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Kibria seeks Japanese jt venture initiatives

A Japanese business delegation led by Uzuhiro Uwatoko, Chairman of the Japan-Bangladesh Committee for Commercial and Economic Co-operation, called on Finance Minister Shah AMS Kibria at his office yesterday, reports BSS.

They discussed matters relating to further expansion of economic cooperation between the two countries.

The Federation of Bangladesh Chambers of Commerce and Industry (FBBCCI) President Abdul Awal Mintoo was present at the meeting.

The finance minister said small and medium-scale industries were very important for greater employment opportunities in the country.

Credit needs were also high in this field, he added.

Kibria called upon the Japanese delegation to come forward in establishing joint venture initiatives in Bangladesh.

The delegation informed the finance minister that a 20-member Japanese investment observation mission was now visiting Bangladesh to explore investment opportunities.

The delegation showed keen interest in cooperating small and medium scale industries here by providing training and management guide.

Northern Bangladesh to have industrial parks: Tofail

Minister for Commerce and Industries Tofail Ahmed yesterday informed the Jatiya Sangsad that industrial parks would be established in different places of northern Bangladesh side by side setting up of industrial estates in districts and thanas in phases, reports BSS.

Replying to a question from Shamsul Alam Pramanik of Naogaon the minister said that Manda thana of Naogaon district would get priority for an industrial estate when decision in this regard would be undertaken.

The present government is carrying out a broad-based infrastructure development work in this regard as part of its full-fledged commitment to bring dynamism in the process of industrialisation to ensure the country's socio-economic development, he told the BNP member.

On a supplementary from the BNP legislator, Tofail Ahmed said the present government had already done a sizeable work in the country's infrastructure development by setting up power plants and im-

proving communications network.

To another supplementary from Kamal Ahmed Majumder of Awami League from Dhaka, he said when the present government was overcoming the hurdles of past misrules, the opposition parties were trying to create obstacles through hartal and similar other destructive politics instead of discussing national issues in parliament.

The opposition parties have switched over to streets by leaving the Jatiya Sangsad which is the right place for any discussion on any national issue," he said adding that the foreign delegates including the high powered delegation of US Bangladesh Business Council (US-BBC) expressed their serious concern at the hartal called by the BNP and its allies.

He described the United States as the biggest market of Bangladesh with 37 per cent of the country's total annual exports and said, "if such destructive politics take on the country's sound economic environment, we will surely lose our foreign market."

Speaking about the hartal observed by Awami League during the BNP rule, Tofail said his party did it to restore the people's voting right through establishment of a caretaker government.

The BNP regime first did not pay any heed to our call but later they had to concede to the popular demand by helping to pass the caretaker government bill in parliament," he said.

He also referred to the February 15 elections in 1996 which, he said, was completely voteless.

Tofail said change of power does not need hartal and he urged the oppositions to extend their cooperation towards the present government's post-flood rehabilitation programme to bring the economy towards a sustainable growth as desired by the nation.

Replying to a supplementary from M K Anwar of BNP, Tofail said the present government had been establishing all proofs of its accountability and transparency by way of running the government smoothly upholding the hopes and aspirations of the nation.

He rather referred to the regular presence of the Leader of the House Prime Minister Sheikh Hasina in the Jatiya Sangsad session and said this would amply prove the sincerity of this government to the national causes.

"But I want to know where is the leader of the opposition who ought to have been present in the Jatiya Sangsad to discuss all national issues she requires to," he said adding that the opposition parties were not in favour of making the Jatiya Sangsad effective but trying to heat up the streets of grab power forcibly.

In this respect, he referred to the killing of six people during the Mayor elections in Dhaka and said this politics was being pursued by BNP all the time.

"Now we see BNP has brought into its fold Jatiya Party of General Hussain Muhammad Ershad and Jamaat-e-Islami of Golam Azam to destroy the peaceful atmosphere of the country which has been restored by the present government after a hard toil," he told the Jatiya Sangsad.

Minister tells seminar

Nat'l shipping policy soon

Star Business Report

State Minister for Shipping Mofazzal Hossain Chowdhury Maya yesterday said that a draft national shipping policy had been prepared and it would be finalised soon for disciplined growth of the sector.

"Around 90 per cent of our foreign trade is done by sea and we should have formulated a policy much earlier for better management of the shipping sector," he said.

The State Minister was speaking at the inaugural session of a three-day seminar on national shipping policy organised jointly by the Ministry of Shipping and the Economic and Social Commission for Asia and the Pacific (ESCAP).

In addition to presentations by Bangladesh representatives, a team of experts from ESCAP having policy development experiences in Australia, Japan, Sri Lanka and the United Kingdom, will discuss the key points of the draft policy and will make recommendations to finalise it.

The State Minister said that the national policy would help modernise the country's ocean-going fleet and reduce the dependence on foreign lines.

The policy will protect the

interest of importers, exporters, shipowners, and shippers, he said, adding that it will also help improve the country's overall trade performance and generate employment.

The seminar is part of an initiative by the ministry to review and adopt a shipping policy to ensure access to adequate and efficient shipping services with a view to improving Bangladesh's competitiveness in trades and facilitating the transport of essential imports.

Speaking at the function, Dr

Tea crops decrease in Kenya

NAIROBI, Feb 15: Tea crops in Kenya decreased last week due to a continued dry spell while tea quality in Malawi improved thanks to moderate rainfall and sunshine, a leading tea brokerage house said yesterday, reports Xinhua.

The Mombasa-based Africa Tea Brokers (ATB) said it had been hot, dry and windy in most of Kenya's tea-growing areas.

"Crop is dropping fast with some factories having to reduce plucking rounds," said ATB.

M Rahmatullah, ESCAP's Director for Transport, Communications, Tourism and Infrastructure Development Division, said that the access to adequate and competitive shipping services was a pre-requisite for a country's participation in global markets.

Policies relating to shipping are closely linked to a country's ability to achieve its overall economic objectives, he added.

Developing countries in the region want to promote competitive shipping services to carry out external trades at minimum costs," he said.

The shipping lines of the developing countries are mostly unprepared to meet the challenges of the current liberalised environment, Rahmatullah added.

Director General of the Department of Shipping MA Malek said since the bulk of the country's international trade depends on shipping, a dynamic and effective policy is needed for the development of the shipping sector.

Malek observed that the drafted shipping policy would also attract foreign direct investment and help mobilise local capital.

BSB disburses Tk 110 cr as loan

Despite paucity of funds and various unfavourable conditions, Bangladesh Shipha Bank (BSB) has disbursed Tk 110 crore during the last 19 months till January this year, reports UNB.

The loans were disbursed among 65 industrial projects. During 1997-98 fiscal, the bank disbursed Tk 96.18 crore as term loans to 28 projects and Tk 2.87 crore to eight projects as short term loans.

It disbursed Tk 9.31 crore to 18 projects as term-loans and Tk 1.84 crore to 11 projects as short-term loans during July 1997 to January 1998.

During the same period, BSB has recovered Tk 186 crore in cash and regularised loans amounting to Tk 107 crore through restructuring and rescheduling, said a press release.

India locks horns with air traffic controllers

NEW DELHI, Feb 15: After weeks of seeing flights across the country disrupted, the Civil Aviation Ministry on Sunday prepared to fire air traffic controllers and ask the air force to help maintain operations, local news agencies reported, says AP.

The controllers, who are demanding more pay, deny they are delaying flights deliberately and that they are only following government rules.

The government's decision to crack down on the controllers appeared to be in response to pressure from international and domestic airline companies that have lost millions of rupees in cancelled flights and extra hotel rooms to accommodate stranded passengers.

Brijendra Shekhar, president of the Air Traffic Controllers Guild, said the union would respond if its members were fired. He would not elaborate, he blamed poor infrastructure and faulty procedures for the delays.

China swoops on 'fake' foreign firms

SHANGHAI, Feb 15: Southern China special economic zone of Zhuhai has closed 353 "fake" foreign-invested enterprises used as a cover for tax evasion, the official Xinhua Evening News reported yesterday, reports AFP.

Investigations revealed the firm existed only on paper, as they had no places of business, equipment or staff, the report said.

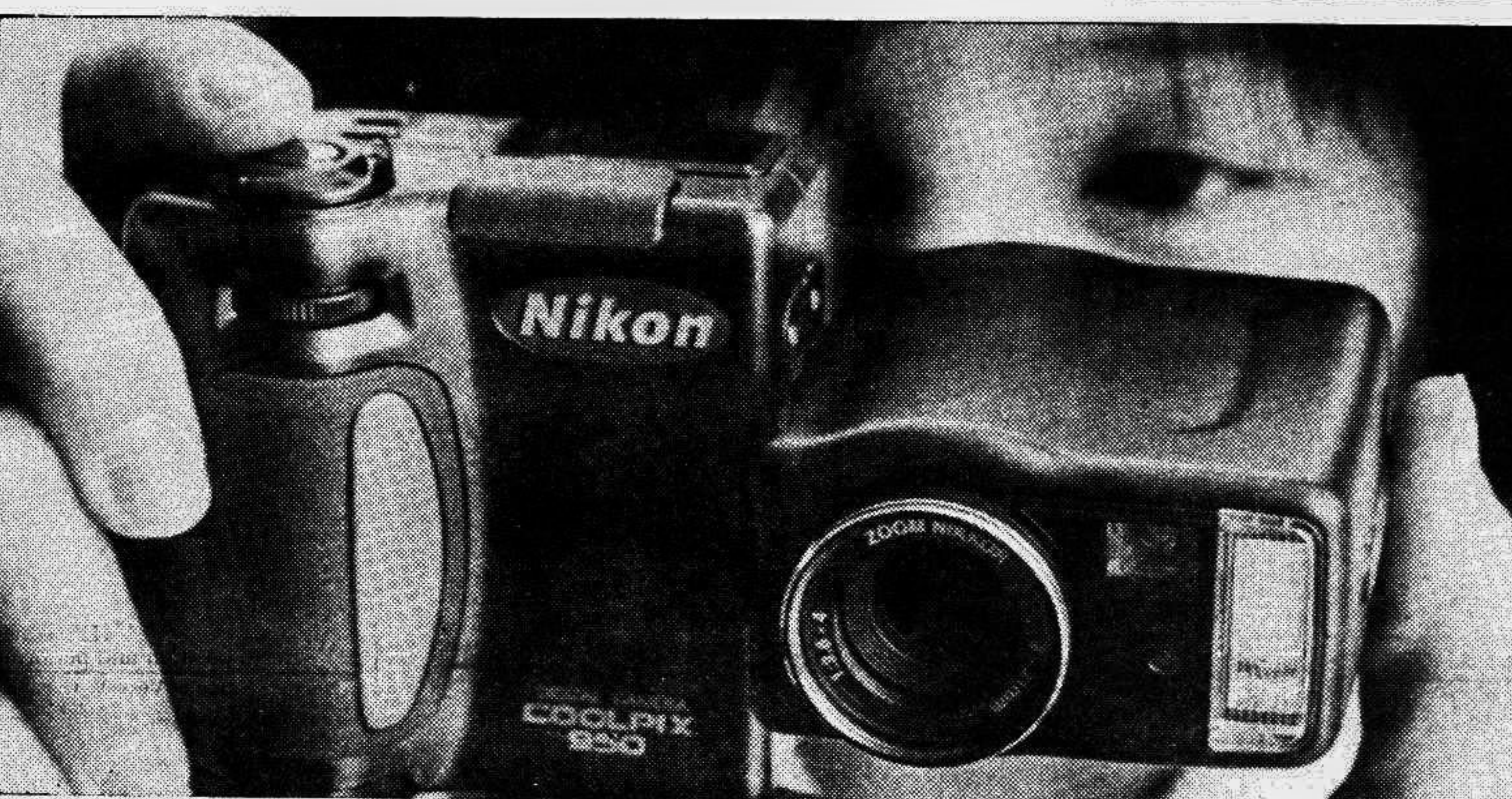
As a result, the foreign trade and investment commission of Zhuhai - located adjacent to the Portuguese enclave of Macau - cancelled all their operating licences.

Fraudsters established the companies mainly to take advantage of foreign firms' past exemptions from import taxes on capital goods. They re-sold the industrial equipment after getting it into the country tax-free.

Zhuhai, one of the first areas opened to the outside world at the start of economic reforms 20 years ago, today has more than 4,000 foreign ventures and has absorbed 4.3 billion dollars in direct investment, the newspaper said.

The firms account for 60 per cent of the zone's industrial production and more than 60 per cent of its exports, it added.

Macau is due to revert to Chinese rule on December 20.



Mio Sento, an employee of Japan's camera maker Nikon Corporation displays its new compact digital camera COOLPIX 950 at a press introduction in Tokyo yesterday. The COOLPIX 950 has optical and digital innovations which include 2.11-megapixel picture quality (image size: 1,600X1,200) and superior-speed performance. Nikon will put it on market from March 25 with a price of 125,000 yen (1,100 USD). —AFP photo

Indian growers want more duty on tea import

CALCUTTA, Feb 15: India's tea trade, after a record output and exports in 1998, could be hit by a flood of imports from neighbouring Sri Lanka and commodity tax on packet tea, reports Reuters.

"Free import of tea has been allowed from (South Asian) countries. We have strong objections against this," a spokesman of the Indian Tea Association told Reuters at the weekend.

He said the 10 per cent customs duty on imported tea was insufficient because Indian tea had a higher cost of production.

The low import duty of 10 per cent will lead to a price advantage for Sri Lanka and Bangladesh teas over Indian tea," ITA said in a recent com-

munication to the finance ministry.

It has asked the finance ministry to raise the duty appropriately in the budget for 1999/2000 (April-March), which Finance Minister Yashwant Sinha is due to present to parliament on February 27.

"The government should also review the excise duty of eight per cent imposed on packet tea. It is hurting the industry," said D L Thapar, Director (tea), Assam Tea Company.

The price hike in packet tea has encouraged several consumers to shift to loose teas, said P Nag, Vice-President of the Tea Packers Association of India.

"This shift from branded to unbranded variety is a danger-

ous trend since the consumption habits are changing from hygienically packed tea, where quality can be totally protected, to loose variety," he said.

"The imposition of excise duty on packaged tea is an extremely retrograde step... it should be removed," the Indian Tea Association said in a statement.

Trade officials are also worried over a fall in tea prices in recent weeks. The average price of tea in January fell 25 per cent below the average price in January 1998.

The India produced 867 million kg of tea in 1998, up from 810 million in 1997, exports increased marginally to about 205 million kg from 203 million in 1997.

New president of ECCB

Star Business Report
M M Shaheen Shah has been elected president of European Chamber of Commerce of Bangladesh (ECCB).

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

The meeting also constituted a seven-member committee.

The main aims and objectives of the chamber are to develop bilateral business ties between Bangladesh and Europe. It was decided in the meeting that European Trade Fair will be held in Dhaka every year to help boost European investment in Bangladesh and vice versa.

Shah is the chairman of Shaheen Group of Companies and Secretary General of International Europe House Association of Bangladesh.

Volkswagen sales up

SINGAPORE, Feb 15: Germany's Volkswagen AG today reported a rise of 32 per cent in its January deliveries of Volkswagen vehicles in the Asia-Pacific region, largely due to sales in China, reports AFP.

Volkswagen group Singapore Pte Ltd in a statement said the group delivered 30,400 vehicles last month to the region, compared to 23,000 deliveries in the same month a year ago.

The success in the Asia-Pacific region is based on a sales increase of 45 per cent in China, currently, other Asian markets continue to suffer as a result of the difficult economic and financial situation," the statement said.

The group said it also registered strong growth in western Europe and North America.

Vehicle deliveries in January 1999 rose by 16.7 per cent from a year ago to 25,410 in western Europe, and 27.7 per cent to 30,300 vehicles in the North American market.

"This new delivery record is the result of our improved delivery reliability and increased marketing activities," said Robert Buchelhof, President of Volkswagen AG for the Asia-Pacific region.

However, sales in South America and the South African market fell 22.1 per cent from a year ago to 47,400 in January 1999 due to the global economic crisis, the firm said.

Volkswagen group's share of the world auto market rose to 11.4 per cent in 1998 from 10.4 per cent a year ago.



UK Ghosh, Managing Director of Grundig Gulf FZE, speaks at a press conference at a city hotel yesterday. M Farukul Islam Shova, Chairman of SEARS Electronics Ltd, is also seen in the picture. —Star photo

Forecaster says Asian economies may remain weak in '99

SYDNEY, Feb 15: At least six Asian economies would continue to experience negative real growth in 1999, global market forecaster BIS Shrapnel said Monday, reports AP.

In its latest Asia Pacific Economic Outlook for 1999/2000, BIS Shrapnel also warned that there was a 'significant risk' of economic collapse in China.

The report's principal author, senior economist Nigel Hatcher, said economies such as the Philippines, Vietnam and India - which had previously underperformed in the region - would emerge as winners from the Asian crisis.

These economies had not participated in the investment boom of the 1980s and 1990s and so had avoided the excesses of over-investment and over-borrowing.

"More solid signs of recovery will emerge in 2000 as more economies reduce their financial constraints and begin to restart production," the report said.

"Exports will increase significantly, foreign investment inflow will return and exchange rates will strengthen."

"Governments will be freer to increase their own spending

and reduce interest rates as some of the pressure comes off exchange rates."

Hatcher said some export-focused Asian businesses had survived the crisis and for them to continue it was vital that both companies and banks recognised the extent of bad debts.

"The continued survival of poorly performing businesses and the debts they owe the banks are smothering lending and affecting the good businesses," he said.

The study forecast negative growth for calendar-year 1999 in Hong Kong, Indonesia, Korea, Malaysia, Singapore and Thailand and also warned that if another economy fails, it could be China.

"This economy is dominated by large state-owned enterprises which are far more indebted and less competitive than the Korean chaebol ever were, and the banking system is in worse shape than in any Asia," the report said.

"Transition to a market economy is more gradual and less harmful than the shock treatment in Russia and Eastern Europe. Nonetheless, there is a significant risk of collapse which cannot be ignored."

TSP price shoots up

NETRAKONA, Feb 15: Price of Triple Super Phosphate (TSP) fertilizer has shot up shattering the prospect of cultivation of IRRI-Boro paddy in the district, says UNB.

A 50 kg bag of TSP is being sold in the local market between Tk 700 and Tk 750 against the normal rate of Tk 480.

Local farmers alleged that an artificial crisis has been created by a section of dishonest traders to earn a windfall profit.

The sudden price spiral of the essential agriculture inputs, seedlings of IRRI-Boro and other winter crops have put the growers into great problems as they have already lost their buying capacity on account of heavy losses caused by the century's long lasting recent devastating flood.

There has been apprehension that the target of cultivation of various winter crops including wheat, potato, mustard and pulse will not be achieved this year due to various reasons.

Local fertiliser traders' association sources told UNB that nearly half of the dealers of the district were forced to wind up their business due to slump in trade and lack of timely supply of fertiliser.

US poverty rate drops

WASHINGTON, Feb 15: Some 13.8 per cent of Americans lived in poverty in 1995, lower than the 15.1 per cent recorded in 1993, the Census Bureau reported yesterday, says Xinhua.

Poverty dropped in every state except Hawaii, Idaho and Montana between 1993 and 1995, according to the Census Bureau report.

However, the poverty rates varied from state to state. Mississippi retained the dubious honour of poorest state in the nation, with 21.4 per cent of its inhabitants living in poverty, while New Hampshire remained the state with the smallest poor population - just 6.9 per cent.

A family of four was considered poor if its annual income was below 15,968 US dollars in 1995, for a family of three, it was 12,158 dollars.

The report also examined median income levels, which rose in every state between 1993 and 1995 as expected because the figures were not adjusted for inflation.

Nationally, the typical family earned 34,076 dollars in 1995, but that ranged considerably across the country, from 25,354 dollars in West Virginia to 44,345 dollars in New Jersey.

Libya, Iran to work unitedly for boosting oil prices

CAIRO, Feb 15: Libyan leader Moammar Gaddafi has agreed with a visiting Iranian official that the two countries should work together at the upcoming OPEC meeting to boost oil prices, says AP.

Iranian Foreign Minister Kamal Kharrazi told Iranian radio late Saturday that members of the Organisation of Petroleum Exporting Countries need to "reestablish stability in the world oil market and to increase oil prices." The report was monitored by the British Broadcasting Corp in London.

The two agreed to work towards that goal, the BBC quoted the broadcast as saying.

OPEC ministers are scheduled to meet March 23 to discuss oil prices, which have plummeted to 12-year lows because of a world glut blamed on mild winters, the Asian financial crisis and rising Iraqi production.