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**SANYO**  
Japan  
New Jet Wash technology.  
Micro-computer controlled fully Automatic Washing Machine.

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# The Daily Star

## BUSINESS

DHAKA, MONDAY, MARCH 8, 1999

**SANYO**  
Japan  
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**Air Conditioner**

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### Beijing plans to balance external trade in '99

BEIJING, Mar 7: China plans to balance its external trade this year despite a strong slowdown of exports blamed on the Asian financial crisis, the country's top economic planner Zeng Peiyan said yesterday, reports AFP.

"We should strive to increase the total volume of imports and exports and achieve a fundamental balance between them," Zeng told the second plenary session of the National People's Congress.

Last year, China registered a trade surplus of 43.6 billion dollars despite a nearly flat 0.5 per cent export growth and a 1.5 per cent drop in imports.

The government was forced to revise its original export growth target of 10 per cent after the crisis-struck Asian countries failed to absorb Chinese export sales.

Asian countries provided one of the largest markets for Chinese products, contributing to the country's 20.9 per cent export growth in 1997.

Last January, Chinese exports fell by 10.8 per cent compared to the same period in 1998 while imports grew by 13.9 per cent.

### Dohatec appointed Microsoft Certified Solution Provider

Dohatec New Media has been appointed a Microsoft-Certified Solution Provider (MCSF).

According to information provided by Microsoft, Dohatec New Media is the first Bangladesh company to become an MCSF, said a Dohatec press release yesterday.

The MCSF brings a worldwide brand identity for a software company. Microsoft markets this identity extensively and there are substantial gains to be achieved by MCSFs from the Microsoft market momentum.

There is an exclusive online forum available to MCSFs to pursue joint business opportunities, a private web site for business with Microsoft, the MCSF community and access to proprietary information and resources including Microsoft Consulting Services, it said.

Microsoft provides MCSFs with a comprehensive set of products and monthly dispatches of new information and tools. MCSFs receive privileged access to the MSDN Online private forum.

### Credit Agricole treasurer for Asia-Pacific in city

Marc Mouscadet, Regional Treasurer for Credit Agricole Indosuez Asia-Pacific operations, arrived in Dhaka Saturday on a four-day visit to Bangladesh, says a press release.

He was expected to meet executives of Bangladesh Bank and foreign and local banks to discuss financial market issues.

During his stay, Mouscadet, who is based in Singapore, was also expected to meet with a number of business clients of Credit Agricole Indosuez.

Mouscadet has an extensive experience in Asian financial markets and his responsibilities include treasury and forex business development in the region.

### Meeting on privatisation held in Faridpur

FARIDPUR, Mar 7: A meeting to mobilise public opinion in favour of privatisation of State Owned Enterprises (SOEs) under public awareness programme of Privatisation Board was held at the conference room of Zilla Parishad here on Saturday, reports UNB.

Kazi Zafarullah, Chairman of Privatisation Board, attended the meeting as the chief guest. It was jointly organised by Privatisation Board and Department for International Development.

Leaders of various political parties, business community, trade union, entrepreneurs, government officials and journalists attended the meeting.

Chaired by Atiqul Islam Chowdhury, Deputy Commissioner, the meeting was addressed, among others, by Kazi Sirajul Islam MP, Chowdhury Kamal Ibne Yusuf MP, Advocate Mosharraf Hossain MP, Mir Nasir Hossain, Atiar Rahman, president, District Chamber of Commerce and Industry, Hasibul Hassan Lablu, newly elected chairman of the district municipality.

The speakers underscored the need for privatisation under the global free market economy and economic liberalisation policy.

They also laid emphasis on the courage for the implementation of political commitment to privatisation.

## EC okays fish exports by 10 more units

By Rafiq Hasan

European Commission (EC), the governing body of the European Union, has given approval to ten more local fish processing units for exporting frozen fish to the European countries, according to sources.

With this latest approval, a total of 27 fish processing units of the country will now be able to export frozen foods to the 15 European Union states.

Sources in the EC's Dhaka Office said that the Commission also withdrew the time-limit from six fish-processing units which was approved in the first phase.

"We received a comprehensive list of the approved processing plants on Wednesday and it has been sent to the Ministry of Fisheries," said the source.

"The EC at a meeting last month gave approval to all the 27 fish processing units allowing them to export frozen fish for an indefinite period of time," the official said, adding that "there is no time limit now."

The European Commission had imposed a ban on frozen fish imports from Bangladesh in September 1997 on the ground that fish processing units here were not following hygiene as per the expectations of the European citizens.

The Commission withdrew the ban in February last year and okayed only six processing units for exporting frozen fish for a one-year period.

The EC approved another 11 plants in July last year, as the units improved their processing

conditions to meet EC requirements.

The third list of the ten companies had been awaiting EC approval since November last year.

The ten fish processing units which got the Commission's approval in the third phase are: Meghna Sea Foods Limited, Anaraj Fish Products Industries Limited, Chowdhury and Company Limited and Sirajul Islam Chowdhury Traders Limited in Chittagong; Gemini Sea Foods Limited, Oriental Fish Processing and Culture Limited and Khulna Frozen Food Limited in Khulna; Saidowla Private Enterprise at Sunamganj; Delta Fish Limited at Satkhira and Sea Foods Corporation at Chandpur.

## BANK ARAB BANGLADESH BANK LIMITED



M Morshed Khan MP, Chairman of Arab Bangladesh Bank Limited, speaks at the bank's Managers' Conference '99 at Dhaka Sheraton Hotel on Saturday. — AB Bank photo

### Big sectors get preference: EPB report

## Bank loan flow to small industries declines

The bank loan flow to the country's export-oriented small and medium scale industries has declined drastically creating working capital crisis, reports UNB.

According to a review report of the Export Promotion Bureau (EPB), big sectors like garments and tea are getting preference in getting loans from the banks.

Earlier, a meeting of the Task Force on Export under the Ministry of Commerce directed the EPB to review if bank credits to the export-oriented sectors were declining.

EPB sources said that while reviewing the situation with all related agencies and institutions, they found that credits to the export-oriented industries in the smaller sectors had declined in comparison to the industries in the bigger sectors.

However, the EPB also found less credit flow to some of the big export sectors like raw jute and jute goods in recent months.

"Agro-based products, petroleum products and handicrafts are the other sectors which got less credits," said a senior official of the EPB.

According to the sources, the EPB already raised the issue at the 25th meeting of the Task Force, but no concrete direction

came from the meeting to mitigate the sufferings of the small export-oriented industries.

Meanwhile, the recent Task Force meeting reviewed the country's export performance for the first six months of the current fiscal year that showed overall shortfall of more than 9 per cent.

Total export during the July-December, 1998 was US \$2560.71 million against the target of US \$2815 million. Export during the same period of the last financial year was US \$2599.82 million. This year's performance is 1.50 per cent less than the same period of previous year.

All the sectors excepting tea have suffered setbacks compared to their targets.

The garment sector showed a 7.96 per cent increase over the target in terms of value, but its export volume has decreased by more than 3 per cent.

The total garments export during the period was 1487.68 million US dollars as against the target of 1378 million dollars.

Performance during the same period of last financial year was 1460.60 million US dollars.

Tea export decreased by

18.48 per cent compared to the same period of the last fiscal year, but it was well above this year's target. The July-December target was 21 million US dollars while the actual export was 25.36 million US dollars. This is 20.76 per cent above the target.

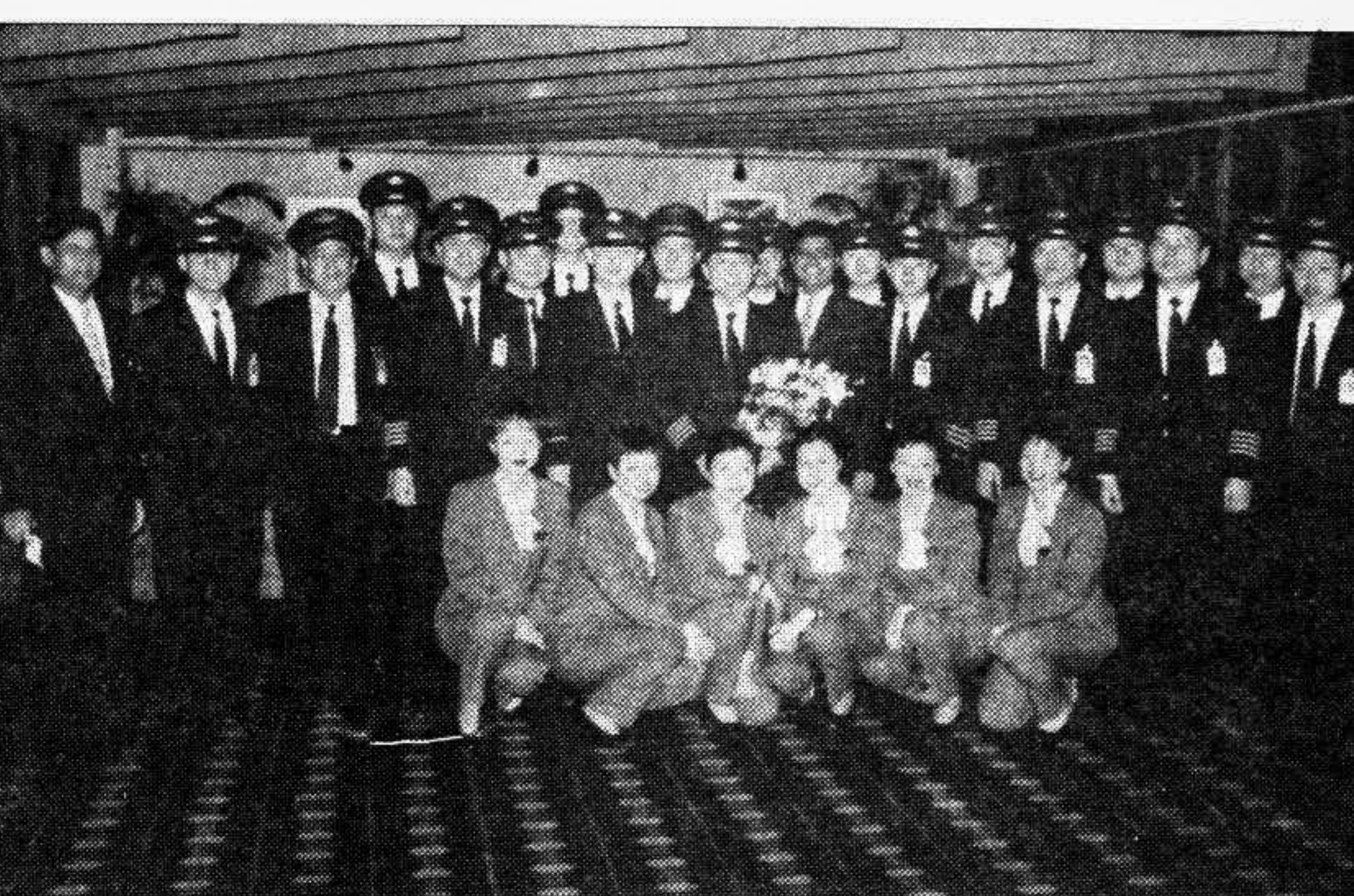
The most affected sector in terms of percentage is electronic products. Export of electronic products was 85 per cent less than the target which was 5 million US dollars, but the export was about 0.72 million dollars. Export during the same period of the last fiscal was 0.79 million US dollars.

Knitwear has declined by 22.91 per cent over the target — export was 454 million US dollars while the target was 589 million dollars.

The export of frozen food was 11.82 per cent less than the target while the export of the raw jute was 55.17 per cent less.

Leather export fell short of the target by 32.86 per cent while export of handicrafts was 38.44 per cent less.

The export of jute goods, petroleum products, chemical products, engineering products and agriculture products also showed negative performance during the period compared to their respective targets.



A cordial welcome was extended to China Southern Airlines crew by the officials and employees of the Pan Pacific Sonargaon Hotel when they arrived to stay at the hotel for the first time yesterday. Biman Bangladesh Airlines has chartered the airlines to cater to everyday flights of Haj pilgrims from Dhaka to Jeddah. — Sonargaon Hotel photo

### AB Bank managers' confce held

The managers' conference 99 of Arab Bangladesh Bank Limited was held at Dhaka Sheraton Hotel on Saturday, says a press release.

M Morshed Khan, MP, and Chairman of the bank, inaugurated the conference which was also attended by Vice Chairman Ramzul Seraj.

M Morshed Khan said that the economic globalisation process will be intensified further in the coming millennium with banking industry facing stiff competition. To face the challenge confidently and exploit the opportunities that are coming with it, he advised the bank to adopt new policy and develop new products and services.

Ramzul Seraj underlined the importance of introducing technology-based products for the convenience of the customers with anytime and anywhere banking. He urged the management to look for new avenues for maximizing income and not to confine itself to traditional banking services only.

The conference was also addressed by A Rahim Chowdhury, President and Managing Director.

M A Awal, Deputy Managing Director, other senior executives and managers of all domestic branches, CEOs of overseas branch/subsidiary company and representative offices participated in the conference.

Md Abdul Haque, VP and Manager of Imamgonj Branch, Dhaka and Syed Aminul Islam, Chief Officer and Manager of Bahaddarhat Branch, Chittagong, were awarded the Best Manager prizes for the year 1998.

### Exchange Rates

Followings are yesterday's Standard Chartered Bank exchange rates of major currencies against Taka: Central Bank USD/BDT rate: Buying-BDT 48.35/Selling-BDT 48.65

Selling		Currency	Buying	
TT/OD	EC		TT Clean	OD Sight
48.7600	48.8000	USD	48.3350	48.1748
0.4005	0.4008	JPY	0.3903	0.3890
33.3868	33.4132	CHF	32.7362	32.6277
28.3488	28.3721	SGD	27.8427	27.7505
32.3235	32.3500	CAD	31.6018	31.4971
5.9261	5.9310	SEK	5.8252	5.8059
31.1235	31.1490	AUD	29.8614	29.7624
12.8661	12.8767	MYR	12.6857	12.6436
6.3006	6.3057	HKD	6.2291	6.2085
13.0462	13.0569	SAR	12.8465	12.8039
12.3133	13.3242	AED	13.1235	13.0800
0.0303	0.0393	KRW	0.0389	0.0388
78.8547	78.9194	GBP	77.1523	76.8966
53.5580	53.6019	EUR	51.6266	51.4555

TT/DOC	30 DAYS	60 DAYS	90 DAYS	120 DAYS	180 DAYS
48.2354	47.9377	47.5405	47.0836	46.5870	45.4746

Exchange Rates of Some Asian Currencies Against US Dollar		Exchange Rates Against US Dollar	
Indian Rupee	Pak Rupee	Thai Baht	Mal Ringgit
42.49/4	50.75	36.77/36	3.7998/3
2.53	50.85		8002

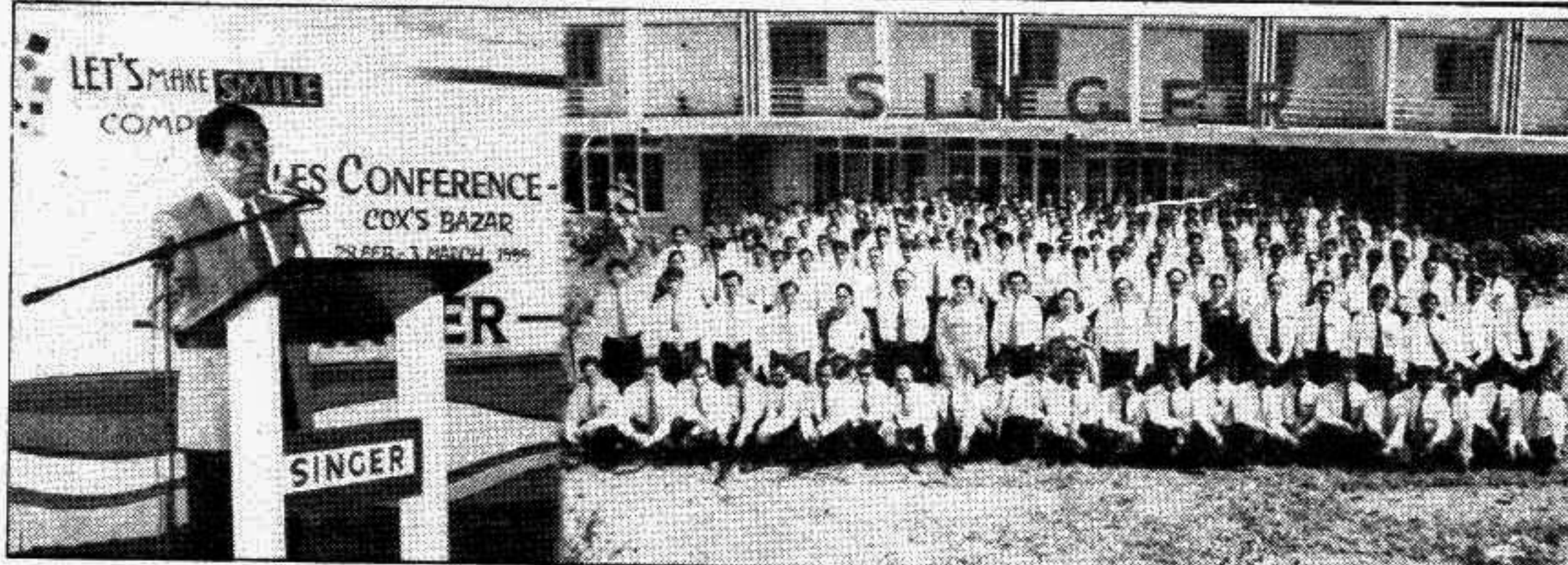
US Dollar			Libor				
	Buying	Selling	1 Month	8 Months	9 Months	12 Months	
Cash	48.15	48.75	USD	5.26275	5.28063	5.15813	5.15639
Notes	48.15	48.75	USD	5.26275	5.28063	5.15813	5.15639
TC	48.1	48.7	GBP	6.34813	6	5.27221	5.27221

**Market Commentary**  
On Sunday, dollar demand was high in the interbank market and the greenback traded in a range of BDT 48.65 to BDT 48.75. The call money rate was high due to persistence of liquidity crunch in the local interbank market, ranging between 10 and 11 per cent.

Bangladesh Bank accepted Treasury Bills worth BDT 3.26 billion. Of them, Tk 3 billion was accepted for 28 days, Tk 100 million for 91 days, Tk 50 million for 182 days, Tk 90 million for 364 days and Tk 24 million for 2 years.

In the korb market, cash dollar traded between Tk 48.60 and Tk 48.80.

International markets were closed for the weekend. At New York closing on Friday, USD traded at 122.75/85 JPY, GBP at 1.6062/72 USD and euro at 1.0831/34 USD.



Mahbub Jamil, Managing Director of Singer Bangladesh, addresses the inaugural session of the company's Sales Conference 1999 at Cox's Bazar recently. — Singer photo

### Filipino bourse ready to tackle Y2K bug

MANILA, Mar 7: The Philippine Stock Exchange has fixed all its computers to prevent problems that could be caused by the so-called computer millennium bug, including disruptions in stocks trading, an official said Sunday, reports AFP.

The stock exchange is one of several agencies and companies that the government is closely monitoring to ensure they take steps against the computer glitch, which has stirred concern worldwide about its potentially disastrous effects.

Amable Aguiluz, chairman of a presidential commission undertaking the monitoring, said in a statement he has been assured by stock exchange officials that trading will proceed smoothly when the markets opens on the first business day of next year Jan. 3, 2000.

Officials said the problem lies in older computer software, which was designed to recognise years by just the final two digits rather than all four. By the year 2000, computer systems that have not been reprogrammed will interpret double zero to mean 1900 and many could stop functioning.

If not solved, the problem could cause breakdowns in computers in government and private companies and could even pose a threat to such vital functions as national defense, officials said.

Aguiluz said other important industries, such as oil, are also addressing the problem.

### Pak economy back on track: Central bank

KARACHI, Mar 7: Pakistan's economy is back on track after a period of severe difficulties in the wake of the nuclear tests conducted by the country last year; the central bank said yesterday, reports AFP.

Mohammad Yaqub, Governor of State Bank of Pakistan, said the country would achieve a growth rate of around 4 per cent, contain inflation to 7 per cent and restrict the current account deficit to 3 per cent of GDP (Gross Domestic Product).

Pakistan's current fiscal year ends June 30. Yaqub, who was addressing senior bankers here, said recent rescheduling of debts by donors and restoration of loans by the International Monetary Fund had helped Pakistan.

The Paris Club of donors last month rescheduled debts worth 3.3 billion dollars on concessional terms after the IMF reviewed a 1.6 billion dollars loan facility to the country.

Pakistan's foreign exchange reserves, which had plunged to 415 million dollars after the nuclear tests in May, have now risen to 1.7 billion dollars.

Finance Minister Ishaq Dar said "let me state in very clear terms that we have achieved all performance criteria for the first half of the current fiscal year and the turn around in the economy has been achieved."

The decrease in exports was compensated by a 19 per cent fall in imports and a rise in home remittances by overseas Pakistanis.

### Gas drilling at Baniachang may begin May 1

SYLHET, Mar 7: Drilling in the country's newest gasfield at Baniachang is expected to begin on May 1 and complete in five months, reports UNB.

Occidental Company Private Limited of the United States which struck gas in the area after a long survey said 492-by-28-foot wells would be dug on 3.71 decimal lands.

Quantity and commercial aspects of the gas reserves can be ascertained on completion of digging of the wells, the company experts said.

Haor areas of Hatir Union and Aman paddy fields of Savachicak village in the thana have been marked by the experts for drilling.

A joint meeting of the Occidental officials, thana administration and two teachers of Dhaka University was held recently for exchange of views on the latest gas find.

Leaflets were distributed in the area to inform the locals about the discovery.

### IMF moves closer to releasing new loan tranche for Brazil

WASHINGTON, Mar 7: International Monetary Fund officials on Monday are likely to recommend to Fund directors that another installment be released in a 41.5 billion dollar loan package for Brazil, an IMF spokesman said yesterday, reports AFP.

Director of External Relations, Shailendra Anjeria, said in a statement that negotiations here between IMF staff and a Brazilian finance team had been completed.

"The documentation will be reviewed this week and in Brasilia and in Washington, he added.

It is expected that the management of the IMF will be in a position on Monday to recommend to the executive board the completion of the review and that the memorandum of economic policies will be made public shortly thereafter.

With a favourable recommendation from IMF management fund, executive directors will then be in a position to approve the next installment.

In a bid to shore up Latin America's largest economy the IMF last November put together a loan package based on its own confidence as well as those from the World Bank, the Inter-American development bank and bilateral creditors.

In light of a more than 40 per cent devaluation of its currency since January, Brazil has had to re-negotiate the economic targets notably covering inflation primary budget surplus and internal debt that it agreed to meet in talks with the IMF last year.

An agreement in principle on the new targets was worked out last month by Brazilian finance minister Pedro Malan and Deputy IMF Managing Director Stanley Fischer.

### Singer Sales Confce '99 held

Singer recently held its annual Sales Conference 1999 at the beach town of Cox's Bazar.

Mahbub Jamil, Chairman and Managing Director of Singer Bangladesh Limited, formally inaugurated the conference, while committee members, sales manager, all area managers, district managers, branch/shop managers, exclusive sales agents and a large number of executives from the Singer family attended the conference, says a press statement issued in city yesterday.

Singer Bangladesh, has a long tradition of organising sales conferences both at home and abroad to honour its winning Sales Team members. A total of two hundred and twenty participants attended this year's conference.

In his inaugural address, Mahbub Jamil advised all members of the Singer family to adopt modern Business Techniques befitting the changing needs. He insisted on further expansion of the after sales services network.

The second day of the conference was a business session where honours were bestowed upon the achievers. Nazrul Islam, manager of Joypurhat Shop, was adjudged Man of the Year 1998 among his fellow shop managers while Md. Yakub, Exclusive Sales Agent attached with Agrabad Shop, was declared Man of the Year 1998 among all his colleagues.

Apart from these, 4 shop managers and 7 exclusive sales agents were rewarded with top Flier Award. Nazrul Islam was also declared the Spider Man for his brilliant performance.

Besides, these branch/shop managers and exclusive sales agents were rewarded in 18 different categories. Mahmud Kabir, Branch Manager of the Gulshan Shop, was declared the Man of the Decade for his extraordinary contribution to the company's business activities during the last 10 years.

Some decisive steps were also taken in the Business Session to achieve the company's business target for 1999. In this regard, a bold theme Challenge '99 was unveiled to face the business environment.

## Reduced Indian rates seen stimulating growth

By I Gopalakrishnan

NEW DELHI, Mar 7: The lowering of the bank rate — the rate at which the Reserve Bank of India (RBI), the country's central bank, lends to other banks — by one percentage point and of the cash reserve ratio (CRR) which commercial banks are obliged to maintain are expected to act as a stimulus for industrial growth.

Together with the budgetary measures which Finance Minister Yashwant Sinha announced in his 1999-2000 budget for industrial recovery, analysts say, the slightly easier money conditions implicit in the RBI move will spur the annual industrial growth by seven per cent, if not more.

Strictly going by the book that the apex bank was in charge of matters monetary, Sinha had not made any announcement in regard to the long-standing demand by industry and trade for reducing the cost of money. The Reserve Bank, however, lost no time in announcing a lowering of interest rates.

Close on the heels of the budget presented on February 27, the Reserve Bank announced a cut in the repo (repurchase operation for securities) rate from eight per cent to six per cent effective from the March 3, the bank rate from nine per cent to eight per cent from March 1 and

the CRR from 11 per cent to 10.5 per cent effective from the fortnight beginning March 13.

The reduction in the CRR is expected to release between Rs. 25 billion (\$595 million) and Rs. 32 billion (\$761 million) for onward lending to customers. The lowering of the repo rate will ease the conditions in the call money market and the reduction in the bank rate will trigger similar paring of interest rates by banks.

In fact, three leading public sector banks have cut their prime lending rate — the rate at which they lend to their most valued customers — and more are expected to follow suit in the next few days.

The State Bank of India, the Bank of Baroda and Bank of India announced on March 1 a one per cent cut in their prime lending rate (PLR) to bring it to 12 per cent.

According to market analysts, the budget as well as the monetary measures announced by the Reserve Bank will act as a stimulus for the flow of money from bank deposits to the capital market. Industry will find its working capital cheaper, which will improve the industrial climate.

But others argue that the one per cent cut in bank rate is a case of "too little, too late" and will not have the desired effect.

They have suggested a cut of two per cent, but it is also contended that a larger cut in interest could spark speculative activity with all the evils it will bring in its wake.

The RBI had raised the CRR in August last and the bank rate also had been raised earlier after Bimal Jalan took over from Chakravarti Rangarajan as governor of the country's central bank. Jalan had stated he would be comfortable with easier money conditions and would lower the rates as soon as the situation warranted.

Jalan said last week that the fall in inflation rates in recent weeks, slow credit off take and the smaller borrowing programme of the central government announced in the 1999-2000 budget had persuaded the Reserve Bank to lower the rates.

Bankers said the Reserve Bank's move will improve the bottom lines of banks as depreciation on investments will come down. The slash in the repo rate, which acts as a floor in the call money market, also will reduce the cost of funds.

The reduction in the interest rate also signals a lowering of the deposit rates by banks. The State Bank of India has announced a cut in interest rates in its deposit slabs ranging between 50 basis points.

— India Abroad News Service