

## Delhi to okay 6 private power projects by Mar

NEW DELHI, Dec 2: India will approve six private sector projects to add 7,000 megawatts of power generating capacity by March next year. Power Minister PR Kumaramangalam said here yesterday, reports AFP.

Kumaramangalam told the World Economic Forum that an experts' panel would shortlist the companies for the projects after negotiations with some 27 bidders ended in March.

The minister said the panel "is also talking to various domestic and international financial institutions to make these projects bankable."

"India's power sector is a fast-growing needs of the consumers if there is no investment from the private sector," Kumaramangalam said.

"We need a positive attitude from the investors and I assure you all that the financial viability of the (state-run) electricity boards would be improved as we are moving fast with our restructuring of these boards," he said.

Three of India's 26 states have already started revamping their loss-making power boards, while 10 others were moving in that direction, the power minister added.

**FM, Nepal envoy discuss joint venture projects**  
Foreign Minister Abdus Samad Azad and Nepalese Ambassador Madhu Raman Acharya yesterday exchanged views on joint-venture projects in pharmaceutical and dairy sectors, reports UNB.

They also discussed the extension of trade by using the ports of Bangladesh. The discussion took place when the Nepalese Ambassador called on the Foreign Minister at his office.

Acharya expressed his country's willingness to be included as an observer in the ongoing BIMSTEC meeting in Dhaka.

He praised the government's various development efforts, especially the CHT Peace Accord and construction of Bangabandhu Jamuna Bridge.

Director General of the Foreign Office Sirajul Islam was present.

**Gulf Air flights to 3 new Pak destinations**  
Gulf Air is to operate regular, direct services from the Gulf to Peshawar, Lahore and Islamabad bringing the total number of destinations served in Pakistan to four and the total number of services in the airline's network to 52, says a press release issued yesterday.

The Airlines will commence services to Peshawar on December 15, while flights to Lahore and Islamabad will begin on January 1, 1999.

The services will be from Abu Dhabi and Al Ain with convenient connections to worldwide destinations served by it.

The flights are in addition to the 18 weekly services being operated to Karachi. The new flights include two weekly services to Peshawar, four to Lahore and three to Islamabad, bringing the total number of weekly services to Pakistan to 27.

The new services are in line with Gulf Air's policy to expand its network and cater to the preferences of its customers. In view of the growing trade between the Gulf and Pakistan, the new routes will facilitate passenger convenience and comfort," Dr Shaikh Ahmed bin Saif Al Nihyan, President and Chief Executive of Gulf Air, said.

The time-table of the new flights has been carefully drawn to enable passengers to avail of the best connections throughout our global network, he said, adding that the airline was keen to announce the launch of the routes before the end of 1998, which has been designated as the "Year of Customer Services."

**Filipino exports shrinks 8.7pc**

MANILA, Dec 2: In the first major slump in Philippine exports since the start of Asia's currency crisis, exports shrank 8.7 per cent in October from the previous month to \$2,542 billion, the government announced Wednesday, reports AP.

Export growth was also sharply lower on an annual basis, dropping to 9.3 per cent in September, the National Statistics Office said.

The Philippines had enjoyed annual export growth of more than 20 per cent for much of the past several years, showing remarkable resilience to the effects of the 17-month-old currency crisis.

But economists said they expected a slowdown in export growth because of weaker worldwide demand following the slowdown in the global economy.

Luz Lorenzo, economist for ATR Securities Inc., said the Philippines also faces increased competition from Asian neighbours who are making efforts to increase exports to recover from the regional financial crisis.

## Tofail against drastic liberalisation

# Bangladesh's prospects largely depend on edn : UK minister

Bangladesh's prospect largely depends on development of education, not merely on foreign aid and investment, observed UK Parliamentary Under Secretary of State for Competition and Consumer Affairs Dr Kim Howells here yesterday, reports UNB.

Inaugurating a three-day British Trade Fair at Sheraton Hotel, the British Minister attached importance to education, which he termed as the greatest resource of any country and key to the expansion of international commerce.

Commerce and Industries Minister Tofail Ahmed was present at the ceremony.

About the prospect of investment, Dr Howells said Bangladesh is a potential location for foreign investment and stressed the need for adoption of right policy in tandem with

the changed global scenario. Later, addressing a press conference, he said that Bangladesh was relatively a free market with a good business climate.

He, however, said investors are facing some problems in this country. Replying to a query, Howells said they are eager to see that economies of LDCs, like Bangladesh, are not hampered with the process of liberalisation.

Commerce Minister Tofail Ahmed, who was also present at the press briefing, however, said that "if we go for drastic liberalisation, Bangladesh will just be a market for others and the government is very much aware of that."

About export of gas, Dr Howells said, "It entirely depends on the Bangladesh government

and its policy." Tofail said, after fulfilling the domestic demand, the government will see whether it can export gas. More gas-based fertilizer factories, petro-chemical industries and power plants will be set up, he said adding that "export of gas is a politically very sensitive issue."

Earlier, speaking at the inauguration function of the trade fair, Dr Howells suggested further lowering of trade barriers to give further impetus to prosperity.

The UK minister said he is confident about Bangladesh's future after seeing the courage and unity of the people in tackling the most devastating flood this year.

The British Minister assured of taking more steps towards improving the trade ties be-

tween the two countries. Tofail Ahmed, lauding British help and assistance for Bangladesh at different times, hoped that the British investors would find Bangladesh a good place for their investment as Bangladesh is determined to open up its economy.

He said 63 British companies are operating here with their production units and 45 more have registered their names with the BOI.

The minister briefly gave an outline of incentive package for the foreign investors and hoped that the British entrepreneurs would come forward to select the areas of their investment.

He also called upon investors to come forward in the computer software industries.

British High Commissioner in Dhaka David Walker also spoke on the occasion.

## Flaws in revenue collection Govt losing Tk 7 lakh a day from JMB

The government is being deprived of about Tk 7 lakh revenue earning daily from the Bangabandhu Jamuna Bridge allegedly due to underhand dealings of its staff with bridge users while its valuable properties are being stolen because of lax supervision, reports APB.

JMB staff are handing out pay slips to the users far below the actual rate. Allegations are there that even Tk 500-800 pay slips are given against the actual rate of Tk 1200. Evasion of toll in exchange of good 'deals' are not uncommon. Such practices are going on for long.

Revenue earnings till October 31 totalled Tk 17.11 crore against the target of Tk 26 crore, JMB sources told APB.

The daily average revenue earning is only Tk 13.10 lakh.

Other sources said lack of proper system of checking is also responsible for less toll collection.

Of the 153 sodium lights on

the bridge, 27 have already been stolen. Apart from that, 13 telephone sets and a good number of cables have also been stolen.

Only a few policemen, led by a sub-inspector, guard the Sirajganj end of the JMB, while the Tangail end is also looked after by a limited number of policemen, the sources said.

Local people say the JMB authorities feel shy about seeking cooperation of police. JMB's 120 staff members at the site maintain a very poor vigilance over the assets.

When electricity supply gets disrupted, staffers responsible for putting on the generators, take more than half an hour to switch those on.

When contacted, local JMB authorities told this correspondent that it was not their duty to guard the entire bridge. Higher authorities are responsible for ensuring vigilance over JMB and its assets, they said.

## ECNEC okays five projects involving Tk 472.59Cr

The Executive Committee of National Economic Council (ECNEC) yesterday approved five projects involving an estimated cost of Tk 472.59 crore with project aid component of Tk 109 crore, reports UNB.

The approval was given at an ECNEC meeting at the NEC Bhawan in the city with Prime Minister Sheikh Hasina in the chair.

The projects are modernisation of existing 26 polytechnic institutes and establishment of 13 new polytechnic institutes (Tk 276.13 crore), flood rehabilitation project 1998 under Water Resources Ministry (Tk 99.87 crore), flood rehabilitation project for Dhaka Metropolitan area and six other cities (Tk 36.71 crore), setting up of nuclear medicine centre at Bogra, Faridpur and Salimullah Medical College, Dhaka (revised Tk 32.71 crore) and rehabilitation and extension of thana development complexes (revised Tk 27 crore).

The meeting discussed a report on long time unused machinery and equipment dumped at the godowns of different organisations.

Meeting sources said the nuclear medicine centre is being set up to reach modern and effective treatment facilities to the people for those diseases which cannot be detected and treated under traditional method of treatment.

Under flood rehabilitation project, the meeting was told that the flood affected embankment and other infrastructure of Water Resources Ministry will be repaired and rehabilitated.

Ministers concerned, principal secretary to the Prime Minister, members of the Planning Commission, secretaries and officials concerned were present.

## Most mineral water brands have irrelevant compositions

As most brands of mineral waters available in the market have irrelevant composition, the government has directed the manufacturers to take clearance certificates for their products from Environment Directorate before their marketing, reports UNB.

Environment Directorate will give the certificate to ensure marketing of hygienic mineral water under the Environment Law, 1995 and Environment Preservation Regulation, 1997.

This was decided at an inter-ministerial meeting on Hygienic Supply of Bottled Water held at the conference room of the Ministry Tuesday, with Forest and Environment Minister Syeda Sajeda Chowdhury in the chair.

Referring to a survey of the Environment Department (DOE), the meeting was informed that most of the mineral waters available in the market have no consistency with the acceptable level of composition. Even dates of manufacturing and expiry are not mentioned.

The meeting decided that the composition, to be mentioned on the bottle, would have to be ensured by testing at anytime.

## Ctg auction Tea demand improves, prices fall

CHITTAGONG, Dec 2: The weekly tea sale here Tuesday witnessed further decline in prices of most grades despite a general improvement in demand from both export and internal buyers, reports UNB.

There was more support from Poland, CIS and Russia and Pakistan showed some interest, according to a market report of National Brokers Ltd.

Internal market continued to lend good support especially for the good liquoring teas for which prices were generally maintained.

**CTC Leaf:** A total of 15,516 chests and 18,107 Gunny Sacks on offer met with a fairly good demand at generally easier rates.

**CTC Broken:** Bold Broken were mostly dearer up to Tk 2 per kg. Whilst clean large Broken were firm. All others were lower by up to Tk 2 per kg. Good liquoring medium and smaller Broken were about steady while others were mostly lower by Tk 2/3 with plainer types declining further up to Tk 5.

**CTC Fannings:** Good Fannings met with fairly good competition at around last levels but others were a lower market declining by Tk 2/3 and often more particularly for the plainer types.

**Green Tea:** A total of 240 chests on offer met with less demand and prices were withdrawn without bids, YH and Hyson sold at Tk 95.

**CTC Dust:** A total of 1,239 chests and 3,509 Gunny Sacks on offer met with improved demand. Well made better liquoring RDs/Ds/CDs were firm to dearer following competition. All others, including PDs, were a lower market easing up to Tk 5 following quality.

Internal buyers were quite active with useful Export enquiry, particularly for the liquoring types.

## New governor says BB policies aim at economic stability

Star Business Report

The new Governor of Bangladesh Bank (BB) Dr. Farashuddin yesterday said that the central bank would follow monetary policies aimed at maintaining economic stability.

The governor, however, did not elaborate his thinking on the issue, but appreciated the country's tight monetary policies adopted since its independence.

Dr. Farashuddin also avoided questions on what would be the role of the BB regarding bank loan defaults.

"The country's economy was able to avoid the spillover effect of the recent economic turmoil experienced by some South Asian countries mainly due to tight its monetary policies," he said, while exchanging views with a group of journalists in the BB conference room yesterday.

He also gave credit to the policy-makers for keeping the debt-service ratio within a range of 10 to 12 per cent.

According to the

economists, it is dangerous when the debt-service ratio of a country goes beyond 20 per cent," he said.

Farashuddin also appreciated the previous governments for preferring soft loans to high interest-bearing hard loans.

"Bangladesh has never been a defaulter in its repayment of loans, which is cited as an example for other third world countries," the governor said.

Two deputy governors, Ibrahim Khaleel and Sohrab Uddin Ahmed, were also present at the discussion meeting.

Speaking on the occasion, Ibrahim Khaleel stressed the need for protecting the interest of general depositors of the private and nationalised banks.

He said it was very unfortunate that some commercial banks were not protecting the interest of the depositors.

"Sometimes the bankers disburse loans irrationally to favour the sponsors. In such cases, the central bank has a role to protect the interest of the common depositors," he said.



Visitors at the three-day second UK Trade Fair 1998 at Sheraton Hotel yesterday.

—Star photo

## Exxon-Mobil merger forms world's third largest co

NEW YORK, Dec 2: Exxon Corp. and Mobil Corp. confirmed their plans to merge Tuesday in a historic \$80 billion deal that reunites fragments of the Standard Oil monopoly and creates an entity rivaling some of the richest oil-producing nations of the world.

Under terms of the deal, the merged company will be called Exxon Mobil Corp., retaining both the Exxon and Mobil brands. The company will be headquartered in Exxon's home city of Irving, Texas.

At a joint-news conference, Exxon Chairman and Chief Executive Officer Lee Raymond and Mobil Chief Executive Lucio Noto said the deal would allow the companies to compete more effectively in the face of sharply lower oil prices and higher costs for finding new oil reserves.

"Today's announced combination does not mean that we could not survive on our own," Mobil's Noto said. "This is not a combination based on desperation, it's one based on opportunity. But we need to face some facts. The world has changed. The easy things are behind us. The easy oil, the easy cost savings, they're done. Both our organizations have pursued internal efficiencies to the extent that they could."

Indeed, over the last few months oil companies have been slashing payrolls and capital spending plans in an effort to offset sharply lower oil prices.

And, with the prospect of even lower prices ahead, indus-

try experts said it makes sense for Exxon and Mobil to pool their vast resources.

"Companies are trying to take some action in order to reduce their expenses, so you'll likely see some further mergers and acquisitions," said John Liechblau, chairman of the Petroleum Industry Research Foundation Inc. in New York.

**Exxon-Mobil like a small oil-rich nation**  
To call the combined Exxon-Mobil a giant does not begin to scratch the surface of the pending deal. The two companies will have almost 21 billion barrels of oil and gas reserves on hand, enough to satisfy the world's entire energy needs for more than a year.

The combination also places Exxon-Mobil behind only Saudi Arabia and Iran in terms of output.

Already, however, the merger is raising eyebrows. Sources from two state attorney generals' offices say at least a dozen states are already in talks to pursue an inquiry into the terms of the deal.

Exxon's Raymond said he fully expects federal and international regulators to review the merger closely and noted it is likely the companies will be asked to sell some assets.

"We would be absolutely amazed, although pleasantly surprised, if the Federal Trade Commission said we did not have to rationalize some assets," Raymond said, adding it was premature to comment further.

One issue sure to grab the

spotlight will be the effect of the two companies on gasoline prices, particularly in the Northeast where both Exxon and Mobil have a substantial presence.

However, experts said it is unlikely motorists will see a sharp jump in pump prices if the deal goes through.

**The big deal**

Under terms of the agreement, Mobil shareholders will receive 1.32015 shares of Exxon stock (XON) for every Mobil share (MOB) held.

At Exxon's Monday closing price of \$75, the deal values Mobil at \$80 billion, or \$99.01 per share, a \$13.01 premium over Mobil's Monday close of \$86 per share.

However, shareholders were not thrilled by the terms of the deal. Exxon fell 3-3/8 to 71-5/8 in Tuesday trading while Mobil lost 2-1/4 to 83-3/4. The fall in Exxon's share price pushed the value of the deal down to roughly \$76 billion.

The deal is the biggest merger in U.S. history, eclipsing the \$72.6 billion union of Travelers Group and Citicorp that created Citigroup (CCI).

Raymond said the merger talks were not precipitated by the plunging price of crude oil, a global situation that has crippled the industry for much of the year. Had the price of oil still stood at \$20 a barrel, he said, the factors driving the merger - cost savings, greater market share, and increased production capabilities - remained the same. —CNN Internet

## New jt venture aluminium co goes into production

Star Business Report

A joint venture structural aluminium product manufacturing company went into commercial operation yesterday.

Kai Bangladesh Aluminium Ltd (KBAL), a collaboration with Krudbas Pvt Ltd of Pakistan, will produce a wide range of products including window panes, door panes and structural profiles for vehicles and buildings.

KBAL has a daily production capacity of five tonnes. It will break Bangladesh Thai Aluminium's nine-year monopoly in aluminium products.

Talking to The Daily Star at the factory premises Tuesday, KBAL Managing Director Shabbir Agha said that against the country's total per day demand for 20 tonnes of aluminium structures, the company would manufacture five tonnes.

"The country will be able to save US \$5.68 million annually as our production will substitute imports," said Agha.

A fully-computerised production unit, KBAL has 175 staff at its production site.

"The company has a plan to float shares within two years as it would expand production," the MD said. Chairman of the company Ashfaq Ahmed said that the demand for aluminium profile was on the rise.

After meeting the local demand, the company will go for export to the global market, he added.



Kai Bangladesh Aluminium Ltd (KBAL) workers at work in the company's factory at Tongi.

## US to help promote e-commerce in developing world

by Vasantha Arora

Washington, Dec 2: The United States intends to promote the growth of electronic commerce (e-commerce) in developing countries as it will offer their people an opportunity to pull themselves out of poverty.

President Bill Clinton, who made this announcement at a function in the White House yesterday to unveil new measures to spur global trade via the Internet, said Secretary of State Madeleine Albright would launch a programme to achieve this objective.

To convert the prospect of removing poverty into reality, he outlined five new steps that involve improving Internet

technology, protecting consumers from fraud and encouraging small businesses, especially those in the developing countries, to go online.

"For many people, connections are so slow that shopping at the virtual mall (Internet) is filled with frustration. It is as if they had to drive over dirt roads to get to the mall, only to find an endless line of customers just waiting to get into the door," Clinton said.

Vice President Al Gore, senior officials and executives from major e-commerce companies attended the event. Gore, who also spoke on the occasion, said e-commerce is a boon not just for the wealthiest coun-

tries. He cited the case of a Ugandan woman, Helen Mutono, who sells baskets via the Internet and uses the proceeds to help children who have been orphaned by AIDS.

Villagers in Chincachros, Peru, have quintupled their income by forming an online partnership with an international export company which ships and sells their vegetables in New York, he said.

"In this emerging digital marketplace, nearly anyone with a good idea and a little software can set up shop and then become the corner store for an entire planet," Gore remarked.

"In fact, by the year 2010," the Vice President pointed out, "we can triple the number of people who can support their families because they can reach world markets through the Internet. And these developments in turn will drive the emergence of brand new phenomena just as exciting as e-commerce that we can't even imagine today."

John Chambers, the chief executive of networking hardware maker Cisco Systems Inc, spoke of the potential of Internet commerce. The value of online business might surge to \$1.5 trillion in 2003 from about \$10 billion last year, he said.

Clinton said information technology now accounted for

more than a third of the United States' economic growth. It had boosted U.S. productivity and reduced inflation by a full percentage point, he said.

"Obviously, few have more power than electronic commerce," he said. "If all the sales being conducted over the Internet were taking place at one shopping mall, that mall would have to be 30 times the size of the largest mall in the world, Minnesota's Mall of America."

He said five years from now, "we would need a facility 1,000 times the size of the Mall of America to handle the volume of sales."

Clinton said this year 132

nations followed the U.S. lead by signing a declaration to refrain from imposing customs duties on electronic commerce. "We reached agreements supporting our market-driven approach with the European Union, Japan, and other nations," he added.

The U.S. has passed a law to put a three-year moratorium on new and discriminatory taxes on electronic commerce. "We have to clearly commit ourselves to making the most of what is clearly the engine of tomorrow's economy: technology," Clinton added.

—India Abroad News Service