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# The Daily Star BUSINESS

DHAKA, TUESDAY, MAY 11, 1999

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## New Japanese industry at CEPZ goes into production

A new Japanese electronic industry formally went into production yesterday at the Chittagong Export Processing Zone (EPZ), a BEPZA press release said here, reports BSS.

Executive Chairman of Bangladesh Export Processing Zones Authority Big M A B Siddiqui Talukder inaugurated the industry owned by Luna Lite Company (BD) Limited.

The 2.21 million US dollars new electronic industry, which has already started production, invested 13,81,000 dollars so far, the release said.

When fully operational, the Luna Company will employ about 700 Bangladeshi workers.

The factory is producing small indicator lamps, multi-lamp and counter switch and small and pilot lamps, which are being exported to Japan, United Kingdom, France, USA, Germany, Spain, Taiwan and Singapore.

Japanese has established a total of 25 industries in the EPZs of Bangladesh with an investment of more than 60 million dollars, of which, 58 million dollars has been invested in the Chittagong EPZ.

## BPA for cut in tariffs on photographic materials

### Star Business Report

Leaders of Bangladesh Photographic Association (BPA) yesterday demanded reduction of tariff value on photographic materials to stop smuggling.

"The government has been deprived of revenues amounting to Tk 41.86 crore during the last three years from this sector," said Khalilur Rahman Manju, president of BPA, a forum of traders engaged in photographic business, while addressing a press conference at the Jatiya Press Club.

He said: "If the government reduces tariffs on different photographic materials including film, paper and chemicals, it can earn huge revenue from this sector."

He said about 70 per cent of the country's photographic materials market has been grabbed by smuggled materials from India.

He claimed that a section of the corrupt businessmen had long been involved in the smuggling of photographic materials from the neighbouring country, where big assembling plants are located.

On the other hand, he said, businessmen importing photographic materials by paying taxes have been facing unfair competition from the smuggled materials.

The BPA leaders urged the government to refund the tariff value at 10 per cent for film, paper, chemical and camera lens, flash and other photographic equipment.

According to statistics supplied by the BPA, the government earned Tk 27 cr revenues from the photographic materials (film and paper) in the fiscal 1995-96, Tk 16.05 crore in 1996-97 and 8.45 crore in 1997-98.

The press conference was attended, among others, by Hamidul Huq Kochi, secretary general of BPA, Rezaul Karim, Motiur Rahman, Khan M Azhar, M A Quader and Zahurul Huq.

## Emirates' new departure lounge at Dubai

Emirates passengers leaving Dubai will check in for their flights at a brand-new departure terminal at the Dubai International Airport from May 14, says a press release.

This is located to the east of the existing Emirates departure terminal, directly adjacent to the Dubai Duty Free warehouse on the upper level.

Emirates will be the first airline to operate from this new terminal, which forms part of the massive, multi-million dollar expansion project of the Dubai International Airport undertaken by the Department of Civil Aviation.

The first Emirates flights to operate from the new terminal is EK502 bound for Mumbai. All Emirates check-in counters at the new terminal will be come operational from 10 am on Friday.

From Airport Road, access to the new terminal is to the right towards the DDF warehouse and then to the left on the upper level. The Dubai Municipality will position clear road signs to direct traffic.

The driveway in front of the terminal building is strictly a no-parking area. Passengers are requested to drop off passengers and proceed down the ramp towards the existing parking lots on the lower level.

With Emirates' relocation, the Department of Civil Aviation has taken the first step towards the completion of the new Departure Terminal.

By September, all other airlines will have moved into this new facility which will offer 213 high-tech passenger processing check-in desks.

## Bourses respond to Beximco directors' removal

# Stock market showing signs of maturity, say analysts

By M Shamsur Rahman

After years of depression, the crisis-ridden stock market of the country is showing signs of maturity by responding to price-sensitive information, say analysts.

The price index of the premier bourse declined by 2.09 per cent to 485.24 points from the previous day's closing of 495.63 points.

Analysts attributed the fall to the decline of Beximco shares, which contribute almost 20 per cent of the present market capitalisation.

After six days of continuous rise, the bourses yesterday witnessed panic-sales as news reached the market that four Beximco directors had lost their seats from the boards of two commercial banks.

The investors began selling their shares fearing that the directors might withdraw funds from these companies to repay their bank loans to retain di-

rectorships. The investors fear that the companies may suffer, a securities market analyst said.

He said that the market reaction reflects the investors' maturity and cited the example of Ashraf Textiles, which shed 7.14 points after it declared a zero dividend.

Such maturity was a promising sign for the market, which would result in transactions of only good scrips, he said.

The analyst also said that investors were looking forward to a better market in the future following a number of interventions by the regulators.

He said that the investors are also responding to two major changes in the settlement and securities regulations, which they hoped would prevent further market manipulations.

Besides, formation of committees to probe JH Chemicals and Rupun Oil stocks

scams has also added to the market confidence," the analyst said.

Another market analyst said that once the confidence of the investors returned, the market would start reacting like any other market in the world. "The market lacks confidence and there is no fund crisis as reflected in the case of IPO offering by Rangpur Foundry Limited, which was oversubscribed by almost 12 times.

Against an offer for Tk 20 crore, the company received Tk 25 crore, reflecting the investors' confidence in the primary market, he pointed out.

He, however, said that in cases of such over-subscription, laws should be made to release the excess funds quickly back to the investors so that these can come to the secondary market.

Currently it takes at least 40 days for the excess fund to return to the investors.

## BCI roundtable observes

# Globalisation to prove ruinous for Bangladesh economy

Experts, financial analysts, business leaders, diplomats, officials and editors at a roundtable on globalisation have opined that "red-carpet reception to the 'globalisation process' initiated by the WTO (World Trade Organisation) would be disastrous for the growth of Bangladesh economy," reports BSS.

The roundtable conference titled "Globalization": Meeting challenges of the new millennium, was organised by Bangladesh Chamber of Industries (BCI) at Hotel Purbani International in the city yesterday.

Former Finance Minister M. Saifur Rahman, BCI President Sahrif M. Alzal Hossain, Editor

of Ajker Kagoj Kazi Shahed Ahmed, Associate Editor of Daily Star Shah Hussain Iman, Consultant of Bangladesh Accumulator and Battery Manufacturer's Association (BABMA) Dr. M. Joarder, President of Bangladesh Federation of Chambers of Commerce and Industry Abdul Awal Mintoo, Consultant of World Bank Dr. Monwar Hossain, Dhaka University Professor Dr. M. A. Mannan, Country Director of the World Bank office in Dhaka Frederick T. Temple, Resident Representative of IMF in Dhaka Ronald P. Hicks, Governor of Bangladesh Bank Dr. Mohammad Farasuddin, Chairman of Bangladesh Tariff Commission Dr. Mohammad

Osman Ali, Chairman of Securities and Exchange Commission M A Syed, Additional Secretary of the Ministry of Commerce Mohammad Fazul Huq, Director of United States Information Service (USIS) John Kincannon, Deputy High Commissioner of British High Commission in Bangladesh Stephen Turner and Minister of the Japanese Embassy in Dhaka Shigeharu Maruyama, among others, participated in the discussion.

Saifur Rahman in his speech said "I must confess that I was one of the serious exponents of globalisation when I was part of policy-making body in Bangladesh."

Rahman said many globali-

sation policies would bring hardships for the marginal people in the lagging (least developed) countries.

"I am not against liberalisation of the trade regime in Bangladesh," the Former Finance Minister said adding "you should not take it at ideological level rather you should visualise the economic consequences."

He said that before giving green signals to all aspects of globalisation we have to fulfil basic qualifying factors including maintenance of international accounting and auditing standards, functioning of parliamentary democracy, transparent and good governance, sound and solid banking system, corruption free society along with streamlined and stable capital markets.

Rahman said Bangladesh could narrowly escape the financial doom that affected many Asian countries including the Philippines, Thailand, Indonesia, Malaysia and South Korea because all successive Bangladesh governments restricted capital account convertibility.

He said now-a-days Russian economy is sinking so is the case with Brazil. We have to be prudent and follow the path of 'responsible globalisation' which protects our national interest, he added.

Governor of Bangladesh Bank (BB) Dr. Mohammad Farasuddin said globalisation is an irreversible process.

## Rapport seminar on managing change held

A day-long seminar on Managing Change was held on Saturday at Dhaka Sheraton Hotel, says a press release.

Organised by Rapport Bangladesh Limited, the seminar was conducted by an eminent management expert and Professor of Strategic and International Management of the Indian Institute of Management, Calcutta Dr Ranjan Das.

Thirty top and senior managers including a number of managing directors from Pragati Insurance Limited, Tania Overseas Ltd, Delta Life Insurance Co Ltd, Nitol Group, Haque Group of Industries Limited, Glaxo Wellcome Bangladesh Ltd, Evince Computerized Labels Ltd, Energypac Ltd, Beximco Textiles Ltd, IDLC, Karnaphuli Insurance Co Ltd, National Tubal Limited, UCEP Bangladesh, Biman Bangladesh Airlines, Islami Bank Bangladesh Limited, Green Delta Insurance Co Ltd, The City Bank Limited, IFIC Bank, Social Marketing Company, CARE-Bangladesh, Piyal International Ltd, Enem-Omni Co Ltd and BASIC Bank participated in the seminar.



Japanese businessmen pass under the French and Japanese national flags hoisted in front of the headquarters of Japanese automaker Nissan Motor Co. in Tokyo yesterday. French automaker Renault SA has taken 35 percent of stake in the troubled Nissan in March to create the world's fourth largest automaker group. — AFP photo

# NZ sees avenues for joint ventures in Bangladesh

Peter Healy, Trade Commissioner of New Zealand based in New Delhi, has favoured joint venture business between his country and Bangladesh to their mutual benefit in all probable areas, reports BSS.

"There are many common areas where both Bangladeshis and New Zealanders can undertake joint venture trade to benefit both sides," he said, while exchanging views on "areas of opportunities between Bangladesh and New Zealand" with local businessmen.

The FBCCI president Abdul Awal Mintoo was in the chair while his executive committee members, President of DCCI and other leading businessmen took part in the exchange of views held at the FBCCI Bhaban in the city yesterday.

Earlier, the FBCCI Vice-president MA Munim introduced Peter to the businessmen present on the occasion.

Peter in his presentation pinpointed some potential areas including telecom, timber, Kiwi fruits, energy, processed food, leather and education and said entrepreneurs from Bangladesh could find beneficial prospects in these fields for both the countries.

Referring to the trade imbalance between the two countries, he said he was personally interested to promote trade with Bangladesh and would ask his compatriot businessmen to help reduce the trade gap with Dhaka through increased imports from here.

Trade figures between the two countries speak of a sharp

imbalance with Bangladesh exports to New Zealand at \$2.49 million and New Zealand exports to Bangladesh at \$9.22 million in 1997-98. The FBCCI sources said quoting Export Promotion Bureau, Bangladesh Bank and World Bank.

The Bangladesh traders and businessmen during the session urged Peter Healy to help increase exports of jute and jute goods, garments and other primary products from Bangladesh to his country.

They said increase in exports from Bangladesh to New Zealand would greatly help reduce the current trade imbalance, thus opening up wider avenues for more business between the two friendly countries in future.

## Govt to buy foodgrains at higher prices

The government has taken up a programme to procure three lakh tonnes of rice, 1.5 lakh tonnes of paddy and two lakh tonnes of wheat internally during the current season.

An official source told BSS yesterday that the procured stock would be used during emergency period and to ensure food at fair price.

The official said the government has increased the procurement price of rice to Tk 13 per kg last year while the procurement price of paddy would be increased to Taka 8.25 from Tk 7.55 last year.

It is expected that following

the increase of procurement price the farmers would be interested to sell their products to the government godowns which will in turn keep the prices of foodgrain stable.

A team of local representatives including members of parliament would be formed to oversee that the middlemen are not allowed to corrupt the system of procurement and deprive the farmers of the benefit from the drive.

The government hopes that there would be no food deficit with the expected production of 1.15 crore tonnes of foodgrains this year.

## BCSIR scientists produce bone ash for ceramic products

A team of scientists of BCSIR laboratories here were successful in producing international standard bone ash used in producing high quality ceramic products, reports BSS.

The scientists of the Institute of Glass and Ceramic Research and Training (IGCRT) under BCSIR produced the high quality bone ash from locally available cattle bone.

Bone ash is used as the main raw material for producing bone China. It provides translucency, better surface finishing and brilliant texture of the products.

A recently established ceramic industry plans to produce seven tons of bone China.

# Money trading gets concentrated among a few big players

BASLE (Switzerland), May 10: Trading in the world's most liquid commodity — money — is increasingly becoming concentrated among a few big players in a handful of financial centres, the Bank for International Settlements (BIS) said, reports Reuters.

In a study published today, the BIS shed some light on a business in which global daily volume was a staggering \$ 1.5 trillion, based on latest estimates from April 1998.

That figure was up from \$ 1.19 trillion when the previous survey was done in April 1995.

The latest figures from the BIS provided a closer look at the details of the world's global foreign exchange market.

The dollar remained the most actively traded currency in the survey, which covered 43 countries and also included the Euro, the forerunner to the single European currency, the euro.

Trades involving the dollar accounted for seven out of 10 transactions.

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The combined share of the foreign exchange business of London's top 10 dealers rose to 50 per cent from 44 per cent in the period surveyed. In France, the top 10 had an even greater share, amounting to 80 per cent.

As a centre, London asserted its dominance not only for trade in dollars, but also in German marks.

The BIS said a total of 32 per cent of dollar trades were done in Britain, as opposed to 18 per cent in the United States. Britain also accounted for 34 per cent of the volume in mark

trading, compared with just 10 per cent done in Germany.

In the study, conducted before the euro was launched, the mark accounted for nearly one-third of all currency trades.

However, the mark still figured strongly in trade in Eastern European countries like Poland, Hungary and the Czech Republic.

The dollar ruled in other emerging markets, although business in such markets fell in the wake of crises touched off by the devaluation of Thailand's baht in July 1997.

The Japanese yen was the

third-most traded currency, 0

In terms of the types of trades done in the foreign exchange markets, "spot" deals — exchanges of two currencies which are completed in two business days — fell to 40 per cent of all transactions from 59 per cent 10 years ago.

Trading volume in such spot trades increased in absolute terms to \$600 billion in a daily basis in April 1998, from \$520 billion in April 1995. But this amount was overshadowed by a huge jump in trades in currencies done for a longer time period called "forwards".

but include a provision for the transaction to be unwound.

The BIS said the average size of spot and forward transactions has remained fairly constant at \$4 million. But the average size of foreign exchange swaps has jumped to \$31 million from about \$15 million.

Those familiar with foreign exchange markets say swaps are a cheap way to move large volumes of currencies.

These in turn may be a reflection of a growing volume of speculative trades in the period surveyed.