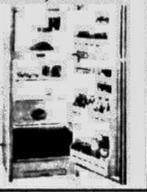


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The Daily Star BUSINESS

DHAKA, FRIDAY, DECEMBER 4, 1998

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Wimpy makes its debut in city

Star Business Report
A UK-based international fast food chain - Wimpy - made its debut by opening its shop in the city yesterday.

Foreign Minister Abdus Samad Azad inaugurated the restaurant.

There are now 430 Wimpy restaurants in the UK and 1200 spread over 30 countries.

Cosmopolitan Food Ltd has won the franchise of Wimpy in Bangladesh.

British High Commissioner in Bangladesh David C. Walker, Chairman of Cosmopolitan Food Ltd Manzur Morshed were, among others, who attended the opening ceremony.

Wimpy will use imported food ingredients, equipment and furniture to ensure international standard food and services for its Bangladeshi customers.

Dhaka to receive Tk 100cr grant from Norway

Bangladesh will receive about Tk 100 crore as grant from Norway under an agreement signed in the Economic Relations Division here yesterday, reports UNB.

The grant will be utilized to finance the Primary Education Development Project.

The main objectives of the project are to strengthen the National Academy for Primary Education (NAPE), improve training of teachers and supply of free text books including learning materials to the primary students.

This will be the largest project since the independence of the country and also the largest single project funded by Norway in any country.

Secretary of Economic Relations Division Mashur Rahman and Hans Fredrik Lehne Ambassador of the Royal Norwegian Embassy in Dhaka signed the agreement on behalf of their respective governments, said an official handout.

Desh Garments AGM held

The 21st AGM of Desh Garments Ltd was held in the Auditorium of Hotel Razmoni Isha Kha International in the city on Wednesday, says a press release.

The meeting was presided over by the Chairman of the Board of Directors Rokeya Quader.

The proceedings of the last annual general meeting was passed unanimously.

After detailed discussion, the Audited Accounts for the year ended 30th June, 1998, together with reports of the Directors and Auditors thereon were also passed.

The meeting unanimously appointed Omar Quader Khan Managing Director of the company for five years and as per Articles of Association of the company, Nurul Iman Khan retired and being eligible was re-elected as Director of the Company.

Mr A K M Mosharrar Hossain, FCA and Vidya Amrit Khan were elected Directors of the company unanimously.

Ms Mazumder and Co was appointed unanimously as Auditors of the Company for next financial year.

About 300 shareholders attended the meeting.

Elf Aquitaine, L'Oreal to merge pharma sectors

PARIS, Dec 3: Elf Aquitaine, the oil giant, and L'oreal, the cosmetics concern, on Wednesday announced plans to merge their pharmaceutical subsidiaries into a new company touted as the sixth largest such group in Europe and among the top 20 worldwide, says AP.

A joint statement said the merger project was approved Wednesday by the boards of directors of Elf Aquitaine and L'oreal, which are to merge their respective pharmaceutical subsidiaries, Sanofi and Synthelabo.

The new group is to be named Sanofi-Synthelabo. It will be listed on the Paris stock exchange.

The statement quoted Elf Aquitaine Chief Executive Officer Philippe Jaffre as saying the merger reflects the December 1996 decision by the Board of Directors to accelerate Sanofi's development.

"This merger with L'oreal is an excellent outcome..." the statement quoted Jaffre as saying.

Economy plagued with slow industrial growth

FBCCI chief tells ERF meet

President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Abdul Awal Mintoo yesterday said that the country's economy was plagued with the slow growth of the industrial sector.

"A large number of industries are not performing now," he said while exchanging views with the members of the Economic Reporters Forum (ERF) at the National Press Club.

"Barring the readymade garments (RMG) and knitwear units, activities in almost all the industrial sub-sectors re-

main bogged down," he noted. The FBCCI president further said that it might be difficult to sustain the 5.3 per cent budgetary deficit of the GDP during the current fiscal year because of the shortfall in revenue receipts and increase in expenditures.

Mintoo said low savings rate is hampering industrialisation.

"But the existing industries are suffering from inadequate and disrupted power supply, lack of bank credit for working capital and term loans, inadequate infrastructure facilities and frequent port troubles.

Mintoo observed that the recent flood had left a devastating effect on the economy and it would be very hard to recoup the damages.

"The government's priority is to implement its reform initiatives to revamp the economy," Mintoo said.

The FBCCI president was critical of the long bureaucratic tier in the administration and demanded that a representative from the private sector should be included in the Public Administration Reform Commission.

"Bureaucratic tangles are

not only affecting the country's economy, but also violating human rights and freedom of the people," the FBCCI chief said.

On the issue of devaluation and rising inflationary pressure, the FBCCI president said, "I am worried about these phenomena, but I am not alarmed because these parameters are still within the manageable limits."

"The pressure on the foreign exchange reserve is likely to ease due to large-scale foreign investment in the energy sector, higher exports and remittances," he hoped.

Exchange of Opinion Session

With
Abdul Awal Mintoo, President, FBCCI
Organised By: Economic Reporters Forum
Venue: Jatiya Press Club, Date: 3rd December '98



Abdul Awal Mintoo, President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), exchanges views with the members of Economic Reporters Forum (ERF) at the National Press Club yesterday. Shamsul Huq Zahid, President, and Shahiduzzaman, Secretary General of ERF, are also seen in the picture.

JB to launch Ready Cash Card service

Star Business Report
Janata Bank will introduce Ready Cash Card for its customers in the first quarter of next year.

Meanwhile preparations are being made to introduce the new service on time, says a press release issued yesterday.

The Ready Cash Card will provide its subscribers a new level of convenience and security. Not only will Ready Cash Card holders be able to make purchases at retail shops, but it will allow them the convenience of paying utility bills. For merchants, the card will allow them to transport funds safely from city to city or within the city (without having to carry cash).

For the first time in Bangladesh, credit card facilities will be made available to the mass market. By its launch of Ready Cash services, Janata Bank will lead Bangladesh into a new era of consumer banking.

Within the next two years, it is expected that the Ready Cash Card will be accepted in approximately 10,000 merchant locations and hundreds of bank branches.

To establish a higher level of service, the Ready Cash Card holder will be approved the same day as application, and a special counter will be reserved in participating branches for Ready Cash customers.

Ready Cash is the first of many new consumer banking services that Janata Bank plans to launch so as to enhance and consolidate its position as the leading consumer bank in Bangladesh.

The Ready Cash Card is a smart card based system allowing cardholders and merchants, security, convenience and prestige.

Japan's ODA to Bangladesh will concentrate on human needs

Japan will concentrate its future official development assistance (ODA) to Bangladesh on basic human need areas, human resources development and basic infrastructure development to help alleviate its poverty and attain economic growth, Japanese officials here said, reports UNB.

Quality will be the more important determinant than quantity of Japan's future assistance to Bangladesh, said Minister of Japan Embassy in Dhaka Shigeharu Maruyama while briefing newsmen at Hotel Sonargaon after a daylong trip to Japan-aided projects in and around the city Wednesday.

"We've sought to concentrate our assistance to basic human need areas like school, sanitation and women development," he said adding, "The basic infrastructure development will also have the same importance."

Upon completion of the Pakshir Bridge, which, he said, is "Now at tender-floating stage,"

Japan will think about assisting the Rupsha Bridge or other projects.

The Japanese diplomat signalled that Bangladesh's Jamuna Multipurpose Bridge as the most important project Japan so far funded in Bangladesh, as it "untied two parts of the country."

A 10 per cent cut in Japan's ODA budget is expected next year, but it does not mean that Japanese assistance to Bangladesh will fall, he assured.

Maruyama, however, said Japan's future assistance depends on "effective and efficient" implementation of the already-funded projects.

Resident representative of Japan International Cooperation Agency (JICA) Yuji Okazaki and chief representative of Overseas Economic Cooperation Fund (OECF) Takeo Matsuzawa also addressed the press conference. It was attended, among others, by second secretary of the embassy Tateki Ishida and JICA additional resident representative Hiroyuki Kutsuna.

Earlier, Cultural and Information Secretary of Japanese Embassy in Dhaka Yukimi Muramatsu took a 30-member team of journalists to Japan-assisted projects in Chandighat Water Treatment Plant of WASA, Greater Dhaka Telecommunications Project of BTB, Teachers Training College, Nari Maitree Mother and Child Clinic project in the city and Agriculture Training Centre for Women in Savar.

"Japan is the largest bilateral donor of Bangladesh since 1992 with bilateral aid amounting to 174 million US dollars in 1996, Shigeharu Maruyama told the newsmen.

He also mentioned Japan's quick response to Bangladesh government's appeal for help to overcome the recent worst flood, providing 24.0 million dollars as emergency relief.

"This was the first ever help reached Bangladesh from any foreign country," he said.

The damage caused by the severe flood might make it difficult for Bangladesh to achieve seven per cent economic growth as projected in the economic plan, he said.

Future volume and type of Japanese assistance to Bangladesh depends on the projects proposed by Bangladesh government, said Fuji Okazaki, resident representative of Japan International Cooperation Agency (JICA), the implementing agency of ODA.

"Technical cooperation's, especially for human resources development, is very important for Bangladesh, he pointed out.

Asked to comment on the status of Japan-aided ongoing projects in Bangladesh OECF chief representative Takeo Matsuzawa said they consult with the Bangladesh government to expedite the projects if they see any delay in implementation process.

"We try to expedite the projects, not to cut them down," he added.

The cumulative commitment of ODA for 12 projects in Bangladesh for the current fiscal stands at 100 billion Japanese yen (about Tk 30 billion), of which 25 billion yen have been disbursed while the rest is under consideration, he said.

Japan's bilateral ODA is provided in the form of loans grants and technical assistance on the basis of request made by Bangladesh government through Economic Relations Division (ERD), Finance Ministry. The ODA grants to Bangladesh totaled 330 billion yen, loans 544.4 billion yen and technical assistance 31.2 billion yen in the 1997 fiscal year, officials said.

The grants and loans went to transportation, communication, power and gas, and industries while the technical assistance was given to environment, medicate, child and mother health care and agriculture sectors.

Programmes for mother and child health care, rural infrastructure, sanitation may be expanded in future, they hinted.

UK ready to fight EU tax harmonisation plan

LONDON, Dec 3: Britain is ready to battle alone against plans for tax harmonisation in the European Union, British Prime Minister Tony Blair told Parliament yesterday, reports AFP.

"If necessary we will be alone but I don't believe that we will be," he said, promising he would resist any European attempt to undermine Britain's "essential interests."

"That's what we have done and that's what we will continue to do," Blair added.

Earlier, his spokesman told the Labour government would not be pushed into an anti-European stance despite press fury over EU tax proposals.

"It is possible for most of the EU to have a sensible debate about tax harmonisation but the British media make it impossible here," he said.

"What we won't do is to be pushed in a position which is not pro-European. This is a pro-European government," the spokesman said.

Despite Blair's campaign to

get Britain deeper into Europe, a battle over the rights of EU member states to set their own tax rates has forced London right back into the combative mode of the former conservative government.

Franco-German calls Tuesday for majority voting on big tax issues was met with a terse rejoinder from Blair's spokesman that this had "not a cat's chance in hell" of being adopted.

The threat to Britain's veto dominated Wednesday's papers here, reawakening the virulent anti-EU sentiments in sections of the press, with German Finance Minister Oskar Lafontaine who made the original remarks facing particular criticism.

The row came after talks in Brussels on proposals to harmonise EU business and savings taxes hit deadlock.

Britain has opted out of the Euro zone for the time being, but has pledged a referendum on the issue after the next election in 2002.



The 11th Annual General Meeting of the Al-Baraka Bank Bangladesh Ltd was held at a city hotel on Tuesday. Abdul Matin Khan, Vice Chairman of the Board of Directors, presided over the meeting.



Dhaka Sheraton recently extended a warm welcome to British Minister of State for Competition and Consumer Affairs Kim Howells. Picture also shows San Amalan, General Manager of the hotel, Saeed Ahmed director-Sales, and British High Commissioner David Walker.

France to raise its commercial credit level to Bangladesh

As the French Forum begins in Dhaka on December 7, a French trade official yesterday said France has decided to raise its commercial credit level to Bangladesh, reports UNB.

French Trade Commissioner in Dhaka Pierre Boeoz said his government has decided to provide Bangladesh more commercial credits as it is maintaining an appreciable lower debt service ratio.

A number of Bangladeshi firms have already approached France for commercial credits and "we see no harm in extending the credit because of Bangladesh's better performance in debt servicing," he said.

Addressing a press conference at Credit Agricole Indosuez conference room ahead of the French Forum, Boeoz told newsmen that since its independence Bangladesh received US dollar 1.5 billion as commercial credit from France.

His comments came a day after new governor of Bangladesh Bank Mohammad Farashuddin described Dhaka's practice of "living within the means" and cautiousness in taking foreign loans as the key factors to remain unhurt by the Southeast Asian financial turmoil.

The French Forum is aimed to improve economic and trade ties with Dhaka through seminars, symposium and exhibition of French industrial items.

A total of 14 French companies will participate in the annual event, being jointly organised by French-Bangladesh

Chamber of Commerce and Industry and French Trade Commission. The second two-day forum will be held in the port city of Chittagong.

President of French-Bangladesh Chamber of Commerce and Industry (CCIFB) Francis Dubus said Bangladesh has become a potential destination for investment. "Increased number of French people are interested to invest here."

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He said steps are underway to set up a 240-million-dollar cement factory in Bangladesh by the French Company Lafarge.

French Ambassador in Dhaka Renee Veyret and CCIFB Director Rifat Rashid were present at the press conference.

Bangladesh enjoys a trade surplus over France with exports worth 353 million dollars recorded in 1997.

Foreigners pull out \$42m from Indian share mkt

BOMBAY, Dec 3: Foreign portfolio investors pulled out 42 million dollars from the Indian capital markets in November, according to figures released yesterday by the capital markets regulator, reports AFP.

The Securities and Exchange Board of India (SEBI) figures showed the withdrawal of funds had accelerated in the last two weeks of the month.

Analysts said the November outflow figures reflected negative sentiment arising from domestic political uncertainty which has slowed down economic decision-making by the Indian government.

India is expected to suffer a net outflow of foreign portfolio funds in 1998 for the first time since it opened up the bourses to overseas institutional investors six years ago.

since September 1992 from more than 500 portfolio investors stood at 8.6 billion dollars.

"Devesh Kumar, at foreign brokerage Abn Amro Equities, said India would end 1998 with a net foreign portfolio outflow of about 400 million dollars.

"We do not expect any sizeable inflow in December which would wipe out the current deficit, given the political uncertainty," he said.

India's ruling Hindu coalition suffered a humiliating rout in state elections last week which heightened concerns about the survival of the eight-month old government.

Politicians try to dictate European Central Bank

FRANKFURT, Dec 3: Even before Europe's single currency is launched, politicians are challenging the independence of the central bank that will keep tabs on the new euro, reports AP.

Germany's new leaders have led the campaign, demanding that the European Central Bank, after it takes over monetary policy Jan. 1, lower interest rates to spur economic growth and create more jobs.

The push reflects growing demands across the European Union for a more hands-on approach to monetary policy as the euro launch nears, and some fear the tussle between politicians and bankers could damage the historic project.

The argument "goes to the psychological roots of the euro" — its independence from political influence, German central banker Ernst Welteke said recently.

"This is a perilous venture in an untested vessel. How can the passengers feel confident if the officers are so visibly squabbling on the quarter deck?" London's Financial Times asked in a recent editorial.

The contest — between the usual monetary goal of promoting low inflation and the broader political goal of spurring job creation — challenges the new central bank's guiding strategy: price stability modeled on the successful German Bundesbank.

caught in the same tug, though Federal Reserve Chairman Alan Greenspan stresses that the goal of low unemployment can't be achieved unless the Fed keeps a vigilant watch and is ready to boost interest rates at the first sign inflation is accelerating.

The European debate shows how much the political landscape has changed since the European Central Bank's mission was charted in 1992, when conservative, inflation-beating governments were in power.

France and Germany, the twin engines of the monetary union, led the charge for cutting deficits and reducing government spending to create a stable environment for the euro. They were guided by the 1992 Maastricht Treaty, which outlined terms for the euro, ensuring the independence of the European Central Bank.

Since then, the conservatives have been replaced by center-left administrations more interested in creating jobs and less in squeezing inflation. With the German election in September, nine of the 11 countries adopting the euro now are ruled by the centre-left. A consensus is growing.

German Finance Minister Oskar Lafontaine has received support from French Finance Minister Dominique Strauss-Kahn in his campaign for interest rate cuts. While Lafontaine boldly demands lower interest rates, Strauss-Kahn was more

reserved. He said it was "not inconceivable" that interest rates would be reduced in France and in Germany in the near future.

But that position may be easing. Last week, German central banker Hans Tietmeyer said he would not rule out the possibility of lower interest rates in Germany before the end of the year. Such a move could reduce the interest rate that the euro zone itself will adopt Jan. 1.

Other European countries, while making no demands, have signaled they share France and Germany's concerns. A recent EU summit in Austria was devoted to finding ways to boost the continent's economy, tackle unemployment — stuck at 10.9 per cent in the 11 euro nations — and prepare for the launch of a single currency. Left-leaning finance ministers went even further in Brussels, Belgium, recently, saying jobs creation should be a key element of monetary policy.

With characteristic bluntness, Duisenberg has described cutting interest rates to boost economic growth as "entirely counterproductive."

Korean products catalogue show in Ctg Dec 8

Korea Trade Centre, Dhaka is going to hold a "Korean products catalogue display" in collaboration with Chittagong Chamber of Commerce and Industry (CCCI) at the CCCI's conference room on Dec 8, says a press release.

About 1,000 copies of catalogues from textile machinery, fabrics, textile sub-material, paper, chemicals transformer construction, pharmaceutical, packing materials, plastic, medical, agriculture sectors will be put on display.

The purpose of this event is twofold. Firstly, to introduce Korean products through catalogues, brochures, and other related literature to the local businessmen and entrepreneurs and second to collect specific inquiries, opinions from the business community as to how Korean products can best meet their demand.

IPDC Board meet held

The 58th meeting of the Board of Directors of the Industrial Promotion and Development Company of Bangladesh Limited (IPDC) was held yesterday, says a press release yesterday.

K M Ejazul Huq, Secretary of the Ministry of Industries, presided over the meeting attended by IPDC's directors and government alternates, Aga Khan Fund for Economic Development (AKFED) and Commonwealth Development Corporation (CDC).

The board considered investment in sub-sectors like private airline company high-quality yarn spinning for export market and acrylic yarn spinning, dyeing and finishing for export-oriented sweater industries and approved financial loans of Tk 50m for setting up a high-quality yarn-producing plant for export market and US \$ 1.5m as lease financing to a foreign acrylic yarn spinning, dyeing and finishing factory in DEPZ. The projects, when completed, will create additional job opportunities for 2,850 persons.