

SANYO
Japan
Colour TV
Transfin Trading Ltd.
Tel: 815307-10, Fax: 813062
Installation Facility Available

For Ramadan, Christmas & Eid
Only for Locals & Resident Expatriates
Dec 17, 1998 - Jan 31, 1999
LOCAL PLUS PACKAGE
Deluxe Room US\$ 55 for single/double
Free Breakfast or Iftar • Health Club • Swimming Pool
The above prices are subject to tax & service charge
THE PAN PACIFIC SONARGAON
Dhaka
☎ 811005
Fax: 813324

DHAKA, THURSDAY, JANUARY 14, 1999

Govt plans IT Village at Mahakhali

Star Business Report

The government has selected the site for setting up an Information Technology (IT) Village in the city. The IT village will be set up near the Mahakhali BTB Satellite Earth Station. Science and Technology Secretary, Fazlur Rahman disclosed this at a meeting between the Science and Technology Minister, Noor Uddin Khan, and a delegation of Bangladesh Association of Software and Information Services (BASIS) yesterday. The site has been selected with the cooperation of Post and Telecommunications Minister, said the BASIS in a press statement quoting the secretary. The executive council of BASIS met the newly appointed minister at his Secretariat office. The BASIS delegation included A Towhid, president, Mustafa Jabbar, vice president, Habibullah N Karim, secretary

general, K Atique-e-Rabbani, treasurer and Shaikh A Aziz, EC member. The BASIS delegation congratulated Khan on his assumption of the office of the Minister of Science & Technology and presented him with a bouquet. A Towhid and Habibullah N Karim briefed the Minister on the developments in the information technology sector of the country specially in relation to the software industry and software export. The BASIS delegation informed the minister that the IPR law amendment draft prepared by the Law Commission in consultation with BCC, BASIS, EPB and directorate of copyrights has been sent to the Ministry of Cultural Affairs for forwarding it to the parliament. They also informed the minister that the high-speed data link of 2Mbps upstream and 64Kbps downstream was sup-

posed to be implemented by December 31 this year. BASIS together with the Ministry of S&T successfully lobbied for sanction of Tk 3 crore for BITB for the purpose. But unfortunately little progress has been made in providing this urgently needed facility to the software houses, it said. The minister assured BASIS that his ministry is in constant communication with the ministry of Post & Telecommunications over this. On the software export front, Habibullah N Karim informed the minister that nine software companies of the country participated in the largest IT exhibition in USA, the COMDEX Fall 98 in November last year as exhibitors for the first time from Bangladesh. The participation drew tremendous response from visitors and potential IT services buyers from around the world. He also informed that twelve

software companies will participate in the largest IT exhibition in Europe, CeBIT 99, in March this year, said the statement. The minister wanted to know the status of the implementation of the recommendations of the software export committee headed by Prof Dr JR Choudhury. The BASIS delegation informed him that some of the recommendations have been implemented so far but there is a lack of coordination and communication among the various ministries whose work is needed in the implementation of the recommendations. The BASIS team suggested that a high level IT committee headed by the Prime Minister be formed immediately for speedy implementation of the necessary policy formulation which can be executed through the Ministry of Science & Technology, the organisation added.



A bank employee holds a placard demanding higher wages during a day-long protest by bank staff in Bombay Tuesday. The bank employees have demanded a hike of 20 per cent in their present salaries as compared to the 8 per cent increase offered to them by the Indian Banking Association. —UNB/AP photo

Four BB GMs promoted

Star Business Report
Four general managers of Bangladesh Bank (BB) have been promoted as executive directors yesterday. The newly-promoted officials are: Nasrul Huda, Ziaul H Siddiqui, Murshid Kuli Khan and MA Kazem.

Uttara Bank Ltd earns Tk 38.65 cr profit in '98

Star Business Report
Uttara Bank Limited has made a total profit of Tk 38.65 crore in 1998, up from Tk 31.43 crore in 1997, says a press release of the bank issued yesterday. The deposit with the bank stood at Tk 1806.3 crore in December 1998, registering a growth of Tk 194.72 crore. The bank's deposit was Tk 1611.31 crore in the corresponding period of 1997. On the other hand, bank loans and advances stood at Tk 1516.75 crore against Tk 1378.82 crore in the corresponding period of 1997, registering a growth of Tk 137.93 crore. The bank handled export and import business to the tune of Tk 2981.33 crore in 1998, which was Tk 1947.89 crore in 1997. The growth in this sector is Tk 1033.44 crore. During the year the bank also handled a total home remittance of Tk 311.73 crore, up from Tk 26.84 crore in 1997. The rise is Tk 50.89 crore. Meanwhile the bank disbursed Tk 17.90 crore under Uttaran credit programme to 7,500 consumers.

US-Bangladesh energy sector co-op discussed

US Ambassador to Bangladesh John C Holzman called on State Minister for Energy and Mineral Resources Prof Rafiqul Islam in Dhaka yesterday, reports UNB. During the meeting, they discussed matters relating to mutual interest with specific focus on strengthening of cooperation in the power and energy sector. They hoped that the existing relations between the two countries would be consolidated further in the days ahead.

Higher edn loans for children of Grameen Bank members

Star Business Report
Grameen Bank has launched a loan disbursement programme to facilitate the children of its members to avail of higher education facilities, says a press release. Under the scheme, loans will be given under easy conditions and the loanees will have to start repayment one year after being engaged in a job or business following completion of their higher education. The loanees will have to be made in monthly installments basis, according to an agreement reached between the bank and the members. The bank's higher education loans are on offer for studying medical science, engineering, veterinary, marine engineering and other Bachelors and Masters courses. According to the latest information higher education loans worth Tk 31,00,000 have already been approved for 60 persons in the 12 zones.

Lack of clear policy inflated SOE losses

By Monjur Mahmud

The successive governments embarked on a privatisation process without a clear policy agenda and made no effort for political mandate to back the process, said a report prepared by the Centre for Policy Dialogue (CPD). This has been accompanied by the lack of a policy for the state-owned enterprises (SOEs), which left them without a clear future or strategy to improve their performance. This has led to a sharp deterioration in the performance of the SOEs, the report said. The absence of a clear policy has led to the erosion of the government's credibility and increased losses of the SOEs, particularly those awaiting privatisation, the report 'Outcomes of Privatisation: The Search For A Policy' said. The report will be presented at today's CPD dialogue at CIR-DAP auditorium in the city.

There appears to be a paradox in the ongoing privatisation process, the report prepared by Prof Rehman Sobhan and MM Akash said. The stronger the ideological drive for privatisation from the government, the donors and the business community, the weaker appears to be the real pace of privatisation. "It is remarkable that in spite of repeated commitments for and achievement in privatisation, three successive governments have failed to enunciate a clear policy," it added. As a result, public declarations on privatisation are shrouded in ambiguity. "For example, in recent years the Prime Minister has argued on some occasions that the profitable mills would not be handed over to the private sector. But other ministers have observed that the state should give up all commercial ventures irrespective of their profit status. These two positions need to be reconciled within a common policy framework," the report said. In the move to pursue privatisation, successive governments and the World Bank have overlooked the reforms of

SOEs, which was once an important part of the policy agenda. Although there is in general a strong verbal support from both the ruling and the opposition parties for a free market economy and privatisation, it is evident that privatisation policy needs a political mandate to proceed. "Support for such a mandate needs to be tested at both parliamentary debates and public dialogues. So far no serious attempt has been made by any government to initiate such a debate," the report said. "No substantive process of privatisation was put in place till 1982," it said. "During the tenure of the military rule under General Ziaur Rahman as well as the BNP, the scope for private investment was expanded. Some units in the textile and tannery sectors were divested during 1975-78. A total of 116 small-scale SOEs were privatised, but none of the large-scale industries were divested during the period," the report mentioned. Up to the end of the BNP regime in 1982, the public sector was still the dominant owner of industries. President Zia and BNP chose to take a pragmatic approach towards privatisation. At one stage around 1979-80, there was some move to denationalize the jute mills under BJMC. As BJMC earned a net profit of Tk 1062 million in that year and Tk 338 million the next year, initiative for privatisation was shelved and it was argued that BJMC had proved its potential for profits, the report said. The policy up to 1982 appeared to be permitting a co-existence of the public and private sector where the latter was encouraged to grow without privatising the SOEs.

The substantive move to privatise SOEs started following the declaration of Martial Law by General HM Ershad in March 1982. The New Industrial Policy (NIP) announced in June, 1982, indicated a number of initiatives towards privatisation. "But the improvement in the trade surplus was exaggerated by the collapse in import prices," an economist at ABN-Amro said. "Export growth has actually plummeted in 1998 as a result of falling global demand, even if there are some signs that it is now bottoming out." The data published the statistics office showed that German exports totalled 42.5 billion euros in November, while imports amounted to 34.0 billion euros (39 billion dollars). And while the exports represented a rise of 4.9 per cent from the figure for November 1997, imports were down by 2.0 per cent, the statistics office said it was the third consecutive monthly decline and was mainly due to the sharp fall in import prices. BHF Bank economist Worldlagang Haueser said he had been taken by surprise by the trade figures, which were well above expectations. Never-

theless, given the sharp decline in manufacturing orders in November, the favourable development in exports was unlikely to continue in the coming months, the economist warned. On Monday, the Finance Ministry published data which showed that orders in Germany's manufacturing sector had fallen again in November, primarily as a result of a decline in foreign orders. HSBC Trinkaus economist Lothar Hessler also warned against reading too much into the trade figures, saying he expected exports to remain a problem in the medium term. One of the reasons for the unexpectedly strong rise in the surplus was likely to have been that a number of export orders were still in the pipeline, Hessler said. In fact, the various components of invisible trade showed a deterioration in November, pointing to a structural weakness in the German economy, economists noted.

German trade surplus hits record high

FRANKFURT, Jan 13: Germany's trade surplus rose to a record high in November, provisional data showed on Tuesday, reports AFP. But the increase did not represent any discernible bounce in exports, reflecting more a collapse in the cash value of imports owing to a decline of import prices, economists said. Data published by the Federal Statistics Office in Wiesbaden showed a trade surplus of 8.54 billion euros (9.8 billion dollars) in November, the highest surplus ever attained in a single month. That compares with a surplus of 6.44 billion euros in October and a surplus of 5.8 billion euros in November 1997. In the period from January 16 to November as a whole, Germany's trade surplus totalled 66.31 billion euros, meaning that the trade surplus for the whole of 1998 would exceed the previous record of 68.77 billion euros attained in 1989, the office said.

Under the new BNP regime (1991-1996), only 13 industries were privatised. The Privatisation Board under the present Awami League government, appears to have assumed a more pro-active role in stepping up the privatisation process and has announced a programme of transferring 32 enterprises. Till February 1998, only four units have actually been transferred to their owners. There is no doubt that the SOEs have lost their money, reeled under the liabilities of the banking system and attracted some budgetary subsidies though not nearly as much as is popularly believed. However, as part of the tradition, political parties committed strongly to the privatisation drive when in office, but became hostile or merely pragmatic when in the opposition bench.

Tea demand strengthens in Chittagong

CHITTAGONG, Jan 13: The weekly tea sale here yesterday witnessed a strong demand from all sections of the market, according to a report of National Brokers Ltd, says UNB. Pakistan, Poland, Russia and CIS were active whilst Afghanistan buyer operated selectively at levels lower than last.

Internal market also operated actively with fairly useful support from Blenders for the better liquoring types. CTC Leaf: 13,253 chests, 16,614 Gummy Sacks and 115 chests of old Season on offer met with a strong demand. CTC Brokens: Large and Bold Brokens were a strong feature and appreciated by Tk 1 to Tk 1.50 per kg. Clean medium and smaller brokens were a good market and eased only slightly whilst all others were easier by Tk 1 to Tk 2. Plain fibrous types were generally neglected. CTC Fannings: All fannings were a good market selling at firm to slightly dearer rates especially the cleaner types. Plain fibrous types were an irregular market. CTC Dust: 1,118 chests, 2,690 Gummy Sacks and five chests of old Season on offer met with a very strong demand at dearer rates. Best liquoring types were dearer by Tk 5 to 10 following competition. Others were generally dearer by up to Tk 4 following quality. There was useful support from Blenders and also the Loose Tea trade particularly for the liquoring types.

GMG plans extra Eid flights

GMG Airlines, a private domestic airline, will operate extra flights on its Jessore and Barisal routes on the eve of the Eid holidays, reports UNB. An extra flight will be operated between Dhaka and Jessore on January 16, 17 and 18 which will depart ZIA at 1445 hrs and return at 1540 hrs, said a press release yesterday. The extra flights between Dhaka and Barisal will be operated on January 18, 22 and 23. The flights will leave Dhaka at 1310 hrs and return at 1440 hrs from Barisal.

Russian deputies mull '99 budget on Jan 19

MOSCOW, Jan 13: Russian lawmakers on Tuesday scheduled a second vote on the crucial 1999 budget for next week, fuelling hopes that the entire financial package could be approved within weeks, reports AFP. Government officials welcomed the decision, saying swift passage of the radical tax-cutting budget was a priority for Prime Minister Yevgeny Primakov's left-leaning Cabinet. The executive council of the State Duma lower house of parliament set a date of January 19 for the start of the second reading, the Interfax news agency said quoting agrarian party leader Nikolai Khartanov. Duma leaders also pencilled in two final readings for January 25 and February 4, the agency said. Work was proceeding well, government spokesman said, expressing "confidence that the country would start living under an approved budget from the first months of the new year for the first time in recent years," he said. Deputies overwhelmingly approved the budget on a first reading last month. The second reading gives parliament a chance to vote on the breakdown of spending in various sectors such as defence and social programmes.

USG becoming a favourite among paddy farmers

The newly-invented environment-friendly super granule form of urea (USG), which yields more crops and costs less, is becoming a favourite among paddy farmers in the country, reports BSS. The super granule fertiliser introduced in 1996 needs 40 per cent less than the conventional prilled urea, lowering the cost by taka 66 for per bigha. Farmers may reap an additional harvest of 150 kilograms of rice from per bigha of land by using this new innovation. M Mafizul Islam, fertiliser programme coordinator of Agro-based Industries and Technology Development Project (ATDP/IFDC) told the agency yesterday. Last year, 4,000 tonnes of USG were used in the country and the target this year has been fixed at 16,000 tonnes considering the popularity of the new fertiliser, he said. If proper use of urea is ensured, the country would get 100,000 tonnes of additional rice this year. The fertiliser, being produced in 35 districts, was used on 10,500 hectares, speeding over almost all the districts of the country excepting the Chit-

tagong Hill Tracts last year. It was in intensive use in entire Tangail and parts of Jessore, Pabna, Sirajganj, Natore, Mymensingh, Manikganj, Jamalpur, Comilla and Sylhet. This year 100,000 hectares would come under the coverage of this fertiliser. The USG is produced using prilled urea as raw material in briquette machine, innovated in China in 1981 and redesigned in Bangladesh by the Rice Research Institute. Each of these machine costs Taka 75,000 to 80,000 in the local markets. Three local companies are currently manufacturing the machines and 130 such units are in operation in the country. The number would soar to 400 by the next year, Islam said. Rising popularity of the fertiliser and low cost of 150-kg machine promise a boost for the small industries in the country, he added. Mohammad Alauddin Bhuiyan, Assistant Programme Officer of USG Technology Unit, said that the loss of super granule was lower than the prilled variety as it is planted three inches below the surface. The system reduces 'de-nitrification'

or bolotalisation. The prilled urea is generally spread in the farmlands, which results in 70 per cent losses. "USG is not different in turns of ingredients from prilled urea, but it's quite different in shape appearance and the system of use," Alauddin added. A K M Masaruddin Bhuiyan, official of the Ministry of Agriculture, said the government and IFDC with the help of US-AID are trying to promote this sustainable technology as well as the use of the fertiliser at grassroots levels. IFDC holds a national workshop on USG sales promotion and marketing in the city today, where 200 USG entrepreneurs are expected to be oriented with the potentiality of the new technology. "The response from the farmers are very encouraging," he said, adding once a peasant comes to know the quality of this fertiliser, he does not procrastinate in using it. He, however, acknowledged that some peasants are worried over the extra labour the granule urea consumes although it is pretty cost effective.

T&T launches Internet service this month

Bangladesh Telegraph and Telephone (T and T) Board will introduce internet service from the current months, reports BSS. Disclosing this to BSS, Minister for Post and Telecommunications Mohammad Nasim said here yesterday that after the introduction of the internet service by the T and T Board, competitive atmosphere would be created between public and private sectors and greater facilities would be ensured for the subscribers in the country. Presently, a total of 18 private organisations are giving internet connections, linking Bangladesh with the world of modern information technology. Each of the organisations is providing internet connection through v-sat. Sources at the T and T Board said, Canada-based Tele-globe

Organisation, will provide service to the subscribers through direct satellite circuit. As a result, T and T will be able to ensure stronger system than the "v-sat" as rendered by the private organisations, they added. The satellite circuit of T and T internet service with a 128 kb will be able to include 32 telephone lines at a time in its server to get internet connection. The T and T board has fixed Taka two thousand for each internet connection. An internet user is to pay Taka one per minute between 6 am to 10 pm. The rate of per minute use of internet of T and T will be 50 paisa between 10 pm to 6 am. Mohammad Nasim said the T and T will start providing internet service through advertisement within a few days.

Workshop on malpractices in banks ends

A 3-day workshop on "Malpractices in Banks and Ethics in Banking" organised by the Bangladesh Institute of Bank Management (BIBM) was concluded yesterday, says a press release. The BIBM conducted this workshop with a view to familiarising the participants with the concept and nature of malpractices in banks and ethics in banking, growing skills to curb the incidents of malpractices and providing discussion on factors influencing and encouraging ethical behaviour. The concluding session was followed by a panel discussion. K I Khaled, Deputy Governor of Bangladesh Bank, Dr. Muinul Islam, Director General of BIBM, A.B.M Mahbulul Amin Khan, Ex-Deputy Governor of Bangladesh Bank participated in the discussion.

Asian crisis hits EU exports

The Asian crisis and recession in Japan have hit European exporters hard, with the latest figures showing a marked decline in the region's trade surplus. The trade surplus of euro-zone nations with the rest of the world slipped almost 30 per cent in September 1998 compared with a year earlier. The 11 EMU nations recorded a surplus of 5.2bn euros (£3.7bn) down 30 per cent from the previous year, according to Eurostat, the European Union's official statistics body. And all 15 EU countries together recorded a trade deficit of 1bn euros (\$1.15bn) last September compared with a surplus of 3.3bn euros a year before, Eurostat said. Meanwhile, the UK's trade deficit rose strongly to 31.2bn euros between January and September, echoing exporters' complaints about the effects of the high pound. A strong currency makes a country's exports dearer and its imports cheaper, worsening trade competitiveness. Ongoing decline Over the first three-quarters of 1998, the trade figures were more mixed.

The whole of the EU saw a trade surplus with the rest of the world of 14.3bn euros for the first nine months of 1998, down from 32.5bn euros in the corresponding period in 1997. However, for the same nine months period the trade surplus in the eurozone held up well at 63.9bn euros, a small rise of 800m euros. Asian fallout The fallout from the Asian economic crisis and Japan's recession was seen as the biggest factor in the declines. Exports to Japan fell 14 per cent, Eurostat said. Falling EU exports to the Far East were partly offset by an increase in exports to the US and China. Eurostat said growth remained weak in both the eurozone and the EU as a whole. German record Germany continued to show the largest surplus among EU nations at 51.7bn euros. Germany's own trade figures for November just out show a record surplus for the month. The federal statistics office in Wiesbaden said a trade surplus of 8.54bn euros compares with a surplus of 6.44bn euros in October and a surplus of 5.8bn euros in November 1997. However, a big fall in import prices was said to be behind the record rather than higher exports. —BBC Internet

Sri Lanka misses \$500m Malaysian, ROK investment
COLOMBO, Jan 13: Sri Lanka lost about 500 million dollars worth of investment from Malaysia and South Korea due to the east Asian financial crisis, the foreign investment regulatory authority said today, reports AFP. The Board of Investment (BOI) said all the key projects, including construction, port and electronics, entered into with the two east Asian nations, had been scrapped because of their domestic problems. During a visit to Malaysia in September 1997, President Chandrika Kumaratunga announced that Malaysian companies had proposed about one billion dollars worth of direct investment in the Indian ocean island nation.