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DHAKA, TUESDAY, DECEMBER 15, 1998

Dhaka to receive Tk 3cr grant from Sweden

Bangladesh will receive five million Swedish Kroner, equivalent to Tk three crore, as grant from Sweden under an agreement on "Personnel and Consultancy Fund," says AP. The agreement was signed between the two governments at the Economic Relations Division here yesterday.

Joint Chief of ERD A K M Khairul Alam and Swedish Ambassador to Bangladesh Anders Johnson signed the agreement on behalf of their respective sides.

The grant will be utilised to facilitate planning and strengthening of administrative and technical capabilities of the Swedish funded projects.

Besides, it will also finance in feasibility studies, consultancy services, providing training and study tour in areas of relevance for the development cooperation between the two countries.

European stocks bounce back

European shares have bounced back after a shaky start to the weeks trading. London stocks have shrugged off another dark day for investors on Asian markets.

A gloomy survey from Japan's business community has raised fresh doubts about the health of the world's second largest economy, which is in the throes of a deep and prolonged recession.

Stocks in Japan and Hong Kong plummeted, initially causing stock prices around Europe to tumble.

The recovery of Japan's economy is seen as crucial to stem the economic crisis in South East Asia and other emerging economies around the world.

The prospect of falling company profits in the wake of the slowdown in the global economy and fears about the possible impeachment of President Clinton also continue to dog share markets.

Bumpy ride

Stock markets look set for a bumpy ride in the run up to Christmas.

Share prices are expected to be volatile ahead of the birth of the euro, Europe's new single currency. With many banks cutting back on dealing activities as the advent of the euro approaches, trading volumes are likely to be low. That could lead to wild swings in share prices when deals are made.

At 1245 GMT the FTSE 100 index of leading shares was down 20 points at 5521, having earlier fallen more than 1 per cent.

Asian fears

It was the Bank of Japan's influential Tankan survey that had caused shares to fall in Tokyo.

It said business confidence had tumbled to its worst level for nearly five years, offering little sign of recovery for the recession-hit economy.

The 225-issue Nikkei average of the Tokyo Stock Exchange lost 294.02 points to end at 14,111.62.

Europe shares recover

European markets which had closed in the red at the end of last week opened up again on Monday. German and French shares fell more than 1 per cent, although they later staged a strong recovery.

-- BBC Internet

EC-NGO workshop in Comilla today

The European Commission-NGO Dialogue Project will organise a workshop on NGOs and Development Synergies in Comilla region today, says UNB.

Representatives of the Government, NGOs and Union Parishads will attend the function.

The working groups will focus on Government-NGO cooperation in development projects, NGOs and local government reform and relations between smaller NGOs and NGO networks and apex bodies.

Team leader, Dr Berthold Kuhn informed that the workshop would explore areas of cooperation between smaller NGOs, NGO network bodies and the government.

The European Commission gives over Tk 500 crore to ongoing NGO projects, one fourth of its overall development assistance to Bangladesh, says a press release.

Nazim heads NBL Yangon office

Nazim Uddin Ahmed has been posted at the representative office of National Bank Limited in Myanmar as Chief Representative to promote full-fledged banking functions there.

Ahmed is a Vice President and the recipient of NBL Best Performer 1997 award for his outstanding contribution to achieving major business targets of its Dhanmondi branch during his tenure as branch in-charge, says a press release.

BIMSTEC meet begins in city Dec 17

Continental communications network to top agenda

With an important agenda for greater economic cooperation, including building a continental communications network, Bangladesh, India, Myanmar, Sri Lanka and Thailand will meet here December 19 under the umbrella of BIMSTEC, reports UNB.

The five-member new economic bloc of the region, formed last year, will focus on cooperation in six areas: Trade, Investment (Bangladesh), Technology (India), Transport and Communications (Thailand), Energy (Myanmar), Tourism and Fisheries (Sri Lanka).

State Minister for Foreign Affairs Abul Hasan Chowdhury will lead the host team at the second meeting of the sub-regional grouping.

The State Minister-level meeting will be preceded by two days of preparatory talks among officials of the member countries December 17-18.

The second BIMSTEC meeting is very important in the context of regional cooperation.

Foreign Minister Abdus Samad Azad told newsmen at a press briefing at the Foreign Office yesterday.

Azad, who will inaugurate the meeting at Hotel Sonargaon on December 19, said the objective of the sub-regional forum is to foster greater economic cooperation among the South and Southeast Asian nations.

The Foreign Minister said five sub-sectors had been placed on the topics to boost trade and investment. These are: Trans-Asia Railway and Highway,

Rubber, Tea, Coffee, Coconut and Spices, Automotive Industries and Processed foods.

The lead countries for BIMSTEC-related projects are expected to be finalised in the upcoming Dhaka meet.

Asked about progress of Trans-Asia Railway and Highway projects, Azad said details on the proposal were being examined, and the BIMSTEC meeting is 'very important' on this count.

In reply to a question about Nepal's membership in the sub-regional grouping, he said: 'We don't believe in closed-door policy. We will take united decision about it.'

State Minister for Foreign Affairs Abul Hasan Chowdhury told a questioner that there is a lot of scope for expanding trade

and investment among the BIMSTEC member states.

There is a very clear perception that the private sector should be given a leading role," he said.

Indian State Minister for External Affairs Vasundhara Rajé, Myanmar's Deputy Foreign Minister U Khin Maung Win, Lankan Deputy Foreign Minister Lakshman Kiriella and Thai Deputy Foreign Minister Sukhumbhand Paribatra are scheduled to attend the minister-level conference of the forum.

A joint-statement will be issued at the end of the second BIMSTEC meeting in Dhaka. It was formally launched with the adoption of the Bangkok Declaration at the ministerial meeting in June 1997.

Air Parabat resumes flight operation December 27

Private airlines Air Parabat resumes its flight operation on December 27 after about six months of an inadvertent service disruption, reports UNB.

Two new 19-seater STOL (short takeoff and landing) aircraft, LET-410, have already arrived in Dhaka to be pressed into service. They are of new model and equipped with more facilities.

The service of the second private airlines in the country remained suspended after a LET-410 went inoperative in Cox's Bazar early June and another had a force landing at Savar on June 28.

"In this situation, we had no alternative but to postpone our services. However, we are lucky enough that we are going to resume service within six months," said vice-chairman of the airlines Jugul Karim.

Addressing a press conference here yesterday, he said: despite incurring huge financial

loss due to suspension of operations for about six months, Air Parabat, considering public interest, decided to decrease fares subsequently, instead of raising the rates.

The new fares of Air Parabat would be identical with that of national carrier Biman Bangladesh Airlines, he said.

The press conference was also attended by Air Parabat managing director Nadera Alam, Kazi Wahidul Alam and Joseph Ornet.

At the initial stage of resumed operation, Air Parabat will operate flights twice daily (except Friday) on Dhaka-Chittagong-Dhaka, Dhaka-Jessore-Dhaka and Dhaka-Barisal-Dhaka routes.

On Dhaka-Chittagong-Cox's Bazar and Cox's Bazar-Chittagong-Dhaka routes there will be flights thrice a day.

However, on Fridays Air Parabat aircraft will fly once.

Meanwhile, the LET-410, lying idle at Cox's Bazar since early June, will undergo checks and refurbishment in Czech Republic at the LET factory which was recently bought by USA-based Ayres Corporation and being modernised and improved further.

The Air Parabat authorities informed that LET-410 is a popular STOL-class aircraft. A number of countries are operating 400 such airplanes across the world.

The new version of Let-410, reached here to resume Parabat operation, is fitted with features for improved safety and passenger comfort.

Auto pilot, global positioning system, radio navigation, weather radar and built-in air-conditioning are some of the notable new features. The two new LET-410 also have 200-kg higher luggage capacity each than the earlier model.



Jagul Karim, Director of Air Parabat, speaks at a press conference on resumption of their flights, organised at a city hotel yesterday. Captain Nadera Alam and Marketing Manager Wahidul Alam are also seen in the picture. --Star photo

Rob opens workshop on multi-modal transport Govt drafts shipping policy

A draft policy has already been prepared by the Ministry of Shipping to formulate the national shipping policy with a view to carrying out tremendous development in the shipping sector of the country, reports BSS.

This was disclosed by Shipping Minister A S M Abdur Rob while inaugurating a three-day country-level workshop on "multi-modal transport: liability, insurance, documentation and export/import formalities" being jointly organised by Shippers' Council of Bangladesh and UN-ESCAP at Hotel Purbani here.

The national shipping policy after its formulation will be announced shortly as the present government attaches top priority to development of a modern transport system including port facility in spite of resources constraints," he told the shippers.

President of the Federation of Bangladesh Chambers of Commerce and Industries (FBCCI) Abdul Awal Mintoo was the special guest at the function which was also addressed by Director (Transportation) of the UN-ESCAP M Rahmatullah.

The council chairman M R Ali welcomed the guests and its vice-chairman Abul Khair Khan gave vote of thanks.

Commenting on multi-modal transport system, Abdur Rob said it had already revolutionised the international trade by ensuring safe, speedy and timely delivery of export/import consignments at the destinations by multi-modal operators.

"We must learn to operate this system efficiently, removing all bottlenecks for the promotion of our foreign trade."

He said the government on a priority basis had already created some infrastructure facilities with modern equipment necessary for container handling at the ports and also undertaken many more short and long-term development programmes to increase the container cargo handling capacity and operating efficiency.

The Shipping Minister also said that different projects under a proposed master plan were also speedily being implemented for the development and procurement of modern container handling equipment for 1995-2010 period.

"Chittagong Port Authority will construct another container terminal and one Inter-Container Depot (ICD) outside of it, while proper attention is being given to make Mongla Port more operational," he said adding, the government has successfully attracted foreign capital and private assistance for a separate container handling terminal at Potenga in view of the country's increasing foreign trade.

Abdur Rob said an interior container depot (ICD) has already been established at Kamalapur Railway Station in Dhaka with a provision for further expansion and development shortly to facilitate transportation of container from sea ports to the interior of the country and vice-versa. The government is also actively considering construction of an inland river container port at Pangaon near Dhaka, he added.

The FBCCI president, Abdul Awal Mintoo, described ports as basic instrument for foreign trade as well as vital organs for domestic economic activities but expressed his deep regret

that ports were being used as tools for hartal programmes by political parties.

He urged both the government and the opposition political parties to reach a consensus to avoid hartal for ever and ensure complete stability in the country so that future challenges could be unitedly faced through encouraging the private sector, the main force in the market economy now being practised in Bangladesh.

The FBCCI chief urged the political parties as well as trade unions to keep the ports free from any stoppage programme and suggested that port services should be privatised to help enhance efficiency for the sake of increased foreign exchange and domestic revenue income.

Speaking about the multi-modal transport system, Abdul Awal Mintoo said the multi-modal transport operator was playing a key role in taking full risk and responsibility in carriage of goods from places of origin to the specific destinations through a single multi-modal transport contract.

He said such system has already become a key requirement for international trade and suggested that it must be developed and efficiently operated in Bangladesh for promotion of the country's foreign trade to earn more foreign currency through increase exports.

The FBCCI chief suggested construction of strong roads and bridge suitable for heavy container traffic side by side adjustment of banking rules, customs procedures and insurance policies to facilitate efficient operation of multi-modal transport system.

Regional chief tells The Daily Star

Innovations and quality keeps Sony going well

By Inam Ahmed

Sony, the global leader in audio-visual products, is banking on its innovations and quality to get going in the current depressed world markets.

"The Asian market is already depressed and the Japanese domestic sales are also down," said K Nakai, Managing Director of Sony Singapore. "As a result, Sony's year-on-year turnover has decreased quite a bit. This has pushed the company to promote a number of new products to prop up sales."

He was talking to The Daily Star during his recent visit to Bangladesh. It was his first trip here to get an overview of the market.

"Innovation is the key to our success," said Nakai. "Although the time is now bad, new innovations can result in good sales. This is backed by the good quality of our products."

"Personally, I think that the Asian economies are hitting their bottoms now," he said. "But we expect a better time by the turn of the next year."

As part of its new product launching, Sony has introduced the new flat screen TV.

"Our mini disks, a new recording format that replaces audio tapes, are also doing good and the digital cameras and digital video machines are helping our sales even at this difficult time," said Nakai.

Sony is the number one audio-visual product manufacturer in the world, commanding 25 per cent of the market. In Bangladesh, it controls 60 per cent of the market.

"The electronics market in Bangladesh is becoming very competitive," observed the Sony MD. "To stay ahead of the race, we have developed a partnership with Rangis, which offers a five-year warranty to customers on every product, and ensures product quality. In fact, Rangis is doing a pretty good job here, more than what I had expected."

When asked about Sony's future expansion, he said it does not have any such immediate plan because of the smallness of the market. But he added that in the future, Sony could always think of expansion if the market develops further.

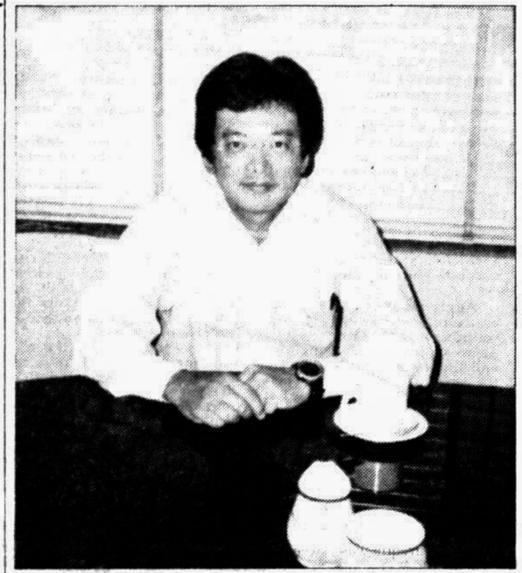
"In that case, we will locally produce some vital components of our products," said Nakai.

In the future, Sony will be combining its audio-visual products with computers to make more innovative hybrid items.

He said that Sony's computer monitors were selling well. "We have added the trinitron technology in monitors, which gives a much better brilliance to pictures."

Nakai said Sony products are priced about ten per cent higher than other brands in Singapore and 15 per cent higher than the Korean products.

"Koreans are selling their products at a cheaper rate, but we are not facing any pinch from them," he asserted.



K Nakai

FDI in China may reach \$ 45b this year

BEIJING, Dec 14: Foreign Direct Investment (FDI) in China is expected to reach 45 billion dollars this year, about the same level as last year's the official Xinhua news agency reported, says AFP.

The overnight report said the figures were reported in the Chinese economic Herald which said China had a great potential for absorbing even more foreign investment during 1999.

The European Union is currently the main source of foreign direct investments, with funds from member countries expected to grow during 1999, the report said.

Investments from Germany, Britain and the United States are expected to increase considerably, the report said.

It said economic development in Southeast Asian countries was expected to take a favourable turn by the middle of next year, with investments from the region expected to fall below this year's level.

However, the decline will exert slight influence on China's overall investment plan since the region accounts for a mere two per cent of China's total foreign investments.

Asian currencies close mixed

SINGAPORE, Dec 14: Asian currencies were mixed against the dollar in lacklustre trade today despite the Japanese yen rise, dealers said, reports AFP.

The yen rose to 116.75 against the greenback here in mid-morning trade, up from its finish last week of 117.3 as sentiment on the dollar was depressed over the outlook for the US stock market.

There is some concern that share prices in the US may fall as the impeachment proceedings progress," said a dealer with an international bank here, referring to the proceedings against US President Bill Clinton.

The Singapore dollar took its cue from the yen, rising to 1.6475 to the US dollar last week.

However, other Asian currencies remained rangebound such as the Indonesian rupiah which fell slightly to 7,500 to the US dollar mid-morning from 7,480 last week, and the South Korean won to 1,209 from 1,207.

The Thai baht was flat from last week's finish of 35.75.

The Philippine peso move up slightly to 38.99 from 39.05, while the Taiwan dollar was marginally higher at 32.265 from 32.28.

The US House of Representatives is preparing for a special session on Thursday to vote on a recommendation for Clinton to be impeached he lied under oath about a sexual liaison with an intern.

Clinton, however, has ruled out resigning from the post.

Mad rush at BCS computer show

By M Shamsur Rahman

Thousands of computer junkies gathered outside the IDB Bhaban during the hartal hours Sunday to witness the International Computer Show '98 organised by the Bangladesh Computer Society (BCS).

The crowd insisted on entering the show and refused to leave without a taste of the computer world although it was closed due to the hartal," BCS President Aftab ul Islam said. "Later, they left only when they came to know that the fair had been extended for two more days."

"This proved how much enthusiasm the computer age has generated among the common people," the BCS President said.

Till yesterday, the number of visitors went above the 100,000 mark.

Most of the morning visitors were students coming from different schools and colleges.

The students collected prospectus from different training institutes. Some students even registered themselves in different courses offered at 10 to 20 per cent discounts.

Officials of a leading training institute said that it ran short of registration forms in the face of huge demand.

"We distributed as many as 600 registration forms," said an attendant at a stall.

In the last four days, some 26,000 software programmers have registered their names with the BCS.

The organisers are expecting sales to shoot up in the next two days.

"We have already taken steps to avoid rush and to sell tickets quickly. We have doubled the number of ticket counters," the General Secretary of the BCS said.

Big turnout

The fifth day of the seven-day mega event was marked by a huge turnout. Some 10,000 visitors entered the show till 3:10 pm yesterday. On the fourth day, some 25,000 persons visited the show.

Shell poised for drastic cost-cutting

The beleaguered oil giant Royal Dutch Shell is expected to announce a major scaling back of operations, which could lead to thousands of job losses and a write-down of assets.

An announcement is due to be released to the London Stock Exchange early this afternoon, as Shell prepares to meet City analysts.

Faced with plummeting oil prices and the global economic downturn, the Anglo-Dutch company is expected to announce a drastic cost-cutting programme when it makes its annual strategy presentation.

It is believed the company could write down as much as \$5bn (£3bn) worth of assets and issue a profit warning.

Shares in Shell had edged up 3.5p to 357.5p ahead of the announcement.

Global slump Shell, like all other major oil companies, has been dealt a severe blow by the 12-year low in oil prices and falling demand in Asia.

Jim Wood-Smith, head of research at stockbrokers Greig Middleton, said: "Shell has been somewhat behind its rivals in cutting costs. It has a famously bureaucratic management structure. This means there is plenty of room for efficiencies and job cuts are inevitable."

The group has already announced the likely closure of 92,000 barrels a day Shell Haven refinery in the UK as well as production cuts and sell-offs to a number of European sites.

Merger talk

The economic difficulties may have egged on Shell to follow the example of Exxon and British Petroleum, who each merged with one of their big competitors, Mobil and Amoco respectively. Last week financial analysts were speculating that Shell was considering a take-over of oil company Chevron.

Both companies have refused to comment on the rumours.

Oil analysts believe Shell is more likely to balance its own books before taking on new assets.

-- BBC Internet



Shell's oil rig