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The Daily Star BUSINESS

DHAKA, THURSDAY, NOVEMBER 19, 1998

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JS body on labour meets

A meeting of the Parliamentary Standing Committee on the Ministry of Labour and Employment yesterday suggested creating technical training facilities in the country's Vocational Training Institutes, reports UNB.

The meeting, chaired by committee president Abdul Latif Mirza at the Sangsad Bhaban, also discussed various ways and means of manpower export in government management and widening the scope of employment opportunity abroad.

It laid emphasis on development of technical and English language skill of the workers, formulation of the training programme and its implementation for achieving the desired goal of manpower export.

Committee members Labour and Employment Minister MA Mannan, Shahajan Khan, Al-Sar Uddin, Ahmed Khan, Fazlur Rahman Khan, Noor Mohammad Mondol and Alamgir Haider Khan attended the meeting.

Food festival begins at Abakash

A month-long Winter Food Festival '98 comprising exotic taste of incomparable Bangladeshi and western foods was opened at the Hotel Abakash in the capital yesterday.

Civil Aviation and Tourism Minister Eng Mosharraf Hossain inaugurated the festival organised by Bangladesh Parjatan Corporation, said a press release.

Main attractions of the festival are: Mughlai-Tanduri food festival on November 18-23, Thai-Szu-Chuan food festival on November 24-29, Bangladeshi food festival on November 30 to December 5, Italian food festival on December 6-11 and Vegetable food festival on December 12-17.

The restaurant will remain open from 12 noon to 3 pm for lunch and 6 to 10.30 pm for dinner.

Price per person is Tk 400 for adult and Tk 275 for children under 12-year-age plus 10 per cent service charge.

MIDAS trade fair opens today

Star Business Report
Micro Industries Development Assistance and Services (MIDAS) has organised a three-day trade fair today at MIDAS premises in the city to promote the marketing of the products produced by women entrepreneurs, says a press release.

The fair will remain open from 3 pm to 7 pm on November 19 and from 10 am to 7 pm on November 20 and 21. About 50 enterprises sponsored by women entrepreneurs will participate in the fair. A wide variety of traditional and non-traditional items will be offered for sale and display.

EU can serve as model for world, says Santer

PARIS, Nov 18: The European Union can serve as a model for the world as it strives to create new rules to govern the international economy, European Commission President Jacques Santer said here, reports Reuters.

Reflecting growing assertiveness in response to an international financial crisis it sees as caused by uncontrolled globalisation, Santer said Europe's experience with cross-border regulation could help the world avoid new problems.

"The bottom line is that Europe tried and succeeded at an experiment in globalisation on a continental level," Santer told a conference on the law and globalisation.

"Europe can and must claim a stabilising role," he said. "It has a unique experience in the areas of liberalisation and supranational regulation."

He said EU's tough surveillance of its economies, its regime of completely free capital flows coupled with a single market for financial services and its common policies on trade, competition and environment were, clear successes.

He also cited the European model of society, with its ordered approach to economic liberalisation.

MCB opens booth in city

A booth of Muslim Commercial Bank (MCB) was inaugurated in the city yesterday to extend its services further, reports APB.

Pakistani High Commissioner Karim Illahi, formally opened the booth at AR Tower, 24 Kemal Ataturk Road, Banani yesterday.

Bangladesh operation of the Pakistani bank now comprises of two corporate branches in Dhaka and Chittagong and one booth, offering a broad range of banking services, said a press release.

MCB Country General Manager Ahmed Karim, officials from Pakistani High Commission and businessmen were present.

Tofail informs JS

Exports miss first quarter target

Commerce Minister Tofail Ahmed yesterday informed Parliament that the country's export target could not be achieved during the first three months (July-September) of the current fiscal year, reports UNB.

Export was 5.58 per cent higher than the target in July, but despite sincere efforts the target could not be achieved in August and September because of the devastating flood, he said replying to Maulana Delwar Hossain Sayeedi (Jamaat-Firojpur).

During that period, the minister said Bangladesh exported goods worth Tk 78.33 crore to India while its imports, including rice, from that country was

Tk 760.60 crore. Replying to a question of ANM Ehsanul Huq Milon (BNP-Chandpur), he said the government has taken a number of steps to create export markets.

The measures include withdrawal of duty draw back from back-to-back L/C, facility for bonded warehouse, duty-free of import of machinery, 50 per cent less income tax on export earnings, deposit of a part of export earning in foreign currency accounts, source tax at 0.25 per cent, export trophy and CIP status to increased number of exporters.

Tofail said that for exposure of Bangladeshi products abroad, the government has decided to take part in 26 interna-

tional trade fairs and arranging a solo exhibition. So far, the country took part in 12 international trade fairs.

As part of the export market expansion efforts, he said, the government has also directed the Bangladesh missions abroad to strengthen economic diplomacy.

Responding to a question from Mohammad Fazlul Azim (BNP-Noakhali), the Commerce Minister said the government has fixed a target of 4,260 million US dollar from export of readymade garments in the current fiscal year (1998-99).

To achieve the target, the government has eased the export procedures, he added.

India dispels doubt about prolonged onion shortage

NEW DELHI, Nov 18: Government today dispelled any apprehensions about a prolonged onion shortage in the country, saying the total production of onion during 1998-99 would be up by 7.71 lakh tonnes against last year's production of 36.85 lakh tonnes, reports FTI.

Area under coverage of onion during the rabi season, according to an official release, is likely to be 27.5 lakh hectares as against 19.6 lakh hectares during 1997-98.

Government has also pegged up the rabi crop output at 27.60 lakh tonnes as against a mere 23 lakh tonnes during the same season last year.

Taken together with kharif crop of 8.3 lakh tonnes, kharif late crop of 8.6 lakh tonnes and rabi crop of 27.60 lakh tonnes, the total production for 1998-99 is likely to be 44.56 lakh tonnes, an increase of 7.71 lakh tonnes over the last year," the release said.

Seed for raising nursery for rabi onions has already been sown and no shortage of seed is reported, the release said, adding that the higher prices of onion seed this year was owing to the high onion prices.

"Efforts are being made to achieve the production target through prompt availability of seeds, adoption of advance production technology, off-season growing in non-conventional areas and arrangements for market support price," it said.

HRC, Clariant strike partnership deal

Star Business Report
HRC Group and Clariant (Bangladesh) Ltd have cut a deal for a strategic partnership to import, store and distribute textile and leather dyes and chemicals in Bangladesh.

HRC is one of the leading business groups in the country having shipping, tea, leather and other commodity businesses while Clariant, which is a leader in global chemical products with annual global sales of about US \$7.2 billion, started its operation in Bangladesh in January.

According to the deal, HRC will import and distribute dyes and chemicals for textiles and leather industries and Clariant will provide services to the market with technical know-how and qualified technicians from abroad, said Managing Director of HRC group of companies Mirza Ejaz Ahmed.

Clariant now controls 15 per cent of the market share of textile chemicals in Bangladesh and 1.5 per cent of dyestuffs market share, said Managing Director of Clariant (Bangladesh) Ltd Ronald Borulka at a press conference in the city Tuesday.

Ronald also added that his company was expecting to win 20 per cent of the country's dyestuff market share in the future.

Clariant has recently set up a laboratory at Banani — the largest service centre of its kind in the country — with modern equipment. The laboratory also features training facilities for its valued customers.

ANZ, TM Int'l in consumer service deal

ANZ Grindlays Bank and TM International (Bangladesh) Limited have jointly launched a service unique to consumers in Bangladesh.

In a former ceremony yesterday at ANZ Grindlays Bank, Imran Ahmed, Head of Cards, and Md Nasir Baharom, General Manager Marketing TM (Bangladesh) Limited, signed an agreement regarding settlement of AKTEL's subscribers' monthly phone bills with ANZ Grindlays' Credit Card. The function was attended by Neil Merrick, Head of Personal Bank, ANZ Grindlays Bank, and other senior officials from both the corporates, says a press release.

This service will allow ANZ Grindlays Credit Cardholders who are also subscribers of AKTEL, to pay their monthly phone bills through their Credit Cards. This will save the customer from the hassle of making manual bill payments every month by queuing up at a bank or at an ATM.

With a signed authorisation from the cardholder, ANZ Grindlays Bank will automatically charge the monthly AKTEL phone bill to the subscribers ANZ Credit Card. The Cardholder, thereafter, will have the option of paying the outstanding in full to the bank after enjoying the maximum of 45 days free credit period or can avail the facility of partial repayments.

ANZ Grindlays Bank was the first bank to introduce the Taka Credit Card in Bangladesh. This has opened new vistas for the consumers to enjoy an array of modern financial transactions.

Imran Ahmed in his short speech mentioned the banks commitment to launching a comprehensive Electronic Banking System in the country which includes ATM's, POS (point of sales) Terminals, Credit Cards, Debit Cards, etc to offer 'Superior Value' to customers in terms of quality products and services.



An agreement between Rangs Group and Onga Pumps Australia was signed recently. Under the agreement, Onga Pumps Australia appointed Rangs Industries sole distributor of Onga pumps in Bangladesh. Rangs is going to market the pumps very soon. Picture shows Harri Makela of Onga Pumps Australia handing over the documents of the agreement to Rumeel Akhtar Hossain, Executive Director of Rangs Industries Ltd. M M Mirza, Adviser to the local firms, was also present. — Rangs Industries photo

Bid to ensure transparency in manpower business

Agents seek credit cards, pass books in forex

Recruiting agents have urged the government to issue them credit cards and pass books in foreign currencies for ensuring transparency in transactions in manpower business, reports APB.

The move would also help reduce immigration expenses, curb unauthorised foreign currency trade and ensure use of forex in business promotion.

The plea was made when a delegation of Bangladesh Association of International Recruiting Agencies (BAIRA) called on Finance Minister Shah AMS Kibria at his office yesterday.

The BAIRA delegation also

called for setting up vocational training centres at the thana level investing money from Wage Earners' Welfare Fund to train unskilled labourers. They also urged the government to take up more welfare-oriented programmes for the expatriate Bangladeshis.

They sought the Finance Minister's cooperation in establishing a new insurance company — 'BAIRA Life Insurance Company Limited'.

Led by BAIRA president Mohammad Noor Ali, the delegation members lauded Prime Minister Sheikh Hasina's call for "politics without hartal."

For bringing dynamism in

economic activities, they demanded one-day weekly holiday instead of two days, providing government offices to remain open on Saturdays.

The Finance Minister told them that BAIRA played an important role in earning foreign exchange for the country. He assured them of taking positive steps after reviewing their demands.

He also appreciated the proposal for setting up technical training centres at thana level.

The delegation members included among others Mohammad Furkan Uddin, Abul Bashar and Minhaz Uddin Ahmed.

India, Lanka to sign free trade deal

NEW DELHI, Nov 18: India and Sri Lanka will sign a bilateral agreement to pave the way for a South Asian free trade zone, the Press Trust of India (PTI) said yesterday, reports AFP.

The news agency said the accord, which would allow India and Sri Lanka to import each other's products at zero tariff, will be on the lines of the North American Free Trade Agreement.

The agreement will be signed during a visit here by Sri Lankan President Chandrika Kumaratunga later this year.

The two sides agreed to forge the accord at the end of talks between Indian Commerce Secretary PP Prabhu and a team led by Sri Lanka's Chief Economic Adviser, Lal Jayawardena.

An Indian government statement described the two-day talks as "extremely positive" and said official discussions will continue in the next few weeks to reach an early agreement on the pact.

India already holds bilateral free trade agreement with Nepal and Bhutan and is planning similar agreements with Bangladesh and the Maldives, officials said.

The seven-nation South Asian Association for Regional Cooperation (SAARC) will soon take up talks on plans to unshackle regional trade from duties through a pact called the South Asian Preferential Trade Agreement.

SAARC groups Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka.

15-member trade team leaves for Seoul Dec 1

Star Business Report

A 15-member Bangladesh trade delegation organised by Korea Trade Center, Dhaka (KOTRA), commercial section of the embassy of the Republic of Korea, will leave for Seoul on December 1 to participate in two trade events in Korea.

Korea-Asia Trade Mar '98 will be held at KOTRA headquarters conference room in Seoul on December 3, says a press release.

Textile machinery, fabrics, textile sub-material, papers, thread, dyeing chemicals, agricultural machine and tool, transformer, construction, pharmaceutical packing materials, plastic, resin etc. will take place at the event.

A two-day North Cholla Province Expo '98 will begin at Hwasan Sports Complex Chonju City, on December 4.

Cardoso denies corruption charges

RIO DE JANEIRO, Nov 18: President Fernando Cardoso angrily denied allegations he hid millions of dollars in an overseas bank and warned journalists Friday to show him more respect by not asking more questions, reports AP.

Police said Thursday they would look into the charges that Cardoso and three political allies diverted \$368 million to a Cayman Islands corporate account.

"At the exact moment that I spend days and nights defending our currency, the dignity of the presidency is indispensable," Cardoso said.

The president is trying to narrow an enormous budget deficit and avoid a currency crisis. On Friday, the International Monetary Fund announced approval of a long expected \$41.5 billion rescue package for Brazil.



The signing ceremony of an agreement between ANZ Grindlays Bank and TM International (Bangladesh) Limited. — ANZ photo

US-Iraq conflict

Oil prices hit 10-year low

LONDON, Nov 18: Resolution of the latest standoff with Iraq knocked the bottom out of the oil market yesterday and Brent North Sea crude traded at a 10-year low point, below the 12-dollars — a barrel mark, reports AFP.

The showdown between Iraq and the United States — with Iraq and British forces within hours of launching air raids against Baghdad before the Iraqis agreed Monday to resume cooperation with UN weapons inspectors — modestly raised prices in the depressed oil market.

Iraq, which is under a UN economic embargo, is allowed to make limited exports of oil to fund humanitarian needs, and

investors speculated on US military strikes interrupting the flow of oil from the impoverished country.

Since the resolution of the crisis on Monday, investment funds have been selling off their speculative positions, driving prices back down, Eagles said.

The specialist Middle East Economic Survey (MEES) said that OPEC production, which represents 37 per cent of world supply, reduced output to 26.85 million barrels a day in October from 27.27 million in September, but still well above a pledge made in March to cut production to 26.287 million.



Traders in the EuroDollar pit at the Chicago Mercantile Exchange fill orders Tuesday, after Federal Reserve reduced short-term interest rates by one-quarter percentage point, acting for the third time in seven weeks to inoculate the US economy against spillover from world financial turmoil. — AP/UNB photo

Foreign investment down 59pc in Vietnam

HANOI, Nov 18: Foreign investment in Vietnam plummeted 59 per cent in the first 10 months of 1998 as the regional financial crisis took its toll, data showed yesterday, stepping up pressure on Hanoi to speed economic reform, reports AFP.

January-October saw just 1.8 billion dollars worth of projects licensed, according to figures from the Ministry of Planning and Investment cited by the official Vietnam news agency.

An additional 522 million dollars in capital increases to existing investments was recorded in the first 10 months.

Last year approved foreign investments reached 4.4 billion dollars, and roughly 2.4 billion dollars was disbursed. Economists say Vietnam will be

lucky if one billion dollars is disbursed in all of 1998.

The downturn in investment from member-countries of the Association of Southeast Asian Nations (ASEAN) was particularly sharp, with the exception of Singapore, which saw one tourism development project account for 706 million dollars.

"There is almost a total absence of ASEAN investment in 1998," said Thierry Aptoker, a private economist who specialises in financial crisis which began in July 1997 with the float of the Thai bath and spread rapidly across the region.

Aptoker said the actual foreign exchange inflow related to foreign investment could fall as low as 500 million dollars this

year. That, combined with Vietnam's trade deficit which was 1.9 billion dollars during the first 10 months, has squeezed Vietnam's foreign exchange reserves, estimated at 10 weeks of imports.

Economists say the plunge has created intense pressure for much needed economic reforms, especially measures to improve efficiency in state-owned enterprises and an overhaul of the creaky financial sector.

On average, about one third of foreign investment is disbursed, so that in coming years Vietnam might see annual inflows of about 500 million dollars, said one foreign economist.

US seeks vigorous application of Japanese stimulus measures

WASHINGTON, Nov 18: President Bill Clinton will urge Japanese Prime Minister Keizo Obuchi and his government to ensure that any new fiscal stimulus measure be vigorously applied, Deputy Treasury Secretary Lawrence Summers said yesterday, reports AFP.

Clinton is scheduled to meet with Obuchi later this week during his abbreviated trip to Asia. The president will also visit South Korea and the US territory of Guam.

Because Japan is not expected to "enjoy meaningful growth" in 1999, Summers told journalists that Clinton would discuss "crucial economic pol-

icy priorities" with Obuchi. "We have seen some signs (of renewed fiscal stimulus) after lagging implementation, with evidence of public construction increasing by 30 per cent."

Another topic will be the banking sector, he added.

"If the banking reform legislation is to have the desired effects, it is crucial that transparency be increased, that funds be used as bad assets are disposed of and liquidated in the market and it is crucial that the orientation of the financial system be tilted toward lending to productive uses and away from continued lending for unproductive longer-term pro-

jects." Summers said: "We believe that fiscal policy certainly can make a difference in an economy like Japan's where there is unused capacity as represented by significant unemployment and very low interest rates."

But he noted that the year of most rapid recent growth — 1996 — was one in which fiscal stimulus was most vigorously applied.

"If the Japanese situation and the global situation more generally, remains contained, the basic momentum of expansion in the United States should continue," he said.