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# The Daily Star BUSINESS

DHAKA, SATURDAY, FEBRUARY 27, 1999

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## Pak foreign minister meets Tofail

# Dhaka seeks duty-free access to SAARC heavyweights

Commerce and Industries Minister Tofail Ahmed sought duty-free access of the LDC products to the developed member-countries of SAARC on nonreciprocal basis for equitable economic development of the region, reports UNB.

He made the plea for laissez-faire talking to the visiting Pakistani Foreign Minister, Sartaj Aziz, at his official residence here yesterday.

Tofail said Bangladesh and other three LDCs of SAARC still have much to get from their better-off partners like Pakistan and India, including preferential market access.

"After the adoption of SAPTA, we have allowed preferential treatments on export of some items and at the 3rd SAARC Commerce Ministers' meeting the local value-addition requirement for getting preferential access has been lowered to 30 per cent from 40 per cent," he said.

"But our plea is to allow us duty-free access on nonreciprocal basis to establish a level-playing field in the region."

Tofail Ahmed said Bangladesh share of the total regional imports stands at about 50 per cent whereas the exports at only 2 per cent. It is so as besides high tariff walls, Bangladesh products face many non-tariff barriers.

He pointed out the delays in implementation of the decisions taken at the highest level for expanding bilateral trade and investment between the two countries. The decisions were taken in the Bangladesh-Pakistan Joint Economic Commission meeting in Islamabad in May last year.

"We identified many areas of cooperation for expanding bilateral trade and investment links, but these decisions are yet to yield any result," Tofail told the Pak FM.

Referring to the achievement made by Bangladesh in export in recent years, the Commerce Minister said the country had maintained 12-14 per cent growth in exports for the last three years with textile products being the key source of earnings.

Besides providing incentives to the exporters and producers, a massive plan is being implemented to diversify the export baskets.

Appreciating the trend of Bangladesh's export growth, Aziz said in the SAARC countries there are many bilateral agreements for bolstering mutual trade and investment.

"If we put it together, then it will expedite the formation of the free trade zone," the Pakistani Foreign Minister said, adding that multilateral framework is better than bilateral one.

"In that case, we could harness our regional resources for the overall development of the region".

He also endorsed that regional trade is being disrupted due to non-tariff barriers.

Pointing to mutual trade Sartaj Aziz said both Bangladesh and Pakistan should take initiatives to expedite bilateral trade. "We should make bilateral agreement with Bangladesh for better access of our products."

During the meeting, the two ministers also discussed other issues relating to regional trade development. They also exchanged views about the progress of negotiations ahead of the 3rd WTO Ministerial conference this year end.

Bangladesh High Commissioner to Pakistan Masum Ahmed Chowdhury and Pakistani High Commissioner in Dhaka Karam Elahi were among others present.



A large number of visitors at a stall of electronics goods at the Dhaka International Trade Fair yesterday.

— Star photo

## Sammilita Parishad announces BGMEA polls manifesto

# Quddus pledges all-out efforts to face quota-free regime

Star Business Report

Mostafa Golam Quddus, leader of Sammilita Parishad contesting the upcoming BGMEA election, has said if elected, he will make an all-out effort to face the challenges of the quota-free regime after 2004.

"We would persuade the government to allocate sufficient funds for expediting the setting up of backward linkage industries for the survival of RMG sector after 2004 when there would be no quota and GSP facilities," said Quddus, the incumbent president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), at a press conference at the city's Sonargaon Hotel yesterday.

He, however, did not make any criticism against the opponent panel, Forum-Sammilita Parishad led by Anisur Rahman Sinha.

A faction of Sammilita Parishad has joined hands with Sinha-led Forum.

Elaborating various steps taken during his tenure, Quddus said BGMEA has already sent project proposals to concerned ministries for establishing backward linkage industries.

Around 2,000 voters will cast their votes to choose a 27-member executive committee for a two-year term.

Quddus faction of the Sammilita Parishad, which has been dominating BGMEA for the past few years, split this time because of a conflict over leadership between Quddus and Nurul Haque Sikder, the incumbent senior vice-president of BGMEA.

Referring to the decision of the Board of Investment and the Ministry of Commerce and Industries, he said BGMEA would take steps so that entrepreneurs do not face any obstacles in setting up of backward linkage industries.

"Announcing election manifesto, Quddus said steps have been taken to set up joint-venture textile industries with China.

BGMEA has had fruitful talks with different countries including Britain, Canada, the US, Taiwan and Hong Kong and all of them are keen to invest in the backward linkage industries, he added.

Besides, efforts have been made to develop the garment sector with the financial assistance of the World Bank, IMF and IFC, he said adding that three IFC experts visited different RMG factories and assured all possible support.

Quddus said that Bangladesh was strongly lobbying for a 30 per cent quota hike in the US garments market.

APB adds. Candidates in the Dhaka zone are: Mostafa Golam Quddus of Dragon Group, Abul

Kashem Haider of Youth Group, M Zinnat Ali Mia of Hollywood Garments Ltd, Iqbal Ahmed of Barlingtons Ltd, Khalilur Rahman Chowdhury of Khalil Garments Ltd, Rafiqul Islam of Seven Seas Garments Ltd, Abul Salam Mursheedi of Nadia Garments Ltd, Atiqul Islam of Islam Garments Ltd, M Lutfar Rahman of Lufa Garments Ltd, A Razzak Sattar of Utha Garments Ltd and Sakawat Hossain of Rishal Group of Industries.

Dhaka zone candidates also include Bazlur Rahman of Rahman Group, Kazi M A Kalam of Daniel Knitwear Ltd, Mohsin Uddin Ahmed (Niru) of Roots Fashion Ltd, Jalal Uddin Ahmed of Albion Apparel Ltd, Ferdous Amin of Smart Appar-

els Ltd, M Abdullah of Al-Muslim Garments Ltd, M Abul Kalam of Chaiti Garments Ltd, Shirin Khurshid Zahan of Titas Garments Ltd and Kazi Moniruzzaman of Max Super Apparels Ltd.

Those contesting under the banner of Sammilita Parishad from Chittagong region are: Mahabub Ali of Valiant Garments Ltd, A F Chowdhury (Ferdous) of BSA Garments Industries Ltd, Zafarullah Khan of The Need Apparels Ltd, Ershad Ullah of Mark Fashionwear Ltd, Helal Uddin Chowdhury of Aan Aan Apparels Ltd, Shahab Uddin Ahmed Chowdhury of Kent Garments Ltd and Amir Hossain Mahmood Chowdhury of Meher Garments Ltd.



Mostafa Golam Quddus, leader of the Sammilita Parishad contesting the upcoming BGMEA election, speaks at a press conference in the city yesterday.

— Star photo

## PIA posts \$47m profit in 18 months

KARACHI, Feb 26: Pakistan's national carrier Pakistan International Airlines (PIA) said yesterday it posted an after-tax profit of 46.93 million dollars in 18 months from July 1997 to December 1998, reports AFP.

PIA Chairman Shahid Khan Abbasi told a news conference the airline earned a profit despite a currency devaluation and credit-freeze amid an economic crisis in the wake of the country's nuclear tests in May.

The figure was a remarkable achievement, he said, as PIA had sustained a loss of 102.22 million dollars during the period from July 1996 to June 1997.

"PIA's revenues increased from 711.57 million dollars to 1.137 billion dollars during the period, under review," Abbasi said.

But airline officials refused to give a figure for the 1998 financial year on its own.

Abbasi attributed the profit to a reduction in operational costs, fuel prices, a change in fuel policy, the closure of non-profit off-line stations and an increase in domestic fares.

Abbasi said a decision to purchase new aircraft would be taken within six to eight weeks.

The airline, which plans to replace its ageing six Boeing 747, serve 45 destinations worldwide and 37 within Pakistan with 47 aircraft.

# US group to file privacy complaint against Intel

WASHINGTON, Feb 26: In a challenge to Intel Corp. over privacy concerns with its latest Pentium computer processors, a US civil liberties group is alleging unfair and deceptive trade practices, says AP.

The Washington-based Centre for Democracy and Technology said Thursday it would complain to the Federal Trade Commission about controversial technology built into the Pentium III chips that the nation's computer makers planned to begin selling Friday.

An Intel spokesman, Tom Waldrop, declined to comment immediately on the petition to the FTC.

Intel, the world's largest computer chipmaker with \$26.2 billion in sales last year, designed the chips to transmit a unique serial number internally and to Web sites that request it, to help verify the identity of consumers.

Intel said the technology will help online merchants eliminate fraud. But some privacy groups contend it gives companies unprecedented ability to trace a consumer's digital

footprints as they wander the Web.

The petition from the Centre for Democracy and Technology is significant because the non-profit group is widely known for its propensity to seek consensus between industry and government on controversial technology issues — only rarely seeking direct federal involvement.

The FTC has broad authority and some believe it could enjoin Intel's sale of affected chips, although the agency's chairman, Robert Pitofsky, previously told The Associated Press: "As things stand, I don't think we have the authority to do that."

And FTC spokeswoman Vicki Streifeld, said Thursday the agency will "seriously review" the complaint once it's received.

Other privacy groups previously organized a boycott of the new Pentium chips, and already have asked the FTC to investigate Intel's sale of the technology.

Intel said after the boycott was announced that it would provide free software to turn off

the technology.

But critics say the software is inadequate. They point to claims earlier this week by a German computer magazine, c't, that a hacker could secretly turn on the technology by forcing a person's computer into a power-saving 'suspend' mode, which is similar to forcing the machine to restart but wouldn't be as obvious.

Intel's spokesman, Waldrop, acknowledged the problem but said Intel's software controls eventually would alert a consumer that the technology had been turned back on.

Waldrop said Intel is recommending to computer makers that they install the disabling software and also offer a way to turn off the technology in the computer's system settings, called its bios, which he said "provides an extra layer of protection."

Organizers of the Intel boycott, led by three privacy groups said, Thursday they will write to five of the nation's largest computer makers urging them to immediately to review plans to sell the Pentium III "to assess your liability for damage."

## 'Weak yen may derail recovery efforts in Asia'

SEOUL, Feb 26: President Kim Dae-jung urged Japan Friday to defend its yen, saying the weak currency could derail economic recovery efforts throughout Asia, says AP.

"If the Japanese yen continues to fall, that will raise a possibility that China might depreciate its yuan as well. That in turn could have a vast impact," Kim said at a joint news conference with World Bank president James Wolfensohn.

The news conference was held on the sidelines of an international seminar on democracy and the market economy hosted jointly by the World Bank and South Korea.

Kim said the falling yen will be one of the key topics in his talks with Japanese Prime Minister Keizo Obuchi in Seoul in March.

"We need serious talks on the issue to avoid big damage in South Korea and Southeast Asian economies," Kim said.

Most of South Korea's export items are exported by Japan and China as well. A weak yen and yuan mean that South Korean and other Southeast Asian products lose competitiveness against Japanese and Chinese goods.

South Korea depends on exports to rejuvenate its battered economy. The country had to go to the International Monetary Fund in late 1997 for a record \$58 billion bailout.

Helped by a weak Korean won, South Korea posted a \$39 billion trade surplus in 1998, compared with a \$8.4 billion deficit the previous year. It expects the surplus to drop to \$20 billion this year because of the falling yen.

## APEC summit in NZ may be terrorists' target

WELLINGTON, Feb 26: The Asia Pacific Economic Cooperation forum summit in New Zealand in September may be a prime target for terrorists, US Federal Bureau of Investigation director Louis Freeh warned Friday, reports AP.

But security preparations for host city Auckland were very impressive and world leaders would be well protected, Freeh said after talks with security services.

Judge Freeh said that planning for the summit had to assume the attack risk was high, requiring extensive preparation, contingency plans and practiced responses.

"That doesn't mean we ... think an attack is going to happen but ... the stakes, given the nature of the event, are such that we have to prepare and plan as if the risk was an imminent one," Freeh said.

US President Bill Clinton and 20 other heads of government from the Asia Pacific region will attend the final meeting in latest round of APEC talks. Official-level meetings have already begun on a calendar which will culminate in the leaders' meeting from Sept. 9-13.

"We received some briefings on some of the planning, which has been extensive and in our view very prudent and very well executed to ensure the success and safety of the conference."

During the talks Freeh raised American concerns about the possibility of threat of weapons of mass destruction to major events like APEC.

The possibility terrorists could use chemical or biological agents needed to be considered and factored into planning, he said.

"We described some of the training, some of the technology we're developing in the United States to ensure as best we can against someone using a catastrophic agent to conduct an act of terrorism," Freeh said.

# Asia-Pacific economies still face substantial challenges

TOKYO, Feb 26: Asia-Pacific financial officials called on the region to boost domestic demand and stick to open-market policies, warning that substantial challenges are still ahead, reports AP.

Japan hosted a one-day financial meeting, which drew deputy finance ministers and central bankers from Australia, China, Hong Kong, Singapore and the United States, a Japanese finance ministry official said.

Asia-Pacific financial officials at the meeting "shared the view that continued openness and strong domestic demand are essential for assisting the recovery of other countries in the region," a statement said.

The participants noted the substantial challenges still ahead particularly in the areas of strengthening the social safety net as well as bank and corporate restructuring."

They stressed the need for sound development of the international financial and monetary systems, the statement said.

The meeting was chaired by Eisuke Sakakibara, Japan's Vice Finance Minister for International Affairs, who is also known as Mr Yen for his influence on the foreign exchange markets.

At the meeting, representatives discussed details of an Asian growth recovery initiative proposed by US President Bill Clinton and Japanese Prime Minister Keizo Obuchi in November, the statement said.

The initiative could play "a significant role" in supporting banks and restructuring and helping restore growth in the region, it said.

Delegates included US Deputy Treasury Secretary Lawrence Summers, who arrived here on Thursday from

South Korea, government officials said.

A US embassy official here said Summers had not so far scheduled a separate meeting with Sakakibara.

"Although he will be here for two days, there is no bilateral meeting scheduled with Sakakibara," he added.

News reports said the members also discussed the outcome of last weekend's Group of Seven meeting in Bonn and the feasibility of an emergency support system for countries hit by financial crises.

## Lycos loses \$ 9m

NEW YORK, Feb 26: Lycos Inc., the popular World Wide Web gateway which is being bought by USA Networks Inc., reported Thursday it lost \$9.3 million in the recent quarter due in part to the costs of its own acquisitions. But the results edged Wall Street predictions, reports AP.

Lycos, the fourth-most popular Web destination, said the loss in its fiscal second quarter, ended Jan. 31, came to 22 cents a share.

That compared to a profit of \$301.119, or 1 cent a share, in the year-ago quarter.

Excluding Lycos' acquisitions last year, the company would have lost \$1.5 million, or 3 cents a share. That was less than the 4 cents loss predicted by analysts surveyed by First Call Corp.

The Waltham, Massachusetts-based Lycos, which provides Internet search and information services, said its revenues more than doubled to \$30.6 million from \$12.6 million, lifted by a sharp increase in advertising and licensing fees from its Web operations.

USA Networks announced early this month plans to forge a three-way deal, merging its cable television network with Lycos and Ticketmaster Online Citysearch, an online seller of tickets to concerts and other events.

However, the plans have appeared in jeopardy after Lycos' largest shareholder started wavering in its support of the \$22 billion deal because of a sharp decline in Lycos' stock price.



Abdul Awal Mintoo, President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), addresses the members of Overseas Correspondents Association of Bangladesh at Jatiyo Press Club yesterday.

— FBCCI photo

## Talks suspended until Tuesday

# EU ministers fail to agree on farm subsidy cuts

BRUSSELS, Feb 26: European Union agriculture ministers on Friday suspended their weeklong negotiations to reform the EU costly agricultural programmes, failing in their quest to agree in principle on a plan to slash subsidies, reports AP.

After five days of talks, the ministers suspended until next Tuesday further discussions to reduce EU-guaranteed beef, dairy and cereal prices over three years beginning in 2000 and increase direct EU farm subsidies as compensation for the guaranteed price cuts.

EU leaders meet near Bonn Friday to discuss the reform of the EU's overall budget in an effort to help finance the entry of new members. Currently agricultural subsidies eat up about half of the EU's \$5 billion euro (\$93.5 billion) budget and addressing them is considered crucial to any overall reform.

EU leaders have set March 24-25 as the deadline for a reform accord. The German government, which holds the rotating EU presidency, had wanted to broker an accord this month.

The dilemma for farm ministers remained that current

proposals would lead to a short-term rise in EU farm spending, which currently stands at 40.5 billion euros (\$45 billion), because of temporary increases in direct farm subsidies as well as other subsidy concessions.

Farm spending would be contained in the longer term because of the guaranteed price cuts. The cuts would lead to fewer public purchases of beef, dairy and cereals and to fewer EU farm export subsidies, which are used to bridge the gap between EU prices and lower world market prices.

## Filipino shares close higher

MANILA, Feb 26: Philippine shares closed higher in mixed trading Friday, buoyed by bargain hunting and the stronger peso, dealers said, reports AP.

The 30-company Philippine Stock Exchange Index rose 19.14 points to 1965.05 from 1945.91 on Thursday.

The industrial, property, oil and banking subindexes rose, while the mining counter declined slightly.

Farm ministers spent the early hours of Friday discussing ways to offset the overall costs of reform as well as farm policies themselves not least in the dairy sector.

Officials said the ministers discussed a three per cent annual reduction in all EU direct farm subsidies; a three per cent annual reduction in direct EU arable crop subsidies and a one per cent annual reduction in all other EU direct farm subsidies.

"Delegations have to think about this and carry out their own calculations," said German Agriculture Minister Karl-Heinz Funke, who chaired the meeting.

Discussions of the subsidy reduction models were complicated by French concerns that a reform accord that did not do enough to reduce EU direct farm subsidies could lead to pressure on EU countries to finance independently part of the EU farm budget.

The notion of national "co-financing" of the EU farm budget is seen by Germany as a way to reduce its net contribution to the EU budget. It is strongly opposed by France, a large beneficiary of the EU farm budget.