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ITC-BGMEA seminar urges 10-yr extension of ATC

Strategy to face quota-free textile regime sought

Speakers at a seminar here yesterday stressed the need for taking up proper strategy to face challenges of the quota-free global textile trade regime after 2004, reports BSS.

The seminar, jointly organised by the government and the private sector to help develop an adequate number of backward linkage industries by framing appropriate policy and making investment for the future survival and growth of the country's export-oriented ready-made garment industry.

Some of them called for a 10-year extension of the agreement on textiles and clothing (ATC), due to expire in December 2004, to allow countries like Bangladesh to take adequate preparations in the wake of the stiff competition world wide from the year 2005.

With the phasing out of the multi fibre agreement (MFA) through implementation of the ATC by 2005, it will be mandatory for all garment exporters to make their products by using

locally produced fabrics. Bangladesh at present imports 75 per cent of the total needed fabric for its garment exports.

Jointly organised by the International Trade Centre (ITC), Geneva, and Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the day-long seminar was inaugurated by State Minister for Jute, A K Faezul Huq, as the chief guest at Sonargaon Hotel.

Presided over by BGMEA President Anisur Rahman Sinha, the opening session was also addressed by BGMEA Vice-Chairman Engr. Nurul Huq Sikdar, Anisur Huq and Benazir Ahmed. ITC representative Antero Hyvarinen also spoke.

State Minister for Jute, A K Faezul Huq, said the government of Sheikh Hasina attaches high priority to the garment sector and hoped that even after implementation of the ATC no adverse effect would hinder the growth of this export-led industry.

"The government shall al-

ways frame pragmatic policies that might assist the growth of the textile and apparel sector which earns the lion's share of the foreign exchange for the country and employs a huge work force," A K Faezul Huq said.

BGMEA president Anisur Rahman Sinha called on the exporters to be aware about various aspects of phasing out of the MFA and the changes that will take place affecting trade patterns in the international market in the year 2005.

He said the government as well as the private sector should immediately come up to rejuvenate the country's textile sector to sustain the existing garment export and maintain required growth level to face the upcoming challenges.

BGMEA vice president Engr Nurul Huq Sikdar called upon the government to frame appropriate policies in advance. He urged extension of the ATC for another 10 years.

BGMEA vice president

Anisur Huq termed the post-2004 scenario as a matter of major concern for the garment sector, he said that both the government and entrepreneurs should take the matter seriously.

ITC representative Antero Hyvarinen said Bangladesh should chalk out proper plans to respond to the situation. The ITC will extend necessary help to Bangladesh for the purpose, he assured.

Two working sessions of the seminar were chaired by Director General of EPB Abdur Razzaque and BGMEA Vice President Engr. Nurul Huq Sikdar. The concluding session was moderated by BGMEA Vice President Anisur Huq.

Executive director of the Institute of Policy Studies, Dhaka, Dr Osman Haider Chowdhury, WHO official Richard Hughes, Executive Director of ITCB Munir Ahmed and an ITC official Antero Hyvarinen presented papers in different sessions.



TOKYO: Keren Jackson (L), International Marketing Director of US Tiger Electronics, and Michio Kimura (R), an employee of Japan's toy distributor Tomy Co. Ltd, display stuffed toy "Furbie" at a press preview in Tokyo Tuesday. Tiger Electronics will introduce Japanese versions of Furbie, which speak in the Japanese language, to the Japanese market later this month. Tomy will sell the toy for 3,980 yen (34 USD) a piece. —AFP photo

Executive Secy of UNCDF meets Kibria

The visiting executive secretary of UN Capital Development Fund (UNCDF), Saul Grynberg, called on Finance Minister Shah AMS Kibria at his office at Economic Relation Division (ERD) here yesterday, reports UNB.

The Executive Secretary briefed the finance minister about the activities of UNCDF, particularly the "Strategic Local Governance Development Fund Project" undertaken by UNDP and UNCDF.

The finance minister appreciated the programme of UNCDF and requested the executive secretary to expand its activities in Bangladesh.

UNCDF provides investment for capacity building of local governments and development of infrastructure, Grynberg said. UNDP representative in Dhaka David E. Lockwood was present on the occasion, said an official handout.

Rupali Insurance holds annual confce

The annual conference of the Rupali Insurance Company Ltd was held at its headquarters in the city recently, says a press release.

The Chairman of the company, Mostafa Golam Quddus, Management and Financial Consultant, M Azizul Haq, and acting Managing Director, P K Roy, were among others, present at the meeting.

The chairman lauded the contribution of the branch managers. The acting managing director spoke of the future activities of the company.

At the conference, General Manager GFM Shawkat Ali was awarded the Chairman's Gold Medal and cash reward for his outstanding contribution to the company during 1998.

32 other officials were also awarded.

Metalex seminar on textile technology today

A seminar titled "New Dimensions of Textile Technology and Bangladesh" will be held at Sonargaon Hotel today as part of the formal inauguration of Matex Bangladesh's manufacturing plant, says a press release.

Matex Bangladesh Limited is a joint venture between Apex Holding Limited, Bangladesh, and Matex Specialty Chemicals Pte Ltd, Singapore.

Experts from Wacker-Chemie GmbH, Germany, Chromatech, UK, Matex Specialty Chemical Pte Ltd, Singapore, will present papers on various new developments in textile processing.

Mintoo off to Bangkok

Abdul Awal Mintoo, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), yesterday left here for Bangkok to attend the sixth international conference on trade, transportation and handling of cement throughout Asia and the Pacific Rim, a FBCCI press release said, reports BSS.

The Intercom Asia organises this two-day conference from March 17 with the participation of delegates from 42 countries.

A large number of cement manufacturers from Bangladesh will also attend the conference.

Intercom Asia, is a leading international company in the trade, transportation and handling of cement and related products throughout Asia and the Pacific Rim since 1988.

Tofail for access to Indian market in a bigger way

Commerce and Industries Minister Tofail Ahmed has said Bangladesh should be allowed to export to India in a bigger way, reports BSS.

"We should be provided with duty-free access on non-reciprocal basis to increase our export to India," he said while talking to the visiting Commerce and Industries Minister of West Bengal, Bidyut Ganguli, at his secretariat office in the city yesterday.

The minister said

Bangladesh is importing food-grains, fabrics, yarn and cotton for the vibrant RMG sector mainly from India. So, there should always be trade imbalance between the two countries. But if India withdraws tariff and non-tariff barriers, the trade gap could be narrowed down, he observed.

The minister said we are very friendly neighbours and our relationship has strengthened further after the signing of the Ganges Water-Sharing

Treaty and Chittagong Hill Tracts agreement.

He said, if we could increase our export, our economic relationship should also be strengthened. "It would inspire business peoples of both the countries to take joint venture projects in many sectors and areas as we have the resources and potentialities to exchange and expand," he said.

The minister said Indian government had announced the import tariff reduction and removal of non-tariff barrier on many items last year, but most of those announcements are yet to be realised. Even the facilities offered in the SAPTA agreement are not fulfilled, he observed.

He said we will discuss all the issues with the Indian central government in May next. We hope that this time India will allow us special market access meaningfully," he said. He requested the West Bengal minister to pursue Bangladesh's plea to the central government.

Responding to the request of the minister, the West Bengal minister said, we know the extent of the trade gap of Bangladesh with India and we have had talks with the central government on this issue. "We also recommended some possible steps to narrow the trade gap," he added.



Chairman of Rupali Insurance Company, Mostafa Golam Quddus, addresses the annual branch managers' conference at Rupali Bima Bhavan in city recently. Management and Financial Consultant, M Azizul Haq, and acting Managing Director, P K Roy, are also seen in the picture. —Rupali Insurance photo

Surging shares help Americans double wealth in 10 years

WASHINGTON, Mar 16: Surging share prices helped double Americans' wealth over the past decade, the Federal Reserve said, leading to uneasiness about the ever-larger role stocks play in household finances, reports Reuters.

The Fed's balance sheet of household wealth, included in its fourth-quarter "Flow of household wealth, included in its fourth-quarter flow of funds report" on Friday, said US households' total net worth had risen at the end of 1998 to 36.79 trillion dollars from 18.38 trillion dollars at the end of 1988.

The totals include every kind of financial asset a typical household might own, from the value of real estate holdings to bank deposits, stocks and bonds, and any reserves that have piled up in insurance and pensions.

Especially striking was the mounting proportion of household wealth that was in the form of ownership of corporate equities and mutual fund shares — a combined 8.77 trillion dollars, or 24 per cent of the total at the end of last year.

By contrast, at the end of 1998, the combined value of individual company stocks and mutual fund shares owned by households was so far lower — 2.02 trillion dollars — or 11 per cent of their total wealth.

Economist Sung Won Sohn of Wells Fargo Bank in Minneapolis, Minn, said consumer spending was a point of vulnerability for the economy, saying that household spending fell more than stock prices were falling when it rose during bull markets.

"The pain on the way down is always much more severe than

the joy on the way up," Sohn said.

With the Dow Jones industrial average now flirting with 10,000 many analysts have been sounding warning bells that an eventual softening in stock prices could have an exaggerated impact on the booming US economy much of the eight-year-old expansion has been fuelled by rising consumer spending.

Weaker prices for stocks, especially for high-flying internet issues, could cause homeowners to pull in their horns on spending if it seemed the upward spiral was losing steam.

The Fed also said rising real estate values, at 9.22 trillion dollars from 5.95 trillion dollars a decade ago, contributed notably to the growth of US household wealth.

Dhaka, Tehran to cooperate in environment protection

Bangladesh and Iran have agreed to cooperate closely in the field of environment, both bilaterally and in the international arena, says a press release issued yesterday.

The two countries hold identical views on the implementation of the Montreal and Kyoto Protocol — on ozone depletion and climatic changes respectively — which are the flag-poles of today's move towards protection of global environment.

Besides, both countries share a resolve to work for the conservation of bio-diversity, which is the focal point of all environment protection campaigns.

This convergence of purpose and policy emerged yesterday from a meeting in Tehran between Dr Masoumeh Ebtekar, Iran's Vice President in charge of Environment Protection, and Bangladesh Ambassador Tufail K Haider, when the latter called on her. In October 1995, Bangladesh and Iran signed a MOU providing for a wide-ranging cooperation in the field of environment and Forest through exchange of information and experience, training and research cooperation and establishment of a permanent working group on environmental issues.

The agreement has, however, remained dormant till today.

Ambassador Haider proposed that provisions of the MOU may now be belatedly implemented in phases. To start with, a working group of experts on environmental issues from the two countries could be set up without further delay to explore and identify possible areas of cooperation.

Vice President Dr Ebtekar agreed to the suggestion and instructed the Iranian officials to initiate the process. On the request of the Ambassador, Dr

Ebtekar also offered Iranian expertise and experience on the use of CNG (Compressed Natural Gas) and LPG (Liquid Petroleum Gas) in the road transport system of Bangladesh.

Introduction of these fuels could effectively curtail the saturated level of pollution in the cities and towns of Bangladesh, especially in the capital.

The vice president pointed out that the technology is affordable as well as transferable, but comprehensive study and blue-print of a plan have to be prepared before approaching the implementation stage.

Iran had carried out a 2-year detailed study before switching from petrol to LPG/CNG over the past eight years. Today, Tehran has 40,000 taxis running on LPG and conversion of hundreds of buses to CNG is well underway.

Iran's two other major cities, Shiraz and Esfahan, have undertaken massive switchover to LPG and CNG. The result has been an appreciable decline of pollution levels in all three cities. Absence of lead and sulphur in the two fuels is their singular eco-friendly character.

At the end of the meeting it was agreed that the Bangladesh side would initiate steps for further consultation and study on this important issue with the cooperation of concerned Iranian authorities.

Employment Bank branch opens in Barisal

BARISAL, Mar 16: The 4th branch of the Employment Bank was opened here at Batala on Alekanda road recently, reports BSS.

Chief Whip Alhaj Abul Hasnat Abdullah inaugurated the branch.

Among others, local MP Masud Reza and high officials of the bank and divisional and district-level officials were present.

The chief guest said that the present government had established this bank for creating employment facilities for the unemployed youths and asked them to avail themselves of the facilities.

MIDAS programme for women entrepreneurs

Micro Industries Development Assistance and Services (MIDAS) will launch its Women 2 Women Support Programme at its Mini Mart at Gulshan in the city on Thursday.

MIDAS has undertaken this programme appreciating the practical requirement of the prospective women entrepreneurs, says a press release.

For a new woman entrepreneur, it is extremely difficult to get a ready — market for her product and on the other hand, existing enterprises require efficient and continuous supply of quality products.

If a linkage between these two groups is established, both the parties would certainly be benefited.

The sharing of technological know-how and do-how between these groups would likely lead to the development and upgradation of their products in their respective sectors.



Picture shows (from left) Kamal Uddin, T.K. Das, Mustafa Rafiqul Islam, Director, M.N. Islam, Managing Director, Mustafa Shamsul Islam, Director of Flora Limited, and Nazirul Islam, Manager Marketing, Kazi Mahub Morshed and Shabbir of IBM Bangladesh at a ceremony to mark the appointment of Flora as the Authorised Business Partner of IBM. — Flora photo

JS body discusses simplification of tax collection

The Parliamentary Standing Committee on Finance Ministry at a meeting yesterday discussed the ways and means for the simplification of tax collection in the coming budget, reports BSS.

The standing committee's pre-budget meeting, held with the Chairman of the committee Professor Mohammad Ali Ashraf in the chair, exchanged views on different proposals including industrialisation through capital market and collection of Value Added Tax (VAT) and income tax.

The meeting, attended by Finance Minister Shah AMS Kibria, discussed proposals relating to the enhancement of skill in tax collection.

The discussion took place after the finance minister invited the standing committee members to give their opinion on introducing a people-oriented budget for 1999-2000.

The minister said a complete budget could be introduced through extensive exchange of views.

Flora appointed IBM's authorised business partner

Flora Ltd, a leading IT company in Bangladesh, has been appointed as an Authorised Business Partner of IBM, says a press release.

The company will distribute IBM's PC products including state-of-the-art Netfinity servers, award-winning ThinkPad notebooks and Desktop PC 300 series.

Established in 1975 as an office automation company, Flora has evolved over the years into a major IT company in Bangladesh.

"IBM's global IT leadership and Flora's local strength would provide synergy in terms of superior products and services to local customers," said Mustafa Rafiqul Islam, Director of Flora Ltd.

IBM has been operating in Bangladesh for the last 35 years through its Branch Office in Dhaka. With the addition of Flora Ltd as its distributor, IBM business partner channel comprises 5 resellers and 3 distributors including Stamford and Beximco.

IBM is the leader in information technology with an annual turnover of US\$ 83 billion. It won more patents in 1998 than any other US company for the sixth year running. From terraflap supercomputers to palmtop notebooks, IBM provides leading edge technology and world-class services to IT users in 165 countries it operates.

UK deputy high commissioner visits CSE

British Deputy High Commissioner, Miriam McIntosh, made a farewell visit to Chittagong Stock Exchange (CSE) on Sunday and had a courtesy meeting with the Chief Executive Officer of the bourse, AGM Shamsu Kamal, says a press release.

Golam Rabban Chowdhury, Head of Research and Development Department, made a detailed overhead presentation on the activities of the bourse.

In the discussion followed by the presentation, the envoy expressed her appreciation for the professional approach CSE has taken for the development of the capital market.

She mentioned that she had been amazed seeing the dramatic changes in CSE development after her first visit to bourse during its inauguration in 1995.

Later she visited various departments including the equipment room of the automated screen based trading system.

Reforms cause hardship, debate in Ecuador markets

QUITO, Ecuador, Mar 16: The government has seized her money, driven away her customers and left her unable to feed her four children, Mariela Castro, who sells baby clothes in a Quito street market, says she is ready to explode, reports AP.

"We're about to go hungry. This is a policy of death. The people have to rise up against this cruelty," Castro, 53, yells from her wood and canvas stall against a stone wall on Calle Chile street in downtown Quito.

Four stalls down, Mariela Alvarez, a 64-year-old mother of 12 who sells video cassettes, hobbles over to disagree violently.

"It had to be done," says Alvarez, her gray-and-black hair tied back in a long braid. "It should have been done years ago, but none of our politicians had the courage."

A lively debate is underway in Ecuador's markets and streets over the harsh economic reforms announced last week

that are designed to modernise this tiny Andean nation's inefficient economy. But everyone agrees the reforms mean hardship.

Since President Jamil Mahuad's announcement, food and fuel prices have doubled, and the sucre lost a quarter its value in one week before Mahuad ordered the banks closed for five days last Monday.

Besides freezing half of the funds sucra bank accounts and completely freezing dollar savings accounts of more than \$500 for a year, Mahuad proposes trimming Ecuador's bloated bureaucracy, increasing taxes and speeding up privatisation of money-losing state enterprises.

He said the measures were necessary to save this tiny, indebted nation facing its worst economic crisis in decades from bankruptcy.

In September, Mahuad ended fuel subsidies, which caused electricity rates to in-

crease by 400 per cent.

"Ecuadorians are going to have to tighten their belts if the country is going to get out of debt and become competitive. The shock is going to be hard," economist Jose Samaniego says.

Ecuador is already one of the poorest countries in Latin America. The government is under pressure to reduce a \$1.2 billion fiscal deficit on a budget of \$ 5 billion by lowering state spending, raising taxes and eliminating thousands of state jobs.

Powerful leftist-led unions have vowed to force Mahuad to revoke the measures, calling for street protests for Wednesday. Taxi drivers incensed by the gasoline increase began a strike Monday, blocking traffic in major cities.

Striking taxi drivers hung signs in their windows saying "for sale due to hunger" and "will drive for food."

Opponents of the reforms remember when massive street

protests helped drive eccentric former President Abdala Bucaram from power in 1997. Congress removed him from office for "mental incapacity."

"What happened to Bucaram is going to happen to Mahuad. Just you watch," Castro says.

Castro's husband had \$ 2,500 — the couple's life savings — in the Banco Pacifico bank. He was planning to use the money soon as a down payment on a taxi. Now he can't touch the money for a year.

Her one employed son fears he will lose his job or not be paid because the store owner can't withdraw money to pay him.

Business at Castro's once-prosperous stall has fallen to a quarter what it was. Cash-strapped Ecuadorians don't have money to buy her baby clothes.

From a stall across the narrow street, Gladys Yanez backs Alvarez in saying the measures were necessary. "For years, lazy, corrupt

people have lived off handouts and subsidies. But hard-working people like us will do better under a new system," Yanez shouts.

But Alvarez and Yanez have no time for these complaints. "The subsidised fuel was used to heat rich people's pools. The poor don't have cars," Alvarez says. "Every time anyone has tried to straighten the country out, the unions and corrupt politicians have stopped him."

Banks stopped

Reuters says: Ecuador's banks opened for the first time in 10 days amid chaos on Monday as striking taxi drivers blocked roads to protest higher gas prices imposed by a government facing its worst financial crisis in decades.

Hundreds of bright yellow taxis and burning tires blocked most main routes in the capital, Quito, forcing buses to stop running, schools to cancel classes and many businesses to close as employees failed to ar-

rive at work.

Barracked police with riot shields fired sporadic rounds of tear gas canisters at the protesting taxi drivers in central Quito and set up a security ring to prevent demonstrators from approaching the presidential palace.

President Jamil Mahuad met leaders from the opposition-dominated Congress to defuse growing criticism of an emergency economic programme that more than doubled fuel prices and froze about half of the banking sector's 8.6 billion dollar in deposits.

But Mahuad, whose approval rating stands at a record low 16 per cent, still faced strike and protest threats from unions and indigenous groups, raising the spectre of a repeat of violent clashes during a two-day national strike last week.

Long, but orderly lines formed at banks, which had been bracing for a flood of savers trying to take out their money.