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DHAKA, SATURDAY, DECEMBER 12, 1998

KL to maintain forex controls for now

KUALA LUMPUR, Dec 11: Prime Minister Mahathir Mohamad said Friday capital controls designed to fend off currency speculators and shelter its embattled economy from global recession would be maintained for now, reports AP.

In a private briefing to regional fund managers, Mahathir said the government would instead consider fine-tuning the strict measures that allow its currency, the ringgit, to be traded only within the Southeast Asian country.

The dozen financiers from Hong Kong and Singapore told Mahathir their concerns that these measures — if further prolonged — would scare off foreign investment, the national news agency Bernama reported.

Foreign equity investment in Malaysia has ground to a virtual standstill since Mahathir made the announcement on Sept. 1. The price of shares on the Kuala Lumpur Stock Exchange hit a year low that same day.

Beximco Pharma declares 30pc, Shinepukur 10pc dividends

Beximco Pharmaceuticals Limited has earned a gross profit of Tk 698.408 million in 1997, up by 4.64 per cent from the previous year, reports APB.

Total sales of the company during 1997 stood at Tk 2.251 billion against the previous year's Tk 2.120 billion, said a press release.

It said the net pre-tax profit of the company stood at Tk 396.021 million as against Tk 378.214 million in 1996. The company contributed Tk 392.556 million to the national exchequer.

The company also declared 30 per cent dividend Thursday at its 22nd Annual General Meeting held in the city. Over 10,000 shareholders attended the meeting presided over by Chairman of the Company A S F Rahman.

Vice Chairman Salman F Rahman, Managing Director D H Khan, and directors Iqbal Ahmed, M A Qasem, O K Chowdhury, Dr Abdul Alim Khan, A B Siddiqur Rahman, Dr Farida Huq and C H Rahman attended the meeting.

Meanwhile, Shinepukur Holdings Limited has earned a net after tax profit of Tk 278.458 million and the company had a total turnover of Tk 1817.520 million in 1997, 11.41 per cent higher than the previous year.

The company declared a 5 per cent final dividend in addition to 5 per cent interim dividend paid earlier, bringing the total dividend to 10 per cent for the year ended 31st December, 1997, said a press release.

Janson opens Padding and Quilting Deptt

Janson Bangladesh Limited inaugurated its Padding and Quilting Department at Kaliakoir on Thursday, says a press release issued in city yesterday.

The department was inaugurated by BGMEA President Mostafa Golam Qudus, Ali Ahmed, Commissioner of Custom, Excise and VAT, Dhaka (North), and Alauddin A Mazid, Managing Director of the Bank of Small Industries and Commerce Bangladesh Ltd. were special guests at the inaugural function.

In addition to two other departments of the company, the Padding and Quilting section will also manufacture accessories for garment factories.

Dej Jun Kang, a Korean national, will supervise the authorities of the new department.

The function, presided over by the company chairman Md Akram Hossain, was also addressed by Executive Director John N Gomes.

Janson Bangladesh is a 100 per cent garment accessories manufacturer of the country.

Ganakbari truck drivers form new body

Dhaka EPZ-Ganakbari branch of Bangladesh Trucks Drivers' Union recently constituted a new 11-member executive committee.

According to a press statement of the organisation, Md Anisur Rahman and Md Taj Uddin have been made President and General Secretary of the committee respectively.

Other members of the body are: Noor Mohammad — Vice President, Md Abdul Alim — Assistant Secretary, Md Zanifa Mian — Organising Secretary, Md Shahajan Tapan — Treasurer, Uttam Kumar Ghosh — Office Secretary, Md Ohab Ali — Publicity Secretary, Md Shamul Islam — Labour Welfare Secretary, Sadek Bhuiyan — Educational, Cultural, Sports and Social Welfare Secretary and Md Zabbar Mian — Executive Member.

Meanwhile, Bangladesh Truck Drivers' Union requested the Dhaka district administration to cooperate with the newly-formed branch committee.

Computer fair extended for another two days

Mega event draws mammoth crowd

By M Shamsur Rahman

The authorities on Thursday had to put out lights to drive out computer crazy visitors who refused to leave the fair. Seeing the unexpected pouring of visitors into the glitzy computer extravaganza, the officials have decided to extend the fair time by an hour. The fair will now continue till 9:00 pm instead of the earlier 8:00 pm closing time for the rest of the days.

The organisers have also decided to make the fair a seven-day mega-event instead of the previously planned five-day schedule.

It will be part of the Victory Day. There are pressures from both the organisers and the visitors to extend the time," President of the Bangladesh Computer Society (BCS) said yesterday.

Ticket selling on the first day began at 3:30 pm. As many as 7,000 tickets were sold till 8:00 pm yesterday. Earlier in the day, people were allowed entries without tickets.

Quite a huge crowd turned out from the morning till noon yesterday. The crowd became thin during juma prayers, but it developed again in the afternoon. By around 4:00 pm, thousands of computer enthusiasts were seen waiting for tickets in long queues.

It virtually became impossible to move in the fair at around 5:00 pm. At one stage, the organisers had to shut down the escalator, which was overloaded with people. Students, professionals, housewives and kids mostly formed the crowd.

They also had to double the number of ticket counters as the existing ones could not cope with the enormous crowd. A separate counter was also

opened for ladies.

The BCS has arranged six free bus services for bringing visitors from different parts of the city to the fair. The buses could only manage to go for four to five trips due to heavy city traffic.

The buses start playing from 9:00 am in the morning till the closing of the fair.

The first trip starts from Dainik Bangla and touches points like Press Club, Karzan Hall, TSC, Shahbagh, Dhaka Sheraton Hotel, Shonargaon, Panthapath, Sobahabag, Asadgate, College Gate and Shisu Hospital before on its way to IDB.

The second bus starts from Bakshibazar and touches major spots like BUET, Eden College, Dhaka College, Zigatala, Mohammadpur and Indira Road.

The third one begins from Notre Dame College and picks passengers from Razarbagh, Mailbagh and Farm Gate before reaching the fair.

The fourth and fifth buses begin from Uttara and touches places like Gulsan 1 and 2, Mahakhali and Bijay Sarani.

The sixth bus shuttles from Mirpur 12 and goes through Section 2 and 1, Kalyanpur and Shyamoli.

BCS begins registering software makers

The BCS has started registering programmers who are visiting the stalls. "So far, we have registered 850 programmers, but our target is to have 2500 registered programmers," BCS General Secretary Ahmed Hasan Zoel said.

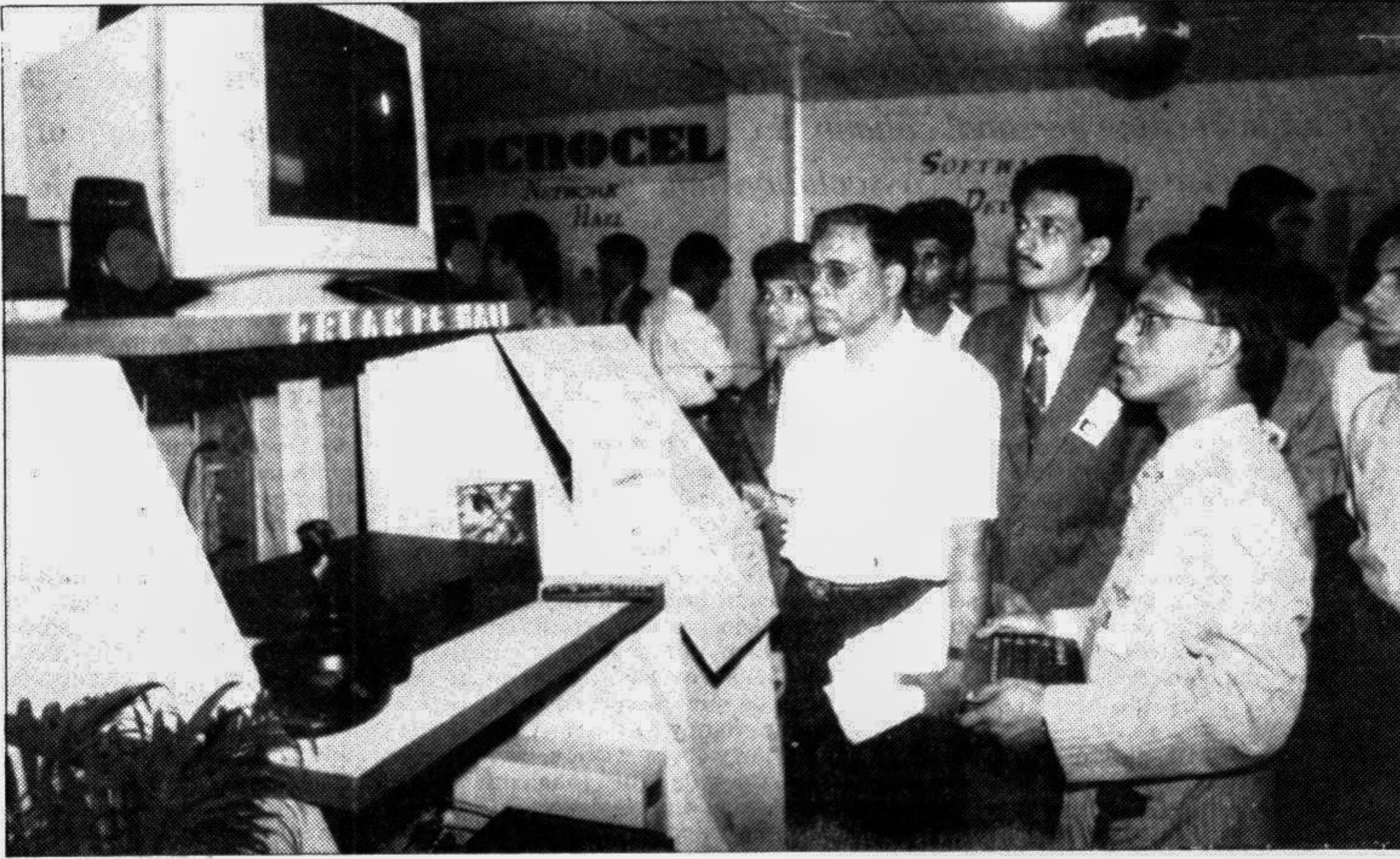
This registration would enable us to know Bangladesh's

position in the global software market. It would also help us assess our abilities and prepare ourselves for the next millennium," he said.

"We are only in the first phase. In the second phase, we will enter the filtering stage and assess the abilities of these programmers. We are also keeping

their addresses and will arrange seminars and training facilities for them in future in order to get them sharpened."

"We will make these information available on the Internet enabling foreigners to know about our market position. The web sight would be ready within 10 to 15 days," he said.



Visitors are seen getting acquainted with remote control key board, a new product introduced by Microcel, at the biggest ever BCS computer show at city's Agargaon yesterday. —Star photo

Weekly Currency Roundup

Local Market
 Last week, the demand for US dollar was moderate in the local forex market. Slight increased inward remittances and lower demand from the importers than previous week kept dollar demand moderate in the market. During the week, dollar ranged between BDT 48,6500 and BDT 48,6520. Banks sold a unit of US dollar to the importers at 48,7550 and bought a unit of dollar from the exporters at Tk 48,1550. The daily average forex turnover was US dollar 46 million (Source: BAFEDA).

Bangladesh Bank accepted treasury bills worth Tk 529.50 crore at Sunday's auction (Tk 509 crore for 28-day @8.16 per cent and Tk 20.50 crore for 91 days @ 8.95 per cent. On the other hand, treasury bills worth BDT 511 crore matured on Monday. This mismatch drove the call money rate a bit up on Monday last and the rate ranged between 7 and 8.5 per cent. In the kerb market, cash US dollar traded between BDT 48.75 and 49.00. The local forex and money markets will resume on Sunday next but the full-day strike called by the oppositions may hamper smooth transactions.

International Market
 Dollar remained ranged-bound in the international forex market. The main focus was on Bank of England's decision to cut the interest rates. The bank cut the key rate by 0.5 per cent from 6.75 per cent to 6.25 per cent. This was the third month in a row the central bank cut its rate to lower borrowing costs. But sterling extended its gain against dollar with the rally of equity markets and the rate was already factored in the market.

But the pressure remained on dollar with the down trend of the Wall Street and concerns over possible impeachment of US President Bill Clinton. Dollar fell heavily against yen on comments of Japanese finance minister, who said that the market seemed to be comfortable with the dollar pagged at 110-120 yen. It forced the fund operators to go for dollar sales. Deutsche mark (DEM) also maintained its firm tone against dollar. However, dealers expected the market to remain thin and ranged-bound ahead of the year end and launch of Euro with the beginning of the next year.

During the week, US dollar traded at between 116.70 at 120.70 against yen, 1.6490 and 1.6750 against DEM and GBP traded at rates between 1.6468 and 1.6740 against USD. — StanChart Bank

PC sales pick up in India

NEW DELHI, Dec 11: India's sale of personal computers grew 46 per cent to 460,000 units from April to September 1998, a trade body said yesterday, reports AFP.

The Manufacturers Association for Information Technology (MAIT) said the "next six months will even be better for the industry and the sale of personal computers will touch one million units."

"We are delighted at the performance of the industry which has shown remarkable resilience in the face of challenging business conditions in the last six months."

This reflects the growing maturity of the Indian information Technology industry and its increased acceptance among the users within the country," Ram Agarwal, president of the body, said in a statement.

India's economic growth fell by two percentage points to five per cent last fiscal after averaging 7.5 per cent during the previous three years.

MAIT said the "only segment which showed noticeable decline of over 26 per cent" was the notebook computers which it attributed to higher prices and communication bottlenecks in India.

Euro zone posts \$7.7b trade surplus

BRUSSELS, Dec 11: The 11 countries of the future euro zone had a trade surplus of 6.6 billion euros (7.7 billion dollars) in August, the EU statistics office said yesterday, reports AFP.

In the first eight months of this year the 15 countries of the European Union had a trade surplus of 53.2 billion euros from 55.7 billion euros during the same period of last year, owing mainly to a massive surplus by Germany and despite a huge deficit by Britain.

On January 1, one ecu will be equivalent to one euro.

In August 1997, the 11 countries had a trade surplus with the rest of the world of 6.3 billion euros.

Trade between the European Union (EU) and the United States increased strongly in the first eight months. EU exports to the United States had risen by 14 per cent and imports by 14 per cent.

Exports to China had increased by 17 per cent and imports from China by 16 per cent.

Germany was the main force behind the surplus, contributing a surplus of 45.9 billion euros in the first eight months but Britain contributed a deficit of 27.1 billion euros from a deficit of 16.4 billion euros in the same period of last year.

Another report says the European Union, and the euro zone, showed economic growth of 0.6 per cent in the third quarter from the figure for the second quarter, the EU statistics office Eurostat reported yesterday, reports AFP.

The figures signalled that growth has accelerated from performance in the first two quarters of this year.

In the second quarter the 15 countries of the European Union had shown growth of 0.4 per cent, and the 11 countries in the future euro zone had shown growth of 0.3 per cent.

The US economy showed growth of 1.0 per cent in the third quarter from 0.5 per cent in the second quarter, but the Japanese economy contracted by 0.7 per cent in the third quarter from contraction of 0.7 per cent in the second quarter.

Another factor had been fixed capital investment which had risen by 0.9 per cent in the whole of the EU and by 0.6 per cent in the euro zone.

Two new HYV varieties of rice invented

MYMENSINGH, Dec 11: Adding to the success stories of Bangladesh Institute for Nuclear Agricultural Research (BINAR), an agronomist has innovated two high-yielding varieties of paddy, says UMB.

The National Seed Board has already approved the two new varieties — BINA-paddy-5 and BINA-paddy-6 for cultivation during the Boro season throughout the country.

Dr Ali Azam, the innovator, told UMB that on an average 5 to 6 tonnes of paddy could be produced per hectare with BINA-5 while 5.5 to 6.5 tonnes with BINA-6.

Japan parliament okays 3rd extra budget

TOKYO, Dec 11: Japan's Parliament enacted a 5.7 trillion yen (\$48.5 billion) supplementary budget Friday that will finance part of a record 24 trillion yen (\$ 205 billion) of spending on projects to jump start the nation's moribund economy, reports AP.

The extra budget, the third of its kind for the current fiscal year, passed the upper house of Parliament easily with support from the ruling Liberal Democratic Party and also the Liberal and New Komeito parties.

It will finance programmes designed to increase the flow of bank loans of businesses.

The election of Lahoud, a man reputed for integrity in a country suffering from widespread corruption, strengthened the value of the pound boosting foreign currency reserves by around 600 million dollars.

Salame, who was close to Hariri, said he backed the new prime minister's plans to tackle the yawning budget deficit which he said had reached 22 per cent of gross national product in 1997 because of the costly post-war reconstruction projects and the need to ameliorate purchasing power.

But he added that the Hoss government should also continue the multi-billion dollar reconstruction programme launched by Hariri after the 1975-1990 civil war and maintain growth at between four and five per cent.



BGMEA President Mostafa Golam Qudus inaugurates the Padding and Quilting Department of Janson Bangladesh Limited at Kaliakoir on Thursday. —Janson photo

New bid to regain ground in US
Struggling Mitsubishi pins hopes on new ads

DETROIT, Dec 11: Like most second-string Japanese automakers in United States, Mitsubishi Motors Corp. has struggled in recent years — a victim of its own failure to come up with an image and vehicles that would make it stand out from the competition, reports AP.

But a lively new ad campaign, new US leadership and a redesigned entry in the ultra-competitive midsize sedan segment has Mitsubishi hoping to generate its first profit in the United States since 1987.

The biggest Japanese automakers, Toyota Motor Corp. and Honda Motor Co., have gained in the US market while smaller Mitsubishi, Nissan Motor Corp. and Mazda Motor Corp. have fallen farther behind. Ninth-ranked Mitsubishi holds only 1.2 per cent of the

market; its sales fell 22 per cent from 1994 to 1997.

Mitsubishi is pinning much of its hopes for a revival on its redesigned 1999 Galant, which competes against best sellers like the Toyota Camry, Honda Accord and Ford Taurus in the crowded midsize segment.

The car, built at Mitsubishi's Normal, Illinois, plant, has been praised by automotive critics as a strong competitor. But the segment is full of strong competitors.

"The real problem they face, as well as some other second-tier companies is to get people to think of them," industry analyst Ron Pinelli of Autodata Corp. said Thursday. "They have a good product, it's just a question of image and getting on people's shopping list so they actually go out to a dealership,

test drive the car and see what it's all about."

To that end, Mitsubishi launched the Galant in August with an advertising campaign estimated to cost more than \$10 million — a lot for a small player with big financial woes back home. The MTV-influenced ads, with the tag line "wake up and drive," is targeted at young parents looking for a sporty family car without the blandness of the top-selling Camry, which is marketed as a car for "everyday people."

One of the ads shows a Galant racing through a tunnel with the message: "No one will ever notice the baby seat."

The ads, created by Deutsch Inc., appear to be working. In November, Galant sales were up 40 per cent over the same month a year ago.

Blair, Schroeder for Euro tax harmony

LONDON, Dec 9: British Prime Minister Tony Blair and German Chancellor Gerhard Schröder yesterday published a joint declaration promoting "tough action to combat unfair tax competition in Europe, reports AFP.

However, their text steered clear of the contentious issue of savings tax, which financiers in the city of London financial district fear might reduce London's competitive edge as an international financial services hub.

The text also failed to offer any sign of agreement on the thorny issue of majority voting on European tax harmonisation plans.

Britain insists that all tax issues must continue to be agreed unanimously by member states, in opposition to a Franco-German initiative to implement majority voting.

The text said that "discriminatory tax rules and practices should generally be removed to prevent the distortion of competition within the EU."

But it insisted: "We do not favour a unified European system of corporate taxation."

The agreed position also states that "at no stage have we considered measures to harmonise personal income tax."

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Business Briefs

Japan eyes 20pc tax cuts

TOKYO: The government and Prime Minister Keizo Obuchi's ruling party have decided to cut income taxes by 20 per cent across the board next fiscal year, Japanese newspapers reported Friday.

In a meeting Thursday, tax officials from the government and the Liberal Democratic Party agreed on the measures, which will include a maximum cut of 150,000 yen (\$1,280), the Nihon Keizai newspaper reported.

They also agreed to cut residential taxes by 15 per cent, or up to 40,000 yen (\$340), said the paper, Japan's leading business daily.

News of the cuts was also carried on the front pages of three other major Japanese newspapers.

But a Finance Ministry spokesman quoted Finance Minister Kiichi Miyazawa as saying that nothing concrete had been decided and that government and LDP tax officials were discussing details.

The spokesman said a decision will be announced by the end of next week. He spoke on condition of anonymity.

The government plans to send tax reform legislation to the next regular session of Parliament beginning in January.

Deutsche, Sakura Securities to merge

TOKYO: Deutsche Bank AG, Germany's largest bank, and major Japanese lender Sakura Bank Ltd have agreed to form a strategic alliance by merging their securities subsidiaries, a local newspaper said Friday.

Under the deal, Sakura Securities and Deutsche Securities would merge as early as next summer, the Yomiuri, Japan's widest-circulation daily, reported.

The two banks also plan to link their businesses in areas such as asset management and the development of mutual fund-type investment products, the report said. A formal announcement of the tie-up was expected as soon as next week, it said.

A spokesman for Sakura did not rule out such an alliance, but said no final decision has been made.

The move would mark the latest bid by Deutsche Bank and other foreign financial firms to expand their presence in Japan, which has begun to implement drastic deregulation of the banking, brokerage and insurance industries.

Last month, Deutsche Bank announced plans to set up a joint venture asset management company with Japan's Nippon Life Insurance Co.

ROK workers' strike continues

SEOUL: Thousands of workers at two major conglomerates continued work stoppages Friday, protesting an industry shakeup they said would lead to mass layoffs.

A government-mediated deal struck earlier this week, Daewoo Electronics Co. will be swapped by its parent conglomerate for Samsung Motors Co, an auto-making subsidiary of the Samsung group.

Samsung Motors will be absorbed by Daewoo Motors, the nation's No. 2 car maker, while Daewoo Electronics will be merged into Samsung's home appliance arm, the nation's largest.

The \$10 billion deal is part of an industrial restructuring in which the nation's top give conglomerates — Hyundai, Samsung, LG, Daewoo and SK — will spin off half of their 26 subsidiaries.

One industry study estimates that the restructuring will result in up to 40,000 workers being laid off.

Unemployment rate up in S'pore

SINGAPORE: The government confirmed Friday its preliminary estimate that the adjusted unemployment rate for September was 4.5 per cent, almost double June's 2.3 per cent.

The Manpower Ministry for this city-state of 3.1 million people issued the final figures in its quarterly report, confirming preliminary figures given in late October by Minister Lee Boon Yang.

Filipino labour situation betters

MANILA, Dec 11: The Philippine labour situation continues to improve, with the number of strikes falling slightly from last year, labour officials said Friday, reports AP.

Buenaventura Magsalim, chief of National Conciliation and Mediation Board, said that as of November of this year, only 89 strikes have been reported nationwide, down from 91 work stoppages recorded during the same period last year.

Magsalim said the number of workers involved in strikes also dropped by more than a third to 32,819 during the same period.

He is optimistic that if the trend continues and more strikes get resolved during the Christmas period, the country will have a peaceful December.

"We, therefore, expect to meet our target of maintaining strike level at below the 100 mark this year," he said.

The Nihon Keizai said the 1999 tax cuts are expected to total 4 trillion yen (\$34 billion). — AP reports