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**Ctg Customs to launch drive for VAT realisation**

CHITTAGONG, Apr 7: The Chittagong Customs and VAT authority will launch a drive from April 16 to realise unpaid Value Added Tax (VAT) worth about Tk 60 crore from various defaulting institutions and organisations, reports UNB.

The authorities have issued final notices to the concerned institutions for payment of outstanding money by April 15. If any organisation failed to pay its due within the stipulated date, it will confiscate goods and file certificate cases against defaulting organisations.

Meanwhile, the authorities have seized accounts of two cinema halls — one in the port city and another in Sylhet — and filed cases for VAT non-payment last week.

**Rhone Poulenc Agrovet declares 15 pc dividend**

Rhone Poulenc Agrovet (Bangladesh) Ltd has declared 15 per cent dividend for the year 1998 in the annual general meeting held on April 4, says a press release.

It was presided over by M Anwarul Hoque, chairman of Bangladesh Chemical Industries Corporation and Chairman, Rhone Poulenc Agrovet (Bangladesh) Ltd.

Rhone Poulenc Agrovet (Bangladesh) Ltd is a joint venture enterprise sponsored by Bangladesh Chemical Industries Corporation and Rhone Poulenc Agro-Chem, a global pharmaceutical company dedicated to animal health and agro-chemicals.

The company has a paid up capital of Tk two crore of which BCIC holds 40 per cent and the remaining 60 per cent is held by Rhone Poulenc Agro-Chem of France.

Russell Stuart Brown, Managing Director of Rhone Poulenc Agrovet (BD) Ltd, Mirza A Matin, Director (Finance) of BCIC, Didier P Bony and A K M Shamsuddin, Director, Rhone Poulenc Agrovet (BD) Ltd, were also present in the AGM.

**Major obstacle to China's WTO entry goes: Zhu**

LOS ANGELES, Apr 7: Chinese Premier Zhu Rongji said on Tuesday that the United States and China had reached a breakthrough on farm issues that removes a major obstacle to China's 13-year fight for entry into the World Trade Organisation, reports Reuters.

While the White House was publicly less optimistic an exuberant Zhu told businessmen and civic leaders at a lunch here, "I want to announce a piece of good news. News that I have just learned... China and the United States have reached agreement on agricultural issues. This agreement is the most important part of China's bid to enter the WTO."

In his first public appearance since arriving in the United States earlier on Tuesday to start a nine-day visit, Zhu said China had agreed to lift its ban on wheat imports from seven US states and citrus products from four states, including California.

**Indian group buys Tasmanian copper mine**

HOBART, Australia, Apr 7: The acquisition of the 100-year-old Mount Lyell copper mine in western Tasmania by an Indian group was completed Wednesday, reports AP.

Sterlite group chairman Anil Agarwal and Tasmanian state Premier Jim Bacon signed an agreement at Queenstown, ending months of negotiations to save the historic mine, which faced closure because of poor world copper prices.

A subsidiary of Twin Star Holdings, the major shareholder in Sterlite, has bought all the shares of the previous owner, Copper Mines of Tasmania.

Agarwal said the acquisition was a natural progression for his group.

It should provide savings and greater certainty of supply for the copper concentrate used in Sterlite's operations.

**First female president of Siam Bank**

BANGKOK, Apr 7: Siam Commercial Bank has appointed Jada Wattanasittham as its president, making her the first Thai woman to head a major commercial bank, reports AP.

Effective May 1, Jada, currently a senior executive vice president, will succeed Olav Chhapravat, president for the past six-and-a-half years, the bank said in a statement.

**Cottage, handicraft units to enjoy tax rebate on export earnings**

**New industrial policy aims at 25pc contribution to GDP**

Star Business Report

The new industrial policy was unveiled yesterday envisaging a 25 per cent contribution of the industrial sector to the gross domestic product (GDP) within the next 10 years.

The National Industrial Policy 1999 also gives a boost to the country's cottage and handicraft industries by exempting them from paying taxes on their export earnings. Other industries will enjoy a 50 per cent tax rebate on export gains.

It further promises livelihood for at least 20 per cent of the country's total work force in the industrial sector.

The policy has been framed in light of the globalisation and trade liberalisation process and we have been pursuing a policy of openness to attract foreign investment," Tofail Ahmed, Commerce and Industries Minister, said while briefing the press on the new industrial policy at his office yesterday.

"We have taken all measures to implement the new industrial policy and all regulatory obstacles will be removed to attract more domestic and foreign direct investments in the country."

The five-year industrial policy, which prioritises small and medium-scale industries, was earlier okayed by the Parliamentary Standing Committee on the Ministry of Industries and approved by the Cabinet Monday.

A National Industries Development Council (NIDC) led by Prime Minister Sheikh Hasina has been constituted to implement and review the progress of the industrial policy, Tofail said.

Another committee has been formed to implement the decisions of the NIDC.

"The policy would help cre-

ate a vibrant private sector, which plays a very important role in investment and industrialisation."

The minister said that Bangladesh would set up a long-term credit fund to spur industrial ventures and incentives are being designed for the manufacturing sector.

Replying to a question, the minister said the National Industrial Policy 1999 would come into force as soon as the relevant laws were passed.

The minister said the role of the private sector and their suggestions have been given priority in the new policy.

There would not be any disparity between local and foreign investments and the new

policy ensures same incentives for both sorts.

Tofail said that the government would introduce a tax holiday of five to seven years for new companies which would be set up before June 30, 2000.

"We are going to frame an Investment Protection Act to safeguard investors' interest," he said.

Setting up of industrial parks and export processing zones in the private sector have been included in the new industrial policy.

The policy would encourage establishment of new enterprises in the backward industrial sectors. "We will provide a lot of facilities including bank loans to the entrepreneurs on a

priority basis," he said.

He said that the existing two-and-a-half per cent development surcharge would be withdrawn from the export-oriented industries in the next budget and the three per cent advance income tax for this category of units might not be continued.

Tofail mentioned that importance would be given to the gas-based industries and power plants for more value addition.

"Our aim at gas-based export-oriented industries instead of gas exports would add more value for the country."

"We are proud of our exporters, entrepreneurs and investors as the quality of our products have already improved," he minister said. "Our rivals are more competitive mainly because they devalued their currencies, but still we are in the race."

Tofail said economics should get higher priority in the greater interest of the country.

"We do politics and we have differences of opinions with others," he said, adding "we do believe that the economy should not be hurt because of political expediency."

Replying to a question, the commerce minister said that the government would expedite the privatisation process in the coming days.

The new policy identified 16 sectors as thrust areas.

These are: agro-based industries, artificial flower production, computer software and information technology, electronics, frozen food, floriculture, gift items, infrastructure, jute goods, jewellery and diamond, leather, oil and gas, sericulture and silk industries, stuffed toys and textile and tourism.

oriented. If necessary, he said, government will purchase area from these factories at international price.

Tofail noted that domestic demand for the urea is increasing by leaps and bounds and it is likely to stand at 26 lakh tons a year within the next five years.

Referring to KAFCO project, the minister said the government will protect national interest in signing any deal in future with regard to setting up of joint-venture unit.

He, however, said that steps have already been taken to make the Karnafuli Fertiliser Factory (KAFCO) viable and profitable.

**5 gas-based fertiliser factories soon**

The government will set up five more joint-venture gas-based fertiliser factories in the country with less equity participation, reports APB.

Three proposals have already been submitted to the government for setting up urea fertiliser industries in Bhola, Chandpur and Khulna, which will use gas of Bhola field.

Other factories will be set up in Sylhet and Sirajganj, said Tofail Ahmed while highlighting the main features of the new industrial policy at a press briefing yesterday.

Government's equity participation will be very less in setting up of these factories. Tofail said adding that these would be 100 per cent export-

**Analogue phones won't exist in capital after mid-2000**

All analogue telephone lines in the capital will be upgraded to digital lines by June next year, while three lakh more phone lines would be installed in phases in the city by private sector, reports UNB.

This was disclosed at a high-level meeting of the Telecommunications Ministry with Prime Minister Sheikh Hasina in the chair at her office yesterday.

The Prime Minister asked the officials to ensure modern and best possible technological telephone service to the subscribers and expand digital telecom network throughout the country.

Presiding over the meeting of Greater Dhaka Telephone System Development Project (Phase-2) and Installation and Expansion of Telephone Exchanges at different district headquarters, Hasina told the officials to expedite the work on expansion of telecom network.

The meeting was informed that under the Greater Dhaka Project, 138,500 lines will be installed in and around the capital, which include 67,000 lines under Phase-2 project.

After completion of the project, no analogue line will exist in the city, the officials attending the meeting told the Prime Minister adding that installation of three lakh lines under private sector is also going on.

With the increase of economic activities, the demand of telephone is also growing simultaneously. The government is trying to meet the increasing demand and taking steps accordingly. T&T Minister Mohammad Nasim said listing the progress in telecom sector.

The Greater Dhaka project is being implemented at a cost of Tk 794.10 crore with Japanese grant while the installation and expansion of telephone lines in different districts is being carried out by Chinese as-

istance at a cost of Tk 1393.82 crore.

After the implementation of these two big projects, the entire telecom system of the country will go one step forward to the modern technological service, the officials said adding now digital lines have been expanded to 17 districts of the country.

The Prime Minister said the government has a plan to bring all districts under the network of modern telecommunication system and in phases this will be expanded in thana levels.

To boost up the economic activities, the communication system has an important role, particularly the telecom, she said. Telecom will play a pivotal role to give a boost to the economy at thana levels," Hasina added.

She suggested further opening up of this service-oriented sector to the private entrepreneurs.



M Mosharrar Hossain, an eminent management specialist and Managing Director of Rapport Bangladesh Ltd, addresses as chief guest the concluding ceremony of DHL Worldwide Express's USA First Campaign at Hotel Purbani International. Dalip Handa, Country Manager, SAM Showket Hossain, Country Sales and Corporate Affairs Manager of DHL, also spoke on the occasion. — DHL photo

**Malaysia cagey about its plans to squash Y2K bug**

KUALA LUMPUR, Apr 7: When reporters recently asked about Malaysia's plans to squash the dreaded Y2K bug from its national computer systems, officials were cagey, reports AP.

In fact, the head of the National Year 2000 Project Team, charged with debugging computers in the Southeast Asian nation before Jan 1, was downright livid.

"Why are you questioning? Why are you questioning?" Nuzrah Abdul Hamid hissed at reporters who cornered her outside a closed-door workshop last week on Malaysia's readiness to tackle the Year 2000 or Y2K bug.

Many questions to other government Y2K committees have also gone unanswered, raising concerns about the country's readiness.

Malaysia has announced repeatedly that its critical systems will be ready to face the dreaded bug, which some predict will short-circuit computer systems worldwide, lead to food and power shortages, and cause chaos at hospitals and airports.

The bug stems from an old programming oversight that doesn't distinguish between the

years 1900 and 2000, which could cause massive computer failure at midnight on Jan 1.

Diplomats, analysts and technology gurus say that little convincing data have been released to back the Malaysian government claim that everything is rosy.

There is also start contrast between what officials pronounce in public and what is said behind closed doors.

At the National Y2K Workshop, Telecommunications Minister Leo Moggie told reporters: "We are very happy with the progress of Y2K efforts within the country."

But at a session closed to the public, which some different impression. Industry leaders brainstormed about yet-to-be drafted contingency plans and pleaded for fully computerized Kuala Lumpur International Airport in case of a system failure Jan 1.

"You can imagine the chaos. We have to prepare," he said. "We had a bad experience in the past of even getting funding for Y2K readiness. We appeal to the National Y2K Project Team to assist us in getting the right funding."

Seconding that was Dr Abdul

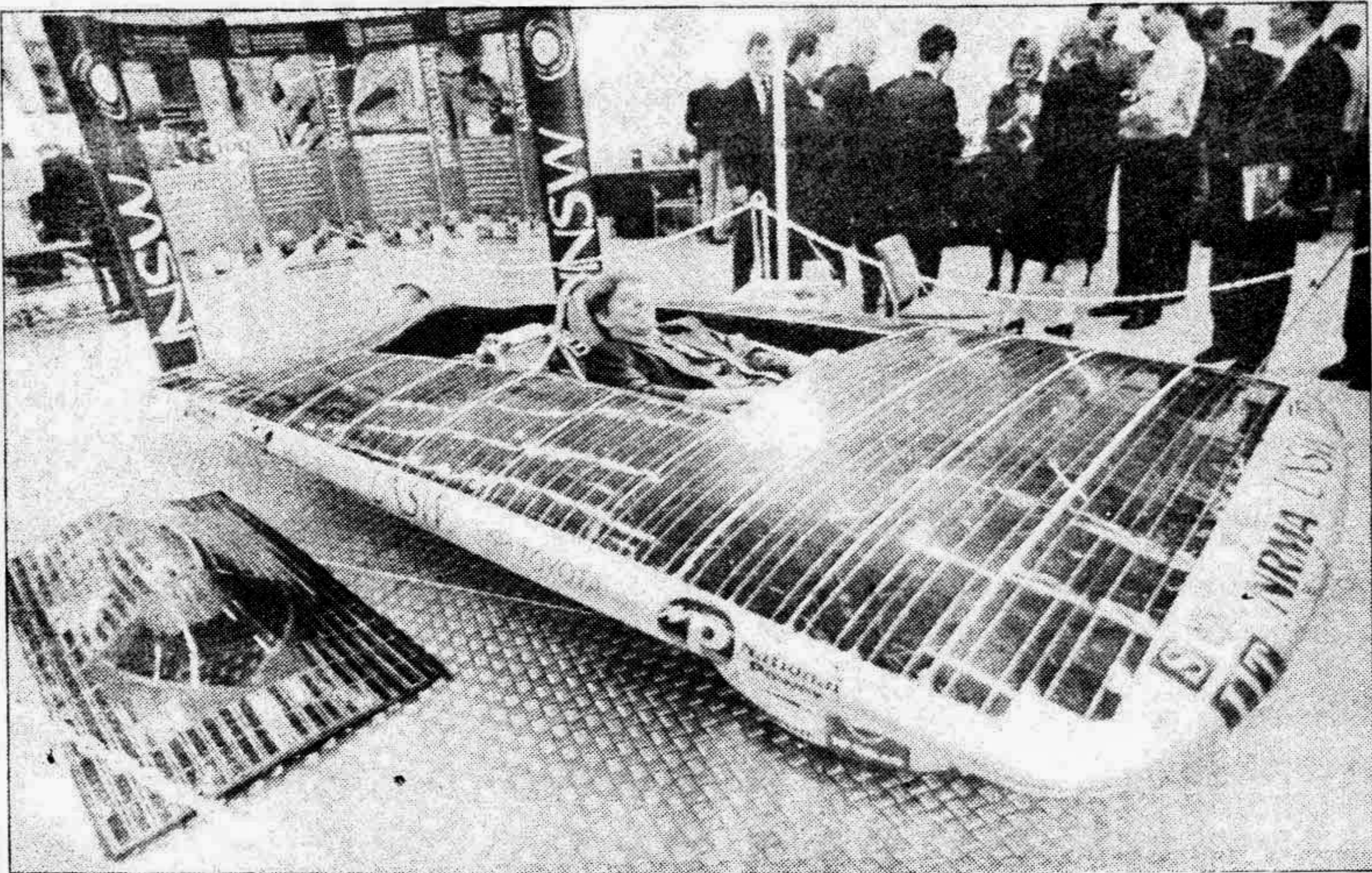
Ghani Mohammed Din director of medical development at the Ministry of Health. He said the nation's 127 government hospitals lagged far behind private ones. "What is alarming here is the approval time, needed for funding applications," he said.

Also alarming from a public perspective was a pledge of secrecy taken by participants at the Y2K workshop.

The Asian economic crisis has diverted resources from Y2K preparations. Some analysts believe that the government worries too much that news of its lack of readiness would cause panic.

"This is just another aspect of the transparency issue that people have been so concerned about in the wake of the economic crisis," said Bruce Gale, of Political and Economic Risk Consultancy in Singapore.

Yet others comment Malaysia for actively addressing its computer glitches and raising awareness through Y2K task forces, a government-run Web site and e-mail reports. With the exception of its rich, techno-savvy neighbour Singapore, Malaysia is seen as a regional leader in Y2K preparations.



TAIPEI (Taiwan). Chris Tucker (C), a project manager of Australia's Solar Racing Team, displays his solar powered car "Sunswift II" during an exhibition of the Australia Technology Marketplace in Taipei Tuesday. The car's fastest speed is 130 kilometers per hour. — AFP photo

**India seeks better EU market access**

By P. Jayaram

NEW DELHI, Apr 7: India yesterday lodged the European Union (E.U.) to provide better market access for its products and services and said the fresh round of multilateral trade talks suggested by it should follow implementation of existing commitments by the developed world.

Commerce Minister Ramkrishna Hegde pressed India's case with visiting European Commission (E.C.) Vice President Leon Brittan saying E.U. as India's largest trading partner and a prime investor, had a special place in India's trade relations.

Hegde pointed out that despite a slow but steady growth in bilateral trade, the growth in India's exports to the E.U. was not commensurate with the growth in E.U. exports to India. This was a matter of "great concern" to both the Indian government and trade and industry, he said.

He called for a closer look at the macro-level bilateral trade issues as well as proper appreciation of micro-level market access issues.

While India was making every possible effort to move towards a more open regime of trade and investment, reciprocal benefits had not flown from the developed world, though the Indian markets were being opened to competition, he said.

In this context, he raised the issue of various anti-subsidy

and anti-dumping actions initiated by the E.C. against a number of Indian products which was estimated to have affected Euro 302 million worth of trade flow from India.

Hegde suggested that in calculating dumping margins, the average profitability of the concerned industry in the exporting country should be the benchmark instead of the profitability of selective trade transactions.

Addressing a news conference later, Brittan said E.U. was not going to use the anti-dumping issue for protectionist measures.

"Only if there is unfair trading practice, there is any question of action," he said. Hegde expressed the hope that the E.U. would grant exceptional flexibilities in the textile quota as stipulated in the Memorandum of Understanding (MOU) signed by the two sides and that the validity of the MOU would be safeguarded.

While India had taken several steps for fulfilling its obligations under the MOU, an estimated 1.5 million pieces of garments were not being allowed to enter the E.U. markets, pending a solution to the "exceptional flexibility issue."

On the proposal for a new round of multilateral trade negotiations, Hegde said it was necessary to first ensure full and fair implementation of exist-

ing commitments by the developed world.

He said benefits which should have legitimately accrued to the developing countries from the Uruguay Round agreements had not been forthcoming because of shortcoming in the implementation of the agreements.

For instance, real integration of textiles into the General Agreement on Trade and Tariff (GATT) had been backlogged and meaningful integration would take place only in 2005. Meanwhile, non-tariff barriers in the form of phyto-sanitary measures, labelling requirements and other such quotas and measures had emerged because of which there had hardly been any meaningful access in agriculture.

Brittan told Hegde that there were no risks in having a new round of multilateral trade talks and said the "risk for India and the E.U. would be greater if there was no new round."

He said India had a lot to gain from a new round and there was no question of balancing of risks.

He said the E.U. was committed to the proper implementation of the Uruguay Round agreements and would support India on every implementation issue.

While it was intended to be a rapid round, there would still be plenty of time for implementa-

tion of the Uruguay Round agreements before the new round could take effect, he said.

Brittan also said India and E.U. were "walking in the same direction as far as economic liberalisation is concerned and so, let us walk hand in hand." The new round of talks would give an opportunity to address those aspects of the current trading regime which might be inadequate, especially in the context of market access.

In his news conference, Brittan said the millennium round of trade talks was necessary to remove protectionism and unilateral action in world trade.

"I believe protectionism and unilateral action in certain parts of the world will make others highly vulnerable if there is not another round of talks," he said in an apparent reference to the E.U.'s banana trade dispute with North America.

Asked whether the E.U. would insist on incorporating "social clauses" in the proposed round of talks, Brittan said, "we have no intention of suggesting that enabling condition to be imposed upon countries which do not observe social clauses." "That does not mean we agree. We have to work together and do it through cooperation. The concept of trading sanction is absolutely out of question," he added.

— India Abroad News Service

**Australia in bid to better its influence in Asia**

SYDNEY, Apr 7: A relative bastion of stability and economic strength amid the financial and social turmoil in Asia, Australia is trying to position itself as a regional power for the new millennium, reports AP.

With Asia's economies showing signs they may be starting to emerge from crisis, the conservative government of Prime Minister John Howard has moved on several fronts to boost Australia's role.

Australia is among the loudest voices urging the Asia-Pacific Economic Cooperation forum to maintain its trade liberalisation targets, while Japan and Malaysia are wavering.

In March, Australia played host to a conference of government and multilateral organisations to discuss long-term strategies for economic recovery in the region.

Australia is taking a senior diplomatic role — under the auspices of the United Nations — in safeguarding East Timor's transition to independence or autonomy after 23 years of often brutal rule by Indonesia.

Howard's Cabinet also is considering a plan to promote Australia as the best base for multinational companies wanting to do business in Asia. Howard has said he wants an Asian Wall Street to run "slap bang through the central bus-

ness district of an Australian city."

And Australia has upgraded its defense forces, raising its level since the Vietnam War. The government said, however, the bolstering did not signal any desire to intervene in trouble spots like Indonesia's Ambon or East Timor.

"There is considerable instability in the whole of Southeast Asia," Defense Minister John Moore said. "We are prepared for any contingency, well beyond Indonesia."

"Some analysts' question whether Howard's vision is realistic, and they warn of a backlash from Asian neighbours against what may be interpreted as unwanted lecturing from the West."

"Australia certainly has an objective of being more influential in the region," said Michael McKinley, a senior lecturer in global politics at Australian National University. "But it is not necessarily an objective which the region shares."

Malaysia, for example, has been a key opponent to full-fledged Australian membership in the Association of Southeast Asian Nations. Collectively the ASEAN countries are Australia's second biggest export market, after Japan.

Malaysian Prime Minister

Mahathir Mohamad has in the past accused Australia of meddling.

Howard believes Australia's avoidance of the worst of the Asian economic turmoil has strengthened his country's position in the region.

By finding alternate markets for some exports and maintaining high domestic consumer spending, Australia recorded economic growth of 4.7 per cent in 1998, while Japan, South Korea and many other Asian trading partners were mired in recession.

But the effects of the Asian turmoil may still be filtering through. Figures released in March showed Australia's current account deficit had widened to Australian dollars 236.8 million (US \$ 5 billion). Foreign debt totaled almost Australian dollars 236.8 billion (US \$ 149 billion), and new business investment fell more than 11 per cent in the last three months of 1998.

McKinley said Australia has to remember its economy and population are tiny compared to most of its neighbours and should be careful about trying to throw its weight around.

By pushing for trade barrier reforms at a pace faster than some of its neighbours want, Australia risks alienating itself from neighbours.