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The Daily Star BUSINESS

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Tea demand falls at Ctg auction

CHITTAGONG, Dec 17: The weekly tea sale here Tuesday witnessed a depressing market for lack of sufficient demand from both export as well as internal buyers, reports UNB.

Prices this week were much lower and withdrawals were also heavy, according to a market report of National Brokers Ltd.

There was fair interest from Poland and Russia whilst a limited enquiry from Pakistan/Afghanistan. Loose Tea Trade was subdued with fair interest from the Blenders for the better liquoring types.

CTC LEAF: 15,889 chests, 17,687 Gunny Sacks and (12 chests of old season) on offer met with much less demand at lower levels amid heavy withdrawal.

CTC BROKERS: Large and Bold Brokers met with a fairly good market but eased by Tk 1 to Tk 2. Medium and smaller Brokers met with a selective market and mostly sold at Tk 2 to Tk 3 below last levels except for a few better liquoring types which were about steady following competition.

Plainer types were mostly neglected and where sold were discounted heavily.

CTC FANNINGS: The better liquoring types met with fair demand and generally sold at Tk 2 to Tk 3 easier while all others declined by Tk 3 to Tk 4 and sometimes more. The poorest sorts were mostly neglected and withdrawn without bids.

GREEN TEA: 300 Chests on offer met with fair demand. FYH sold at Tk 90, YH Tk 88 and Hyson Tk 90.

CTC DUST: 1,049 chests and 3,271 Gunny Sacks on offer met with a selective demand at mostly lower rates. Better liquoring types eased by up to Tk 5 following quality. Others eased further. Plainer liquoring types often being neglected.

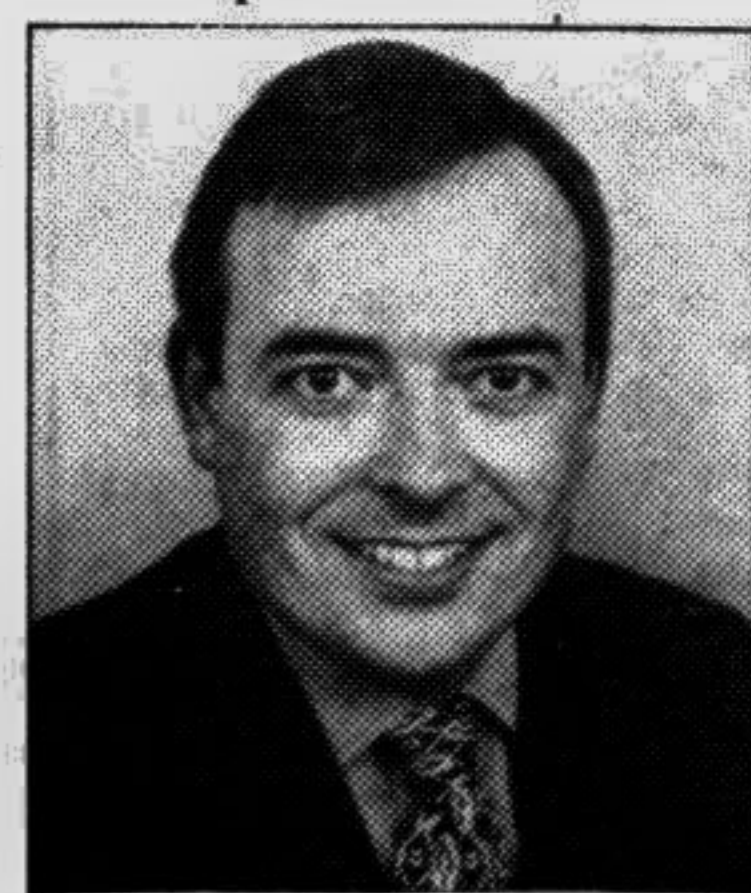
CDs met with a strong demand and were firm to slightly dearer following competition. Internal buyers were selective.

SB disburses Tk 189 cr agri loans

Sonali Bank has so far distributed a credit amount of Taka 189.16 crore out of the total taka 636 crore allocated for the agriculture production and rural credit programme during the current fiscal year, a Sonali Bank press release said here yesterday, reports BSS.

The credit programme of Sonali Bank covers crop production, irrigation and agriculture, fish culture in ponds, shrimp production, poultry under special investment programme, fisheries and cattle rearing investment in rural industries and related self-employment projects and poverty alleviation project.

Emirates manager elected WAEA president



Emirates' Manager for Passenger Entertainment and Communications, Patrick Brannely, was recently elected President of the World Airline Entertainment Association (WAEA), says a press release.

The organisation represents more than 100 passenger airlines and 250 airline supplier companies worldwide, committed to excellence in airline inflight entertainment and communications.

Emirates, the first Middle East-based airline to hold the presidency, continues to maintain its position at the forefront of an industry that is worth US\$ 1.8 billion worldwide. In 1992, it was the first airline in the world to install a personal video system in all three classes across its entire fleet.

Don Foster, Emirates' Senior General Manager Inflight Services, said: "We are delighted that a prestigious organisation such as the WAEA has chosen to honour Patrick in this way."

Brannely, who was previously vice-president, was elected president at the WAEA Annual General Meeting, held in conjunction with the WAEA 19th Annual Conference and Exhibition, in the South African capital, Durban. Joining him on the Board will be key representatives of airlines and suppliers to the inflight entertainment and communications business worldwide.

Last April, Emirates hosted the WAEA Educational Workshops in Dubai for the first time. The annual series of workshops assists the world's top airlines in focusing on the key issues in the industry, including passenger preference and new technical and operational solutions.

ICB to launch lease financing in Jan

By Monjur Mahmud

The Investment Corporation of Bangladesh (ICB) will start lease financing and debenture discounting operations from next month.

"All necessary works regarding our lease finance operation have been completed. After obtaining licence from the Controller of Export and Import, we will start leasing for industrial equipment from next month," said a high official of ICB.

The Bangladesh Bank (BB) has given permission to ICB for lease finance operation and the Ministry of Commerce has also issued Import Registration Certificate (IRC) in its favour.

Under its leasing scheme, ICB will provide as much as 70 per cent of the company's equipment investment.

Besides, a debenture dis-

counting scheme, the first of its kind in Bangladesh, is at the final stage of approval. ICB is expected to start this new scheme sometime next month.

After assessing the net present value (NPV) of the debentures of a company, the Corporation will buy scrips from either the bourses or from the company.

At present, the trading of debentures at both the bourses is very limited and a new issuer faces problem if its debentures are not fully subscribed. Even the debenture holders often face problem in selling their scrips, particularly when they possess bulk of it.

"The country's bond market will be strengthened with the introduction of ICB's debenture discounting scheme," said a high official of the Corpora-

tion, adding that the companies intending to float debentures would be encouraged by the new scheme.

Earlier, ICB extended bridge finance to different companies to help them go public soon.

However, about 60 per cent of the companies which had enjoyed bridge financing from the ICB could not float their shares so far. The Corporation is now remoulding its strategies for investment, sources said.

It has also started giving loans against its unit certificates and taking term deposits for six months to five years from general investors since August this year.

Earlier, only some commercial banks provided loans to their customers against ICB unit certificates.

Govt plans three RMG villages

By Rafiq Hasan

Three readymade garments (RMG) villages will be set up at Savar, Ashulia and Sonargaon to shift hundreds of factories which flourished in Dhaka and Narayanganj city areas, industry ministry sources said.

According to sources, the main objective of the establishment of the villages is to relieve these two cities of the burden of 2211 factories, set up in an unplanned way in the congested residential areas.

There are as many as 1855 factories under the Dhaka City Corporation (DCC) demarcated area, and 356 in Narayanganj pourashava. More than sixty per cent of these are located in the residential areas.

About 14 lakh workers engaged in these factories are also living in the cities in most unhygienic conditions.

The government took the initiative to set up these garment villages in response to the demand of the garment factory owners and to address the environmental concerns.

Talking to The Daily Star, Tofail Ahmed, Minister for

Commerce and Industries said: "The present government is seriously thinking of shifting the garments factories from the cities to some specially developed areas."

"All types of logistics will be made available to the factories at the villages so that the RMG industry can get further impetus," Tofail said.

He said the industries ministry will prepare a Project Concept Paper (PCP) on the proposed garments village and it will be sent to the Planning Commission for approval.

"The construction work of the villages will start after getting approval from the ECNEC," he said.

Tofail further said that the existing garments owners would get priority in the villages for shifting their factories from the city areas.

Earlier, the government formed a committee headed by a high official of the Export Promotion Bureau (EPB) for selecting at least three sites outside Dhaka for the proposed villages.

The committee after several field visits recommended Hazratpur at Savar, Kamarpada at Ashulia and Naodhala at Sonargaon as the suitable places for the villages.

The committee was formed last year and it held four meetings on the issue. Its recommendations were submitted to the Commerce Ministry last month.

While selecting the sites, the committee considered land availability for at least 100 factories, access to power, gas and sewerage line and proximity to airport, sea ports and rail communication facilities.

They also considered the possible residential facilities for the workers and employees near the villages.

The committee also identified another four locations for setting up of more such villages in the future. These are: Rana Vola near Tongi Ashulia Road, eastern side of Ashulia Bazar, Monsontosh at Savar, Mulati at Sripur in Gazipur, Bhawal Mirzapur road crossing in Gazipur and Jalkundi near

Dhaka-Narayanganj link road. The committee recommended that the government should assign Bangladesh Small and Cottage Industries Corporation (BSCIC) or Rajdhani Unnayan Kartipakkha (RAJUK) to implement the project as they have previous experience in this regard.

According to sources, the committee initially had six members headed by Abdul Razzaq, Director General of EPB, textile cell. It had representatives from the Ministry of Works, RAJUK, BGMEA and BKMEA.

The other members of the committee were: S K Adhikari, Director of Planning of BSCIC, A S Abdul Kadir Mahmud, Director of EPB, M A Razeq, Deputy Secretary of the Ministry of Housing and Works, Kazi Golam Hafez, Director of city planning of RAJUK, Zinnat Ali Mian, executive committee member of BGMEA and Monjurul Haq, President of BKMEA.

The committee members visited as many as ten locations for selecting the places.

New ACAB executives

Star Business Report

Captain Saifur Rahman of EBD Limited and Mizanur Rahman of Swift Logistic Services Ltd have elected president and general secretary of Association of Cargo Agents of Bangladesh (ACAB).

The election of the association was held at a city hotel recently, says a press release.

Other elected office-bearers are: Abu Baker Sarker of All-Trans Cargo Services Limited Vice President, M A Latif of Alif International Agency Vice President, Javed Bin Karim of Translift Logistics Limited Assistant General Secretary, ABM Rafiquzzaman of Concord Express (BD) Limited Treasurer, Damien Gonsalves of Aero-Marine Services Limited Public Relations Secretary, Capt. (Retd.) Zahiruddin Ahmed of Suzuti Cargo and Logistics Services Member, Md Ali Azgar of Swift Air Cargo Member, Mohammed A Hamid of Bentrans (Pvt) Ltd Member and Leslie J Diaz of Progressive Packers and Shippers (Pvt.) Limited Member.

Technomart '98 opens at BCSIR

'Govt working for creating venture capital fund'

The government is working for creating a Fund for venture capital to encourage the entrepreneurs for commercialisation of scientific and technological processes developed by different research organisations, State Minister for Science and Technology, Dr Mohiuddin Khan Alamgir, said here yesterday, reports BSS.

He said the Fund was expected to get an institutional shape within a year.

Dr Alamgir was speaking as the chief guest at the inaugural ceremony of a three-day science and technology exhibition styled Technomart '98 in the premises of Bangladesh Council

of Scientific and Industrial Research (BCSIR).

He said the banks also should come forward with term capitals to help transfer the technologies from the laboratories to the fields in the greater public interest.

Organised by the Science and Technology Ministry on the occasion of Victory Day, the exhibition will remain open for public from 10 am to 7 pm till December 19.

The research organisations under the Science Ministry are exhibiting their scientific and technological innovations and process while 11 entrepreneurs

who have taken lease of BCSIR processes are showing their products in the Technomart.

Dr Alamgir said such exhibitions will be organised every year in the month of victory to attract attention of the people and the entrepreneurs towards scientific and technological development at the same time to establish accountability of the scientists and scientific organisations.

He said development of science and technology was essential to ensure socio-economic progress and prosperity of the country to consolidate national victory and independence.

Financial giant Citigroup cuts 10,400 jobs

US financial services giant Citigroup is cutting 10,400 jobs around the world as it seeks to slash costs.

The turmoil in the world's financial markets this year has caused the group to sack many more workers than expected. More than a third of the job losses will occur in the US and the rest throughout its international operations as the group embarks on a major overhaul of its business.

The job cuts are equivalent to 6 per cent of the bank's global workforce and the move will cost the group \$900m.

Worse than expected
The job cuts are far worse than feared. The group had been expected to cut 8,000 jobs from its workforce, as part of the integration of Travelers and Citicorp which merged to form Citigroup in October.

Posts will be lost throughout the group, with anybody from

managers to administrative staff leaving the bank.

The restructuring programme is aimed at saving

Japanese firms slash winter bonuses

TOKYO, Dec 17: This season to be jolly, but not in Japan, where companies slashed winter bonuses for the first time in five years, according to an employer's association, says AP.

The average bonus was cut 1.6 per cent from last winter, the Japan Federation of Employer's Associations said in a survey released Wednesday. It was the first time the winter bonus has fallen since 1993, the group reported.

about \$680m in 1999 and \$975m in 2000.

The deal between Travelers and Citicorp was the largest ever financial services merger.

Jobs bloodbath
Recent reports suggest that up to 80,000 jobs could be lost in the City of London alone. The slowdown in the global economy has caused leading banks to scale down their operations. A flurry of mergers across the sector has also caused banks to cut jobs to eliminate duplication between organisations.

Banking problems
The merger of Citicorp and Travelers has suffered from teething problems which has led to the departure of several top executives.

Citicorp's profits plunged by more than a half to \$729m in the third quarter of 1998 due to the global market turmoil.

—BBC Internet

Aptech Centre opens at Banani today

An Aptech computer education centre will be opened at Banani here today, reports UNB.

Prof Jamilur Reza Choudhury of BUET will inaugurate the centre at Awal Centre on Kemal Ataturk Avenue at 4 pm.

A joint venture of APTECH Ltd and Desh Infotech Ltd, the centre will offer programmes in computer science and software engineering of six months to three years duration.

Managing Director of Desh Infotech Ltd Omar Quader Khan told a press conference at a local hotel yesterday that APTECH would offer the course at a cost of Tk 107 per hour. A six-month course will require about Tk 25,000 and Tk 45,000 for one-year course with two hours a day and four days a week.

This will be the 6th APTECH centre in Bangladesh. There are four centres in Dhaka and one in Chittagong.

Country operations head of APTECH worldwide Tarun Mitra and Rizwan Bin Faruq of Dhamondhi APTECH centre were present at the press conference.

Indian rubber farmers to set up tyre factory

NEW DELHI, Dec 17: Rubber planters in Kerala are teaming up with two East European companies to set up a modern tyre manufacturing plant to help revive the troubled rubber industry in the state.

With a planned annual output of 1.14 million pieces, Palazhy Tyres will be a joint venture between the Kerala State Cooperative Tyre factory formed by Kerala rubber cultivators, the Technoexport Foreign Trade Company Ltd. of the Czech Republic and Matador Joint Stock Company of the Slovak Republic.

Production is scheduled to start in year 2000, authoritative business daily The Economic Times reported.

Technoexport, the financial backer, will pump in Rs 450 million (\$10.7 million) giving it an 18 per cent stake. The Czech company has built more than 2,250 factories in over 40 countries. Matador will be the technical collaborator and will help set up the Palazhy rubber factory and provide manufacturing knowhow.

The company will also raise Rs 2.65 billion (\$63 million) from external commercial borrowings, the business daily.

Palazhy will have to take on two of India's top tyre manufacturers - Apollo Tyres and MRF - which have manufacturing facilities at Perambra, Kalamassery and Kottayam. Production at the Apollo Tyres unit at Kalamassery, however, has been hit due to labour trouble.

India Abroad News Service



Managing Director of Desh Infotech Ltd Omar Quader Khan speaks at a press conference arranged in the city yesterday on the occasion of launching an Aptech Computer and Education Centre at Banani in the city.

— Aptech photo

Exchange Rates

American Express Bank Ltd foreign exchange rates against indicative the Taka to clients.

Currency	Selling TT & OD	Buying TT Clean	Selling BC	Buying OD Sight Exp	Buying OD Transfer
USD	48.7050	48.7450	48.3100	48.1570	48.0850
GBP	81.8488	80.6535	81.9160	80.3981	80.2779
DEM	29.3174	28.9005	29.3415	28.6089	28.7659
JPY	0.4221	0.4149	0.4224	0.4135	0.4129
FRF	8.8106	8.5474	8.8178	8.5203	8.5076
SFR	36.3742	35.7852	36.4040	35.6719	35.6185
CAD	31.9965	31.1095	32.0227	31.0110	30.9646
ITL	0.0314	0.0276	0.0316	0.0275	0.0275
AUD	30.9764	29.7348	31.0018	29.6406	29.5963
BIF	1.4266	1.4101	1.4278	1.4056	1.4035
HKD	6.2983	6.2227	6.3035	6.2030	6.1937
SGD	29.8932	28.9229	29.9178	28.8313	28.7882
SAR	13.0175	12.8365	13.0282	12.7958	12.7767
AED	13.2976	13.1167	13.3085	13.0751	13.0556
KWD	167.3136	155.0385	167.4510	154.5475	154.3164
QAR	13.4192	13.2320	13.4302	13.1901	13.1704
NLG	26.0692	25.5771	26.0906	25.4961	25.4580
DKK	7.7521	7.5572	7.7585	7.5332	7.5220
SEK	6.0923	6.0151	6.0973	5.9960	5.9871
THB	1.3313	1.3158	1.3324	1.3116	1.3097
ECU	58.1927	56.1990	58.2405	56.0210	55.9373

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
48.2112	47.9074	47.5048	47.1023	46.6667	45.8945

US dollar London Interbank Offered Rate (LIBOR) as of December 17, 1998								
	Buying	Selling	Currency	1 Month	3 Months	6 Months	9 Months	12 Months
Cash	48.0850	48.7050	USD	556	522	505	500	4.96875
T.C.	48.0850	48.7050	GBP	6.525	6.375	6.05	5.8125	5.603125

Exchange rates of some Asian currency against US dollars	Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
42.50/42.80	52.30/52.40	36.67/36.77	3.7997/3.8003	7785/7785	1208.1/1211	

Amex notes on Thursday's market
USD/BDT market was moderately active on Thursday. Increase in inward remittances provided enough supply of US dollar to match the market requirements. As a result the USD/BDT rate came down compared to its earlier level and hovered around 48.6480-48.6500 level. Most of the USD/BDT transaction was done at 48.6500 level in the interbank market. Call money market was stable with call rates ranging between 6.50% and 7.00%.

Hutchison cuts mobile phone tariffs

HONG KONG, Dec 17: Hutchison Telecommunications (Hong Kong) Ltd, a unit of Hutchison Whampoa Ltd <0013.HK>, said on Thursday it was cutting its mobile phone tariffs, with some discounts as high as 83 per cent.

"We are lowering the monthly fees for our mobile phone service, giving our customers the best value service," Dennis Lui, Hutchison Telecommunications managing director, told a news conference.

Although Lui said profit margins would decrease with the reduction of tariffs, this would be offset by more new clients and increased usage by existing customers.

Hutchison Telecommunications expected its market share would increase to 40 per cent from 32 per cent, or about 880,000 customers, after the reduction of tariffs, he said.

Under the new fees structure, dual band-GSM and PCS—customers will now pay HK\$390 a month with 1,200 minutes free airtime, an increase of 1,000 free minutes which represents an 83 per cent discount, or HK\$160 a month for 160 minutes free airtime compared with the old scheme of HK\$230 for 80 minutes.

Charges for CDMA customers will be lowered to HK\$80 for 150 minutes free airtime from HK\$120 for 120 minutes, or HK\$190 for 550 minutes free airtime, an increase of 350 free minutes.

Cliff Woo, director of engineering of Hutchison Telecommunications' GSM division, said his company would invest HK\$3.5 billion in the next three years to build more base stations in order to improve the network.

— Reuter Internet

ASEAN leaders agree on steps to revive economies

HANOI, Dec 17: Southeast Asian leaders wrapped up a summit in Vietnam Wednesday agreeing a package of measures intended to revive their shattered economies but far apart on some issues, says Reuters.

Discord over Cambodia's admission to the Association of South East Asian Nations (ASEAN) dogged the two-day summit while openings differed over the speed of economic liberalisation.

But Vietnam Prime Minister Phan Van Khai, in a speech at the summit's closing, hailed the event as a success.

"We have demonstrated the determination to strengthen unity on the basis of traditional unity in diversity, and turn it into a driving force to elevate ASEAN's cooperation to a higher plane," Khai said.

Thai Foreign Minister Surin Pitsuwan said on Tuesday that diversity had become ASEAN's greatest burden.

This morning ASEAN leaders met Cambodian Prime Minister Hun Sen, before approving the key documents that contained a package of measures intended to revitalise their moribund economies.

Vietnam Foreign Minister Nguyen Manh Cam told reporters that the Hanoi declaration, the Hanoi plan of action and the ASEAN statement on bold measures had been adopted.

The so-called "bold measures" include short-term initiatives to help kick-start stalled ASEAN economies through accelerated trade liberalisation and investment incentives, but analysts have given the plan a lukewarm reaction.

The Hanoi declaration, a board document aiming to achieve closer economic integration among ASEAN members, pledges closer cooperation as a means to overcome the crippling economic crisis hitting the region.

AP says: Malaysia and Singapore said Thursday that have agreed to link an extension of their water-supply deal with other issues.

Singapore, an island state, relies on Malaysia for water. The 100-year deal does not expire until 2061, but there already have been preliminary discussions on whether and how to extend it.

Relations between the neighbors have been strained by differences over the location of a border post in Singapore and the cancellation of automatic flyover rights for Singaporean military aircraft in Malaysian airspace.

Singapore Prime Minister Goh Chok Tong said his Malaysian counterpart, Mahathir Mohamad, made the linkage suggestion during a meeting Thursday morning af-

ter the Association of Southeast Asian Nations summit.

"Malaysia has committed to give us water in the longer term and tied it to part of the CIQ (Customs, Immigration and Quarantine operations at the railway station in Singapore) and airspace (issues)," said Goh.

"Singapore has put in writing what they want. We're waiting to hear from KL (Kuala Lumpur) what they want," Goh said. "It's a balance approach where both sides give