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LGED undertakes Tk 522cr CHT infrastructure project

RANGAMATI, Jan 26: Local Government and Engineering Department (LGED) has undertaken a Tk 522 crore project to develop the infrastructure of the three hill districts, reports UNB.

The project works, expected to be implemented by the year 2003, include development of 420 km feeder roads, construction of 4,600 meter bridges and culverts in the districts.

Meanwhile, development of 335 km roads, construction of 11,800 metres roads and culverts, including 40 small water reservoirs, 10 bus terminals, 78 biogas plants and improvement of local hat-bazars.

Besides, the Ministry of Women Affairs has taken up a project, involving Tk 34 crore, to develop the socio-economic condition of women in Rangamati district.

The project works include construction of training centres, hostels and cold storage.

The Ashrayam Project has also been included in the programme to rehabilitate the homeless people of Kutubchhari and Uluchhari in Sadar Thana and Burighat and Baradam in Naniarchhar Thana.

The project, to be implemented with the financial assistance of various donor agencies, including ADB, has been endorsed by the ECNEC committee. It will be implemented under the next Five-year Plan.

Computer lab opens at DU Jagannath Hall

Vice Chancellor of Dhaka University Prof A K Azad Chowdhury inaugurated a computer laboratory for the students of Jagannath Hall on Monday evening, reports BSS.

The laboratory comprising three computers was opened in a room of the October Smriti Bhavan of the hall.

Presided over by the Provost of the Hall Prof Durga Das Bhattacharya, the function was addressed, among others by convener of the Computer Users Club Subrata Sarkar and Managing Director of Satcom Computers Limited Balaram Sarkar.

House tutors, student leaders, general students and employees of the hall were present on the occasion.

Durga Das Bhattacharya said the computer laboratory will remain open round the clock. House Tutors of the hall will impart training to the students in batches.

Four other computers will be installed in the laboratory within a month as donated by the education minister ASHK Sadique, the provost added.

'Stable euro to help Asia recover'

HONG KONG, Jan 26: A stable euro will play a key role in helping Asia's battered economies back on the road to recovery by reducing financial market volatility, a senior European Commission official said today, reports AFP.

"I think it is very important there is no volatility," Etienne Reuter, head of the EC office in Hong Kong, told a seminar.

A stable monetary environment will increase the chances of the recovery programmes that are operated by the countries of the region," he said.

"It is more difficult to restore your economic fortune in a volatile monetary environment."

The contribution that the Euro can make to international monetary stability is most relevant to the people in this region," he added.

Reuter said the euro had "be settling in rather nicely" since its launch on January 1, trading in and between 1.16 and 1.18 US dollar after making its debut on world markets on January 4.

He said it was logical that China as a major trading partner with Europe would increase the amount of its euro denominated reserves, but he said Hong Kong was in a "special situation."

Ericsson to eliminate 11,000 jobs

STOCKHOLM, Jan 26: Swedish telecommunications giant LM Ericsson will eliminate about 11,000 jobs — more than 10 per cent of its worldwide workforce — over the next two years, the company announced Monday, reports AP.

Ericsson is one of the world's leading makers of cellular telephones and equipment for wired and mobile phone networks. It also has a large division for data and telecom networks. It employs 104,000 people worldwide.

Full details of where the job cuts would take place were not available, but the company said 3,900 of them would be in Sweden.

The company's announcement said the job cuts were due to rapid technological developments and to new ways of working.

Dhaka Int'l Leather Fair kicks off today

The first-ever international leather fair in the country begins in Dhaka today with the participation of at least 400 foreign buyers despite the inconveniences created due to yesterday's opposition called hartal, organisers said.

Chairman of Bangladesh Finished Leather and Leather Goods Exporters Association (BFLLEA), MA Sattar Bhuiyan, told BSS yesterday, "if the hartal had not disrupted the smooth organisation of the fair, we would get about 500 foreign buyers in the fair besides the 79 stalls representing local and foreign companies."

Many potential foreign buyers have cancelled their planned visit to the fair at the last moment citing hartal related inconveniences, he said.

The three-day fair, jointly organised by the BFLLEA and

the Export Promotion Bureau (EPB), to further boost the country's export of finished leather, leather goods and footwear, is expected to be inaugurated by Prime Minister Sheikh Hasina at Sonargaon Pan Pacific Hotel here.

The association chairman thanked the government for announcing leather as one of the thrust sectors. He expressed the hope that the Prime Minister would sympathetically consider the demands of his association submitted to her recently for revamping the 100 per cent export-oriented industries.

The demands include announcement of a pragmatic policy for leather, leather products and footwear, 25 per cent cash incentive for the sector as being enjoyed by the garment sector,

abolition of collecting advance tax on import and export, expediting the setting up of a water treatment plant at Hazaribag and allowing the association to issue identification certificates to genuine exporters on the basis of each consignment.

The chairman, who blamed the sudden globalisation process of the economy and quick policy changes for the present state of the export-oriented leather industries, said the government has already given positive hints about giving authority to the association to issue identification certificate and speeding up the process of establishing the water treatment plant.

He said export of finished leather, leather goods and footwear could be raised to about Taka 2000 to 4000 crore a year from the present level of

Taka 1000 crore if the members of his association are given the expected incentives requested for. The government can cut the benefits of the exporters if the target is not fulfilled, Sattar Bhuiyan said.

He said Bangladesh exports about 150 to 180 million square feet of finished and crushed leather every year to major buyers like Italy, France, Spain, Brazil, China and Japan. The country also exports approximately 5000 leather goods and footwear articles per year.

During the first four months of the current fiscal, Bangladesh exported leather worth 49.53 million US dollars and footwear amounting to 11.93 million dollars having 85 per cent value addition, EPB sources said.



Customers take a close look at the Olympic pins of the scheduled 2002 Salt Lake City Winter Games which are getting more and more popular at a Nagano shop late last week. Amid a biggest IOC bribery scandal in its history, Japanese collectors purchase the pin in an anticipation that the pins could become very rare items. It now costs from 1,000 yen to 10,000 yen (US\$8.7 to \$87). — UNB/AP photo

'Infrastructure investment can revive Asian nations'

NEW YORK, Jan 26: Asian countries, including India, can revive their slumping economies by investing in public works projects like transit systems, roads and other infrastructure projects, a top U.S. executive has said.

Thomas O'Neill, president and CEO of Parsons Brinckerhoff, Inc., a New York City engineering and architectural firm, was optimistic about the prospects for recovery in Asia, although he said it may take two to three years for the economy of the region to fully rebound. "Everything is cyclical. In Asia, the cycle had gone so far up that it was bound to come down. So it's cooled off. It will

heat back up again," he told other executives at a talk organised by the Asia Society.

Parsons Brinckerhoff has not invested in India as heavily as it has in other Asian countries, mostly because there is less money available generally for such projects, he said.

"There is a need for public works projects in India, but there has to be the funding. What we have seen is that funding comes from either private sources or from another country," he said.

Parsons Brinckerhoff is designing billions of dollars worth of public works projects in Asia, mostly Singapore, Taiwan and Hong Kong. It is

currently working on an \$18-billion high speed rail in Taiwan.

In India, the company has the contract for the metro for New Delhi, a project funded through a Japanese company.

Those at the O'Neill's talk said they were heartened by his optimistic outlook in Asia, especially because public works projects have been drastically scaled back following the crisis.

Many Western countries have criticised Asian nations for hastening the onset of the financial crisis with excessive public spending.

— India Abroad News Service

Japan Air pilots go on strike

TOKYO, Jan 26: The pilots' union of Japan Air System Co. went on strike Tuesday, but no flights were canceled as former pilots in managerial posts filled in, a company spokesman said, reports AP.

Kyosuke Takeda, a spokesman at the country's third-largest airline, said the 800-member flight crew union went on a 24-hour strike to protest a new wage system.

Takeda said former pilots also manned three international flights. The routes affected were between Kansai International Airport in western Japan and the Chinese cities of Hong Kong and Guangzhou as well as between Tokyo's Narita airport and Seoul.

Under the new wage system, introduced from Jan. 1 as part of company cost-cutting measures,

HK visa clampdown on Bangladeshis, Indians, Pakistanis 'not racist'

HONG KONG, Jan 26: Hong Kong's immigration director today denied a visa clampdown on nationals of India, Pakistan and Bangladesh was racist, reports AFP.

"The reason why we reviewed the visa-free period in respect of these three nationals is purely on immigration control reasons (SIC)," Ambrose Lee told reporters.

He cited "significant immigration problems with South Asian visitors."

"Namely people overstaying in Hong Kong, people taking up illegal jobs in Hong Kong, and many visitors from these three countries have abused our hospitality," Lee said.

The department said last week the three-month visa-free stay allowed to South Asians had been cut to 14 days because of problems including illegal employment and seeking of residence in Hong Kong under false pretenses.

Under the new rules, spouses and other dependents of foreigners resident in Hong Kong are no longer able to sponsor relatives unless they themselves work or have right of abode here.

A main reason for the change was reportedly the problem of South Asian dependents of Hong Kong residents bringing over their relatives.

UK to underwrite export deals with Indonesia

LONDON, Jan 26: The British government yesterday moved to encourage small-scale trade with Indonesia with a pledge to underwrite export contracts, a year after private insurers pulled out in the face of economic and civil turmoil there, says AFP.

"Indonesia has traditionally been one of Britain's major trading partners, although the country is experiencing some serious economic difficulties at present, we remain hopeful that it will pull through before too long," British Trade Minister Brian Wilson said.

US magazine names Emirates chief ME Person of the Year

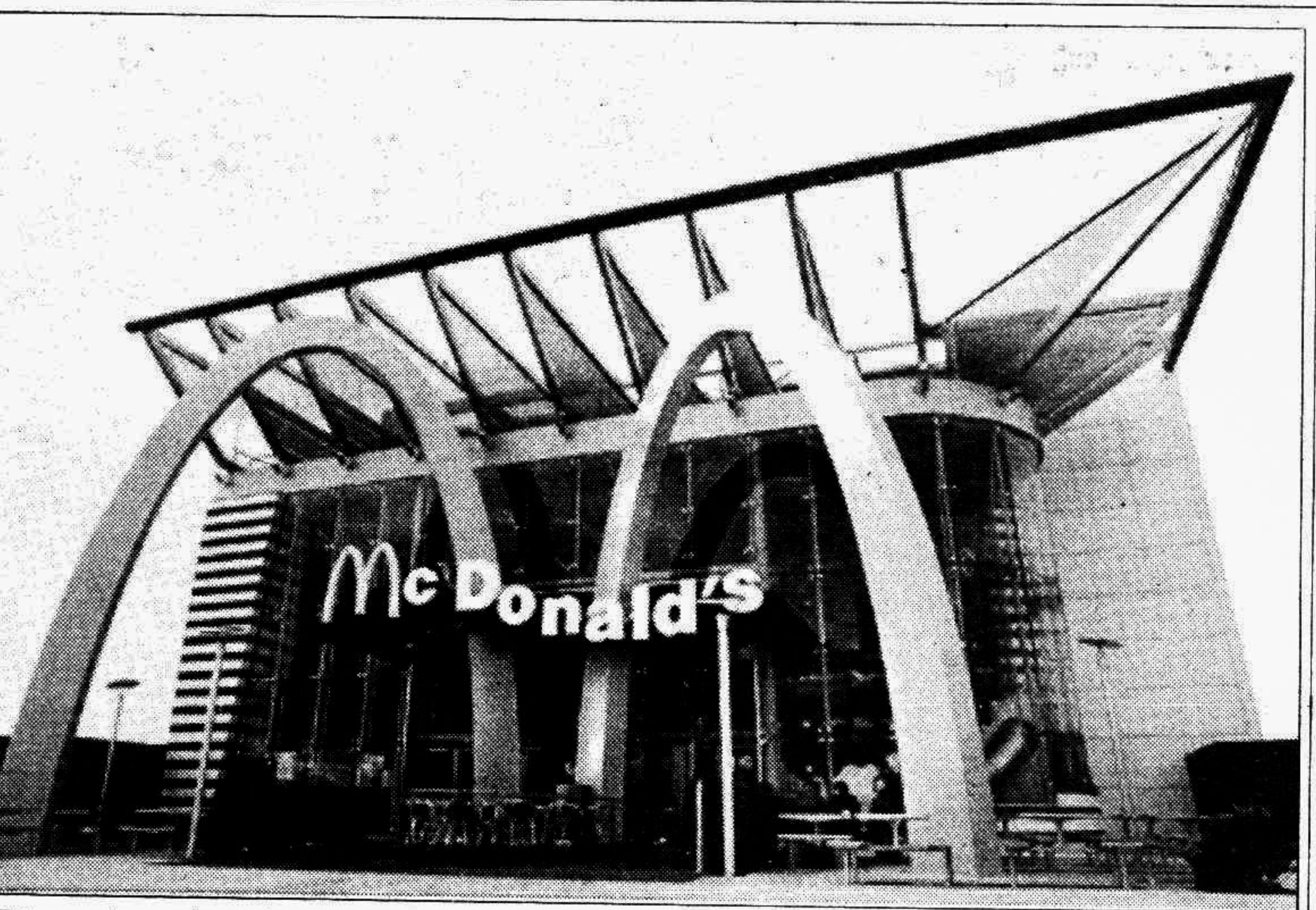


Sheikh Ahmed bin Saeed Al Maktoum, Chairman of Emirates and President of the Dubai Department of Civil Aviation, was named 1999's "Middle East Person of the Year" in the Airline category by the Travel Agent magazine of USA.

It was announced by the magazine Editor James Shillinglaw, says a press release.

Nominees are selected from a variety of categories including airlines, hotels, cruises, destinations, retail agents and tour operators.

Since 1990, the award has gone to leading figures in the travel industry, who have been recognised for their significant accomplishments in service to the industry, to the destinations they represent and to the international community of travel agents, according to Shillinglaw.



Patrons eat a meal outside during the opening of a new McDonald's at Euro Disney, located near Paris, Monday. McDonald's Corp on Monday opened its first restaurant in Euro Disney, a site that is expected to help build up the fast-food giant's successes over the past 12 months in the United States and Europe. — UNB/AP photo

Asian Currency Roundup

China's move to calm devaluation fears stabilises most units

SINGAPORE, Jan 26: Asian financial markets recovered today after China moved to calm fresh fears over a possible yuan devaluation, but analysts warned that regional stocks and currencies remained vulnerable, reports AFP.

"There was an overreaction yesterday and the market is readjusting to what happened," said Kenneth Cheng, chief analyst with New York-based financial markets consultancy MCM Asia-Pacific Co Ltd in Singapore.

"But from here, I do see Asian stocks and currencies vulnerable on the downside," Cheng said, citing the continuing financial turmoil in Brazil as the basis for renewed speculation about yuan's devaluation.

He pointed out that with the continues plunge in Brazilian real currency, there would be a spillover effects on other emerging markets.

This sent regional markets plummeting on Monday because a stable yuan was crucial to the recovery of battered Asian economies.

Today, most Asian bourses and currencies recovered after Chinese Premier Zhu Rongji himself clarified the yuan would not be devalued.

"Overall, emerging markets are on the defensive," said Thio Chin Loo, currency strategist with Banque Paribas in Singapore.

Thio said if Brazil's problems worsened, Asian currencies would take a hit. This was inevitable, she said, to take the heat off interest rates which should be maintained at low levels for recovering regional economies.

"On a sustainable basis, I think the currencies will take the hit rather than interest rates. Currencies will weaken to keep interest rates down," she added.

Meanwhile, the Indonesian rupiah rose to 9,150 to the US dollar, mid-afternoon from Monday's close of 9,350, the Singapore dollar to 1.6833 from 1.6885. The Thai baht to 36.65 from 36.85, and the South Korean won to 1,175.25 from 1,180.

The Philippine peso stood

higher at 38.56 from 38.78 while the Taiwan dollar was at 32.296 from 32.349.

The Japanese yen was up at 113.45 against the greenback from Singapore's close of 114.42 and New York's close of 113.87 on Monday.

Also on the uptrend were bourses in Singapore, Japan, Indonesia, the Philippines, Thailand and Taiwan.

Share prices in Tokyo closed 1.2 per cent higher as the key Nikkei 225 index rose 173.20 points to 14,382.01, finishing off the high of 14,501.44.

"Like the US market, the Tokyo market enjoyed a boost thanks to a strong assurance from Chinese Premier Zhu Rongji that China would not devalue its currency," said Yasuo Ueki, a senior market analyst at Nikko Securities Co Ltd.

"With the premier's assurance, many investors think the Brazilian currency crisis will not spread to Asia," he said.

Philippines share prices closed 1.6 per cent higher.

"Yesterday was more of a panic reaction. Now we are seeing a return of sanity," James

Lago of Wellex Global Equities said, referring to the 5.4 per cent plunge in Manplan on Monday.

Singapore's benchmark Straits Times index was up 25.76 points at 1,423.78 at the end of morning trading, off a high of 1,445.66, while the Jakarta Stock Exchange Composite Index closed up 10,385 points at 392.863.

The Stock Exchange of Thailand (SET) main index firmed 4.39 points to close the morning session at 367.75 while the benchmark Taiwan Stock Exchange weighted price index rose 82.34 points to end at 6,115.64, following a 3.1-per cent plunge in the previous sessions.

The Hong Kong stock market was still lethargic after dipping 2.5 per cent a day earlier.

The blue chip Hang Seng Index was down 20.72 points, or 0.2 per cent, at 9,478.78.

Malaysia's key Composite Index closed the morning down 6.06 points at 604.13 while the Korea Stock Exchange main index fell 8.53 points to close at 531.23.

Fall in jobless rate heralds stronger growth for US

WASHINGTON, Jan 26: The US economy created 378,000 new jobs last month in a burst of momentum that analysts say could herald stronger than expected growth into 1999, reports AFP.

The Labour Department employment report for December released on Friday showed the jobless rate at 4.3 per cent, down from 4.4 per cent in November.

The report surprised Wall Street analysts, who had looked for the addition of 200,000 jobs and for the unemployment rate to rise to 4.5 per cent.

"This is an economy with a very strong underlying domestic sector, a big, big chunk of which is the consumer," said Timothy O'Neill, chief economist at Harris Bank of Montreal.

By all published accounts here holiday spending exceeded expectations. A Goldman Sachs index of 60 retailers cited by the Wall Street Journal showed sales rising 5.2 per cent in December, beating forecasts of a five per cent increase and bettering the 4.4 per cent hike in

the same-period last year.

As a result, O'Neill said he now foresees data showing the US economy expanding 3.5 to four per cent in the final three months of 1998, up from the 2.5 per cent he predicted in early December.

Added John Lonski, chief economist at Merrill Lynch: "We now have every reason to expect that a brisk pace of consumer spending will continue into the first quarter of 1999."

Lonski and most other economists see the US economy throttling back in 1999, but he said has now revised his prediction for first quarter growth to 2.2 per cent, up from 1.7 per cent.

In another development, the president's council of economic advisors reported Friday that the United States was now enjoying the longest peace time economic expansion in its history, 93 months.

The previous record, 92 months, was set between December 1982 and July 1990.

The only worrisome figure in the December jobs report was the manufacturing sector, which lost 13,000 jobs.

But Labour Secretary Alexis Herman described the losses as "a modest decline" and said the report could be "a sign that we're beginning to see some stabilization in terms of other markets, particularly in the Asian situation."

The manufacturing continued to bleed, but the 13,000 loss was well below the 50,000-60,000 level during the fall, according to David Orr, chief economist at First Union Capital Markets.

The International Monetary Fund has credited authorities in South Korea and Thailand, two Asian nations whose economies came close to collapse last year, with engineering a turnaround that could prompt modest recoveries — as well as a larger appetite for exports — this year.

Suggestions that the economy may be expanding faster than planned prompted speculation in some financial circles that the Federal Reserve could be induced to adopt a bias toward tightening credit at the February meeting of its policy-making open market committee.