukov in a speech to the parliament Tuesday.

According to the minister, foreign debts stood at 10.9 billion dollars and internal debts at 3.9 billion dollars.

However, he said that there is a slim possibility for his country to encounter a debt crisis in the foreseeable future.