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The Daily Star BUSINESS

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US-Bangladesh jt communique on energy sector signed

Bangladesh and US signed a joint communique on cooperation in Bangladesh's energy sector in Washington DC on Tuesday, reports UNB.

Energy secretary Dr Toufiq-e-Elahi Chowdhury and US Energy Secretary Bill Richardson signed the communique for their respective sides, according to a message received here Thursday.

Prior to the signing ceremony, they discussed probable areas of cooperation between the two countries.

During the discussion, Chowdhury handed over a letter of Prime Minister Sheikh Hasina to Richardson, said an official handout.

Richardson said the US has agreed to work together to expand investment and create market for refined natural gas and other environment friendly energy.

There is a practical prospect of cooperation in principal areas like developing infrastructure of energy sector, formulating market-based policy and strengthening regional economy, he said.

Some government agencies of the USA, including Foreign, Energy and Trade Offices, Domestic Mine Management Service Office, International Development Agency, and Business and Development Agency, are expected to be partners in the cooperation.

Petrobangla Chairman Mohammad Mosharraf Hossain and Chief Engineer of Power Development Board SA Sayeed were present in the signing ceremony.

Economic downturn Hang Seng Bank to freeze staff salaries

HONG KONG, Dec 18: A major local bank will join the growing ranks of large Hong Kong companies to freeze salaries during the economic downturn, reports AP.

Hang Seng Bank, the largest locally incorporated bank, will freeze salaries next year for its 7,800 staff members to cut costs, the bank's spokeswoman Jacqueline Kam said.

"It will be a very difficult year because of the economic situation. The banking community will be deeply affected," she said.

The bank operates 156 branches and has a handful of employees working overseas and in China.

Kam said the bank will still give employees a year-end bonus as planned next week. Last year, employees with good performance earned an average 5.5 per cent pay increase, she said.

The news followed a flurry of layoffs, pay cuts and salary freezes as Hong Kong sinks deeper into recession.

The bank's parent, British banking giant HSBC Holdings, also announced earlier that it will freeze salaries for more than 13,000 employees in Hong Kong at its flagship unit, Hong Kong and Shanghai Banking Corp.

Two blue-chip property developers also reportedly announced pay freezes for some employees.

On Thursday, the government announced that unemployment is at 5.5 per cent, the highest since it started keeping such statistics in 1981.

Officials say more people face layoffs or pay cuts ahead of the Chinese New Year in February, when most companies review their operations and lay off unneeded staff.

The once-robust economy contracted 7 per cent in the third quarter and is forecast to shrink by 5 per cent for all of 1998.

Japan needs widespread deregulation

TOKYO, Dec 18: Japan needs deregulation in a wide range of industries to foster the entrepreneurial activity needed to pull the country out of its worst recession in decades, Japan's trade minister said Friday, reports AP.

Trade Minister Kaoru Yosano told reporters that Japan's 'Big Bang' financial liberalisation measures should be accompanied by deregulation in other industries such as energy, medical care, and communications.

In terms of market structure, an environment has to be developed which allows for the smooth entry and exit of companies," he said.

To raise Japan's low company start-up rate, the government must offer financial support to entrepreneurs, Yosano said.

Companies, in turn, can increase productivity by streamlining their operations and cutting back on 'white-collar overemployment,' he said.

Japan's record-high jobless rate, currently 4.3 per cent, will inevitably rise in the process, but jobs created in new industries will eventually counteract the trend, Yosano said.

Ultimately, Yosano said, economic recovery will depend on cooperation between the government and the private sector.

Low gas pressure takes tolls on factories

Rollers in steel re-rolling factories and burners in the textile dyeing and printing mills in Shyampur industrial zone in the city outskirts are lying idle due to very low pressure of gas, the main source of energy for running the wheels, reports UNB.

The gas pressure has continued to fall for the last three years, and the Titas Gas Distribution company did not pay any heed to the repeated appeals of the factories, owners have told newsmen during a field trip.

"Even the Prime Minister's recommendation did not work," said Harun-ar-Rashid, President of the Shyampur Kadamtoli Shilpa Majlis Group.

None of the 242 units in the zone is running in capacity while many others have already been forced to suspend production due to low pressure of gas for an average 12 hours a day, especially during the peak hours. Some units have however chosen to work at night when gas pressure rises a bit.

Many owners are worried about the future of their investment and 25,000 workers of their job.

There are 60 dyeing and printing factories in the zone, followed by 20 rubber industries, 8 steel re-rolling mills and others include knitting, electronics, pharmaceuticals and agro-based units.

"If gas supply does not im-

prove, we'll have no way but to pack up, because we can't afford paying the workers without operating the factories," said Nasir Ahmed, managing director of bed-sheet dying factory, who in vested Tk 3 crore.

Owner of a saree dyeing and printing factory Firoz Ahmed said his factory has a capacity of printing 7000 pieces of 35,000 metres of sarees in 24 hours. But now the factory runs less than half of the capacity due to low pressure of gas.

Although the Titas fails to ensure supply of gas as per agreement, it collects the bills on the basis of approved pressure, said Badrul Huda, President of Bangladesh Textile Dyeing and Printing Industries Association.

"Suppose one factory is approved to 5 pound pressure but actually gets 0 to 2 pound pressure, it is quite unable to run the factory in full swing," he said.

But, Huda regretted, the Titas is collects bills on the basis of approved pressure, not on actual supply.

Showing documents of a dyeing factory, he said that it received the approved supply of gas only for three months in 1996.

Titas Gas has however its own version. "Gas supply and its pressure depend on the availability of gas, and the capacity of gas pipe lines built in 60s," Titas Managing Director

Shyampur Shilpa Malik Group suggested two immediate options to improve the situation: gas supply from the 8-inch and 12-inch lines near China Friendship bridge, or from a nearby gas station which has higher pressure.

Sikander Hayat Khan told UNB. He acknowledged low gas supply of gas in Savar and Shyampur industrial areas and said under the 3rd Natural Gas Project, three types of programmes — short, medium and long-term — have been taken to solve the problem.

"We're trying utmost to help them (industrialists). We aren't holding gas in our hand," the MD said. He hoped gas pressure in Shyampur will be "all right" by December 1999 with the completion of the on-going programme.

Under the programme, inter-links will be established between pipelines to improve the gas pressure, parallel lines will be set up and old pipelines will be replaced by the new ones.

He referred to the cost-sharing system introduced to give gas connections to Shyampur industrial zone.

Viewing the future demand the Titas want to set up 8-inch diameter gas pipe to Shyampur. But the factory owners are reluctant to share the cost, rather they press for 6-inch line to lower the cost, the Titas MD said.

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Dhaka to get \$137m ADB aid for rebuilding infrastructure

The Asian Development Bank approved an emergency assistance worth \$ 137 million for Bangladesh to rebuild the infrastructure damaged by the devastating floods last month, says UNB.

An ADB release announcing the approval of the aid in Dhaka yesterday said the Flood Damage Rehabilitation Project would restore water supply and sanitation facility in 27 municipalities.

"The emergency package will help people resume normal life by restoring access to basic social infrastructure and contribute towards cleaning up the environmental damage caused by the flood," said Shyam Bajpal, a senior ADB officer, working on the project.

It will repair schools and training centres, roads and bridges, flood and water-control structures, embankments, rural roads and markets, railway facilities and urban infrastructure including slum infra-

structure.

"It is part of an international effort to relieve a natural disaster which caused nearly 1,000 deaths, made millions homeless and caused severe economic dislocation," ADB said in approving the aid package, part of the commitments made by donors responding to an international appeal launched by Bangladesh in the wake of the deluge.

The ADB assistance consists of a concessional loan of US \$ 104 million and US \$ 33 million in loan savings from other ongoing projects in the country.

Over 70 per cent of the restoration work is expected to be completed before next July while the rest by the end of 2000, the Bank release said.

The ADB credits cover 80 per cent of the project costs while the balance will be met by the government. It is repayable over 40 years, including a 10-year grace period, with a service

charge of one per cent per annum.

Different donor countries and agencies have already provided 405 million US dollars in emergency relief aid and rehabilitation package. With the Asian Development Bank credits the foreign aid stood at \$42 million dollars, apart from donations from different charities and philanthropists.

The World Bank had approved a US \$ 200 million credit to Bangladesh in the last week of November for a fast-track emergency flood recovery project to recoup a colossal economic loss inflicted by the devastating floods.

In the wake of the floods that washed away food crops, badly affected industrial production and exports and wrecked large numbers of homes pushing lakhs of people into shelter camps, the government made the international appeal for 900 million US dollars in aid.

Rice import thru' Burimari facing setback

LALMONIRHAT, Dec 18: the import of rice through the Burimari land port is facing serious set back due to various reasons including shortage of Indian truck and railway wagon, says UNB.

Local importers said Letter of Credits (LCs) for about 30,000 metric tons of rice are lying with them for the last few days as they are not getting any transportation facility. As a result, they have been incurring huge losses every day.

Sources in the Clearing and Forwarding Agencies at Burimari said the crisis of truck and railway wagon is acute since long.

They have already been factoring the price hike of boiled oil from India, said the sources. The price has gone up US \$250 to 260 per ton instead of earlier price of US \$210.

Moreover, West Bengal State Government recently imposed restrictions on overloading of the trucks increasing the transportation cost because the transport agencies used to load the rice over the capacity.

Besides, import of rice from West Bengal has totally been stopped and the rice is coming from Haryana, Uttar Pradesh, Punjab and Bihar, said the sources.

Unitrend annual review meet held

Star Business Report

The two-day annual review meeting of Unitrend Ltd has ended.

The meeting, held on December 3 and 4, was presided over by the CEO and Managing Director Muneer Ahmed Khan, Chief Operating Officer, Zulfiqar Ahmed and AVP SZ Khan Lodi.

The theme of the meet was we can, we will'.

The COO Zulfiqar Ahmed also presented the Company Vision for the year 2000.

The event acted as a platform for all Unitrend employees to air their views and discuss issues that will be implemented to enhance effectiveness and productivity.

The company is affiliated with McCann Erickson worldwide.

Stocks up, dollar down in Tokyo

TOKYO, Dec 18: Japanese stock prices rose for a third straight day on Friday, buoyed by a rise on Wall Street despite the US military strike on Iraq. The dollar fell against the yen, says AP.

The benchmark 225-issue Nikkei Stock Average closed the week at 14,194.29 points, up 67.30 points, or 0.48 per cent, from Thursday.

The dollar bought 115.20 yen in late afternoon, up 0.90 yen from late Thursday in Tokyo and also below its late New York level of 116.13 yen overnight.

Investors in Japanese stocks were cheered by the gain in the US market Thursday amid a second wave of US and British missile attacks against Iraq. Traders said. That signaled receding fears about possible fallout in the form of damage to the global economy, they said.

"It's not going to turn into a Middle East war and it's not going to push up oil prices" sharply over the long term, said Richard Jerram, chief economist at ING Barings Securities in Tokyo.

The Dow Jones Industrial Average rose 85.22 points, or 1.0 per cent, to 8,875.28, reaching its peak in the last minutes of

trading.

Reports that Haseko Corp., a major Japanese condominium builder, has decided to ask its creditor banks to forgive debts owed by the company also helped buoy market sentiment, traders said.

The broader Tokyo Stock Price Index of all issues listed on the first section gained 9.44 points, or 0.87 per cent, to 1,101.70 points. The TOPIX fell 8.17 points, or 0.75 per cent, the day before.

An estimated 303 million shares changed hands on the exchange's first section, down from Thursday's 355 million shares. Advances outnumbered declines 656 to 463, with 167 issues unchanged.

On the Tokyo foreign exchange market, the dollar re-treated amid concerns over an impending impeachment vote against US president Bill Clinton, giving back early gains, traders said.

The widening of investment possibilities will not cover acquisitions of shares of state-owned companies," he said.

Foreign investors are also unhappy about plans for converting the revenue into cash and repatriating it.

Mr Zadornov said the cash would be paid in three equal instalments, with the last two having 30% annual interest added.

The central bank plans to hold two auctions in December and January with \$100m of bonds on offer and an auction each month until the end of 1999 with \$50m for sale.

The central bank will fix the rouble-dollar rate for the auctions.

The House of Representatives was scheduled to debate an impeachment motion later Friday and cast votes on it Saturday.

Hyundai to build industrial park in North Korea

SEOUL, Dec 18: The owner of South Korea's largest conglomerate returned from North Korea Thursday, saying he has struck a deal to build an industrial park in the communist country, reports AP.

"A broad agreement was reached on the construction of an industrial park on North Korea's west coast," Chung Ju-yung told reporters after crossing the border at the neutral Village of Panmunjom at the end of a three-day visit.

Chung, founder and honorary chairman of the Hyundai group, said he plans to visit North Korea again in February to follow up the agreement, reached with Kim Yong Sun, a close confidant of leader Kim Jong II.

Kim Yong Sun heads a communist party organisation instrumental in helping Hyundai set up unprecedented tours of a scenic North Korean mountain that began last month.

Chung said the six square kilometer (16,000 acre) industrial park will be built close to the border with South Korea and accommodate footwear and other labour-intensive facilities to be moved from the South.

There are some good signs that the people who intend to make investment are coming to the field," he said.

Chung said the Desh Group of companies had played a leading role in the garment sector and hoped that it will also be able to play the same role in IT.

Dr A Majeed Khan attended the event as special guest while Omar Quader Khan, Managing

Aptech centre opens at Banani Develop human resources to tap global IT market'

Star Business Report

Professor Jamilur Reza Chowdhury of BUET yesterday emphasised the need for developing human resources to tap the potential of vast global IT market.

At present, there is a demand for all categories of IT manpower in the country, Chowdhury said. "We should try to build up a trained manpower in Information Technology (IT) as there will be need of 10,000 programmers by the year 2001."

He was speaking as chief guest at the launching ceremony of Aptech computer education centre at Banani in the city. The centre was set up in collaboration with Desh Group of companies.

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