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DHAKA, WEDNESDAY, JANUARY 13, 1999

Ruhul Amin made BB Dy Governor

Government appointed Mohammad Ruhul Amin Deputy Governor of Bangladesh Bank yesterday, reports UNB.

Prior to his new charge, Ruhul Amin was executive director of the bank, said a press release.

Mitsuo Otsuki joins JICA as expert

Mitsuo Otsuki has recently joined the Board of Investment as JICA investment promotion expert for a period of two years, a press release said, reports BSS.

He has been nominated by Japan International Co-operation Agency (JICA) — for promotion of Japanese investment in Bangladesh.

He will advise BOI on policies and measures for attracting Japanese investment and promote Bangladesh as one of the best attractive investment destinations for the Japanese investors.

Mitsuo Otsuki, a graduate under the faculty of law from Kobe Public University, Japan, has a long experience on investment promotion. He worked in various capacities in some industrial companies of international repute in Japan, Mexico, Australia and Papua New Guinea, a press release added.

New office-bearers of Sathkira chamber

SATHKHIRA, Jan 12: The tri-annual general election of Sathkira Chamber of Commerce and Industries Limited was held at the chamber office at Sathkira on Saturday, says BSS.

Sheikh Bashir Ahmed Mannan, Jonaed Hossain Lasher, Nasim Faruq Khan Mitu and Shamsuljoha Babu were elected member of the Chamber of Commerce and Industries Limited.

Seven candidates contested in the election for four members post.

The election was conducted by Nurul Islam as election commissioner.

A total of 304 voters out of 427 cast their votes in the election.

Reuters buys VentureOne

LONDON, Jan 12: Reuters Group PLC, the world's largest provider of financial information, purchased the San Francisco-based VentureOne Corp on Monday, says AP.

Neither company would disclose terms of the sale.

VentureOne, founded 1987, researchers venture-capital investment firms. The company maintains extensive databases of information on the firms' transactions, executives, board members and venture capital funds.

Reuters, based in London, is expected to use VentureOne to jointly develop new products and distribute venture capital information worldwide.

The acquisition was part of Reuters' new business development "greenhouse" programme, which invests in new technology and companies and identifies new market opportunities.

VentureOne, which has more than 300 clients worldwide, was expected to retain operational independence with the Reuters representatives joining its board.

Thai Senate body urges govt to turn down IMF aid

BANGKOK, Jan 12: A Thai Senate committee has urged the government not to accept more bailout money from the International Monetary Fund, a local paper reported Tuesday, says AP.

The committee, which is monitoring the effects of the country's worst recession in decades, said the central bank already had built up its foreign reserves to sufficient levels, the Bangkok Post said.

Also, refusing to accept the money would reduce the influence of the IMF on Thailand's economic policies, the committee said, according to the Post.

Thailand's Senate has been a bastion of anti-IMF sentiment. Several members have used its floor to fire off polemics at Prime Minister Chuan Leekpai for allegedly allowing the agency to trample on Thailand's sovereignty with its demands for financial, economic and legal reforms.

The IMF has been periodically disbursing payments from the \$17.2 aid package it pieced together for Thailand when the economy crashed in July 1997.

The agency has required, however, that the government institute reforms in exchange for the aid, which has been used to bring the central bank's foreign reserves up to pre-crash levels.

Bid to promote export Dhaka Int'l Leather Fair begins January 27

In a bid to promote export of leather and leather goods, an international leather fair is going to be held for the first time in the country at Sonargaon Hotel on January 27-29, reports UNB.

Export Promotion Bureau (EPB) and Bangladesh Finished Leather and Leather Goods Exporters Association (BFLLEA) are joint organisers of the three-day Dhaka International Leather Fair (DILF) '99.

The most colourful fair on leather and leather products is also aimed at helping foreign investors and buyers scouring new products as well as explore the opportunities available in Bangladesh.

The DILF would offer a golden opportunity to the business visitors from abroad for genuine interaction with local

entrepreneurs as well as others leading to conclusion of possible business deals and contracts.

The organisers at a press conference at the EPB Board Room today (Tuesday) informed that there would be 73 stalls, including 19 from abroad. In the 12,000 square feet fair space while 400 foreign buyers are expected.

"Guided visit programme to industries engaged in production of crust and finished leather, leather footwear and other fashion accessories will be on display at the fair authority," BFLLEA president M A Sattar Bhuiyan told the newsmen.

He informed that DILF '99 would project the full range of semi-finished and finished leather of wide varieties from cow, goat and sheep of

Bangladesh that has a capacity of 42,000 square feet leather production.

A wide range of leather footwear for men and women like casual, classic, boots and sports shoes produced applying modern technology and equipment will be shown in the fair that will remain open from 9 am to 7 pm.

Large assortments of leather goods comprising lady's hand bags, wallets, leather garments, shoe uppers, leather belts and other fashion accessories will be on display at the fair.

Besides, chemicals, components and machinery used in the leather and leather products manufacturing sector will also be displayed.

The organisers further informed that Bangladesh exports leather and leather goods

mainly to Italy, Brazil, Germany, France, Japan, Russia, China, USA, Hong Kong, Taiwan, Singapore, the Netherlands and Spain.

During the first four months of the current fiscal year ending October, Bangladesh exported leather worth US \$49.53 million and footwear US \$11.93 million. About 85 per cent value is added for leather goods.

"Bangladesh has a prospect of earning Tk 4,000 to 5,000 crore annually by 2002 if the trouble-torn leather sector is given proper attention," the BFLLEA president said.

The press conference was also addressed, among others, by vice-chairman of EPB A B Chowdhury and its director (products) A K M Nizamul Alam and BFLLEA leaders Fakhrul Alam and Ali Hossain.

India Industrial Trade Fair Bangladesh gets best participation award

Bangladesh pavilion in the 12th India Industrial Trade Fair (IITF) received the best participation award, says BSS.

Bangladesh Export Promotion Bureau in cooperation with Bangladesh Deputy High Commission in Calcutta arranged Bangladesh participation in the industrial fair held on 18-31 December at the Indian city of Calcutta, according to a press release received here yesterday.

Bangladesh pavilion was jointly inaugurated by Tofail Ahmed, Bangladesh Minister for Commerce and Industries and Joyti Basu, Chief Minister of West Bengal, on 18th of December.

A high powered trade delegation led by Abdul Awal Minto, President of FBCCI, also attended the function.

Besides Bangladesh, Thailand, Pakistan, Nepal and Bhutan along with 500 companies from India participated in the fair.

Officers including Governor of West Bengal A R Kidwai, Biduyt Ganguly, Minister for Commerce and Industries, Khiti Goshami, Minister for Public Works, Pralay Talukder, Minister for Small Scale Industries and Pratim Chatterjee, Minister for Civil Defence, Government of West Bengal visited the stall.

This is for the third consecutive year that Bangladesh has been participating in IITF, Calcutta.

Fifteen companies from Bangladesh participated in the fair in EPB's pavilion. Products like cosmetics, melamine tableware, ceramic tableware, shoes, fruits juice, Jamdani saree, biscuits, candy, battery, electronic cables, carpet, jute goods, artificial flowers etc were displayed.

Sharif melamine alone received a spot order worth US\$1,00,000 in the fair. BRB cables, Jamdani sarees, Pran juice also received substantial export orders.

ADB releases \$500m add'l loan to Indonesia

MANILA, Jan 12: The Asian Development Bank approved Tuesday the release of an additional \$500 million to help Indonesia implement financial reforms and recover from the region's currency crisis, says AP.

The money is part of a \$1.4 billion financial restructuring loans approved by the Manila-based multilateral bank last June. An initial \$500 million was released shortly after the loan's approval.

Indonesia is grappling with its worst economic crisis in 30 years and is bracing itself for renewed political unrest ahead of general elections scheduled for early June.

The ADB pointed to signs of economic recovery and said the Indonesian government has been able to complete a "large number" of reforms in areas such as supervision of financial institutions and disclosure of financial information.

"The Indonesian economy has shown signs of stabilisation with falling interest rates, inflation and the strengthening of the rupiah," the ADB said.

It also praised Indonesia's recently announced draft budget for fiscal 1999, saying it "reflects the government's continuing efforts to pursue sound macroeconomic policies that would help improve market sentiment and hasten economic recovery."

However, many analysts, along with Indonesia's ruling Golkar party, have dismissed the budget assumptions for the fiscal year, which begins April 1, as too optimistic.

The \$1.4 billion financial restructuring loan is one of the ADB's biggest and most high-profile ever.

The ADB, along with the World Bank and the International Monetary Fund, is taking a leading role in spurring an overhaul of Indonesia's financial system.

Progress thus far "will contribute to continued progress in achieving macroeconomic stability under the most difficult circumstances," the ADB said.

The ADB did not say when it would release the final portion of the \$1.4 billion loan.

BGMEA moves to face post-2005 free market challenges

As part of its preparatory steps to face the post-2005 quota-free market challenges, the BGMEA has initiated a training programme to ensure better working conditions to workers, bulk of whom are women, to upgrade both productivity and quality, reports UNB.

Some 50 apparel owners and executive attended the first such training, conducted by Nari Udyog Kendra (NUK), a women's rights organisation, at Sonargaon Hotel yesterday.

Inaugurating the training workshop on "Workers Health and Safety Measures to face the challenges of 2005," Labour and Employment Minister M A Mannan renewed the government's full-fledged commitment to protect the rights of workers.

He said the garment industry must improve the working condition of its workers to increase productivity and upgrade quality to survive stiff competition in the open global market

in future.

The minister also recalled the success Bangladesh Garment Manufacturers and Exporters Association (BGMEA) in eliminating child labour from apparel industry.

US Ambassador in Dhaka John C Holzman, who graced the inaugural session as special guest, stressed the need for ensuring better working environment for women workers, including their housing and health care facilities.

Termining garment sector as the "strongest economic link" between Bangladesh and the USA, he said the US consumes almost half of the Bangladesh's 4 billion dollar apparel market.

Working facilities of the manufacturing units greatly matter to the American consumers, Holzman said, naming some leading US multinational firms, who, being criticised by human rights groups, improved conditions of their workforce.

Bangladesh's apparel industry must establish a good condition for its workers and BGMEA should initiate it for good business, the US envoy said, calling upon the NGOs to join hands in this work.

Chaired by BGMEA president Mostafa Golam Quddus, the inaugural function was also addressed by the first secretary of Royal Netherlands Embassy Marian Kroon, ILO director MA Hassanein and NUK executive director Mashuda Khatun Shefali.

Quddus expressed his great concern about the future of the apparel industry when quota will be phased out after the year 2005.

"We've no other option but to accept the reality," he said and emphasised on improving the workers' welfare condition, a key to ensure quality and enhance productivity.

The BGMEA president stated some of the measures already taken up by the apex body of the apparel industry to ensure bet-

ter working condition for its workers.

Apart from family welfare and reproductive health, setting up health care centre and taking up "earn and learn" programmes, the BGMEA will undertake a "massive housing project" for its workers. No garment worker will live in slums after three years, he said.

Besides, the BGMEA is slugging a piece of land from the government to set up BGMEA hospital at Mirpur, Quddus informed.

The ILO director said the apparel workers should have the right to collective bargaining in ensure their minimum wage, and same wages for both male and female workers.

NUK executive director Mashuda Khatun Shefali said they have started with training up some BGMEA people, and gradually they will impart training to all the BGMEA members.

Don't worry about 5-taka coins: BB

By Monjur Mahmud



As people are confused over the two different types of five-taka coins the Bangladesh Bank says there is nothing to worry.

The confusion arose with the introduction of five-taka coins — some imported from Canada in 1994 and 1996 and some from Slovakia in 1996 — which look alike, and yet have some differences.

The Slovak-made coins are smaller in size, almost round, with prominently raised calligraphy.

The coins imported from Canada are bigger in size and their finishing are better than those made in Slovakia.

These differences raised questions in the minds of customers about the authenticity of the Slovak-made coins and the confusion was fanned by some press reports.

He informed The Daily Star that 300 million pieces of five-taka coins were collected from Canada and 200 million from Slovakia.

However, the Bangladesh Bank last night came forward with a clarification saying both types of coins are genuine.

"We have supplied two types of coins. There are some differences although both are more or less same," said Mohd Abdul Matin, General Manager of Currency Management and Accounts Department of BB.

Mentioning some recent reports published in different dailies, Matin said, "These are not correct. It is very unfortunate that they did not check the matter properly with the central bank. These reports have created panic among the people."

He said it is not possible to produce such coins for an individual or an organisation as it will not be economically viable.

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BRSR okays loans to condom co

The Bangladesh Shilpa Rin Sangstha (BRSR) has approved loans to Bangla-German Latex Company Ltd, the first ever condom producing plant to be set up in the country, says BSS.

It will be a hightech Bangladesh-German joint venture project to be set up at Dhaka Export Processing Zone area with a total cost of Tk 16.47 crore, said a BRSR release here yesterday.

BRSR will act as the lead bank in financing the project while Janata Bank and South-east Bank Ltd will also provide

finance to this project as members of consortium.

When implemented the project would create employment opportunity for about 64 people, save foreign exchange to the tune of about Tk 6.95 crore per year and contribute annually Tk 5.07 crore to the GDP.

Considering the country's present population growth and the existing socio-economic condition, this project is deemed to be highly socially desirable one.

The building of local capabilities for producing contracep-

tives will improve management of future population programmes in the country.

Country's leading industrialist and former president of the FBCCI Yusuf Abdullah Haroon is one of the promoters of the project.

The project loan was approved in a meeting of the Board of Directors of BRSR held recently with Hasnat Abdul Haye, Chairman of the Board of Directors of BRSR and Secretary, Local Government of Bangladesh in the chair.

The Russian government stung investors on August 17 with a default on about 250 billion roubles (9.27 billion euros, 10.86 billion dollars) of domestic debt and a simultaneous rouble devaluation, crippling the banking sector and sharply accelerating a burgeoning economic crisis.

Russia to resume trading in frozen domestic debt soon

MOSCOW, Jan 12: Russia will resume trading in its frozen domestic debt later this week, the central bank said more than five months after a dramatic default that sent the country's economy into tailspin.

The debt, which has been restructured into new financial instruments, will be sold on the secondary market on Friday, the bank said in a statement received by AFP.

The Russian government stung investors on August 17 with a default on about 250 billion roubles (9.27 billion euros, 10.86 billion dollars) of domestic debt and a simultaneous rouble devaluation, crippling the banking sector and sharply accelerating a burgeoning economic crisis.

The statement said that "the central bank of Russia, on the instruction of the finance ministry of the Russian Federation, will on January 15, 1999 resume secondary trading on the GKO-OFZ market."

The debt was worth around 40 billion dollars at the time of the freeze, but only 11 billion dollars at current exchange rates.

Under restructuring terms offered by the government last year, holders of the frozen debt will receive 10 per cent of their investment in cash, 20 per cent in investment bonds and 70 per cent in new long-term interest-bearing paper.

The deal on GKO/OFZs was grudgingly accepted by Russian holders but foreign investors complained loudly about the terms offered, which they say will leave them with as little as 10 per cent of their original investment.

Analysts meanwhile predicted low interest in Friday's debt trading session, saying the market would be illiquid.

These included the production of the notes and coins, the preparation of the public and the adaptation of cash tills and vending machines.



Money traders count Iraqi dinars and US dollars in Al-Samo'al street's, black market, in Baghdad on Thursday. Economic sanctions imposed after the Persian Gulf War have crippled the Iraqi economy, causing the dinar's value to plummet and forcing Iraqis to use fistfuls of bills just to buy groceries. — UNB/AP photo

Groceries cost fistfuls of cash in Iraq

BAGHDAD, Jan 12: With the Iraqi currency a mere fraction of what it once was, shoppers must hand over fistfuls of cash just to buy groceries, and grocers looking for a wedding ring need a 3-inch stack of bills, says AP.

Before the invasion of Kuwait, Iraq had a thriving economy. One dollar bought 20 dinars on the black market and the largest bill was the vivid red-and-blue 25-dinar note.

Today, a dollar is worth about 1,800 dinars. And most of the 250-dinar bills are crisp and immaculate, evidence that the Iraqi government is printing them at a rapid rate.

Economic sanctions imposed after Iraq's 1990 invasion of Kuwait have crippled the Iraqi economy, causing the value of the national currency, the dinar, to plummet.

Faleh Hassan, the owner of an electronics store in Baghdad's wealthy neighborhood of Mansour, doesn't bother counting the 450,000 dinars he is paid for one of his washing machines. If stacked, the pile worth \$250 would be seven inches high.

At Dhayif's shop, a gold wedding band costs 200,000 dinars, or dollars 110. That's about 2 pounds of dinars — and out of the reach of many.

The IMF has been periodically disbursing payments from the \$17.2 aid package it pieced together for Thailand when the economy crashed in July 1997.

UN economic sanctions imposed after Baghdad's invasion of Kuwait forbid trade with Iraq, which means international credit cards can't be used in the country.

Although checks are available, few Iraqis trust the banking system, and many merchants won't deliver goods until a check clears.

Despite the embargo, shops in Baghdad are filled with inexpensive Japanese and Chinese electronics smuggled in from Jordan and Dubai.

The sanctions, however, have devastated the middle class, and only the few rich Iraqis can afford such luxuries.

In 1995, Iraqis fearing that times would only get worse hoarded dollars, sending the price of the greenback to about 3,000 dinars. That was the year Iraq introduced the 250-dinar note, a crudely printed bill featuring President Saddam Hussein on the front.

The dinar recovered some of its value after the government approved austerity measures in 1995 and later agreed to a UN plan that lets Iraq sell oil to buy food and other humanitarian goods for its people.

Yet, the dinar's roller coaster ride has left many Iraqis frustrated and confused.

Ceceel George, from Baghdad's middle-class district of Jeddida, jokes that she can't decide whether to buy a house or

meat. Her three-bedroom home cost 3,500 dinars in 1970, enough to buy 2 pounds of lamb today.

Iraqi officials say privately the government won't print larger bills for fear it would signal to consumers that there is no end in sight to the UN sanctions. That could lead to a collapse of the already fragile currency.

Ali Mohammed, a manager at the al-Thabab currency exchange, said many Iraqis with spare cash are saving dinars, hoping that sanctions might be eased.

"Most people keep Iraqi dinars because they expect it will go up," he said.

Dhayif, the jeweler, was more cautious.

G-7 ministers meet Saturday to discuss forex rates

TOKYO, Jan 12: Deputy Finance Ministers from the Group of Seven industrial nations will meet in Frankfurt on Saturday following the debut of the euro, a report here said today, reports AFP.

The planned meeting is on the sidelines of a meeting of finance ministers from Asia and Europe also in the German city, Kyodo news said, quoting a financial source.

Finance ministers from 10 Asian nations and 15 European states are to meet in Frankfurt to discuss currency stabilization measures for two days from Friday within the framework of the Asia-Europe Meeting (ASEM).

During the one-day meeting, the G7 deputies are expected to discuss ways to stabilize foreign exchange rates of major currencies in the wake of the January 1 debut of the European single currency, the source said.

The G7 deputies meeting is aimed at laying the agenda for a meeting of G7 finance ministers and central bank chiefs to be held in Bonn on February 20.

The G7 groups, Britain, Canada, France, Germany, Italy, Japan and the United States.

A spokesman for Japan's finance ministry declined to confirm the report.

Latin Americans, Asians to forge stronger ties

TOKYO, Jan 12: Government representatives and economic organisation officials from Asian and Latin American economies agreed yesterday to forge stronger ties to prevent financial crises, officials said, reports AFP.

The representatives from emerging economies exchanged views on ways to deal with financial crises at a roundtable meeting in Tokyo, Japanese finance ministry officials said.

The meeting was attended by officials from 10 Asian and Latin American economies including Argentina, Brazil, China and Hong Kong, the officials said.

The participants called for negotiations by emerging economies and industrialised economies to coordinate efforts in containing regional financial problems, the officials said.

The various issues were touched upon in a free discussion style, a finance ministry official said.

The participants also included chiefs of economic organisations such as Sistema Economico Latino-Americano (SELA) and the Inter-American Development Bank.

The two-day meeting will continue until Tuesday.