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Transfin Trading Ltd.
Tel : 815307-10, Fax : 813062

The Daily Star BUSINESS

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UK meets debt criteria to join EMU

LONDON, Feb 27: Britain comfortably met debt and deficit criteria for participation in the single European currency, official figures for 1998 showed yesterday, reports AFP.

British government debt at the end of the calendar year was 49.4 per cent of gross domestic product (GDP), compared with 52.1 per cent at the end of 1997.

General government net borrowing showed a surplus of 0.6 per cent of GDP in 1998 compared with a deficit of 1.9 per cent in 1997.

The Maastricht Treaty laying out the foundations for the single currency said that countries wishing to join economic and monetary union must have debt of less than 60 per cent and a public deficit of less than three per cent of GDP.

Britain hopes to announce its intention to join economic and monetary union soon after the next British election, which must be held by mid-2002.

Asia-Pacific HR confce honours Aptech CEO

The Managing Director of Aptech Ltd, Ganesh Natarajan, has been honoured as the CEO of the year by the Asia-Pacific HR conference in Bangkok, reports AFP.

The honour was bestowed upon him at a ceremony at the Asia-Pacific HR conference in Mumbai, India, recently.

This comes close on the heels of a similar recognition at the Asian Productivity Organisation's conference in Bangkok, for Aptech's quality movement and pioneering HR practices.

Accepting the award, Ganesh said, "Our people have made Aptech Ltd the leading IT education company which is a vindication of the innovative HR practices followed by us. Our 5P mantra which makes each Aptechite Fast, Focused, Fair, Friendly and Fun will be crucial in Aptech's journey of becoming a global software technology firm."

Aptech is a young company with mature HR and OD practices. With an average age of 27 years, the company's mentoring process has helped many youngsters find their feet, identify their career aspirations and chart for themselves an aggressive growth path in India and overseas.

The company's people policy is enshrined in an exhaustive HR Procedure Manual and is followed across the organisation through its ISO 9001 certified process.

Aptech has also been awarded the prestigious IS-Computerworld President's Award in 1998 for the second year in succession and the 'Global Growth Company' Award from the World Economic Forum in the recent past.

Quddus calls for forming group on backward linkage industry

BGMEA President Mostafa Golam Quddus has urged the garment factory owners to launch a group of 20 to set up a backward linkage industry to help sustain the country's garment sector, reports UNB.

"There is no alternative to build up backward linkage industry for the sector to make it competitive in the quota-free world in 2005," he told a meeting of the garment owners in Chittagong on Thursday.

Chaired by Elias Haider Chowdhury, the meeting was addressed, among others, by BGMEA first vice-president Mahabub Ali, director A F Chowdhury and Ameer Humayun Mahmood Chowdhury.

The meeting reviewed the overall situation of the port, including congestion of containers and existing problems.

It said there is no alternative to keep the port open round the clock to solve the congestion problem and sought cooperation of the concerned authorities.

As per commitment of the Commerce and Industries Minister, garment owners reiterated their demand to form a discount committee in Chittagong like Dhaka, said a press release.

EU to introduce ban on tobacco ad by 2006

LAS PALMAS, Spain, Feb 27: European anti-smoking lobbyists will win their battle against multinational tobacco firms in 2006 but will face a long struggle before winning the war, according to a health conference here, reports AFP.

The European Union is set to introduce a ban on tobacco advertising and sponsorship, including of key sporting events, by tobacco manufacturers in that year.

Campaigners hope that other countries will follow suit and make the whole of Western European advertising and sponsorship a no-smoking zone by 2010.

The second 'tobacco or health' conference held here this week is due to culminate in a gran canarian declaration which is expected to be adopted by the United Nations as part of its '21st century without tobacco' plans.

Federal budget announced, '98-99 deficit 6.5 pc

Indian finance minister vows deeper, wider reforms

NEW DELHI, Feb 27: India's finance minister said Saturday the country had been hurt by Asia's economic woes, and pledged to step up the pace of free-market reforms, downsized government, and raise taxes, reports AP.

Yashwant Sinha told a packed session of parliament that India's deficit for the 1998-1999 budget year that ends March 31 was an estimated 6.5 per cent of gross domestic product, considerably higher than the budgeted 5.6 per cent. Sinha's long-awaited deficit figure was a clear sign of India's economic troubles.

"The fiscal and revenue deficits of both center and state are still too high and are undermining our ability to bring down interest rates, stimulate investment and growth, curb inflationary potential and generate resources... and raise exports," Sinha said in a two-hour budget speech that left his voice hoarse.

Despite a wave of economic instability in Asia since 1997, Sinha said, India had still managed to post economic growth of 5.8 per cent in 1998-99, led by growth in agriculture of 5.3 per cent. The growth rate

as a percentage of gross domestic product was slightly better than the 5 per cent of 1997-98, but well off the 7.8 per cent of 1996-97.

To close the deficit, Sinha's 1999-2000 budget proposed such revenue-raisers as a two percentage point hike in income taxes to 22 per cent for those earning between 100,000 and 150,000 rupees (\$2,380 to \$3,571) and a three percentage point raise to 33 per cent for those who make more than 150,000 rupees. There was no increase for those who earned between 60,000 (\$1,428) to 100,000 rupees, and those earning less than 60,000 rupees pay no taxes.

The tax hikes were, predictably, unpopular. Shailesh Sheth, a member of the Confederation of Indian Industry's committee on capital goods, said Sinha's direct and indirect tax hikes were the highest since India launched economic reforms in 1991. The Federation of Indian Chambers of Commerce and Industry complained the government was bucking international trends by increasing income tax.

Sinha also called for higher

postal rates and a 1 rupee (about 2.3 US cents) duty on every liter of high speed diesel oil imported. Sinha said half the 45.91 billion rupees (about \$1 billion) raised on diesel would be used for rural development and social programmes, and some of the rest would go to improving India's notoriously poor roads.

The best solution to rising state spending was "downsizing of government," Sinha said, announcing four unnamed departments — one of them in his own ministry — would be abolished as of April 1.

To encourage foreign investment, a committee would be set up to recommend within three months how to cut high transaction costs affecting foreign investors, he said. The areas where foreign investment proposals would be automatically approved would be expanded. He did not elaborate, but said Indians living overseas would find it easier to invest.

Less than three weeks after India conducted nuclear tests last May, the government announced a hefty 14 per cent hike on defense expenditure. On Saturday, Sinha said a further 11

per cent raise in defense allocation to 456.9 billion rupees (\$10.62 billion) for 1999-2000.

Madhav Rao Scindia of the main opposition Congress party said the budget was "a statement of intentions without effective measures to back it." Parliament will vote on the budget following several days of debate.

Anand Mahindra, general manager of giant Indian car-maker Mahindra and Mahindra, was among many business leaders who said they had hoped for more action.

"The rhetoric is right, but everything seems to be deferred to committees and boards," he said.

Prime Minister Atal Bihari Vajpayee praised his finance minister's efforts to cut the deficit, saying that would keep inflation down and encourage investment.

India launched reforms in 1991, with pledges to encourage private enterprise and sell off huge state-owned companies. The reforms spurred growth in the mid 1990s, but progress has since faltered amid political squabbles over their pace and direction.

English-language budget angers Indian lawmakers

NEW DELHI, Feb 27: Lawmakers complained Saturday when Indian finance minister presented his budget speech in English instead of a native Indian language, and he said he needed to reach an audience beyond the floor of parliament, reports AP.

"Why English?" cried powerful regional leader Laloo Prasad Yadav. Indians often debate the use in public life of the language of the nation's former colonial power.

But when Yadav called on Sinha to speak in Hindi, the dominant language of northern India, Tamil-speakers from the south protested. Mulayam Singh Yadav rose to support Laloo Prasad Yadav, to whom he is not related, saying Sinha should try Tamil, or any language but English.

Sinha responded that he had chosen English because "the whole world" was interested in the economic plans of this nation of nearly 1 billion.

He completed his two-hour speech in English after the disruption died down. Throughout his speech, translations were provided over headphones in Hindi and other languages, as is the custom in parliament.

Government business in India, where more than a dozen languages are spoken, is often conducted in English.



Agriculture Marketing Co Ltd PRAN in technical collaboration with Tetra-Pak India Ltd launched an Aseptic Juice Plant at Ghorasal yesterday. The picture shows (from left) Chairman of PRAN Group Lt Col Mahtab Uddin Ahmed (Retd), Akhtaruzzaman, MP, Managing Director of Tetra-Pak India Ltd MS LF Poonawalla, Commerce and Industries Minister Tofail Ahmed, Meher Afroj, MP, Director of USAID Gordon H West and Chief Executive of PRAN Group Maj Gen Amjad Khan Chowdhury (Retd) at the launching ceremony. —PRAN photo

Thai foreign trade keeps on falling

BANGKOK, Feb 27: Thailand's exports and imports continued their decline in January, reflecting the country's ongoing struggle against its economic crisis, central bank figures showed today, reports AFP.

The trade surplus in January fell sharply to 816 million dollars, from 1.019 billion in December, the monthly indicators released by the Bank of Thailand (BOT) showed.

Exports totalled 3.99 billion dollars, down 4.8 per cent year-on-year and compared with 4.5 billion in December.

Total exports in 1998 amounted to \$2,872 billion dollars, down 6.8 per cent year-on-year, the central bank said.

Imports in January totalled 3.174 billion dollars, down 4.4 per cent year-on-year and compared with 3.481 billion in December.

Total imports in 1998 amounted to some 40.640 bil-

lion dollars, down 33.8 per cent year-on-year.

Thailand had a balance of payments deficit of 447 million dollars in January after a surplus of 193 million in December.

The poor trade results reflect the stiff competition from neighbouring countries which saw their currencies tumble in the aftermath of the Asian financial crisis, analysts said.

The indicators contrast with more hopeful preliminary data released by the Finance Ministry and based on customs clearance half way through the month which had January exports down 4.2 per cent, and imports up 1.6 per cent.

The early figures indicating import growth for the first time since mid-1997, when the country plunged into economic crisis, spurred hope of a pick up in domestic demand and manufacturing output.

Decades of war cripples Cambodian economy

BANGKOK, Feb 27: Decades of war have crippled Cambodia's rice economy by rendering thousands of hectares of paddy unsuitable or off limits for rice, production, the United Nations said, reports AFP.

The UN Food and Agriculture Organisation (FAO) said wars were a significant factor in reducing the area of land under rice cultivation in Cambodia from 2.5 million hectares (6.2 million acres) in 1967 to just 1.9 million hectares (4.7 million acres).

There are serious problems, partly the result of three decades of war and civil strife," the FAO said in a report released here yesterday.

"Displacement of farmers, land mines, abandoned fields,

continuing insecurity and shortage of manpower have caused a significant decline in paddy area."

It said the transportation network was "rudimentary, war-damaged and in a serious state of disrepair," while irrigation systems were inadequate for the area under cultivation.

The FAO said rice accounted for 81 per cent of Cambodia's total food crop production, about 60 per cent of total agricultural output and almost 14 per cent of gross domestic product in 1997.

Despite the gloomy picture, the FAO said fears of a food shortage in Cambodia had been allayed after a recent survey of rice crops showed ample supplies.

Govt to issue licences to saw mills

The government will issue licences soon to the country's saw mills enumerating their number under rules of a controlled industry to protect the forest resources, reports BSS.

This was informed at a meeting of the Parliamentary Standing Committee on the Ministry of Environment and Forest yesterday, said an official press release.

The meeting was held at the Jatiya Sangsad Bhavan with its president Md Tabirur Rahman Sardar in the chair.

The meeting discussed various problems of rubber garden and its production and marketing.

The meeting reviewed the progress of different projects and discussed taking necessary steps to build the country's mangrove forest — Sundarbans into a world heritage site.

Members of the committee Bangbir Kader Siddiky, Bir Ullah, Habibur Rahman Mollah, Golam Sarwar (Hiru) and Mujibur Rahman (Manju Miah) attended the meeting.

Environment and Forest Secretary Syed Margub Morshed and concerned senior officials were also present in the meeting.

High price of urea Boro cultivation hampered in Netrokona

NETROKONA, Feb 27: Boro cultivation in the district is being hampered due to high price of urea, now being sold at Tk 335 to Tk 350 per 50 kg bag, reports APB.

The government fixed the retail price of urea at Tk 285 per bag.

A total of 1,11,715 hectares of land have been brought under boro cultivation. Out of this, 30,425 hectares have been planted with local varieties and 81,290 with high-yielding varieties (HYV), sources in the Agricultural Extension Department (AED) said.

Fertiliser dealers said that 49 of them surrendered their licences due to various reasons, leaving only 32 in business in ten thanas of the district. There are nine dealers in the Sadar thana, six in Kendua, one in Atpara, four in Madan, one in Barhata, two in Mohanganj, four in Kalkamanda, one in Durgapur and four in Purbadaha thana. There is no dealer in Kalajuri thana.

Dealers alleged that they were not being given fertiliser as per quota. Only 29 dealers were given 8175 tonnes of urea last month, they said.

Another reason for the price hike is lack of proper transport facility.

JB training evaluation held

Evaluation of a training programme for the newly-appointed Janata Bank officers was held at the bank's training institute, Dhaka in the city on Thursday, says a press release.

Mohammad Ali, former secretary and chairman of the bank, presided over the function. Aminul Islam, Deputy Managing Director, delivered the inaugural speech.

Shipra Biswas, Mizanur Rahman Mizu, Zebunnesa Karima and Al Masuk spoke on behalf of the newly-recruited officers.

Mohammad Ali stressed the need for proper professional attitude, knowledge and skill and urged the trainee officers to be equipped with these.

M A Hashem, Managing Director of the Janata Bank, emphasised the modern information technology and computerisation to face the banking challenge of 21st century.

M Nurul Nabi, director of the bank, advised the participants to acquire proper skills and efficiency to face the banking sector competition in the near future.

Dr Debapriya Bhattacharya, another director of the bank and a reported economist, put emphasis on developing skills in international financial market operation, information technology and computerisation.

All General Managers of the head office and other executives of the bank were also present.

Budget aims at poor: Vajpayee

NEW DELHI, Feb 27: In a country where a third of the population lives in poverty, the 1999-2000 union budget presented Saturday announced modest measures to improve health, education and employment for the poor, reports AP.

"This is an excellent, balanced budget, a pro-poor and pro-farmer budget. It will generate employment, reduce disparities and help the poor in meeting his or her daily requirements," said Prime Minister Atal Bihari Vajpayee.

Finance Minister Yashwant

Sinha proposed a programme to create jobs by encouraging small-scale industry in 100 rural areas.

Sinha said 1.8 million more schools would dot the countryside, where most Indians live, guaranteeing free education to poor children. The government would pay for the schools from existing education funds but would also encourage local communities to contribute in the effort.

Local councils were also encouraged to collect funds from villagers to supplement federal

funds for clinics.

The budget promised to strengthen the network of ration shops that provides essential goods at subsidised rates. Elderly people living on their own would be given 10 kilograms (22 pounds) of food grains free of cost, Sinha said.

Sinha raised taxes for middle- and upper-income Indians, but there was no increase for those who earned between 60,000 and 100,000 rupees (\$1,428 and \$2,380), and those earning less than 60,000 rupees pay no taxes.



Mahbubur Rahman Khan, Managing Director of Sonali Bank, addresses as chief guest the newly-recruited officers of the bank at a certificate awarding function held recently at the bank's head office at Motijheel on completion of their Foundation Training Course. — Sonali Bank photo

US economy grows 6.1pc

WASHINGTON, Feb 27: The US economy, powered by strong consumer spending, grew at an annual rate of 6.1 per cent in the fourth quarter 1998, the fastest pace since 1984, the Commerce Department reported yesterday, says AFP.

The figure, in line with market expectations, was revised from 5.6 per cent, reported in January. The government will release a third and final estimate March 31.

For all of 1998, the economy expanded at a 3.9 per cent rate, unrevised from the previous estimate.

Inflation, as measured by the gross domestic product (GDP) price index, gained 0.7 per cent in the last three months of 1998, compared with 0.8 per cent in the first estimate.

It was the smallest quarterly increase in the index since second quarter 1993.

The upward revision to fourth quarter growth reflected a narrower-than-expected trade deficit and stronger consumer spending.

These gains were partially offset by slightly weaker business spending on durable equipment, the Commerce Department said.

The trade sector added 0.5 percentage points to GDP growth. The government in January had estimated trade subtracted 0.3 percentage points from growth.

In its initial estimate, the Commerce Department foresaw a widening in the trade deficit in December, but according to figures released last week the December shortfall narrowed.

Exports rose 20.2 per cent in the fourth quarter, up from the previous estimate of an 18.8 per cent rise, imports increased a revised 12.6 per cent, lower

than the previous estimate of a 16 per cent gain.

Consumer spending rose a revised 4.5 per cent in the fourth quarter, compared with the previous estimate of a 4.4 per cent gain.

The change in business inventories subtracted 0.36 percentage points from fourth quarter GDP growth, rather than 0.31 points as earlier estimated.

Businesses added 47.8 billion dollars in inventories in the fourth quarter, down 7.9 billion dollars from the third quarter and compared with the previous estimate of 6.8 billion dollar decline.

The savings rate — savings as a percentage of disposable personal income — was revised to 0.1 per cent in the fourth quarter, higher than the previous estimate of zero.

Jobless rate in ROK hits record 8.5 pc in Jan

SEOUL, Feb 27: South Korea's unemployment rate rose to a record 8.5 per cent in January from 7.9 per cent a year earlier, figures showed yesterday, as a one-day strike raised fears of renewed labour unrest over joblessness, reports AFP.

The number of people out of work increased by 97,000 in the first month of the year to 1.76 million, the National Statistical Office said.

The rise reflected fewer construction business jobs over the winter and a temporary contraction in public works activity, it said.

The office also said the number of employed fell by 612,000 to 18.91 million in January from a month earlier.

However, the seasonally-adjusted unemployment rate fell to 7.7 per cent in January.

BCI president hopes G-8 summit to help accelerate growth

The second D-8 Summit in Dhaka beginning on Monday is expected to help accelerate economic growth of member countries through mutual cooperation with stress on the private sector, reports APB.

The summit could strengthen mutual cooperation among the D-8 member states and might explore new avenues for expanding their product markets in the developed countries, said a chamber leader in Dhaka yesterday.

President of Bangladesh Chamber of Industries, Sharif M Afzal Hossain, in a statement felicitated Prime Minister Sheikh Hasina, heads of different states and governments as

well as the people of D-8 countries for holding the two-day conference of D-8 countries in Dhaka.

Sharif hoped that the meet would contribute significantly to the socio-economic uplift of the Developing-8 countries, which have a population of about 720 million.

The prime objective of D-8 member countries, he said, should be mutual economic cooperation to expedite economic development.

The BCI leader urged the D-8 member countries to take bold steps in expansion of trade and commerce, exchange of technical assistance and increase of industrial investment.

Metal Weekly Roundup

Gold prices stabilise while silver gets tarnished

LONDON, Feb 27: Nickel prices rose to a nine-month high this week after deliveries from Russia's Norilsk nickel giant were frozen out, while elsewhere on the commodities markets, platinum rose to an eight-month high, says AFP.

Nickel gave the gloomy base metals market something to get excited about as prices broke through the symbolic 5,000 dollars as tonne level, although dipping back to 4,900 dollars a tonne at the end of week, still well up.

Reserves fell as industrial demand picked up and supplies from Russia's Norilsk were blocked by frozen Arctic waters. However, prices across the rest of the base metals market remained in a slump brought on by a slowing of the world economy and the recession in much of Asia, usually a key client.

Platinum prices rose on intense speculative buying and

continuing problems in getting exports from Russia, the second biggest producer after South Africa.

Gold: Stable. Gold prices were stable this week, closing on the London bullion market at 286.90 dollars an ounce, up five cents, in low volumes of trade as investors moved into currencies.

US Federal Reserve chairman Alan Greenspan said that central bank sales of gold were not an attempt to shift prices on the precious metals market, but simply in reaction to the cost of stocking.

South Africa's mining authorities said that production fell in 1998 to 473.7 tonnes from 492.5 tonnes last year and 494 tonnes in 1996, the lowest level in 40 years due to restructuring brought about by lower prices.

Silver: Tarnished. Silver prices fell four cents in London

to 5.42 dollars an ounce this week amid uncertainty over levels of reserves on the physical market.

On the New York market, reserves rose to 78.1 million ounces. Traders are on the look out for signs of sell-offs by big investors such as Warren Buffett.

There is still no agreement on what Buffett has done with the 129.7 million ounces he bought in London more than a year ago.

Platinum and Palladium: Shiny. Platinum rose sharply this week on speculative buying and a lack of supplies from Russia hitting an eight-month high, and boosting palladium.

On the London palladium and platinum market, palladium rose four dollars to 354 dollars an ounce, while platinum rose 13 dollars to 383 dollars an ounce, its highest level since July 24, 1998.

Strong speculative demand helped push up platinum prices, prompting industrial buyers, such as auto manufacturers, to buy into the market and top up reserves in case prices keep climbing, traders said.

Upward pressure was also applied by a lack of supply on the market due to a drying up of exports from Russia amid continuing bureaucratic uncertainty, said Paribas analyst Charles Kernot.

Copper: Flat. Three-month copper remained at 12-year lows this week, falling under the psychologically important 1,400-dollar level before climbing back up to a deficit of three dollars at 1,403.50 dollars a tonne.

Reserves shot up 8,350 tonnes to 694,075 tonnes on the week, reaching at one point the historic high of 694,700 tonnes and investors do not rule out reserves reaching a million

tonnes.

Despite robust US economic data and signs of some recovery in Japan and South Korea, investors said prices were stuck in a slump because of production over capacity. The strength of the dollar also made imports expensive for foreign buyers.

However, there was some price support in the announcement by Kovohuty Kormpachy that it would be closing its refinery in Slovakia.

Lead: Heavy. Lead prices sank on profit-taking after last week's gains and on negative technical factors, with three-month lead falling 1.25 dollars to 524.50 dollars a tonne, while reserves rose 500 tonnes to 107,725 tonnes.

Zinc: Drop. Three-month zinc prices fell on a drop in industrial demand, trading four dollars lower at 1,054.50 dollars a tonne, while reserves fell 75 tonnes 309,700 tonnes.

Aluminium: Light. Aluminium prices fell slightly amid downward market sentiment after another rise in London Metal Exchange (LME) reserves.

Three-month prices fell by 10 dollars to 1,191.50 dollars per tonne.

Market stocks rose by 750 tonnes to 811,525 tonnes.

Nickel: Shine. A slowdown in shipments from the giant Norilsk plant high up in the Arctic sent nickel prices up to their highest level for nine months.

Three-month prices closed the week 45 dollars higher at 4,907.5 dollars per tonne, slightly lower than the