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DHAKA, TUESDAY, JANUARY 26, 1999

Private EPZ in Pabna under study

PABNA, Jan 25: The Bangladesh Export Processing Zone Authority (BEPZA) and the district administration have started a survey for setting up of a private export processing zone (EPZ) in Lakshminkunda union under Iswardi thana, reports APB. This will be the second EPZ in Pabna. The initiative was taken by industrialist Khairul Abdul Zahid Mukul who submitted the proposal to the Prime Minister's Office earlier. A 4-member team led by Abu Bakar Talukdar, Chairman of the BEPZA, visited the proposed site last month, official sources said.

They held detail discussions with Mukul on the pros and cons of the proposed project. Mukul has already requested the government to allocate 2,000 acres of land for the project. The district administration, promptly responding to his proposal, has written a letter to the land ministry to expedite the process, the sources said.

BIBM discussion on introduction of euro Thursday

Bangladesh Institute of Bank Management (BIBM) will hold a discussion session on 'Introduction of Euro: Issues and Opportunities for Bangladesh' at its seminar hall on Thursday, says a press release issued yesterday.

Dr. Muinul Islam, Director General of BIBM will chair the discussion session. The session will discuss euro's origin and documentary credit, exchange rate mechanism and impact on financial market, convergence criteria and global impact, and implication its for Bangladesh economy.

The session will be followed by a floor discussion.

Major ANZ move towards tackling year 2000 glitch

ANZ yesterday announced that the year 2000 repair and individual testing of its own software applications and core technology platforms had been completed.

In a press statement, ANZ Chief Information Officer David Boyles said: "ANZ's preparations for the year 2000 are on track and ANZ's own systems have been successfully tested in line with the British Standards Institution's Year 2000 Readiness Standard."

ANZ's Year 2000 Project has already undertaken over 500 person-years of effort and the completion of internal repair and testing had been achieved on budget and ahead of schedule, which was a tribute to the staff involved," Boyles said.

The testing has included ANZ's new Commercial Banking System (CBS) for international sites. This system has been successfully implemented in 13 countries and will be implemented in three more countries by April this year.

ANZ will proceed with end-to-end testing across applications in the year 2000 environment including testing with other financial institutions. This testing, for example, will show how a transaction initiated by a customer at one financial institution's ATM will be successfully executed across all the various networks and interfaces to its destination. The end-to-end testing is expected to be completed by the end of June, 1999, the release said.

ANZ's other year 2000 preparations are also progressing well. It has completed investigations for all third-party provided products. Compliant versions, where necessary, have been obtained or committed to, and testing is well advanced.

Global watch output barely up in '98

TOKYO, Jan 25: Worldwide watch production moved barely higher last year, with output in Hong Kong falling hard, according to a survey released Monday by the giant Citizen Watch Co. Ltd, reports AFP.

Some 1.3 billion watches were produced across the world last year, up just two per cent, said Citizen, the world's biggest watchmaker.

A steep fall in the output of digital watches, a part of the industry Hong Kong relied on heavily, was behind the overall fall. Production of analog quartz watches, on the other hand, grew well.

"Digital watches were very popular and became very cheap. Now people are not interested in them any more," said Yukoh Yamamoto, a Citizen spokesman.

There was no progress in their design so people became less and less interested. Analog watches are seen as very beautiful and there is a broad variety of them.

"They look more sophisticated," he said. Japanese output climbed 15 per cent last year but production of watches in Hong Kong slid five per cent. In Switzerland, the world's other major watch producer, output was slightly higher than the previous year, Citizen said.

100 nominations submitted on final day

Parishad feud turns BGMEA polls into a triangular fight

By M Shamsur Rahman

For the first time, the Bangladesh Garments Manufacturers and Exporters Association (BGMEA) will witness a triangular fight in the upcoming February 25 election.

Many see it as an opportunity for the Forum led by Anisur Rahman Sinha, who lost the battles in last couple of elections, to grab the Association leadership.

After repeated attempts, garment stalwarts of Sarmillita Parishad, currently holding the top BGMEA posts, failed to reach a consensus as to who would vie for the top slot. Their failure finally resulted in two separate panels under the Sarmillita Parishad.

Anisur Rahman Sinha of Forum, however, leads the third

panel. The three panels, contesting for the 27-member executive committee, submitted a total of 100 nominations on the last day, yesterday.

Of the 27-member EC posts, seven seats have been reserved for members of Chittagong while the rest for those of Dhaka.

Sarmillita Parishad led by Mustafa Gulam Qudus submitted a total of 25 nominations for the Dhaka EC posts and eight more for Chittagong.

Meanwhile, the Sikdar-led Sarmillita Parishad submitted 24 nominations for the Dhaka seats and seven for Chittagong.

27 candidates from Anisur Rahman Sinha's Forum are vy-

ing for the Dhaka posts while nine will fight for those of Chittagong.

A total of 1992 voters would be able to exercise their franchise to elect the next president, vice-presidents and other EC members. Of the total voters, 1614 are from Dhaka while 378 are from Chittagong.

A feud between the incumbent BGMEA president and the vice-president, both elected from the Sarmillita Parishad, created a rift and resulted into the two separate panels.

Nurul Haque Sikdar, the acting Second Vice-President, refused to quit the upcoming leadership battle. Sources said that acting President Mostafa Gulam Qudus had refused to give way to the second vice-president

as per his pledge made in earlier elections.

Professor Ali Ashraf, MP, Chairman of the Election Board, would conduct the polls along with two members - Anisuzzaman and Abdul Haq.

Talking to The Daily Star, Anisur Rahman said that he was expecting a sweeping victory "not only because of divisions in the Parishad but also the failure of the present office bearers to fulfill expectations of the community."

"Their works do not reflect their pledges. I think the message is clear to the voters. The voters want to see a change. And we are very optimistic about a complete victory," Anisur Rahman Sinha said.

He also said that he was elected president for three months in 1996. "My previous works will help me reach my target in the coming polls."

When asked, Nurul Haque Sikdar said that people would vote for the deserving candidates. He claimed that his panel also had better candidates than the other two panels.

"It might appear that Sinha has a better chance, but we have the best candidates. People will vote for us," Sikdar added. Mostafa Gulam Qudus who is leading Sarmillita Parishad could not be reached for his comments.

In the last election, the two contesting panels were Forum led by Anisur Rahman Sinha and Sarmillita Parishad led by MG Qudus.

That time Sarmillita Parishad had a sweeping victory winning all the posts.

According to the new rules adopted in July last year, all 27 executive committee members will retire and a fresh election will be held to the vacant posts.

The committee will be elected for a two-year term and the panel with 14 seats will choose its office-bearers.

Bid to boost software export

BCS plans consortium to vie for big deals

In view of growing prospects in software export, country's leading computer firms and experts are considering forming a consortium to vie for big overseas contracts, reports UNB.

Bangladesh Computer Society (BCS), the association of computer firms, initiated the effort being buoyed by the commissioning of a software project by a US-based 500 million dollar company that will expand its business empire over here.

BCS sources said the total project of one of the 'Fortune 500' companies would be 38 million dollars worth and it agreed to run four million dollar (Tk 20 crore) work in Bangladesh.

Expatriate Minhajul Islam, president of MTS, another US-based company in service and consulting sectors, has mooted the proposal for the four million dollar software-development project.

Business firm "Daffodil Computers" has already started the test work of the database software and launched the consortium proposal at a meeting of the BCS here yesterday.

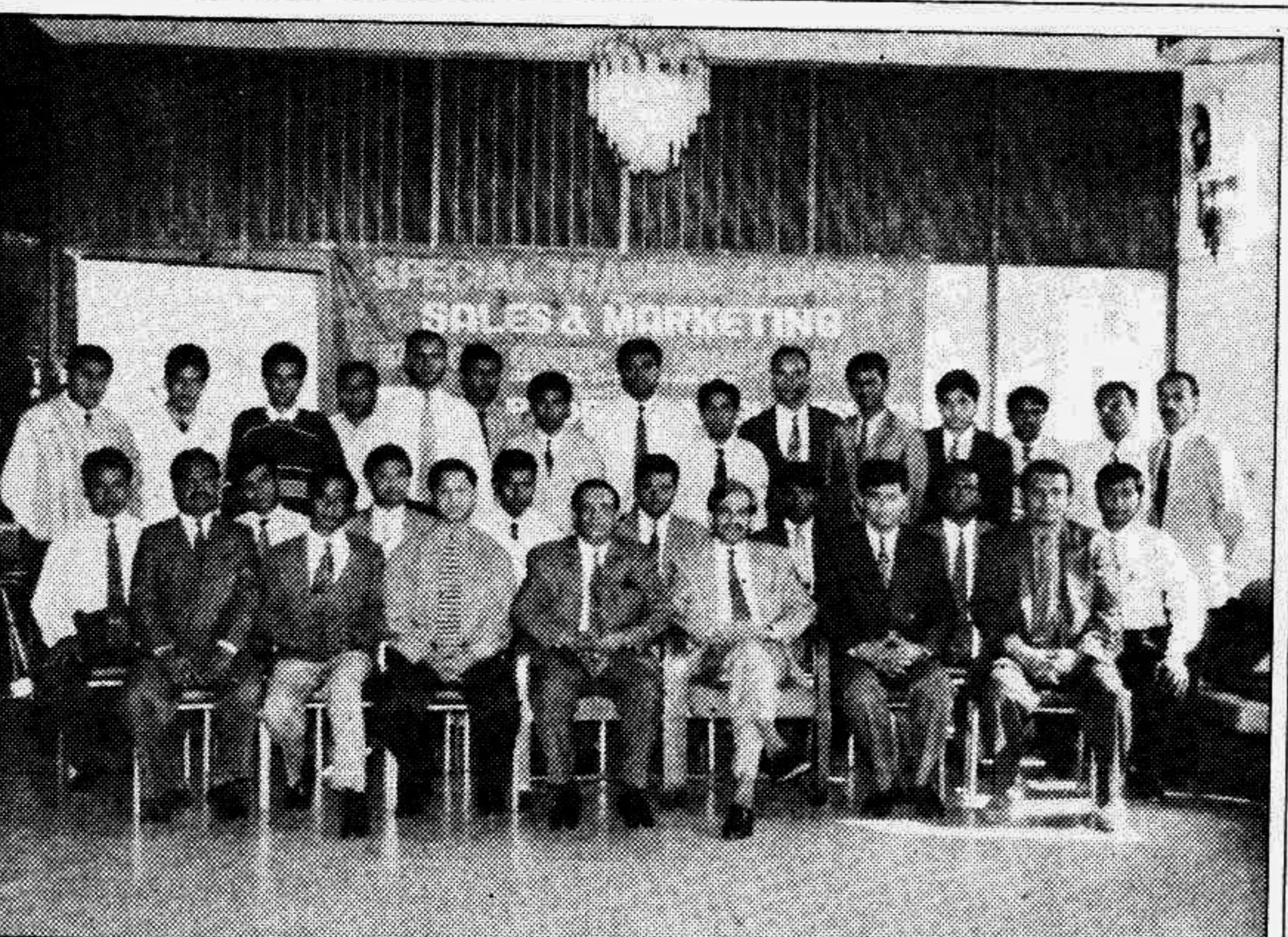
Representatives of the country's leading computer firms as well as experts and programmers attended the daylong meeting where they discussed pros and cons of the offer.

A number of young computer professionals also attended the meeting where Minhajul Islam

also placed a proposal for taking some experts to USA on H1 visa.

Country's pioneering computer personality Prof Jamilur Reza Chowdhury moderated the meeting attended by BCS president Anisur Rahman Sinha and general secretary Ahmed Hasan Jewel. Minhajul Islam and BCS joint secretary M Sabur Khan, who is also the owner of the "Daffodil Computers", elaborated on the proposal a successful completion of which would bring many new offers.

Many participants of the meeting said it could open up new vistas for Bangladesh's software sector as it is the biggest open software export offer in the country's history.



Managing Director of Kallol Group of Companies Ghulam Mostafa (Sitting 3rd from right in first row) and M Mosharrar Hossain (Sitting 4th from left in first row), Managing Director of Rapport Bangladesh Limited, are seen with the participants and trainers of a day-long training course on Sales and Marketing for the executives of Kallol Group of Companies organised by Rapport Bangladesh Limited at Dhaka Club on Sunday.

Global growth seen shrinking to 1.3pc in '99

SINGAPORE, Jan 25: Global economic growth is expected to fall further to 1.3 per cent in 1999 as transition economies led by Russia contract and oil prices collapse in the Middle East, reports AFP.

The Economist Intelligence Unit (EIU) estimated world economic growth at 1.5 per cent last year when the full effects of the regional crisis that began in Asia in mid-July 1997 resounded in other parts of the world.

The recession sweeping much of Asia will persist through 1999 though "at a less alarming rate" and the region's gross domestic product (GDP) as a whole will grow by 0.7 per cent in 1999, an improvement from a contraction of 1.6 per cent in 1998, the EIU said in the 1999 edition of its World Outlook.

Among the seven regional groupings surveyed by the EIU the transition economies in eastern Europe would contract by 1.0 per cent in 1999.

"Even in the unlikely event that the political situation is soon stabilised, renewed inflation and declining output are inescapable in 1999", it added.

Private container terminals Kibria stresses speedy implementation

Finance Minister Shah AMS Kibria asked for expeditious implementation of the project on building two private container terminals at Patenga near Chittagong port and Pangaon in Dhaka, reports UNB.

He gave the suggestion while talking to a delegation of the Stevedoring Services of America (SSA) who called on him at his office yesterday. The US firm has recently signed a deal with the Bangladesh government for building the terminals, which was earlier delayed due to trade union protests at the Chittagong port.

Officials said the project at a cost of US\$ 438 million was undertaken for integrated operation of barge service in the country with the SSA investment.

President of the SSA John Hemingway led the delegation comprising Chairman and Chief Executive Officer of the company Ricky Smith, Managing Director (Asia) Bob Watters and Deputy Managing Director of SSA Bangladesh Limited Ashfaq Rahman. They informed the Finance

Minister that the project approval had been completed and now it was at the implementation stage.

Kibria also stressed modernisation of Chittagong Port, the country's commercial lifeline, and hoped that the private container terminals would significantly impact on the Bangladesh economy.

Saudis eat 250 mt of chocolate in three days

RIYADH, Jan 25: Saudis ate their way through 250 tonnes of chocolate during this week's three-day Muslim festival of Eid-Ul-Fitr, a Riyadh-based newspaper said yesterday, reports AFP.

The kingdom's 18 million residents brought between 13.3 million and 14.6 million dollars worth of chocolate during the festival, which marked the end of the month of Ramadan, when Muslims fast from dawn to dusk.

Israel shuns Iraqi oil sale offer

JERUSALEM, Jan 25: Israel spurned an offer from Iraq to sell oil at 50 per cent of market prices, a former energy minister was quoted as saying in Sunday's Haaretz newspaper, reports AFP.

Moshe Shahal, who served as Energy Minister under Israel's previous labour government and is now a corporate lawyer, said he was approached several weeks ago by a Palestinian intermediary over the offer.

Shahal said that the next day an Iraqi businessman active in Jordan contacted him with the actual deal, purportedly in the context of UN sanctions regulations which allow Iraq to sell limited quantities of oil to finance the purchase of food and medicine.

The oil would have been bought at the same price for which Iraq sells petroleum to Jordan; 50 per cent below the market rate, Shahal said.

The former minister informed Israeli authorities about the offer, but the Israeli businessmen was not allowed into Israel to pursue the agreement.

He speculated that US opposition may have been behind the government's failure to consider the offer.

Asia's modest return to growth won't heal social wounds: WB

BANGKOK, Jan 25: A modest return to growth forecast for some of Asia's pulverised economies will have little immediate impact on the crushing social problems inflicted by the financial crisis, the World Bank says, reports AFP.

As the currency volatility of 1997 in Thailand, South Korea and Indonesia blossomed into a full-blown economic crisis it triggered a devastating wave of social ills.

Rising unemployment meant a sharp drop in standards of living for many people and hit health care, education and social services, according to recent report by the Manila-based Asian Development Bank (ADB).

That suffering will not simply evaporate when hammered economies struggle back to their feet, World Bank Vice-President Jean-Michel Severino told AFP.

There is a lag between the moment at which growth starts to resume and the moment at which it starts to show in the real lives of people," he said. "Especially as even with ad-

ditional growth in the coming months and next year, we'll see the impact of the layoffs created by the unavoidable restructuring of the corporate sector," said Severino in Bangkok Friday after a World Bank conference on the social impact of the crisis.

"This is something that the economies of Asia have to go through and is virtually impossible to get around that."

"So expect that the coming months, even if we see growth again it will still be difficult."

South Korea said Friday that gross domestic product was expected to grow two per cent this year. Thailand's latest agreement with the IMF predicts growth will return in the second quarter of 1998.

And Indonesia, where the economy crashed 13.68 per cent in the last year according to official figures, says GDP growth may grow 1.5 per cent in 1999, even though some private think-tanks have disputed the figure.

But an improvement in social conditions will take time, as all three nations have suf-

fered from all or some of a devastating combination of mass layoffs, rising wages, falling standards of living and a chafing of social cohesion.

Other heavyweight economies like Hong Kong, Malaysia and the Philippines have also been affected while Myanmar, Vietnam and Laos have seen living standards hit as investment from crisis-hit nations has plunged.

Thailand's Prime Minister Chuan Leekpai has warned that corporate failures have doubled unemployment here.

The result is that children were dropping out of school at alarming rates, mental illnesses are rising and crime is flourishing, he said.

As jobs are lost, the ADB says, people are unable to meet the costs of health care which simultaneously increase due to rising inflation.

At the same time, as governments are forced to submit to the straight jackets of International Monetary Fund (IMF) bailouts, public spending on health and education drops,

shutting more people out of the safety net.

Increasing deprivation in turn, leads to rising crime, a temptation to drugs and a rising domestic violence. The ADB said in a report on the social impact of Asia's crisis released in November.

While the IMF has addressed structural weaknesses in the World Bank and other agencies have tackled social destruction.

Twenty million dollars of a 47 million dollar World Bank trust fund set up to alleviate the worst social costs of the crisis have already been invested in 36 projects around the region.

But Severino said that despite progress the recovery is fragile and internal shocks could throw it off course.

Solving social problems is not simply a humanitarian necessity but vital for sustainable growth, he said.

"It is very clear that if the social situation continues to worsen it may reach a point at which social unrest might rise and social unrest might itself jeopardise the recovery."

Japan's global trade surplus increases by 40pc in '98

TOKYO, Jan 25: Japan's trade surplus with the world rose 40.1 per cent in 1998 from the previous year to a record-high 13.9 trillion yen (\$12.8 billion), the government announced Monday, says AP.

Japan's politically sensitive surplus with the United States also increased, rising 33.4 per cent to 6.7 trillion yen (\$58.3 billion) in 1998, the Finance Ministry said.

The soaring surplus reflects Japanese consumers' reluctance to spend amid Japan's worst recession in decades, cutting demand for imports and making Japanese manufacturers more reliant on sales overseas.

Japan has been under heavy pressure from the United States and other trading partners to rein in the surplus by bolstering its weak economy and spurring demand for imports.

Washington has been particularly critical of Tokyo's increasing steel exports. For the whole of 1998, US-bound steel exports soared 91.2 per cent to 48.1 billion yen (\$3.6 billion). On a volume basis, they were up a sharp 166.6 per cent at 6.9 million metric tons.

For December, however, steel exports fell for the first time in 33 months, meaning that Japan may have averted the imposition of US anti-dumping penalties. Steel exports to the US fell 20.8 per cent and were down 14.9 per cent in terms of volume.

A Finance Ministry official briefing reporters said that the pace of overall growth in the trade surplus should stabilize, although the ministry needs to monitor changes in the level of the surplus in the medium term.

Exports are unlikely to grow rapidly due to weak shipments to other Asian countries, while imports should begin rising if a series of policy measures the government has taken succeed in bolstering the domestic economy, the official said, speaking on condition of anonymity.

For 1998, exports fell 0.6 per cent to 50.6 trillion yen (\$44.7 billion) because of sluggish exports of semiconductor-related electronic products and office equipment, the official said.

Imports tumbled 10.5 per cent to 36.7 trillion yen (\$31.9 billion), with the fall mainly

due to steep declines in global oil and gas prices and partly because of poor demand for wood products used to build housing.

The last time both exports and imports declined in a calendar year was 1993.

In December, Japan posted a merchandise trade surplus of 1.4 trillion yen (\$12.2 billion) in December, up 14.4 per cent from the 1.2 trillion yen (\$10.5 billion) surplus a year earlier.

Exports were down 12.2 per cent at 4.1 trillion yen (\$35.7 billion) due to sluggish shipments of semiconductor-related products, steel and copy machines. Imports tumbled 21.7 per cent to 2.7 trillion yen (\$23.5 billion).

In November, Japan's trade surplus fell 15.1 per cent in the first year-on-year decline in 20 months.

Japan's surplus with the United States in December rose 23 per cent to 59.3 billion yen (\$5.2 billion). Another report says: Japan's trade surplus has grown "too large" and the United States wants it to shrink, Deputy US Trade Representative Richard Fisher said Monday.