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The Daily Star BUSINESS

DHAKA, FRIDAY, MARCH 5, 1999

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'One-Stop Service can't deliver anything'

Business leaders call for major BOI restructuring

Private sector leaders yesterday pinpointed the deficiencies in executive authority and infrastructures of the Board of Investment and called for more powers to it to ensure necessary logistics services to potential entrepreneurs, both local and foreign, reports UNB.

They suggested that the BOI be reshuffled in such a way that it can act as a one-stop coordinator of relevant government agencies to provide all necessary support like land, telephone, gas and power to the intending investors.

The business leaders, representing major chambers of the country, voiced their comprehensive suggestions at a meeting with BOI acting chairman Zahid Hossain and other senior officials in the BOI conference room.

They unequivocally endorsed the BOI plan to set up industrial parks offering all necessary infrastructure needs to the investors in light of the existing EPZs.

They also proposed for transforming the unused BSCIC Industrial Estates into model industrial parks.

Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) director Dewan Sultan Ahmed, Dhaka Chamber of Commerce and Industry (DCCI) President M H Rahman, Bangladesh Chamber of Industries (BCI) president Sharif Afzal Hossain and Foreign Investors' Chamber of Commerce and Industry (FICCI) secretary Jahangir-Bin Alam spoke on the occasion.

Dewan Sultan said the BOI should be reorganised and given scope to work independently as a facilitator of the prospective investors.

"BOI in its present form is of no use to investors... it should be strengthened," he said.

The FBCCI director identified the inability of the BOI's "One-Stop Service," saying it allures the foreigners promising all services from one place. But, in reality, it cannot deliver anything as the officials of relevant departments in the "One-Stop Service" have no decision-making authority, he said.

The DCCI president said BOI's existence becomes redundant if it fails to ensure all the requirements of an intending investor.

"You must have the authority to guarantee an investor of providing all necessary services," said M H Rahman, suggesting that registration of any industrial venture be made mandatory to have a correct picture of the investment scenario.

The BCI president said BOI is supposed to act as a private sector promotional body, but it only looked at the foreign investors ignoring the local ones.

"It took no steps for promoting domestic investment," he said.

Sharif Afzal suggested the BOI to propagate government policies and guidelines relating to industrial ventures across the country through seminars

at the divisional and district levels for promoting local investment.

The foreign missions, he said, should be tagged with BOI to woo prospective investors providing them with adequate information.

The BOI should form a counselling committee with representatives from the private sector and the concerned government departments to hasten the process of decision-making and service-delivery, the BCI president said.

The FICCI secretary said there is a wide gap between declared policies and practices of the government that frustrate intending foreign investors.

He cited some examples how foreign investors, allured by the government's policy support hype, came here and later went back with bitter experiences due to loopholes in policies and lack of services.

BOI should coordinate all relevant policies and disseminate those among the prospective foreign investors, he said.

Alam quoted a foreign investor who narrated how the Sri Lankan investment officials made all information and services available to him at his hotel room.

The foreign investors first want to see the extent of local investment, he said expressing the view that if there is enough local investment, then not much advocacy are needed for the foreigners to invest here.

Responding to the suggestions, acting chief of BOI Zahid Hossain said the Board's objective is to facilitate both local and foreign investments



Voters gather in front of the office of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) at city's Kawran Bazar to exercise their franchise for electing the association's 27-member Executive Committee yesterday. —Star photo

Frozen food exporters see sharp jump in earnings

Star Business Report

Leaders of Bangladesh Frozen Food Exporters Association (BFFEA) hope that the country's export earnings from frozen food sector would go up by 50 to 75 per cent in the next three years.

Addressing a press conference in the city yesterday, they said that an extensive market expansion scheme had been undertaken and fish processing units were developed upto international standards for increasing export earnings.

They said that export earnings from the sector reached Tk 1,333.13 crore during the last fiscal. Meanwhile, earnings during the first six months of the current fiscal was recorded at Tk 736.89 crore.

The leaders further said that earnings from the sector declined this year compared to the previous year because of last year's prolonged devastating

flood and a sharp price fall in the international market.

But markets have started witnessing normalcy in recent times, which would boost export earnings in the near future, they said.

BFFEA president Kazi Shahnewaz, Vice-President Ferdous Alam, Joint Secretary General Azizur Rahman, EPB Director Niamul Alam and Ronald P Black of ATDP addressed the conference.

The market expansion scheme was undertaken with financial help from the USAID and Agro-based Industries and Technology Development Project (ATDP).

The BFFEA leaders informed the journalists that the USAID would provide five lakh dollars for the scheme.

Under the project, a delegation of 18 frozen food exporters would visit major importers including the US, Canada and

countries in Europe.

The delegation is scheduled to leave Dhaka today for exploring international markets and acquiring first-hand knowledge about the modern fish processing system.

They will attend a number of seminars and exchange views with the buyers on ways of meeting their demands and increasing exports.

"Lack of knowledge about the international market is one of the main reasons for poor export earnings," said Shahnewaz, president of BFFEA. He said that the trip would enable the delegation members to know about the latest global technological developments.

The team, led by BFFEA leader Azizur Rahman, will also attend the Boston Sea Food fair in USA and visit some fish processing plants in Singapore, Malaysia and Thailand.

Italy to sponsor scholarships for Bangladeshi businessmen

Italian Trade Commission and Association of Industrialists of Toscana will jointly sponsor 20 scholarships for leading Bangladeshi entrepreneurs, reports UNB.

This was disclosed when Italian Ambassador in Bangladesh Dr Raffaele Minterio called on FBCCI president Abdul Awal Minto at his office here yesterday.

The Italian envoy told the FBCCI chief that a one-month long scholarship programme will be arranged for Bangladeshi entrepreneurs of 35 years age operating in leather, textile, agro-based industries and power or gas development sectors.

They also discussed matters relating to expansion of trade and investment between the two countries.

DCCI, Karachi chamber sign MOU on trade cooperation

Dhaka Chamber of Commerce and Industry (DCCI) and the Chamber of Commerce and Industry, Karachi (KCCI) signed a memorandum of understanding yesterday to promote trade and economic cooperation between the two countries.

Abdullah Ismail, President, KCCI, and M H Rahman, President of the Dhaka Chamber of Commerce and Industry (DCCI), signed the MOU on behalf of their respective chambers at the DCCI, said a press statement issued in city yesterday.

The agreement came into effect initially for two years, but may be extended for two more years.

To achieve the objective of the agreement, the two sides would encourage permanent exchange of economic information and publications, provide assistance to enterprises for their participation in trade fairs and exhibitions to be held in Pakistan and Bangladesh, exchange information relating to trade legislations, exchange business and industrial delegations and help businessmen of the two countries get visas easily.

Jordan halves dependence on Iraq

KUWAIT, Mar 4: Jordan has halved its economic dependence on Iraq as part of its efforts to promote ties with Kuwait and other Arab Gulf monarchies, the Jordanian foreign minister said here on Wednesday, reports AFP.

Abdel Lah Al-Khatib told the Kuwaiti press at the end of a landmark two-day visit here, that "Jordan is trying to cut its economic dependence on Iraq," the Kuwaiti news agency Kuna reported.

"The volume of trade has been reduced from 400 million dollars to 200 million dollars," he said, adding that Jordan's economy was going through "a very difficult stage and is trying to benefit as much as possible from the assistance of the Gulf Cooperation Council", which groups all the Gulf monarchies.

Like Saudi Arabia, Kuwait recently decided to supply oil to Jordan at preferential rates.

Al-Khatib is the first Jordanian foreign minister to visit Kuwait since the Gulf crisis of 1990-1991 during which Amman was accused of supporting Iraq.

The visit was marked by the reopening of the Jordanian embassy which Kuwait closed in 1991.

The Saudis had halted deliveries of oil to Jordan in September 1990 when Amman was perceived to be sympathetic to the Iraqi invasion of Kuwait the previous month.

Asia recovering, but reforms still necessary, says WB

TOKYO, Mar 4: Asian countries appear to be emerging from the regional economic crisis, but continued structural reforms are necessary to prevent a relapse, a top World Bank official said Wednesday, reports AP.

Jean-Michel Severino, the bank's vice president for the Asia-Pacific region, warned against complacency as the incipient rebound in Asian economies is fragile.

"There are signs of economic recovery in the region, and evidence that the financial situation in the region has somewhat stabilised," Severino told reporters.

But, he said, "The only insurance that the countries can buy in this very unstable climate is the depth and boldness of their structural reform programmes."

Severino also stressed the importance of a social safety net to help those who have fallen into poverty because of

the crisis. The World Bank says that Thailand and South Korea have demonstrated the strongest improvement in the region, with a slight growth in production apparent from the second half of 1998.

Key economic indicators have turned positive in South Korea and the country was expected to post growth of 2 per cent this year, said MG Sri-ran Aiyer, the World Bank's country director for Korea. "Confidence has been returned," Aiyer said.

But Aiyer said there was a risk of labour unrest as unemployment — which has already soared to about 9 per cent — was likely to rise further.

In Thailand, the recession seems to have bottomed out, but the economy needs some stimulus to return to the growth track, said Jayasankar Shivakumar, the bank's country director for Thailand.

Thailand must also continue

to restructure its financial and private sectors to regain full economic health, Shivakumar said.

"The situation in Indonesia is uncertain because investors remain wary of political instability ahead of June 7 parliamentary elections, the World Bank said.

"A number of actors in the economic system... would like to wait and see how this process plays itself out," said Dennis de Tray, the bank's country director for Indonesia.

Developing countries in Asia are also threatened by the millennium bug computer glitch, which many experts fear could paralyze computer systems when 2000 arrives, World Bank officials said.

"The Y2K issue is potentially very, very dangerous and disruptive to the social and economic backbone of some developing countries," Severino said.



LOS ANGELES, Ca (United States): Models pose during Thursday's Oscar Fashion show at the Academy of Motion Pictures Arts & Sciences building in Beverly Hills. Models wore outfits ranging from Tommy Hilffiger to Issey Miyake. — AFP photo



Bridgehouse Ltd, the distributor of Hallmark Cards Inc. USA, launched the first-ever Hallmark Personalised Cards booth in Bangladesh on Monday. The booth was inaugurated by Aarong Design Manager Maheen Khan at city's Banani. Picture shows a customer having a look at the new cards.

Crisis changes Asian attitude towards gold

BANGKOK, Mar 4: The World Gold Council (WGC) said yesterday that economic crises had changed Asian attitudes towards gold, especially among those who were forced to sell off their holdings, reports AFP.

Hard times brought on by the Asian financial crisis shut down consumer spending on luxuries across the region and set off large-scale pawning of gold in several hard-hit countries, a statement said.

At a press conference in Bangkok, officials released a survey of changes in attitudes to the precious metal in South Korea, Indonesia, Malaysia and Thailand.

"The crisis saw a significant change in the general public's attitude towards gold as a valuable asset, particularly among those who sold during the crisis," Thailand WGC Manager Pongpan Pongsiribanyai said.

The survey found 56 per cent of Indonesians sold gold holdings to improve their cash flow.

Diplomats mull over renewed bids to salvage Indo-Lanka trade deal

COLOMBO, Mar 4: Diplomats yesterday mull over renewed bids to salvage a Indo-Lanka free trade treaty that was set to collapse as India withdraws preferential treatment to Sri Lanka's main export commodities, reports AFP.

Officials said there could be talks between Sri Lanka and India on the respective "negative lists" which specify commodities to be excluded from tariff concessions in line with the treaty that should have gone into effect on Monday.

"Within a matter of few weeks we could try and sort out the differences," an official involved in hammering out the trade agreement said. Tea and rubber were the main issues holding up the treaty.

Sri Lankan trade officials who went into a huddle Wednesday argued that India's backtracking on concessions to tea, Sri Lanka's main export, and rubber was unacceptable to the government.

"The Indian's have very clearly displayed bad faith," a Sri Lankan private sector official said. "From the very beginning we maintained that the

agreement was a step in the right direction, subject to negative lists."

Trade officials said India's backtracking had led to the virtual collapse of the treaty that was to be a landmark pact and strengthened arguments here that the agreement was in favour of India from the start.

Sri Lanka and earlier zeroed in on tea in a bid to reduce the huge trade gap that favours India in a 13 to 1 ratio.

The agreement signed December 28 in New Delhi between Sri Lankan President Chandrika Kumaratunga and Indian Premier Atal Behari Vajpayee had been shrouded in secrecy.

The Sri Lankan Chamber of Commerce first heard details of the agreement two weeks after it was signed, the details came from Indian High Commissioner (ambassador) here, Shivshankar Menon, and not from Sri Lankan officials, most of whom were unaware of the details till the last minute.

The Indian envoy had gone on public record here that tea and rubber will not be included in India's negative list allowing the two commodities easier ac-

cess to the vast Indian market.

On the basis of Menon's assurances, Sri Lanka at the time planned to export around five to 10 million kilograms (11 to 22 million pounds) of tea of India, the world's largest producer as well as the biggest consumer of tea.

It has been trying hard to sell tea to India to make good the losses suffered as a result of the currency crisis in Russia, a key buyer of Sri Lankan tea.

In New Delhi, a top executive from India's state-run tea board, meanwhile, said the Indian U-turn was a result of massive political pressure put on Vajpayee's coalition government by the three main tea-growing states.

"There was tremendous pressure on the government to do away with this import relief from the industry as well as from the main tea-producing state, the executive from the apex tea trade chamber said.

"Indian tea planters were particularly sore that the government had taken such a stand at a time when the tea industry was trying to boost its volumes,"

he told AFP on condition of anonymity.

The Indian tea association on Wednesday hailed the step as a "welcome decision."

"We have been urging the government not to allow duty-free import, of tea from Sri Lanka as it would adversely affect the Indian tea industry," Association chief PK Bhat-tacharya said.

The state government of Assam, which accounts for 55 per cent of India's output, also welcomed the step.

"A level playing field is necessary to any competitive scenario and now the Indian tea industry can compete with the world tea market without any problems," it said.

The trade pact envisages India eliminating some of the import tariffs on Sri Lankan products within three years from Monday while Sri Lanka will take years to reciprocate.

However, Sri Lanka's import tariffs, which are already lower than those of India's, are to be brought down across the board by next year, making some of the concessions to India redundant.

17 states, EU, OECD okay private admn of Internet

SINGAPORE, Mar 4: Representatives of 17 nations, plus groups including the European Union, have endorsed a plan for turning technical administration of the Internet over to the private sector and letting the market solve evolving problems, reports AP.

Until late last year technical administration of the Internet was performed by, or on behalf of, the US government.

But an international non-profit corporation, holding meetings this week in Singapore, is seeking comment and ideas from around the world on new ways of deciding such questions as: how Internet domain names are assigned, privacy and settlement of disputes.

The Governmental Advisory Committee of the Internet Corporation for Assigned Names and Numbers (ICANN) concluded its inaugural meeting Tuesday by endorsing the establishment of private sector technical administration of the Internet, according to a statement made available Wednesday.

The decision "represented a significant milestone in the es-

tablishment of ICANN," said Paul Twomey of Australia, chairman of the governmental Advisory Committee. "We saw a broad cross-section of the community of nations express strong support for the idea that the Internet is best managed by the Internet community itself."

The committee confirmed the principles first put in motion last July by the US government, when it pushed for the development of ICANN. Until September 2000, ICANN will be gradually taking over responsibility for coordinating management of domain names, such as .org and .com, root server system management, and other aspects of the Internet.

The Singapore meeting was accompanied by an open forum for individuals and companies to make suggestions, ask questions and tender criticisms on the plan organising domain names on the Internet. Previous meetings were in the United States and Belgium.

The next will be in Berlin in May.

In Singapore for the two-day discussion were representatives

from Argentina, Australia, Bhutan, Brazil, Canada, China, France, Germany, Japan, South Korea, Mexico, Peru, Singapore, Spain, Sri Lanka, Tuvalu and the United States. Germany represented the European Union, and there were also delegates from Asia Pacific Telecommunications, the International Telecommunications Union, the Organisation for Economic Cooperation and Development, and the World Intellectual Property Organisation.

"The governments and organisations attending today's meeting represent the vast majority of Internet users. They also reflected some of the most innovative policy approaches to the use of the Internet."

For example, the government of Tuvalu, a South Pacific nation, recently made Internet history by arranging for the marketing of its country code, which is .tv. The small island country does not have enough local users for its code, which is an attractive one for many television companies around the world.