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UK software firm to open branch in Dhaka

Prof Dr M Alimullah Miyan, Vice-Chancellor of International University of Business Agriculture and Technology (IUBAT), met with Mark Rogers, Managing Director of MetaFour, a UK- based software firm to discuss the prospects of setting up a MetaFour branch office in Dhaka, says a press release.

The meeting was also participated by M Amanallah Majumder, Faculty of the College of Engineering and Technology, IUBAT, and Shamser Ahmed, Manager-Product Team of MetaFour.

The primary agenda of the meeting was recruiting expert manpower by MetaFour for software development.

Dr Miyan welcomed the idea of developing software locally for the international market and assured all cooperation in the development of IT industry in Bangladesh.

Rogers expressed his satisfaction at the IT human resources development activities of IUBAT and agreed to work together for the global market.

The designated representatives of MetaFour and IUBAT will workout the details of collaborative activities in the coming months.

Chinese export prospects remain slim

BEIJING, Jan 30: China's prospects of boosting its all important exports through 1999 remain slim amid the lingering Asian financial crisis and a global economic slowdown, trade officials said yesterday, reports AFP.

"The situation faced by China's foreign trade and economic sector this year could be even harder and more complicated and the situation remains harsh, said Hu Chusheng, spokesman for the Minister of Foreign Trade and Economic Cooperation.

"The scientific and technological advantages of developed nations and the price comparative advantages of certain southeast Asian nations due to the devaluation of their currencies could become even more prominent factors, he added at a media briefing.

Exports have been the traditional engine for economic growth in China and in 1997 contributed two percentage points of the nation's 8.8 per cent economic growth rate.

BIBM workshop on Y2K issues tomorrow

A day-long workshop on 'Y2K issues in the financial system of Bangladesh' will be held at the Bangladesh Institute of Bank Management (BIBM) tomorrow.

The workshop is divided into four working sessions.

The first session will be chaired by Dr. M Sohrab Uddin, Deputy Governor of Bangladesh Bank, while M Aminuzzaman, Managing Director of Uttara Bank Ltd, Professor Abdus Sobhan, President of Bangladesh Computer Council and Dr Jamilur Reza Chowdhury, Professor, BUET, will preside over the rest three sessions respectively.

Each session will be followed by open discussion.

Dr. Muinul Islam, Director General of BIBM, will inaugurate the seminar.

Square Toiletries Sales Confce held

From Our Correspondent

PABNA, Jan 30: Anjan Chowdhury Pintu, Managing Director of Square Toiletries Limited called upon the Marketing Department officials and employees of the company here to help build public awareness against marketing and usage of adulterated products.

He also urged the sales representatives to motivate people into using indigenous quality products.

Anjan Chowdhury Pintu was addressing the inaugural ceremony of the two-day annual Sales Conference '98 of Square Toiletries Limited in Pabna on January 29 and 30.

S K Das, Marketing Manager of the company also addressed the conference and explained the company's marketing plan and strategy for 1999 in his speech, guest speaker, Saiful Islam, elaborated on various aspects of consumer services.

The company also declared special award for those who would achieve sales target fixed for 1999.

Nat'l Life holds training course

National Life Insurance Co (NLIC) Ltd, organised a training course on 'Insurance & Sales Techniques' at the Training Complex of Carew & Co (BD) Ltd, Darshana, recently, says a press release.

The course was inaugurated and conducted by Dr Ibrahim Mukul, Vice President of NLIC.

Dr. Ibrahim urged the participants to acquire knowledge, skill & attitudes required for meeting the market challenges.

A large number of the company staff took part in the course.

India allows large-scale technology import

Textile sector heads for stiff competition

The country's textiles and jute sectors are headed for a tough competition from India, which is reportedly planning a massive import of technology to modernise its industries, says APB.

According to reports from New Delhi, the Indian authorities have recently given the go-ahead for allowing large-scale import of technology and undertaken measures to inject massive subsidy with a view to revamp the country's textile and jute sectors.

A Cabinet Committee on Economic Affairs (CCEA) last week approved the setting up of a Rs 25,000 crore technology upgradation fund scheduled to be operative from April 1, 1999.

Press reports said the proposed fund will be channelled to prop up textile weaving and processing systems, jute and cotton ginning and pressing units across India.

Industry analysts saw the move as a 'major step' on the part of Indian government to shore up the textile sector in particular, which accounts for a fifth of the country's industrial production.

The analysts apprehend that such extensive modernisation of the Indian industries would make it difficult for Bangladeshi entrepreneurs in setting up backward linkage units to support the country's RMG sector, the top foreign exchange earner for Bangladesh.

Indian Textile Minister Kashiram Rana was quoted as saying that the proposed upgradation scheme would ensure project financing by the Financial Institutions (FI) at an interest rate five per cent lower than the normal lending rates to all modernisation programmes in the textile and jute sectors.

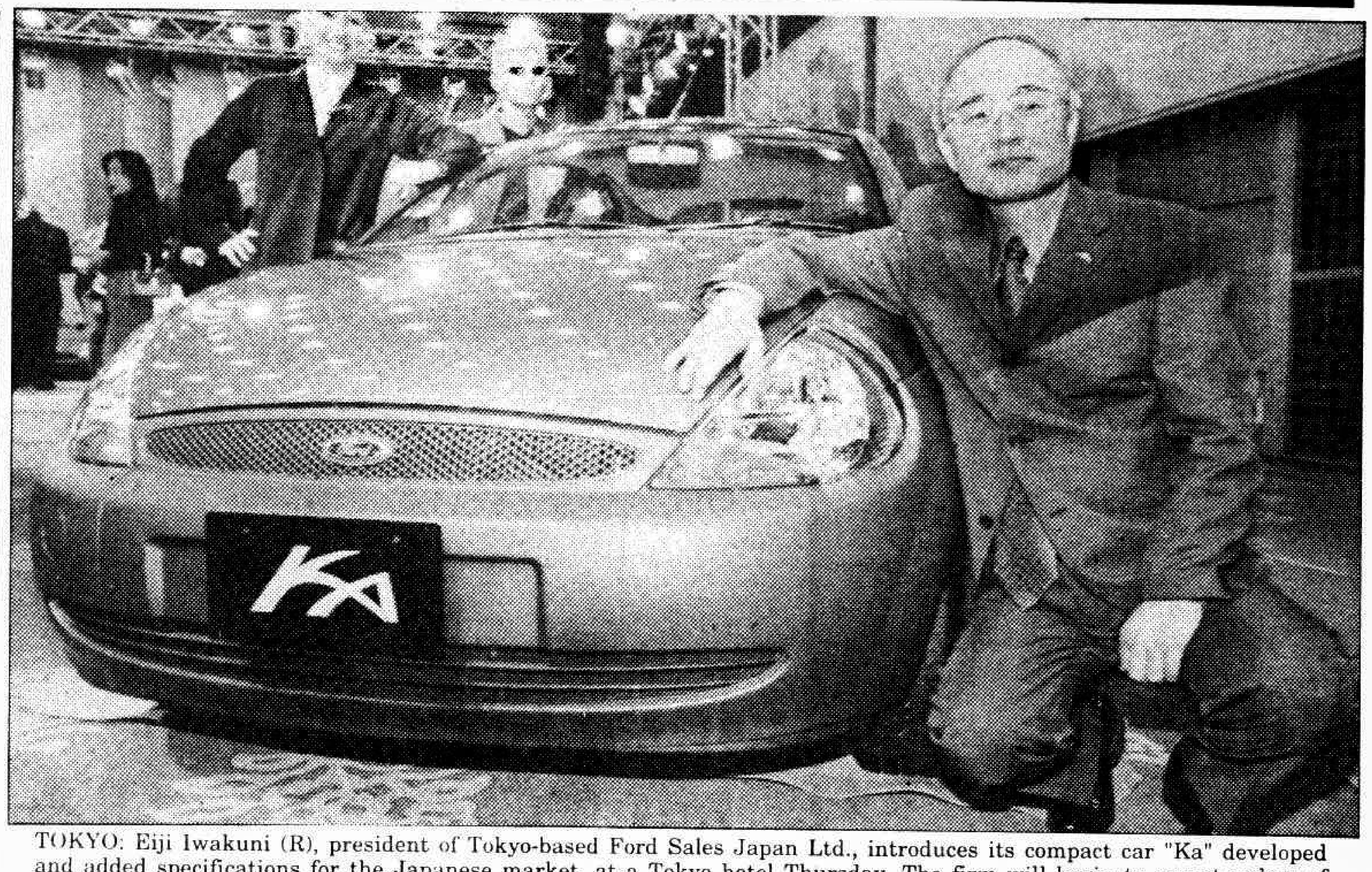
The loans will, however, be advanced for a period of ten years with a moratorium of two years. The cumulative figure of government subsidy would total Rs 6,000 crore during the entire period.

Under the scheme, special cells will be put up by the FIs for processing loan applications.

All segments of jute and textile industries, barring standalone spinning units, will be eligible for finance under the scheme, according to press reports.

The CCEA also decided that in view of the fresh guidelines for technology imports, FIs would be advised to maintain panels of experienced technical consultants for the techno-economic viability of projects.

Under the scheme, any private company registered under the Indian Companies Act, would be allowed to import technology through the 'automatic route' if it has been in existence for five years and paid dividends for past three years.



TOKYO: Eiji Iwakuni (R), president of Tokyo-based Ford Sales Japan Ltd., introduces its compact car "Ka" developed and added specifications for the Japanese market, at a Tokyo hotel Thursday. The firm will begin to accept orders of the three-door compact hatchback with a 1,300 CC engine in Japan from 28 January, priced at 1,500,000 yen (about 13,000 USD). — AFP photo

Russian, Asian crises top World Forum agenda

DAVOS, Switzerland, Jan 30: Concerns over how to pull Russia and Asia out of economic crisis topped the agenda of business and political leaders appraising the state of the world economy, says AP.

The topics were likely again to dominate Saturday's proceedings of the World Economic Forum.

Top United Nations officials, including Secretary-General Kofi Annan, were expected to address the gathering, which on Friday saw South African President Nelson Mandela caution against uncontrolled 'globalisation.'

Protesters, claiming that increasing liberalisation "results in exclusion, poverty and misery for an ever-increasing number of people," have organised a demonstration Saturday against the meeting in the Swiss ski resort of Davos.

The Forum gathers about 1,600 officials and corporate executives.

One of the questions Forum participants will consider is what conditions are necessary to revive the Asian economic miracle.

Friday saw US officials, led by Vice President Al Gore, step up pressure on Japan to do more to revive the Asian economy.

The world looks to Japan to make some appropriate changes in the way it discharges its responsibilities as the second-largest economy in the world," Gore said.

US Treasury Secretary Robert Rubin told reporters that Japan remained a major concern because of the impact its struggling economy continues to have on the rest of Asia.

Singapore's elder statesman, Senior Minister Lee Kuan Yew, said his country can recover from economic crisis without Japan, but he said things would go faster for Singapore and the region if there is a Japanese turnaround.

Japan's vice finance minister, Eisuke Sakakibara, insisted that Japanese recovery is just around the corner.

Gore also met Russian Prime Minister Yevgeny Primakov; Russia's budget and general economic recovery share top billing on the Forum's agenda.

Primakov was to take part Saturday in a Forum discussion about finding ways out of Russia's economic crisis.

Meanwhile, a key US official said Saturday the global economy needed reform, but that countries must take charge of their own problems.

"There are no easy answers and no magic wands, and each of us must do our part" in stemming the financial crisis which started in Thailand in 1997, Treasury Secretary Robert Rubin told an audience of political and business leaders.

Rubin was speaking at the World Economic Forum, where concerns over how to pull Russia and Asia out of economic crisis, as well as Brazil's problems, have topped the agenda.

"The critical factor — whether in countries responding to crisis or in countries working to avoid crisis — is political will," Rubin said.

Rubin also urged the private sector to play a greater role in dealing with economic crises, but conceded defining that role is "extraordinarily difficult."

His reform targets included "sound currency systems" and boosting social safety nets where needed.

He contrasted the growing US trade deficit with European and Japanese surpluses, saying the world economy "cannot sustain indefinitely the large imbalances created by the disparities in growth and openness between the United States and its major industrial trading partners."

Among officials renewing calls for quick action to revive Asia was Hong Kong Chief Executive Tung Chee-hwa. "If the lights are switched out in Asia, the impact on the global economy will be really unthinkable," Tung told delegates.

Taiwan converts $20b holdings into euro

TAIPEI, Jan 30: Taiwan's central bank has converted more than 20 billion US dollars of the island's foreign exchange reserves into euro holdings, the economic daily News said today, reports AFP.

The amount accounted for 22 per cent of Taiwan's total reserves of 90.34 billion US dollars at the end of December, the world's third largest, the newspaper said.

Most of the euro holdings were converted from German mark and other European currencies, the paper said.

The amount of euro holdings was lower than US dollar holdings of more than 60 per cent of reserves but higher than the Japanese yen at about 10 per cent, the daily said.

World auto industry may be leaner with fewer competitors

DETROIT, Jan 30: Falling prices, too much production capacity, economic turmoil in Asia and the resurgence of the world's biggest automakers are driving a round of mergers that could lead to a leaner auto industry with fewer competitors, says AP.

Last year's merger of Chrysler Corp. and Germany's Daimler-Benz AG forced automakers to reassess the economic factors shaping the industry. On Thursday, Ford announced plans to buy the car business of Sweden's Volvo AB, and more deals are expected.

"The reason the Daimler-Chrysler merger greased the gears is it was of such a size that it changed the pecking order of the industry," said analyst Lincoln Merrihew of DRI/McGraw-Hill. "One would have thought that Daimler and Chrysler were big enough to survive on their own. They obviously didn't."

Among likely players is debt-laden Nissan Motor Corp which has made no secret of its desire for a rich suitor. Others reported to be looking for partners include No. 1 General Motors Corp, Germany's Volkswagen AG, Italy's Fiat SpA and Renault SA of France, and even the new DaimlerChrysler AG.

While consolidation will result in less competition, some experts argue these bigger companies will be more efficient, eventually benefiting consumers, either in the form of lower prices or more features for the same price.

"It's a positive for consumers," said David Cole, who directs the University of Michigan's Office for the Study of Automotive Transportation. "Right now the industry's too broken up, too fragmented."

Auto executives are convinced that only the biggest players with the ability to spread staggering development and manufacturing costs over millions of vehicles will survive in the 21st century.

"That is the case for all the talks now in Detroit," Juergen Schrempp, co-chairman of DaimlerChrysler, said at a recent industry conference. "Everyone analyzes the situation. Everyone, in fact, comes to a similar conclusion because the facts any clear."

The facts are that worldwide demand is not enough to support the industry's production capacity; that Asia and Latin America — both big potential markets — are in recession; that automakers can no longer increase prices to cover rising costs; and that the biggest automakers in the United States and Europe are getting nimbler and stronger.

That means it's getting harder for automakers to increase profits without reducing the costs of engineering, building and selling vehicles. By merging, they spread those costs over more vehicles.

All this spells trouble for small, independent automakers and those larger ones in Asia

Dubai's gold imports down 42.8 pc in '98

DUBAI, Jan 30: Dubai's gold imports dropped 42.8 per cent to 377.4 tonnes in 1998 due to weaker demand from the Indian sub-continent, according to figures by the Dubai Customs Department issued today, reports Reuter.

Dubai imported a record 660.3 tonnes in 1997.

It said Switzerland exported 234 tonnes of the precious metal to Dubai, followed by South Africa with 52.5 tonnes and Britain with 39.3 tonnes. The rest came from South Korea and Russia.

Dubai last year became the world's top gold re-export centre following record imports.

Kuwait seeks foreign role in its oil sector development

KUWAIT CITY, Jan 30: Kuwait hopes to see the world's oil majors begin development of its northern fields by the end of this year, Kuwait Oil Company (KOC) chairman Abdullatif Hamad al-Torah said Saturday, reports AFP.

"We hope the project starts this year, God willing," he told the newspaper Al-Qabas on the development plans for the fields on the Iraqi border.

Torah said that although the project was still in its initial stages, Kuwait's target was to complete a detailed study of the decision-making process, and all administrative, contractual and economic issues this year.

Oil Minister Saud Nasser al-Sabah, whose country has been hard hit by the collapse of oil prices, set up a committee of experts last month to examine the role of foreign companies in developing oil resources.

"We are fully prepared to implement the project this year," Torah said, confirming that a number of the foreign oil companies had been to Kuwait to express their interest and readiness in developing the northern fields.

Kuwait carried out a month-long technical presentation in Britain and the United States in November when it put out an offer to the oil majors to develop its northern fields.

Sheikh Saud said in December that the world's oil majors would invest up to seven billion dollars to develop the fields over the next five years to double their output.

The minister said that the majors will contribute all necessary funds, technology and expertise to increase production capacity to over 900,000 barrels a day.

Anjan Chowdhury Pintu, Managing Director of Square Toiletries Limited, speaks at the Annual Sales Conference of the company in Pabna Friday. — Square Toiletries photo

Gore stresses Japanese reform to solve global crisis

DAVOS, Switzerland, Jan 30: US Vice-President Al Gore called on Japan yesterday to press ahead with reforms needed to help solve the global economic crisis, adding that Europe's new financial muscle also be harnessed to the full, reports AFP.

Speaking at the World Economic Forum (WEF) annual meeting in Davos, Switzerland, he said the Japanese economy had a huge potential to influence the world economy and said its role was crucial.

"I know that some Japanese believe we have asked for change to persistently and I recognise that there are political, cultural and social factors that must be taken into account," he said.

"But the stakes are very high. So with due regard for the progress Japan has made, we — all the rest of US in the world — respectfully repeat to Japan, our friend and partner: Please, we need your help to deal with this global economic crisis," he said.

Meanwhile, Gore said Europe, with its new euro single currency, also has a key role to play.

"We hope that the EU sees the advent of EMU as an opportunity to press ahead with long-needed structural reforms and to ensure that their policies support strong growth and domestic demand so that Europe, too, can assist in the Asian recovery and stand with the United States as a bulwark of global stability," he said.

Gore, in a keynote address to 1,000 business leaders and over 250 ministers and government chiefs, said that in 1993 world leaders had "rightly called on the United States to make fiscal reforms necessary to boost the world economy.

"And just as the world looked to America then to play a more powerful role in the global economy, so today the world looks to Japan to make some appropriate change in the way it discharges its responsibilities as the second largest economy in the world", he said.

"One of the reasons we do so is that we know what Japan can do when it is at its best. Even in the midst of recession, Japan generates more than two-thirds of Asia's combined GDP.

China hogs lion's share of worldwide FDI in '98

WASHINGTON, Jan 30: China, with a tally of about $39 billion, accounts for a substantial proportion of the total worldwide foreign direct investment (FDI) of $111 billion made in 1998, a slight fall from the previous year's $117 billion.

Liberalisation and reform have encouraged multinational corporations to seek access to the large and growing domestic market and to establish an export base in the Communist state, according to the Institute of International Finance (IIF).

The IIF predicts that China may account for one-third of the 1999 FDI flows, significantly more than any other country, although the actual total of $30-35 billion will be a little lower than the record volumes seen in 1997 and 1998. That is because of a decline in FDI in Asia as a result of the regional financial crisis.

A substantial pick-up in FDI into South Korea is anticipated this year and the IIF also notes a relatively high level of flows to Poland. Brazil, which saw FDI inflows of over $20 billion last year as it proceeded with major privatisation programmes, is likely to see a reduced volume in 1999.

The IIF report on "Capital Flows to Emerging Market Economies," says net private capital flows to leading emerging market economies is expected to decline further to around $140 billion in 1999 even after last year's substantial fall when flows amounted to $150 billion compared to $260 billion in 1997.

Nevertheless, the IIF expects FDI flows to remain resilient at about $104 billion this year, only slightly down from the 1998 total. At the same time, the new forecasts point to a recovery in portfolio equity flows to emerging markets, with net flows seen as reaching $19 billion this year after a total of just $2.4 billion in 1998.

The IIF, the global association of financial institutions with more than 300 member organisations, notes that major reductions in flows from private creditors have been registered over the last 18 months and further declines are likely this year.

The net total of these flows fell from $119 billion in 1997 to $39 billion in 1998. Net lending is projected to decline further in 1999 to $17 billion as bond issuance is expected to continue to moderate, especially in the first half of the year.

Trends in flows are likely to be decidedly different between Latin America and Asia this year against a background of sharply different economic growth developments.

Real GDP in Latin America is seen as stagnating this year after rising by about 2.2 per cent in 1998 and five per cent in 1997. This forecast includes the prospect of a projected fall of 3.5 per cent in output in Brazil.

With the reduction in growth, the IIF forecasts net private capital flows to Latin America to decline to $54 billion, half the 1997 level. Some decline in the overall net volume of FDI into the region is likely to be offset by a modest revival in portfolio equity flows.

However, net lending to Latin America from other private creditors is seen as falling significantly this year to $14 billion from $30 billion last year, while net flows from commercial banks are expected to turn slightly negative after a $12 billion inflow in 1998.

Asian growth is projected to recover to more than four per cent from just 0.9 per cent last year.

The upswing in Asia reflects a modest positive growth of two to three per cent in South Korea and Malaysia, eight per cent in China and significant moderation in the rates of decline in Indonesia and Thailand.

As growth picks up, the IIF forecasts that net flows to Asia will double to $33 billion this year. The upswing is partly due to the prospect of moderating net outflows from the five Asian crisis countries (Indonesia, Malaysia, South Korea, Thailand and the Philippines) down to $4.8 billion from $28.3 billion in 1998.

The IIF says, however, that these five countries combined are likely to see a significant revival in net equity investment to $18.7 billion from $8.5 billion last year.

Overall, the net private capital flows to emerging Europe are seen as holding stable at around $40 billion this year.

The IIF notes that issuers from Hungary, Poland and the Czech Republic were among the first to access international capital markets as they reopened in late 1998.

The IIF forecasts a real gross domestic product (GDP) decline for emerging Europe of four per cent, with a substantial fall in output in Russia being the major factor.

The report leaves no doubt that the unilateral Russian default and devaluation in August had a sharply negative impact on confidence and flows across the markets, coming as it did against the background of the crisis in Asia.

Although the effect has moderated, many investors and lenders remain wary about new commitments in the emerging markets. Longer-term confidence in emerging market economies is indicated by the resilience in FDI flows, which are likely to account for over 70 per cent of total net private capital flows this year.

— *India Abroad News Service*

Brazil's currency falls below key level

RIO DE JANEIRO, Jan 30: Brazil's currency, the real, sank below the psychologically important level of two to the US dollar on Friday as President Fernando Henrique Cardoso complained about speculation, reports AP.

Before recovering a bit at the close, the real was as low as 2.14 to the dollar, a drop of almost 9 per cent from Thursday's close of 1.95. The real closed at 2.06 to the dollar, or 48.5 cents. That was a decline of more than 5 per cent from Thursday and a plunge of 41 per cent from its close of 1.21 to the dollar on Jan. 12, a day before the currency was devalued.

It was the first time the real had slipped below two to the dollar since it was established in July 1994.

"It is only speculation," said Cardoso. "The dollar can go as high as it wants. It will fall back."