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DHAKA, FRIDAY, JANUARY 29, 1999

Poor foreign buyer-turnout at leather extravaganza

Local firms see fair's positive impact on forex earnings

By Monjur Mahmud

Participating in the first-ever Dhaka International Leather Fair (DILF), the country's leather exporters expressed their optimism about a positive impact of the fair on their export earnings from the sector in the long run, although a few foreign buyers visited the event till Thursday afternoon.

On the second day yesterday, the fair did not witness a considerable number of buyers from abroad, as had been predicted earlier by the organisers. Most of the exporters are yet to receive any spot orders.

DITF was expected to be visited by more than 400 foreign

buyers. "Our expectations are not very high, nor do we hope for big deals from the event," said a participating exporter.

The Export Promotion Bureau (EPB) and Bangladesh Finished Leather and Leather Goods Exporters' Association (BFLLEA) are the joint organisers of the exposition.

"Foreign buyers are very few in number, but the fair will, anyway, have a good impact on this very industry of the country," said Md Saiful Islam, Managing Director of Picard Bangladesh Limited (PBL), pro-

ducing fashionable leather goods, is the country's lone joint venture company in the sector and a member of Picard Germany Ltd.

The participating companies are not selling their products to retail customers as most of them are export-oriented and usually go for big deals.

Seeing a good response from the local visitors, the organisers, however, have requested the participants to sell their goods to them. In response, some of the participants are expected to start selling their products to local retailers after 2 PM today, the last day of the

three-day extravaganza. "So far, a good number of buyers from different countries and local buying houses have visited the fair and were making contacts with the participating companies," said MA Satter Bhuiyan, Chairman of BFLLEA.

"We hope that more buyers and their agents would visit the fair on the very last day," Bhuiyan told The Daily Star yesterday.

"We could not ready ourselves for an international event like this," said another leader of BFLLEA. "We should

have gone for an extended publicity abroad, particularly in major buyer countries of Bangladesh products. But our publicity was not handsome enough to attract a good number of foreign buyers."

He, however, hoped that the fair would be held in a more planned way next year as they have already started working on this.

"We are mulling over opening a sales centre in the city, as we have witnessed a huge number of customers who are keen to buy home-made quality products," said an official of Haroon Leather Limited, which produces 1,000 pairs of shoes per day having 100 employees.

He said that till Thursday afternoon, some 300 local as well as foreign buying agents made contacts with him.

As many as 59 local participants are displaying footwear, leather bags and other leather goods, crust and finished leather while 14 foreign companies are exhibiting high-tech manufacturing options.

"Participants would not be very disappointed if they fail to win some hefty contracts, but some good contacts would surely make them happy. I think the fair has given this opportunity," said MA Kader, Chairman of Crescent Tanneries Ltd. "If we can produce quality products, we would not face problems in selling our products."

Observing that the country's leather sector holds out vast potential, Kader said that the sector could add more value to export earnings by producing finished leather and leather goods.

He said 80 per cent of his company's export earnings comes from crust leather value addition of which is comparatively lower than finished leather and leather goods.

The company, which produces crust and finished leather and leather goods at present, is in a continuous bid to produce more finished leather and leather goods instead of the crust one, Kader said.



A visitor takes a look at the products at a Dhaka International Leather Fair stall yesterday. — Star photo

SIA to increase flights to Australia

SINGAPORE, Jan 28: The flagship carrier Singapore Airlines said Thursday it will increase the number of flights and flight capacity in services to Perth, Adelaide and Melbourne in Australia in the coming months, reports AP.

It also said it plans to discontinue its service to Darwin, Australia, by the end of March. Darwin would be the fourth destination to be removed from the airlines network since the start of the regional economic crisis, following Sendai, Japan; Hangzhou, China; and Berlin.

Annual confce of NBL executives, managers held

Star Business Report
The annual conference of the executives and managers of National Bank Ltd was held Wednesday at a local hotel. M Nurul Islam, Chairman of the bank formally inaugurated the conference, says a press statement issued Wednesday.

In his inaugural speech, Islam highly appreciated the overall performance of the bank in the year 1998. "The executives and managers should also work hard this year to exceed the performance of 1998 by a wide margin. He expressed his firm belief that the success they achieved was the result of their sincere efforts, dedication and loyalty to the organisation."

"I hope to begin 1999 with a dream of becoming the biggest and the best in banking sector," he said. Khalilur Rahman, Director of the bank, in his speech emphasised strengthening the bank's deposit base, profitability, volume of export and import business.

Director Habibullah in his speech expressed his satisfaction at the overall performance of the bank.

Thakurgaon Sugar Mills output exceeds 4,000mt

THAKURGAON, Jan 28: Thakurgaon Sugar Mills has produced more than 4,000 tonnes of sugar till Eid holiday by crushing 66,000-odd tonnes of sugarcane in the current crushing season, says BSS.

A mill source said the mill has fixed a target to produce 14,110 tonnes of sugar by crushing 185,000 tonnes of sugarcane in the present season. Now the crushing is in full swing.

The rate of sugar recovery is 6.31 per cent, the source said. Last year the mill disbursed Taka 5.50 crore as loan among its 15,000 growers. Taka 3.50 crore has already been realised. In the current year sugarcane will be produced in 15,500 acres in the Thakurgaon mill zone.

Experts say at seminar on euro Exporters will face tougher competition from neighbours

As the euro is a reality now, the country's exporters will have to face a tougher competition from neighbours in trading with European countries, reports APB.

Taking advantage of the common currency, European buyers will now come with group proposals and will be very choosy about the price, quality and quantity of products.

Experts at a seminar on "Introduction of Euro: Issues and Opportunities for Bangladesh" in Dhaka yesterday also said that exporters should take preparations to convert the challenges to opportunities, opened up by euro, a common currency of 11 European countries.

"If we can keep our house in order, Bangladesh will retain some of the opportunities," said Dr Muinul Islam, Director General of Bangladesh Institute of Bank Management (BIBM). Experts from local and for-

ign banks took part in the discussion, organised by the BIBM at its auditorium. Four papers were presented at the seminar, attended by about 200 bankers, businessmen and brokers.

Replying to some queries from the audience, the BIBM Director General said: There will be much positive affects rather than adverse effects. There is nothing to be worried about.

He, however, said that appropriate preparations were required to develop human resources and a real atmosphere would have to be created for attracting foreign investment.

In their paper on "Euro: Exchange rate mechanism and impact on financial market", Dr Toufik Ahmad Choudhury and Dr Ananya Raihan, both BIBM Directors, said introduction of euro would reduce currency transaction and conversion costs for banks, currency brokers and customers. They said that European

economic monetary union (EMU) and subsequent launching of the euro would bring changes in foreign exchange markets and have implications on foreign exchange, interest rates, currency swaps and trading.

In his paper on "Implications of the Advent of euro for the external sector of the Bangladesh economy," Executive Director of Bangladesh Bank AM Kazemi, however, maintained that external trade of the country was likely to be favourable as it enjoyed net export surplus with the Europe.

He said exporters of Bangladesh, particularly those of readymade garments, selling to the euro-11 region against contracts/LCs in Euro, may need to procure inputs from other regions against contracts/LCs in other foreign currencies. "This currency mismatch in receipt and payment will expose them to some risk," he said.

Govt plans safari park at Cox's Bazar

The government has taken up a plan to set up a safari park at Dulahazra in Cox's Bazar at an estimated cost of Tk 36.50 crore, official sources told BSS yesterday.

They said, in fact, the safari park, first of its kind in Bangladesh, will be a recreation-cum-wildlife conservation centre.

The park will be set up covering an area of 600 hectares of land in Dulahazra and Hargachia forest, the officials said.

The initial cost of the park has been estimated at Taka 10 crore to be spent from the allocation of forest master plan project of fifth five-year plan (FFYP). The government has already allocated Taka 85 crore against the forest master plan project.

While talking to BSS, Environment and Forest Minister Syeda Sajeda Chowdhury said with the setting up of the park the tourists would have the opportunity to see the wildlife in a natural environment along with the scenic beauty of sea beach and Coral island of Cox's Bazar.

The minister said the first phase work of the project will begin with the setting up of an enclosure on 60 hectares for tiger, and lions and 50 hectares for grass-eating animals.

Besides, rare animals will be collected from different parts of the country and the world for conservation under the project she said, adding there will be a provision for conducting research, educating people on wildlife.

Syeda Chowdhury said as per the design, infrastructures including the office of the park management, authority, rest house, waiting room for the visitors and a display centre, canteen, parking place and bathroom will be built up in the park.

According to the proposed plan, security will be ensured for moving in the park and the visitors will be charged fixed amount of money, the minister informed.

She said in the past the previous governments did not accept the concept of setting up a safari park in Bangladesh although there are more than one safari park in all SAARC countries except in Maldives.

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BIWTC launches new tourism service

Bangladesh Inland Water Transport Corporation (BIWTC) launches a new tourism service "LTC Kajal" Saturday for local and foreign tourists to enjoy the natural beauty of the Sundarbans and sea, says UNB.

State Minister for Shipping Mofazzal Hossain Chowdhury Maya will formally inaugurate the tourism service on Mongla-Hironpoint-Mongla route.

Commercial operation, twice a week, of the "safe and luxurious" service will start from February 8. It will leave the Bypass Jetty of Mongla Port for Hironpoint at 8 am every Monday and Friday, and sail for Mongla Port from Hironpoint at 8 am every Tuesday and Saturday.

Besides, there will be a direct connection of Rocket Steamer from Dhaka with LTC Kajal.

Made in Denmark in 1981, the ship (135 feet in length and 30 feet in wide) will have a capacity of 220 guests in a two-bed air-conditioned VIP cabin, 16-bed air-conditioned first class cabin, 8-bed second class and 194-seat economy class.

Speed of the LTC Kajal will be six nautical miles per hour, said a press release yesterday.

IPDC okays Tk135cr investments

Star Business Report

The Board of Industrial Promotion and Development Company of Bangladesh Limited (IPDC) approved a total of Tk 135 crore industrial investment yesterday.

The 59th meeting of the Board of Directors of IPDC was held in the city with K M Ejazul Huq, Secretary, Ministry of Industries in the chair, says a press release.

The meeting was attended by IPDC Directors and alternates from the government of Bangladesh, German Investment and Development Company, Commonwealth Development Corporation and International Finance Corporation.

The Board considered investment in sub-sectors like private airline operation, European standard international school leading to International Baccalaureate (IB) Diploma, agricultural implements manufacturing and fresh water bottling project.

It approved Tk 65 m as loan and equity in a private airline company, Tk 45 m as loan for setting up an international school, Tk 20 m as equity investment in an agricultural implements manufacturing industry and Tk 5 m as short term finance to a fresh water bottling project.

The Board gave clearance in principle to management to investigate three investment proposals amounting to possible IPDC investment of Tk 120 m in areas of export-oriented textile

weaving and finishing mills, galvanized steel manufacturing plant and export-oriented stainless steel nut manufacturing plant.

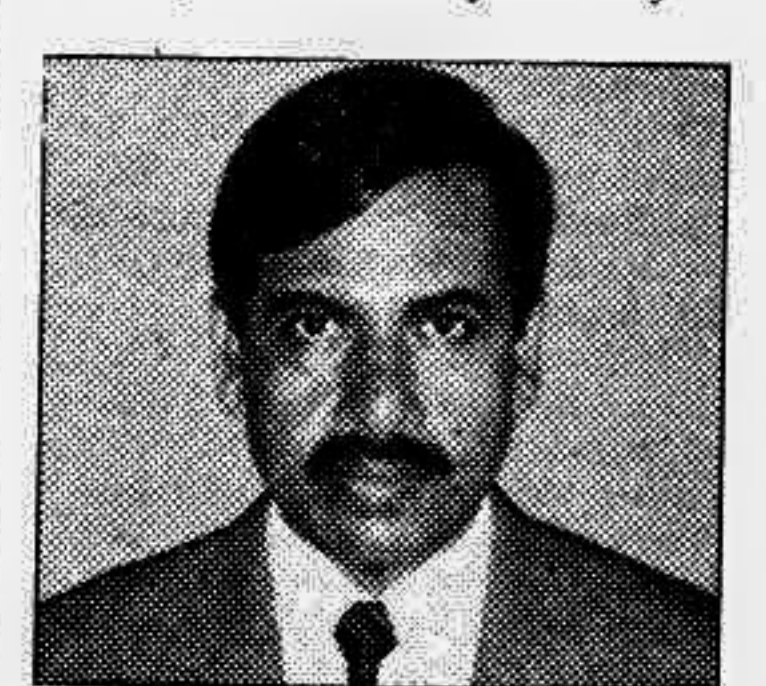
The Board also approved IPDC's availing of an US \$10 million credit line from International Finance Corporation (IFC), an affiliate of the World Bank for industrial financing in the country.

Pak dependence on foreign pvt fund worries IMF

WASHINGTON, Jan 28: The International Monetary Fund said Wednesday it was "concerned" about Pakistan's dependence on volatile foreign private capital to finance its balance of payments, says APB.

In its annual review of the country's economic situation, the IMF also noted the central bank's "large uncovered forward exchange position (and increasing dependence of budget revenues on receipts from petroleum surcharges," while the domestic tax base remained narrow.

The report cited Pakistan's nuclear tests in May, which provoked international sanctions and plunged the country into a severe financial crunch. On January 14 IMF approved a \$75-million-dollar disbursement.



New president of ICMAB

Star Business Report
Muzaffar Ahmed has been elected president of the Institute of Cost and Management Accountants of Bangladesh (ICMAB) for the year 1999.

The election was held at a meeting of the council in the city recently, says a press release.

The Council also elected Md Abdur Rashid and Md Mujibur Rahman, Vice Presidents and ABM Shamsuddin and AKM Delwer Hussain the Secretary and Treasurer respectively for the same year.

Muzaffar Ahmed served the Institute as Director, Council member, Treasurer, Secretary and Vice President for the last 18 years and represented the Institute in many national and international conferences.

Ahmed is presently the President of Credit Rating Information and Services Limited (CRISL), the first ever multinational rating agency in Bangladesh established with the Technical assistance of World's leading rating agency Duff and Phelps Credit Rating Co Chicago, USA.



A cashier at a money changer in Hong Kong counts money behind a window, partly covered by a row of mainland Chinese banknotes Wednesday. A commentary published Sunday in a mainland Communist-controlled newspaper that carried a vague suggestion that devaluing the Chinese yuan would not be a bad idea sparked fears across the region that sent regional bourses sharply lower. Many top mainland officials, the latest being Dai Xianglong, head of People's Bank of China, have attempted to quash market jitters by reiterating China's commitment not to devalue its currency. — UNB/AP photo

'Made in India' fair fails to enthuse Indians

By Vijay Lakshmi

The six-day exhibition, being held at the Pragati Maidan fair grounds in New Delhi, was to promote a self-reliant India, and an "attempt to infuse faith and confidence in Indian brands, products and services with the aim of helping Indian industry to improve and give consumers an indigenous and better choice."

Most of the hall space in the fair has been bought and occupied by public sector units and government-owned cooperatives, which attracted only a handful of visitors.

Of the scores of major private companies that otherwise make a beeline to such fairs,

only BPL, Videocon, Samtel, Bajaj, and TVS had done anything to make their presence felt.

The Tatas, one of the biggest Indian business houses and a major participant in fairs, was conspicuous by its absence. Visitors were definitely not interested in what the state-owned power generating National Thermal Power Corporation had to offer them, nor the telecom major Mahanagar Telephone Nigam Ltd.

The halls bought by Industrial Development Bank of India and Coal India did not seem to offer them anything. The only respite was the BPL stall,

which displayed electronic consumer products, and the cultural evenings involving filmstars, including Madhuri Dixit, and other popular figures of the music scene.

The main "crowd-pullers" also included the regional folk dances, street plays, live demonstration by weavers, potters and other artisans.

The fair, however, does promise something interesting in the coming days. Dance-dramas will be performed by Yamin Krishna Murthy and Geeta Chandran. Music maestros such as Bhimsen Joshi,

Hari Prasad Chaurasia, Pandit Jasraj, Pandit Ravi Shankar and M.S. Subbulakshmi are scheduled to participate in the cultural extravaganza.

The fare also includes films and a food festival. All these performances are being promoted as part of the central theme of "Made in India," a slogan being used by the organisers to promote "swadeshi," which literally means of one's own country, but has of late become synonymous with economic nationalism.

SJM secretary Murlidhar Rao told India Abroad News Service that the fair was aimed to stimulate patriotic senti-

ment among Indians, urging them to give preference to indigenous goods over foreign ones.

In his speech, the Prime Minister rued that the small-scale sector that brought in most of the foreign exchange for the country, was not treated properly in the past, and his government was trying to protect the sector by solving its problem of markets in the country. Vajpayee said the concept of 'Swadeshi' is an emotion of dedication and devotion toward the nation and a feeling of patriotism. The fair, however, has stirred a controversy with allegations that the

Bharatiya Janata Party (BJP) federal government is sponsoring the ideology of the SJM, the economic arm of the cluster of right-wing groups said to be close to the ruling party.

Some public sector units complained that they were ordered to participate even though it worked out to be more expensive than regular trade shows. While the India International Trade Fair usually charges Rs. 3,000 (\$71.4) per square metre of display area, the Swadeshi Mela is charging Rs. 8,000 (\$190.4) for the same space. An official of the National Thermal Power Corporation

(NTPC) told IANS the fair has been "forced upon NTPC by the Ministry of Power. What benefit will accrue to our company is a question mark."

Vajpayee, however, criticised the media for "blowing out of proportion" his involvement with the Swadeshi Manch, and said: "They are our friends, and there might be ideological differences, but we share a similar aim — that of making India a superpower, an economic global power."

To great applause, he asserted that India is self-reliant and can stand up to any pressure. He said the world was greedily eyeing India's huge potential and market, but his government will attempt to protect the country's markets.

Vajpayee asserted: "There is nobody in this world who can buy India, and no one who can dare to sell India."

— India Abroad News Service