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# The Daily Star BUSINESS

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DHAKA, MONDAY, NOVEMBER 30, 1998

## 27 CEPZ units to go for production soon

CHITTAGONG, Nov 29: Some 27 industrial units set up in Chittagong Export Processing Zone (CEPZ) at a cost of Tk 7.5 crore will soon go for production, reports UNB.

At least 50,000 people will get job opportunities in the industrial units manufactured by the entrepreneurs of America, UK, China, Japan, Korea, Hong Kong and also Bangladesh, it is learnt.

Apparels, garment and textile accessories, sports goods, shoes, papers, electronic merchandise, toys, jute products and chemical commodities and cloths will be produced in the industrial units.

Sources also said a total of 368 industrial plots out of 428 have already been allocated for the construction of industrial units and the rest will be allocated within two or three months.

As foreign entrepreneurs are showing increasing interest to set up industrial units, a new CEPZ here is needed for speedy industrialization, said the local investors.

## LG lucky draw held

Star Business Report  
A total of 155 coupon holders have received prizes at an LG lucky draw held at a ceremony at the Butterfly head office in the city yesterday.

The draw took place among the coupon holders who bought LG electronic products during the Mini World Cup cricket that ended in the city early this month, says a press release.

The prizes included air conditioner, colour television, B/W television, microwave oven, washing machine, rice cooker, CD player, refrigerator, deep freezer, sewing machine, bicycle, ceiling fan, tower fan, Butterfly wall clock.

Matiur Rahman, Editor of the Daily Prothom Alo, was present as chief guest on the occasion.

Chairman and Managing Director of Butterfly, M A Mannan, presided.

## NLIC organises courses on sales techniques

Star Business Report  
National Life Insurance Co. Ltd (NLIC) has organised a number of training courses on 'insurance and sales techniques' at different places of the country.

These courses were held at BB avenue in the city, Dhanmondi, Bhupur, Narsingdi, Manikganj, Savar and Singair offices of the company, says a press release.

The courses were inaugurated and conducted by Dr Ibrahim Mukul, Vice President of the company.

In his address, Dr Ibrahim urged upon the participants to acquire knowledge, skill and attitudes required for meeting the challenge of the market.

He said that life insurance is a unique profession through which learning, serving and earning can go together.

A large number of the company attended the courses.

## FedEx Dubai hub awarded

The Federal Express hub in Dubai has been awarded the worldwide FedEx Circle of Excellence Award for its safe and efficient operations, says a press release.

Awarded quarterly, the FedEx Circle of Excellence confirms the Dubai hub's high levels of performance in the international FedEx system that serves 211 countries and links 90 per cent of the world's gross domestic product inside 24-48 hours.

"We set out to prove to the world that we could meet and exceed international standards," commented Taarek Hinedi, FedEx Dubai Hub and Ramp Operations Senior Manager. "What made it possible was the performance of the staff that work in the hub, and their commitment to efficiently moving customers' shipments through the FedEx system and onwards to their destinations."

The FedEx hub in Dubai is part of the high-tech FedEx consolidated facility that serves as a major transportation link between the US, Europe and Asia.

The facility serves 21 Middle East countries and links the region to the 21 countries served by FedEx worldwide.

## Aptech Executive VP in city

Star Business Report  
K Ramesh, Executive Vice President of Aptech Limited, is in the city on a visit to Bangladesh.

During his stay, he will participate in the opening of Asset International high-end computer training institute, said a press release.

He will visit two Asset International centres in Dhanmondi and Maghbar. Ramesh has 15 years of experience in leading IT companies like Hewlett Packard. Currently, he is the Executive Vice President Aptech Ltd.

# Bid to win extra loan-rescheduling facilities

## Beximco mounts pressure on BB

By M Shamsur Rahman

Beximco Group has mounted pressure on the Bangladesh Bank (BB) to allow rescheduling of its loans under conditions allowed to another big business enterprise, the Islam Group, although the two cases are completely different.

High-ups in the government had several times put pressure on BB to allow Beximco reschedule its loans on very lenient terms, according to sources.

Beximco has made allegations that the central bank is not allowing it to reschedule its defaulted loans in line with conditions given to Islam Group because of 'personal disputes' between Salmaan and Sohail Rahman and the former govern-

nor of BB, Lutfur Rahman Sarkar.

But those who are in the know about the cases regarding Islam Group and Beximco say that the latter failed to disclose a vital fact which explains the differences between the two groups.

The loans guaranteed by Islam Group were secured by land collateral, whereas the same guaranteed by Beximco were unsecured.

After Bangladesh Bank (BB) had detected that substantial sums of loans were guaranteed by Islam Group and Beximco on August 31, 1993, it directed both the parties to disclose all of their guaranteed loans.

They companies were directed to give formal letter of guarantees with a list of the accounts for which they had been the guarantors.

Beximco's involvement in the Inland Bill Purchase reveals how it had borrowed money violating the bank rules. The rule is that prior approval of BB is needed as per provisions of Bank Companies Act 1991 in taking credit facilities for purposes where the directors of the bank have interests. Beximco violated the Bank Companies Act 1991 by not taking prior approval of BB.

Beximco has not paid a single loan instalment since December 31, 1997, against loans

guaranteed by it in its 1993 letter of guarantee. Its excuse for non-repayment is that BB has been sitting on its request for rescheduling loans "in line with the terms given and conditions offered to Islam Group".

According to banking practices, when the request for a change in rescheduling is pending the existing schedule (which itself is a result of the "rescheduling" of a previous schedule) is to be followed. BB's letter on August 30, 1998, states that as per the existing schedule, all "outstanding instalments" due till June 30, 1998, should be paid. After payment of outstanding instalments, the rest of the principal amount

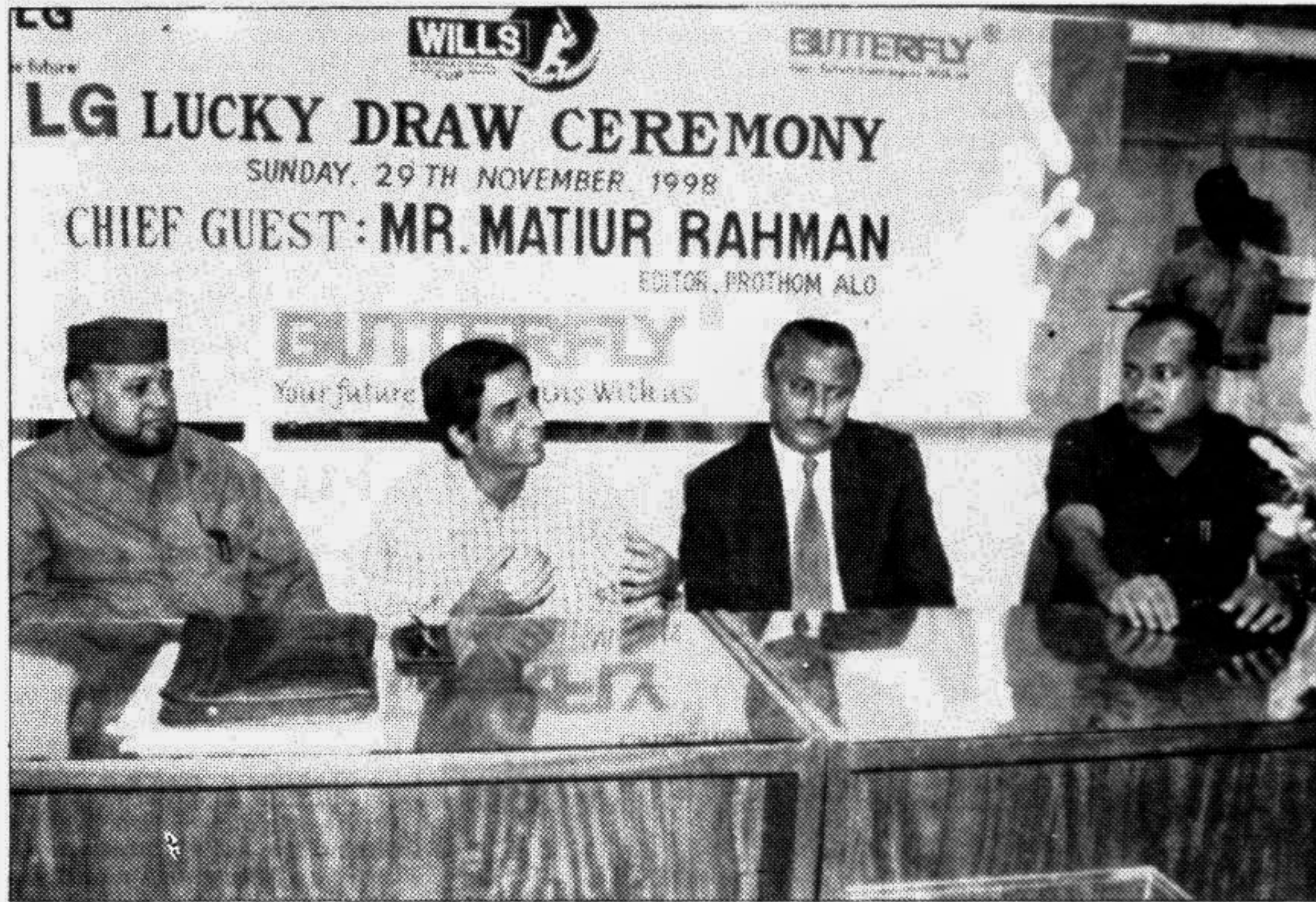
should be paid in monthly instalments from July 1, 1998, to December 31, 2002. Interestingly enough, the management of IFIC did not find it necessary to inform either its own board or the BB each time Beximco defaulted in paying instalment and that its account had been classified on January 1, 1998, by virtue of its account being overdue for over 9 months. Furthermore, this should have been brought to the notice of the Central Information Bureau (CIB) of BB.

Regarding the Baghkhali account, as per BB letter dated August 30, 1998, Tk 3.98 cr is needed to be paid to make Baghkhali Fisheries up-to-date against its repayment schedule.

So far, the only contribution against Baghkhali has been a bank guarantee, received on July 5, 1997, and a 15 per cent downpayment received on December 30, 1996, which were required to effect a repayment reschedule.

Sohel Rahman informed IFIC in a letter on September 30, 1998, that Beximco has withdrawn its guarantee to Baghkhali on the ground that BB turned down its request to treat Baghkhali as loans guaranteed by Beximco.

The issue has still remained pending putting pressure on IFIC which is poised to lose the most in case Beximco does not repay the instalments.



Matiur Rahman, Editor of the daily Prothom Alo (second from left), M A Mannan, Chairman and Managing Director of Butterfly, Syed Asaduzzaman, Director Butterfly, and A K M Golam Quader (left), Proprietor of Nishu Advertising, at the LG Lucky draw at Butterfly head office at Motijheel yesterday. — Butterfly photo

## US vows to end discrimination against shrimp exporters

By Vasantha Arora

WASHINGTON, Nov 28: The United States has promised to end within 15 months any discrimination meted out to shrimp exporters from India, Pakistan and two other countries.

Deputy U.S. Trade Representative (USTR), Rita Hayes, said the Clinton administration

will comply with the World Trade Organisation (WTO) appellate body ruling against the way an American law, banning shrimp import from countries that fail to conserve endangered sea turtles, is implemented.

In a statement to the WTO's Dispute Settlement Body (DSB) in Geneva, she however said the

way the U.S. implemented the ruling would not in any way weaken American environmental laws.

"We will implement in a manner which is consistent not only with our WTO obligations but also with our firm commitment to the protection of endangered species, including sea turtles," she said in the statement, copies of which were made available here.

As allowed under the Dispute Settlement Understanding (DSU), Hayes pointed out, the U.S. would take a reasonable period of time -- usually interpreted as 15 months -- to comply with the ruling.

"We are pleased that the Appellate Body found no inconsistency between the U.S. legislation at issue and our obligations under the WTO. We are also pleased that the Appellate Body made a number of important and positive findings that help clarify the critical relationship between WTO rules and measures taken to protect the environment," she added.

At the same time, Hayes disagreed with the Appellate Body's conclusion that the implementation of the law constitutes arbitrary and unjustifiable discrimination. The U.S. made it a point to recall that the Appellate Body confirmed the importance to the interpretation of WTO Agreements of the Preamble's emphasis on the goal of supporting sustainable development, including protection and preservation of the environment.

— India Abroad News Service

## Govt forms body to ensure equitable supply of sugar

The government has formed a seven-member committee to recommend steps for introducing a sugar distribution system to ensure equitable supply of sugar up to thana level at fair price, reports UNB.

President of the Federation of Bangladesh Chambers of Commerce and Industry is convener of the committee while representatives of FBCCI, Moulvibazar Sugar Merchants Association, Bangladesh Wholesale Sugar Merchants Association, Bangladesh Sugar Traders Association, Chittagong Wholesale Sugar Dealers Association and Industries Ministry are its members.

The committee will submit its report within 15 days, said Commerce and Industries Minister Tofail Ahmed at a review meeting on production, distribution and price situation of sugar in the conference room of his ministry yesterday.

He directed the Bangladesh Sugar and Food Industries Corporation (BSFIC) to closely monitor the countrywide equitable distribution of sugar. The minister also called upon the wholesale sugar dealers to ensure sufficient supply of sugar upto village level at holy Ramadan.

Present at the meeting were Industries Secretary KM Ejazul Huq, BSFIC chairman Manir Uddin Ahmed, President of the Bangladesh Sugar Traders Association Moslem Uddin Ahmed, President of the Moh-

vibazar Sugar Merchants Association Muhammad Ali Azgar Kamal, President of the Chittagong Wholesale Sugar Dealers Association MA Haider Chowdhury, General Secretary of Bangladesh Wholesale Sugar Merchants Association Shamsul Huq Badal, EC member of FBCCI Abu Alam Chowdhury and representatives of different ministries.

Tofail said the government had not, so far, cancelled a single dealership for fertilizer, sugar and paper distribution as it does not believe in politicisation of business.

"Rather we are helping the genuine businessmen in doing business freely and fairly," the Commerce Minister said, adding "We do not believe in paper-transfer business at the cost of consumer's money."

He said: "We have developed a system in the distribution of fertilizer for ensuring its sufficient supply throughout the country."

The Commerce Minister requested them to maintain their 'goodwill through earning minimum profits.'

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## US firm in talks to acquire Japan's credit bank

TOKYO, Nov 29: US financial services giant GE Capital Corp. is in negotiations to acquire a failed affiliate of Japan's recently nationalised Long-Term Credit Bank of Japan, a newspaper said Sunday, reports AP.

Connecticut-based GE Capital is considering buying Japan Leasing Corp. for about 900 billion yen (\$ 7.4 billion). Japan's respected Nihon Keizai business daily reported.

If the deal materialises, it will be the most expensive Japanese company acquisition ever, the paper said.

GE Capital, a subsidiary of General Electric Co., would acquire only the healthy leasing operations of Japan Leasing, while the company's bad real estate assets would be disposed of in bankruptcy proceedings, the paper said.

Under the deal GE Capital would also take over the healthy business of Japan Leasing's car leasing subsidiary, Japan Leasing Auto Corp., the Nihon Keizai said.

Japan Leasing declared bankruptcy in September with debts of more than two trillion yen (\$ 16 billion). It was Japan's biggest corporate collapse since the end of World War II.

Japan Leasing, a leasing agent for computers, aircraft and other equipment, was crushed under massive soured debts incurred from reckless real estate speculation during Japan's 'bubble' economy of the 1980s.

In October, the government nationalised Japan Leasing's parent company, the debt-ridden LTCB, as part of efforts to ensure stability in Japan's troubled banking system.

## Cooking gas to run Indian cars

NEW DELHI, Nov 29: The Indian government is planning to give the green light to those who want to use the cleaner and cheaper cooking gas to run their cars.

The Bharatiya Janata Party-led government is scheduled to place the bill to amend the existing laws relating to motor vehicles in the winter session of Parliament starting November 30.

The use of Liquefied Petroleum Gas (LPG) for automobiles is currently illegal in the country.

The government move comes in the face of the revelation that an estimated 500,000 vehicles in the country are clandestinely using the highly subsidized LPG.

The study was conducted by a group set up by the Ministry of Petroleum and Natural Gas, the Indian Express newspaper has reported.

The Petroleum Ministry has washed its hands off any responsibility to contain the use of LPG, legally used as cooking gas in India. Devi Dayal, the additional secretary in the Ministry, was quoted as saying, "The Ministry of Surface Transport and not the Petroleum Ministry is responsible for checking the illegal use."

In any case, the officials admit that it is better to legalise the use of LPG than try to contain its use in cars. While the Surface Transport Ministry has suggested amendments in the Motor Vehicle Act, 1988 and the Central Motor Vehicles Rules,

1989, the Petroleum Ministry is expected to amend the various regulations on the use of LPG.

At the same time, the Chief Controller of Explosives has upgraded the safety measures currently used in the domestic LPG cylinders so that they can be used in automobiles. The users of LPG couldn't be happier.

"This is the only solution to pollution," says marketing executive Roshan Sinha, who has been running his car on LPG cylinders for six years now.

Also, points out Sinha, "it is the most cost-effective fuel for cars. One cylinder, which costs about Rs. 200 (\$4.8) without subsidy, gives me about 350 km of running."

Petrol would cost me more than Rs. 500 (\$12) for the same distance." Corroborating the official survey, Sinha says that in his small south Delhi neighbourhood alone at least 40 cars run on domestic LPG cylinders. "But I will tell you their names only once it become legal," he quipped.

A handful of automobile mechanics in the capital charge about Rs. 10,000 (\$238.1), inclusive of the Rs. 8,000 Italian kit, to make the car LPG-friendly. The LPG, Sinha says, scores on this point too.

The kit for Compressed Natural Gas (CNG), which the government allows, is Rs. 35,000 (\$833). "And CNG gives 200 km where LPG gives 350." But the government is unlikely to provide subsidy to auto-LPG. Every 14-litre domestic LPG cylinder is subsidised by Rs. 65 (\$1.5).

— India Abroad News Service

# Asian currencies experience quiet week

HONG KONG, Nov 29: In a quiet week for Asian currencies the Japanese yen fell away against the dollar as share prices on Wall Street reached new highs and the Japanese finance minister announced he was quitting, reports AFP.

The South Korean and Thai currencies, among the worst hit by the Asian financial crisis, continued their tentative recoveries.

**JAPANESE YEN:** The Japanese currency lost ground as dollar-buying sentiment remained strong amid a surge on Wall Street and the resignation announcement of Japan's finance minister, dealers said.

The yen was quoted at 122.85-88 against the dollar late Friday, compared with 120.15-18 yen a week earlier. It faced strong selling pressure against the dollar after US stocks climbed to a record high during the week, dealers said. The yen declined further on

Friday after Finance Minister Kiichi Miyazawa said he would step down soon after just four months in the job, they added.

"Remaining in the cabinet would go against my belief," Miyazawa said, "but I cannot predict the timing."

Next week "the dollar may rise towards 124 yen thanks to receding yen buying pressure from hedge funds and growing dollar buying from investment trusts," a dealer said.

**AUSTRALIAN DOLLAR:** The Australian dollar closed the week against its US counterpart lower but steady as the market looked toward a possible rate cut after the Reserve Bank of Australia meets for the last time this year. The Australian dollar closed the week at 63.58 US cents from 64.35 US cents a week earlier. The likelihood of a cut in interest rates by Australia's central bank after it meets

Tuesday is rated at less than 50 per cent, Colonial State Bank economist Craig James said.

"However, given the fact that global interest rates are coming down and the Australian dollar is for the moment steady, a pre-Christmas cut cannot be totally ruled out."

James said the week ahead was one of the busiest of the year for Australian economic data. Among the figures due for release are current account deficit details for the September quarter and GDP data for the same three months.

"The timing is good, with domestic financial market participants beginning to swing their attention more toward local data, rather than letting international factors dominate the investment climate."

**HONG KONG DOLLAR:** The Hong Kong dollar closed Friday at 7.7425-7.7435 to the greenback from 7.418-7.7423 the previous week.

**SINGAPORE DOLLAR:** The Singapore dollar weakened to 1.6530 to the greenback from 1.6310 the week before, bogged down by a weaker yen towards the end of the week, dealers said.

Players ignored the Singapore government's announcement of a raft of cost-cutting measures worth 10.5 billion dollars aimed at hauling the republic out of recession, they added.

**INDONESIAN RUPIAH:** The Indonesian rupiah closed firmer at 7,300 to the dollar from last week's close of 7,428.

Dealers said the rise reflected the belief in offshore markets that the International Monetary Fund has approved a new disbursement of funds for Indonesia.

**PHILIPPINE PESO:** The Philippine currency rose 0.4 per cent to 39.45 against the dollar from 39.63 pesos to the dollar on November 20.

**SOUTH KOREAN WON:** The South Korean currency further strengthened from 1,277 Won per dollar to 1,244 on Saturday.

South Korea has sufficient foreign exchange reserves to repay the first tranche of IMF-arranged aid funds maturing on December 18, with its "useable" foreign reserves standing at 45 billion dollars, official said. The country hopes to have another eight billion dollars in net inflows of foreign funds

next year. **TAIWAN DOLLAR:** The Taiwan dollar was flat against the greenback in tight trading amid a lack of fresh leads, dealers said.

The currency settled at 32,422 Friday from 32,413 a week ago and was expected to strengthen in the short term, they said.

**THAI BAHT:** The Thai bant rose against the dollar over the week, closing Friday at 36.05 to the greenback compared to 36.14 previously.

On Thursday it rose through the 35 level against the dollar for the first time in 14 months. Traders said exporters and financial institutions were selling the dollar in anticipation of a stronger bant. The Thai currency was also supported by capital inflows ahead of next month's 10-billion-dollar auction of closed finance company assets.

## JS body directs ministry to speed up food import

A parliamentary committee yesterday directed the Food Ministry to speed up the import of foodgrain under the deals signed through international and local tenders, reports UNB.

The Parliamentary Standing Committee on Food gave the instructions in a review meeting on the country's food situation.

Against the backdrop of last monsoon's devastating flood, which washed away food crops from vast tracts, the government took the initiative for massive food imports to make up the loss.

It was informed in the meeting that the present food stock was at "satisfactory" level.

To make the reserves more comfortable through internal procurement, the JS body suggested massive campaign on radio and TV and in newspapers to gear up the drive during the current aman harvest.

Committee chairman Sayedul Haq presided over the meeting, attended by members Agriculture and Food Minister Matia Chowdhury, Bangabir Qader Siddiqui, Mirza Azam, Jainal Abedin Bhuiyan, Sriamati Bharati Nandi Sarker and Jainul Abedin Sarker.

Food Ministry high officials were also present.

## Natural disasters 1998 ranks worst year on record in economic terms

WASHINGTON, Nov 29: 1998 already ranks as the worst year on record in economic terms for natural disasters which cost an estimated 89 billion dollars and claimed 32,000 lives, the Worldwatch Institute said yesterday, reports AFP.

Based on figures for the first 11 months of the year, the economic cost of natural disasters was 48 per cent higher than the previous record set in 1996 of 60 billion dollars.

Worldwatch said at least 32,000 people lost their lives and more than 300 millions lost their homes because of natural disasters.

The Washington-based ecological group blamed the "hand of man" for many of the disasters, exacerbated by the loss of forests and wetlands.

In terms of cost in lives and economic damage, hurricane Mitch, which hit Central America in October, was the worst natural disaster of the year, killing 11,000 people, Worldwatch said.

Damage to Honduras alone, where crops were almost completely wiped out and half the population evacuated, was put at four billion dollars, Worldwatch said.

Flooding of the Yangtze river in China was the most costly disaster economically, the institute said, with 30 billion dollars in losses, some 3,700 people died and 223 million people were displaced in the flooding, Worldwatch said.

## New GM of Rahimafrooz



G M Kawsar has been appointed General Manager and Chief Operating Officer of Rahimafrooz (Bangladesh) Ltd for its Marketing & Distribution Division (DMDD).

He replaced K B Hassan, says a press release.

Kawsar started his career in 1984 with the British American Tobacco (Bangladesh). He joined Rahimafrooz as Marketing Manager on June 1, 1998 and was promoted to General Manager with effect from November 23, 1998.

## Indian farmers torch cotton farm

BANGALORE, India, Nov 29: A militant Indian farmers' group yesterday torched an experimental cotton crop raised from seeds developed by the US biotechnology and pharmaceutical giant Monsanto, police said, reports AFP.

Saturday's attack was the third since 1996 by farmers against US-based companies in the Southern Indian state of Karnataka, of which Bangalore is the capital.

Activists from the Karnataka State Farmers' Association (KSFA) burned down the demonstration crop on the grounds that the hybrid cotton, which secretes toxins that act as a pesticide would damage the soil for years.