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DHAKA, FRIDAY, APRIL 9, 1999

Govt to launch Deposit Savings Certificate

The government has decided to introduce a new savings certificate named "Deposit Savings Certificate" soon, an official handout said in Dhaka Wednesday, reports BSS.

It said the new savings certificate will be released soon in the market. The Deposit Savings Certificate will be issued for a three-year term with 5 per cent interest for one year, 5.5 per cent for two years and 6 per cent for three years. Tax is payable on the interest of the savings certificate and income tax rebate will not be applicable, it said.

The handout said that there would be no buying limit for the Deposit Savings Certificate and these would be available for purchase of any amount of money.

The Deposit Savings Certificates can be purchased for Taka one thousand, five thousand, ten thousand, fifty thousand, one lakh and five lakh from Bangladesh Bank, commercial banks, post offices and the National Savings Bureau and can also be encashed.

Any incorporated company or association, registered firms and any person of 18 years of age and above will be able to purchase Deposit Savings Certificates, said the handout.

Padma Express service may be privatised

PABNA, Apr 8: The authorities are thinking of leasing out the Rajshahi-Sirajganj Padma Express to the private sector, according to sources in Bangladesh Railway's Western Zone, reports APB.

The idea is being examined now as the Lalmonirhat-Santahar Padmarag Express, leased out earlier, has been operating at over three hundred per cent profit, they said.

Government-run trains in the Western Zone are being operated at huge losses for long because of poor service and maintenance.

Most of the locomotives have exceeded their life. Usually a locomotive is discarded after 20 years of service, but most of those in the Western Zone are 30 to 40 years old. The bogies are also old and worn out and have become unfit for providing further service. As a result, the trains can not maintain their schedule.

Fifty-four trains are running on 955 miles of track in the Western Zone.

There are 16 inter-city trains, 10 mail trains and 28 local trains. Sixty-six locomotives are in service but most of these have already exceeded their life.

Govt to keep on encouraging private sector

CHITTAGONG, Apr 8: Commerce Secretary Syed Alamgir Faruk said here yesterday that the government would continue to encourage private sector in order to achieve the overall economic prosperity in the country, reports BSS.

He also said that all possible steps would be taken to protect and flourish home industries. The secretary said this while exchanging views with the members of Chittagong Chamber of Commerce and Industries at the Chamber house here, a press release said.

He said that the development of private sector was vital for economic prosperity and there was no other alternative but to help flourish this sector rapidly.

Earlier Chittagong Chamber President Kamal Uddin Ahmad apprised the commerce secretary of the problems and difficulties faced by investors and businessmen. He called upon the government to encourage investors to establish export-oriented and indigenous raw materials-based industries in the country.

BSC to offload more shares

CHITTAGONG, Apr 8: Bangladesh Shipping Corporation will raise its public shares on the capital market to 49 per cent from 12.5, reports UNB.

The offloading may be increased further, Chairman of the Board of Directors of the BSC and State Minister for Shipping, Mofazzal Hossain Chowdhury Maya disclosed this in its 20th and 21st General Meeting held at the state corporation bhaban here Wednesday.

BSC Director General Zulfikar Haider Chowdhury presented the financial report of the organisation of the previous two years.

Referring to the loss incurred by the BSC from 1986 to 1998, the Minister said the present government would make the state-owned enterprise into a profitable one.

To this effect, a decision has also been taken to raise its approved capital to Tk 400 crore from Tk 25 crore and paid-up capital to Tk 350 crore from Tk 20 crore.

Maya emphasized enlarging the BSC fleet of ships and service lines to survive in the competitive market.

Pre-budget meeting with NBR Businessmen seek zero duty on raw materials

Businessmen at a pre-budget meeting with the National Board of Revenue (NBR) yesterday demanded a pro-industry and pro-production tax structure to reduce import dependency, reports UNB.

For expansion of the internal and external market base, they demanded zero tax on importing primary raw materials used in the industries.

They also demanded a rational duty rate on intermediate raw materials and imposing highest duty on finished products.

The meeting at the NBR was chaired by its Chairman Abdul Mueyed Chowdhury while the

business delegation led by FBCCI President Abdul Awal Mintoo.

The businessmen argued that if the tax structure was not rationalised with the need of the time giving emphasis on industry led growth, the purchasing power of the general people will be lowered creating stagnancy in the overall economy and raising the poverty rate further.

They proposed for measures to protect the local industries and discourage imported goods.

Preferring an easy and harmonised tax system for better tax collection, the businessmen urged for eliminating corrup-

tion from the tax administration.

Advocating the idea of low tax and high collection, they proposed reduction of the Value Added Tax (VAT) rate to 10 per cent from 15 per cent.

Suggesting expansion of the VAT net, the businessmen also sought elevation of the taxable income slab from present level of Tk 60,000.

Demanding that the names CIPs be made public, the businessmen viewed that government recognition to businessmen should be determined by their tax payment performance.

NBR officials suggested that there should be at least three

separate discussion meetings with the businessmen on three separate issues — VAT, income tax and customs duty.

Participants agreed with the suggestion and decided that decisions at those meetings will be sent for consideration of the consultative committee of the NBR that fixes the taxes in the budget.

The meeting of the consultative committee is likely to be held in the first week of May after Finance Minister SAMS Kibria returns home from Manila after attending the annual conference of the Asian Development Bank.



TOKYO: The new small electric car "MC-1 T EV" is demonstrated by Japan's Mitsuoka Motors during a press preview in Tokyo Thursday. The electric vehicle uses a 72-volt rechargeable battery and can travel for 50-km (31 miles) at a maximum speed to 60-km (37 miles) per hour. The car sells in Japan for 468,000 yen (USD 3,900). — AFP photo

WTO decision on EU banana import rules It's a major victory, precedent for future disputes: US

WASHINGTON, Apr 7: The United States yesterday called the World Trade Organisation's decision on European Union banana import rules a major victory that could set a precedent in other trade disputes, including the EU ban on hormone-treated beef, reports Reuters.

US trade officials said a WTO arbitration panel agreed with the United States that new EU banana import rules violate international trade laws. But the panel significantly lowered the amount of sanctions sought by Washington in the case.

US trade representative special negotiator Peter Scher said the WTO decision clears the way for the United States to impose 100 per cent tariffs on 191.4 million dollars worth of imports from the European Union. The United States originally

claimed 520 million dollars in lost trade due to EU banana rules.

"We view this as a major victory for the WTO dispute settlement system," Scher said in a telephone conference with reporters.

"This demonstrates that there are time limits that must be respected and if countries don't come into compliance at the end of a reasonable time period then they have to pay the price."

The United States had charged the EU rules, which took effect in January, failed to comply with earlier WTO decisions against EU banana import regulations and that EU policies favoured former European colonies in the Caribbean over Latin American producers, an European distributors over US companies.

Scher said the latest WTO decision also sets important precedents for other agriculture trade disputes with the European Union, particularly a ruling against an EU ban on US beef treated with growth hormones. He said it would also set an important precedent in a separate dispute with Canada over magazines.

"I think it has a very clear message for beef hormones and a very clearly message for Canada magazines and other countries and that is that the WTO dispute settlement system has teeth," Scher said.

In a statement, US trade representative Charlene Barshefsky said she hoped the EU would change its banana import regime to make it WTO consistent rather than accept the 100 per cent import duties.

Asian crisis deeper, longer and more painful than expected

BANGKOK, Apr 8: Asia's economic crisis has inflicted deeper misery and dragged on for longer than anticipated, the United Nations said today in a report calling for sweeping reforms of the global financial system, reports AFP.

The report predicted a mild economic recovery this year but said it would be conditional on regional and international factors.

A dramatic increase in poverty and rising unemployment coupled with recession last year deepened the pain of the crisis which erupted in 1997, said the economic and social survey of Asia and the Pacific.

Fundamental changes must be carried out to the financial infrastructure of crisis-hit countries and developed nations must shoulder the responsibility of reforming the global economic system to forestall future crises it said.

"The Asian crisis has turned out to be deeper and more long-lasting than many analysts had predicted," it added.

"Furthermore the fallout of the crisis has engulfed a number of other countries outside the region, creating a strong negative impact on global growth."

"While no foolproof guarantee can be offered it is evident that a wide range of actions are needed at the national, international and regional levels to

minimise the possibility of future crises.

The report published by the UN Economic and Social Commission for Asia and the Pacific, predicted a "gentle" recovery would emerge in 1999, but said a rebound was conditional on several Asian and international factors.

"The weak state of the Japanese economy, possible slowdown of the EU and despite its recent strength and likely flattening of growth in the US economy in 1999 are the immediate sources of uncertainty," ESCAP said.

"Other concerns relate to increased protectionism and developments with regard to capital flows — in particular the risk aversion of international investors/creditors is a source of worry."

Crisis-hit nations should renew attempts at corporate and financial sector restructuring, problems which "remain major impediments to growth in the immediate future," the report said.

Governments should also try to establish a social safety net to mitigate the worst effects of the crisis, the report said.

It said unemployment in Indonesia stood at 4.7 per cent in 1997 but nearly quadrupled to 21.3 per cent last year. Malaysia saw its jobless total rise from 2.7 per cent to 6.4 per cent, South Korea from 2.6 per cent to 7.7 per cent and Thai-

land had seen a doubling from 1.9 per cent to 4.4 per cent.

In 1998 the poverty rate in Indonesia stood at 11 per cent — a year later it had risen to 40 per cent of the population. Thailand saw poverty increase from 11 to 15 per cent and Malaysia's went up from seven to eight per cent.

"The governments' ability to address social problems has been constrained by reduced revenues and in some cases by the conditionalities of the (IMF) bailout packages," the closely watched report said.

"However some of the conditions were recently relaxed."

It went on to call for full-scale reform of the international financial architecture to ensure sustained growth and to prevent a recurrence of future crises.

Reforms must include improvements of emergency assistance and better supervision of capital flows, it said.

Asian governments were also advised to seek greater cooperation on financial sector supervision and to develop early warning systems.

Despite the overall scepticism, there were some rays of hope for Asia contained in the report.

It pointed to improvements in current accounts, rebuilt foreign exchange reserves, declining interest rates and recovering exchange rates and stock markets.

S'pore bracing for early Y2K trouble today

SINGAPORE, Apr 8: Singapore police, hospitals and civil defense troops were bracing for the dreaded millennium bug computer glitch, which some fear could start causing problems as early as Friday, a news report said, reports AP.

Police and hospitals were on "standby" for Thursday and Friday, while civil defense authorities had made special preparations. The Straits Times newspaper reported Thursday.

April 9, a Friday, is the first of several critical dates which may cause problems before Jan. 1, 2000, a date many fear will disrupt computers and computer-chip devices around the world.

April 9 — the 99th day of 1999 — could confuse systems utilising the sometimes — used Julian calendar, which ignores months and assigns a number to each day of the year.

Friday would thus appear as "9999" possibly causing the Millennium Bug to strike early, the newspaper said.

Police were reportedly on standby for any incidents arising from chip-based system failures in the highly-modernized city-state, which relies heavily on computer technology.

The country's Civil Defense Force was ready to call up personnel by word-of-mouth if phones and pagers broke down. Singapore's National University Hospital had also prepared staff and equipment for potential problems, The Straits Times said.

Another possible problem date before Jan. 1, 2000, is August 23, when satellites used for ship and plane navigation are slated to have their clocks reset for the new millennium.

E-commerce course of Aptech draws 3,000 students

Aptech's first and most comprehensive e-commerce course, launched through asset international, the corporate professional training division, has evoked an overwhelming response, says a press release.

Offered along with IBM, this novel programme has resulted in over 3000 students, engineers and IT professionals registering for various modules of the course.

Commenting on it Ganesh Natarajan, Managing Director of Aptech Ltd has said e-commerce has created a new business paradigm, enabling business to business and business to consumer transactions. It is estimated that by the year 2000 over 50 per cent of the revenue of the IT industry in America will come through e-commerce.

This has opened up a phenomenal new career opportunity for Indian students, a need that the Asset International-IBM E-Business Solutions Training Partnership is addressing, he added.

The six-month career course titled e-com @ asset covers specialist modules on Networking, Java Application Development, Web Based Application Development and Electronic Commerce.

On course completion, participants will be proficient with e-commerce business environments, security issues, marketing via the Web, Net. Commerce and EDI among others.

Successful students can look forward to exciting career opportunities as e-commerce business specialists and Web Application Developers.

The successful launch of the E-commerce courses is the first step in a range of services that will be the result of Aptech's strategic E-Business Solutions Partnership with IBM Global Services.

Enterprise Solutions involving the integration of ERP and E-commerce is one of Aptech's key focus areas in its new software business and is expected to contribute over 50 million dollars to Aptech's revenues in the next few years.

Aptech Worldwide also plans to offer the e-commerce range of courses in USA, Europe, South East Asia and the Middle East through the Internet during the course of the year.

Drought makes agri output prospects bleak in N dists

NATORE, Apr 8: Continued dry weather caused due to long absence of rainfall has been affecting cultivation in the northern region adversely, reports UNB.

Many tubewells, both deep and shallow, in the drought-hit 16 northern districts have become inoperative due to abnormal fall in the ground water level seriously hampering irrigation during the peak season of IRRI-boro cultivation.

Mango buds are withering and the production of winter crops like late varieties of wheat, mustard, pulses, peppers and watermelon has already been affected. Due to the prevailing drought situation, pests invaded many fields of these crops.

The crisis of ground water is severe, said an official of Public

Health Engineering Department in Rajshahi. About 60 per cent hand-driven tubewells in Singra, Gurudaspur, Baragram, Lalpur and Bagatipara thanas of Natore, Charghat, Bagha and Puthia of Rajshahi, Nachol, Shibganj and Sadar thanas of Chapainawabganj, Atrai, Patnitola and Mohammadpur of Naogaon cannot fetch water, he added.

Mango growers said they had been hopeful to have a bumper crop due to "on year" this year but the is fading away due to persisting drought.

Met office sources said Rajshahi region experienced no rain at all since November 23 and the situation is quite unnatural.

They said if there is no sufficient rainfall soon to recharge the subterranean source, the re-

gion will face a severe drought. The spectre of a drought already prevails in the region with the drying up of small water bodies and receding of waters of the rivers Padma and Jamuna.

A knee-deep thick layer of dust is noticed everywhere on the earthen rural roads of the region. The plants and crop fields look gray due to the thick layer of dust on them.

According to Met office source, in the winter there was comparatively less rainfall in the country but there was moderate rainfall during the winter for ages, which helped grow crops and vegetables.

Officials sources said about 8,500 hand tubewells in the 16 northern districts have become inoperative with the onset of the dry weather.

FBCCI chief hails long-term vision

New industrial policy to ensure framework for higher growth

The new Industrial Policy will meet a long-felt need for having an appropriate and designed policy framework for accelerating industrial growth of the country. This was felt by Abdul Awal Mintoo, President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), hailing government for announcing the Industrial Policy 1999, says a press release.

Mintoo expressed his satisfaction that for the first time an industrial policy has been formulated with a long-term industrial vision envisaging a structural change in the economy raising the contribution of the industrial sector to the GDP to 25 per cent and employment promising a 20 per cent manpower employment in industries. The FBCCI chief commended the other striking features of the new Industrial Policy.

The policy has reemphasised the need for a vibrant and dynamic private sector to spearhead industrial growth.

The policy offers tax rebates for the agro-based as well as small and medium enterprises and makes provision for arranging cash incentives.

Special fiscal and tax incentives would encourage investment in export-oriented industries and less-developed areas.

Another notable feature of the new policy is that it provides for setting up a long-term credit fund to spur industrial ventures. It provides a 5 to 7-year tax holiday for industries to be set-up by 30 June, 2000 and for accelerated depreciation allowance for those industries not entitled to tax holiday.

The policy further answers special incentives for investment by non-resident Bangladeshis.

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Star Business Report

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dustry, it assures a large-scale programme for implementation of the Small Industry Credit Guarantee Scheme.

The policy incorporates clear and updated definitions for large, medium, small and cottage industries. These will facilitate formulation of appropriate policy package, addressing the problems of these groups of industries.

Under the new policy, export income of handicraft and cottage industries will be totally exempted from income tax.

Another commendable aspect of the new policy is that it recognises the need for legal coverage and enactment of laws to ensure implementation of its provisions.

Mintoo observed that the policy, if implemented earnestly, would go a long way in stimulating local and foreign investment to achieve the goal of accelerated industrial growth.



SEOUL: South Korean models display Nexa, a new folder-type digital camera produced by Samsung Electronics Co, during a multimedia show Wednesday in Seoul. The new camera, priced at 816 US dollars, boasts the memory of 45 still pictures which can be shown on personal computers and television sets. — AFP photo

DPRK budget prioritises power, agri sectors

SEOUL, Apr 8: Economically devastated North Korea has unveiled a new budget that casts new doubt on its ability to wage conventional warfare, analysts said Thursday, says AP.

North Korea said it will give priority to power generation and agriculture, cited by analysts as the biggest problem areas in the North's economy.

"For a decisive solution of food problem this year, the government will make 11 per cent larger investment in agriculture than last year and channel big nationwide efforts into farming before anything else," said Finance Minister Rim Kyong Suk in her budget proposal.

Expenditures also will grow 11.45 billion on its 650,000-man military this year, or about \$163,000 per soldier.

Ministry officials said North Korea has bought hardly any new weapons since the early 1990s. Military units are running their own farms and shops in the absence of supplies from the central government, they said.

But Lee Jong-sok, an analyst at Seoul's independent Sejong Research Institute, suggested North Korea will concentrate what little resources it has on building long-range missiles and developing its nuclear capability.

It hopes that will provide it with security as well as powerful bargaining chips when it deals with outsiders," Lee said.

North Korea said its 1999 budget represents a 2 per cent increase over last year, but it is still less than half the amount it spent in 1994 when its economy imploded, precipitated by the collapse of its farm industry.

the last time the Stalinist nation announced its annual expenditures. And it is about \$2 billion less than South Korea is spending on its military alone this year.

North Korea said it was devoting 14.5 per cent of the budget to its 1.2 million strong military, or \$ 1.36 billion. That comes to about \$ 1,134 to clothe, feed and arm each soldier and buy fuel and spare parts for its tanks, airplanes and other equipment.

"With this budget, the North can not keep its current level of military forces," said Lee Ho, a chief analyst at the government's Unification Ministry.

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