

Sweden provides
Bangladesh with
100 generators

The Swedish government has decided to grant a concessionary credit to Bangladesh, says a press release.

The credit which is a combination of grant and a commercial credit will be used to supply Dhaka WASA with 100 stationary 150 KVA diesel pentastat generators from Volvo Penta to be located at an equal number of tube-well pumping stations in Dhaka.

These generators would allow DWASA to operate the wells in periods of loadshedding or when otherwise power would not be available from the grid. The total contract value will be approximately SEK 19.6 million and the project also includes a spare parts package.

The Swedish government hopes that by granting the concessionary credit some of the burden caused by the current problems with loadshedding will be remedied.

Tk 2.5b projects
get registered
with BOI in Apr

A total of 78 new industrial project proposals worth Tk 2.5 billion were registered with the Board of Investment (BOI) during April 1999, said a BOI release here yesterday, reports BSS.

The release said it would help create employment of 11,109 persons.

During the same month, a total of 11 industrial project proposals were registered with the BOI with an outlay of taka 450 million and employment opportunities for 713 persons, the release added.

A total of 1,302 local industrial project proposals were registered with the BOI during July, 1998 to April 1999 period with an outlay of about Tk 44.36 billion and job for 1,75,074 persons, the release said.

During the same period, a total of 129 foreign proposals were registered with the BOI with an investment target of Tk 87.81 billion and jobs for 35,587 persons, it added.

A total of 72 foreigners of 49 industrial enterprises got work permit during April while the tenure of the work permit of 83 foreigners of 58 enterprises were extended during the same period, it said.

The BOI release said, work permits were issued in favour of 640 foreign citizens during the first ten months of the current fiscal 1998-99 while the work permit of 564 were extended during the same period.

During the current fiscal a total of 38 enterprises got approval for remitting Tk 366.68 million as royalty, technical assistance fees, technical know-how and consultancy fees, it added.

Kuwait Airways
sponsors travel
agents' trip

A team of 12 officials from different travel and cargo agencies of Bangladesh visited Kuwait recently.

The visit was arranged by Kuwait Airways under its familiarisation tour-1999.

The Sales Manager of the Airways, Kabirul Anam Khan, led the team, says a press release.

On way to Kuwait, they set up a new milestone in giving award to top agents at a 31000 ft altitude.

Probably this is the first ever award-giving ceremony on board in the aviation industry of Bangladesh.

The award-giving ceremony started by cutting a cake and distribution of certificates. The team stayed in Kuwait for two days and visited different important places there.

Indian Airlines
to raise funds
from capital
market

NEW DELHI, May 11: As a first step toward privatisation, the government Monday allowed the state-owned domestic carrier to raise funds from the capital market, says AP.

The Cabinet Committee on Economic Affairs also approved a government investment of rupees 3.25 billion (\$76.4 million) to help the Indian Airlines buy new aircraft.

Last year, the government announced it will sell 51 per cent shares of the domestic airlines. The Indian Airlines, with a reputation of poor service and delayed flights, is losing business to private airlines since the government ended its aviation monopoly in 1992.

"The company's present share capital of rupees 1,05 billion (\$24 million) is too slender for an aviation company of the size of the Indian Airlines," the government said in a press statement.

Injection of the substantial public equity would have to be balanced by a similar injection from the government. This would bolster public confidence which is very crucial for retaining its market share," the statement said.

New era of scripless trading from next year

Share market gets central depository

Star Business Report

For the first time in Bangladesh, a central depository company has been formed with the participation of 11 sponsors from banks, insurance companies, listed firms and the two bourses.

The sponsors of the company in their first meeting yesterday named the proposed depository as Bangladesh National Securities Depository Ltd (BNSDL) and elected CSE President Amir Khosru Mahmud Chowdhury chairman.

Briefing a group of newsmen after the first board meeting, Khosru said that BNSDL would be a non-profit organisation with an authorised capital of Taka 50 crore. The paid-up capital of the company has been fixed at Tk 25 crore, divided into 100 shares worth Tk 25 lakh each.

He said that the proposed depository would be a public limited company 'by guarantee' and its paid-up capital would be sufficient to go into operation.

Khosru also said that the depository would go into operation from the new millennium. The first phase of forming the company is complete. Now, we will rent an office and recruit manpower. The depository will be a non-profit organisation.

The depository will pave the way for scripless trading by providing on-line clearing and settlement services to the stock exchanges. He, however, did not disclose the amount required to procure hardware and software.

The depository will eliminate the necessity of maintaining full-fledged share divisions by the listed companies through facilitating share registration services. It would also ensure safe-keeping of valuable share certificates on behalf of the local and foreign investors.

It will reduce expenses and risks as there will not be any physical transfer of shares. This will rule out the existence of fake shares," Khosru said. The bourses will send all

transactions to the depository which will record the transfers and the shares will automatically change accounts. The shareholders will not have to go to the companies to transfer their shares. A fee will be charged for every transaction.

The depository company sponsors are: Chittagong Stock Exchange (CSE), the Dhaka Stock Exchange (DSE), Sonali Bank, Janata Bank, Agrani Bank, Rupali Bank, Investment Corporation of Bangladesh

(ICB), Bankers Association of Bangladesh, foreign banks, Bangladesh Listed Companies Association and Insurance Association of Bangladesh.

The CEO's of the Nationalised Commercial Banks (NCBs) will represent the banks in the board and the foreign banks will be represented by the president of Foreign Investors Chamber of Commerce and Industry (FICCI). Others will be represented by their presidents or chairmen.



A model presents the DMS-1, a mini car designed by South Korea's Daewoo Motor Co., at '99 Seoul Motor Show yesterday. The 3.5-meter-long car with a 796cc engine boasts a powerful external image which appeals to young people. — AFP photo

Four global trade powers start 2-day meet
Japan for China's WTO entry
despite Kosovo crisis

TOKYO, May 11: Japan vowed today to press for China's quick admission to the World Trade Organisation despite the row over NATO's bombing of the Chinese embassy in Belgrade, says AFP.

Trade ministers from the United States, the European Union, Japan and Canada began a two-day meeting here amid fears that the bombing dispute could delay the WTO negotiations.

"Politically, the NATO air strike accident and our efforts to expand world trade may be linked," Japanese International Trade and Industry Minister Kaoru Yosano told a news conference.

"But we have to negotiate China's entry into WTO separately from the erroneous attack,"

China is holding talks with key WTO members to gain admission to the global trade body.

But the United States said Monday it had postponed all official visits to China as fierce anti-US protests swept through the country after the NATO bombing accident.

"China's share in the world economy is growing. It is important for Japan to take the lead in realising China's entry into WTO," said Yosano, who is meeting here with European Commission vice president Leon Brittan, US Trade Representative Charlene Barshefsky and Canadian Trade Minister Sergio Marchi.

"We want to hold talks with the other three on various issues blocking China's entry," Yosano said.

Akitaka Saiki, deputy press secretary to Japanese Prime Minister Keizo Obuchi, underlined Tokyo's hopes that the Kosovo dispute will not hurt the WTO accession negotiations.

"We would like to welcome China to become a WTO member at the earliest opportunity," he said.

Japan had completed its own talks on merchandise trade with China but had some way to go in discussions on services trade, Saiki said.

"If we can overcome the gap existing between China and Japan on the trade in services area then I think we can comfortably tell the WTO that our bilateral negotiations have been completed," he said.

Japanese banks
to cut prime
lending rate

TOKYO, May 11: Leading Japanese banks said Monday that they will lower the long-term prime lending rate, the rate for loans of a year or more to the best corporate clients, to a record-low 1.9 per cent from 2.3 per cent, says AP.

The long-term prime rate is a benchmark for other bank loans. Lower rates on everything from home mortgages to automobile and small business loans could follow the cut.

The Industrial Bank of Japan and the Nippon Credit Bank Ltd. said they would lower the rate beginning on Tuesday. The cut brings the long-term prime rate below 2 per cent for the first time. The previous record low was 2.2 per cent.

Rates on Japanese bank loans and government bonds have fallen dramatically in recent years as the nation struggles to recover from its deepest-ever postwar recession.

EU to change banana
import policy

BERLIN, May 11: The European Union will make what changes it thinks necessary to bring its banana import policy into line with world trade rules if it cannot agree changes with its trading partners, EU Trade Commissioner Sir Leon Brittan said yesterday, reports Reuters.

The EU said last month it would not appeal against a World Trade Organisation (WTO) ruling against its banana import policies but would talk about reforms with its trading partners, including the United States which has long fought the EU policy.

The United States won WTO approval last month to slap sanctions on \$191 million of goods from the EU to make up for its loss of banana trade.

"We are engaging in conversations with our American partners, with ACP (African, Caribbean and Pacific) coun-

tries, with Latin American countries, with all other interested parties, to see if we can find a solution in terms of changes to the EU regime which will be acceptable to our partners and which meet the requirements of the WTO decision," Brittan told a news conference during an EU trade ministers' meeting here.

He said he hoped the EU could reach a solution which was acceptable to its trading partners. If so, it would send proposals for reforming the banana policy to EU governments by the end of this month.

"If we are not able to reach agreement, we will devise ourselves changes to the regime which will come up with a proposal which we think does meet the rules as now interpreted by the WTO," he said.

After a previous WTO defeat, the EU introduced changes to its banana import policies.

ANZ on verge
of selling off
ME operations

DUBAI, May 11: The Australia and New Zealand Banking Group Ltd is on the verge of selling off its Middle East operations, signalling the end of the oldest foreign banking presence in the region, banking sources said Monday, reports AP.

The proposal is currently before the ANZ board, said a Dubai-based banker, speaking on condition of anonymity.

ANZ currently operates branches in three Middle East countries. Its largest operation is in Jordan, where it has 14 branches, while there are three in the UAE and one in Qatar, reports AP.

It also has a branch in the Palestinian self-ruled area of the West Bank, and a stake in Grindlays Bahrain Bank, as well as operating an offshore banking unit in Bahrain.

Gary Tunstall, ANZ Grindlays Bank's general manager for the UAE, declined comment.

The move appears to be a sudden one, as the bank recently constructed new regional headquarters in Dubai, and offices in Abu Dhabi, UAE and Doha, Qatar.

"The order has apparently come from the very top level of management which wants to focus on expanding its business in Asia," said the Dubai banker.

Bankers in Bahrain confirmed the move.

"They are moving ahead with the sale, but apparently it won't include their project finance business. That will stay with the offshore unit here," said a senior Bahraini banker, who also asked not to be named.

The Melbourne-based bank began cutting costs in the rented in 43 countries, predominantly in Asia, and has total assets of 135 billion Australian dollars (\$90.5 billion).

Volkswagen
reports
higher sales

WOLFSBURG, Germany, May 11: Europe's largest automaker Volkswagen AG reported Monday a 10 per cent increase in worldwide group deliveries to customers in April, powered by strong sales in Europe and North America, says AP.

For the first four months of the year, deliveries were up 9.8 per cent worldwide to 1.63 million units, it said.

The group said worldwide deliveries reached a record level in April, rising to 450,000 vehicles from 409,000 units in the year-earlier period.

In western Europe, April deliveries to customers rose 16 per cent to 291,000 units, increasing VW's market share in the region to almost 20 per cent, up from 18.5 per cent in the year-earlier period.

Almost every fifth newly registered car in western Europe comes from the VW group. VW Board Member Robert Blomch, who is in charge of sales and marketing, said in a statement.

In North America, VW delivered 16 per cent more vehicles to its customers in April, bringing deliveries up to 45,000 units, VW said.

Deliveries in the Asia-Pacific region in April remained "practically unchanged on the year at 47,000, the group said.

In the regions of South America and Africa, VW's deliveries dropped an annual 11 per cent to 46,100 units.

Thailand to focus
on 3 new sectors

BANGKOK, May 11: The Thai government has identified three new sectors to focus on in its efforts to revive the economy, after two years concentrating on the ailing financial industry, a spokesman said Monday, reports AP.

The government plans to invest more resources in the real estate sector, key agricultural crops, and productivity in the farming and industrial sectors, Akapol Sorasuchart said at a news conference after a meeting of Cabinet ministers holding economic portfolios.

Akapol said the Agriculture Ministry is to submit a plan on boosting key farm crops later this month.

The Agriculture and Industry ministries are working on plans for improving competitiveness, and the Cabinet is expected to consider them in June, he said.

He said the Finance and Interior ministries are working on reviving the slump in the real estate sector, but the government has not yet set a timeframe for the plan.

Akapol said Monday's meeting of economic ministers reviewed measures taken in the first four months of the year, and decided it should now concentrate more on non-financial sectors.

Since Thailand plunged into an economic crisis after the currency was allowed to float in July 1997, the government has initiated a series of comprehensive plans to restructure domestic financial institutions, including the nationalisation of six commercial banks.

In 1997 alone, the government spent about 1 trillion baht (27 billion) to shore up finance companies, which are non-bank lenders.

SATour to launch int'l campaign to market South Africa

From M Anwarul Haq

Durban, May 11: As thousands of international delegates, tour and hotel operators crowd the pavilions of INDABA in the harbour city of South Africa, the South African Tourism Authority (SATour) announced Monday its plans to launch a major international campaign to market South Africa as the most preferred destination in Africa.

The three-phase promotional campaign has set a short-term target for the current year, a three-year medium-term goal for 2000 to 2002 and has set its long-term horizon for the year 2003 and beyond. Besides, the on-going current phase, the main campaign which is to be conducted globally is being readied to be kicked off this November.

According to the projections, South Africa is expected to emerge as among the top 20 tourist destinations by the end 2005.

The main focus of the grand promotion is to attract to South Africa an increasing number of tourists from every part of the world, particularly the existing sources. Once the campaign gets off the ground, the marketing blitz is expected to lead to a 17 per cent aggregate growth in tourist influx into SA. Last year South Africa had over five hundred thousand tourists.

The change of South Africa has changed ever since the first all-race elections in 1994, which

propelled Nelson Mandela and his party to power. Since then, great political transformations have taken place giving this country a new mosaic of unity in diversity. The democratic change has also led to sweeping economic reforms and has unveiled a new face for South Africa, where visitors could experience the richness of old traditions and witness some of the nature's beauty and bounty. The country is preparing for the second all-race democratic elections on June 2. In fact the thrust to focus on South Africa as tourist spot has come after the democratic transformation.

Some 130 million rands would be invested in the marketing bonanza to inform the occasional and regular travellers that South Africa would be an ideal place for eco-tourism. One could see scenic sights, wild life, game reserves, indigenous cultures and have real thrill and adventure. Of the R 130 million, some R 90 million would go into international advertising campaigns while R 40 million on below the line marketing.

Through the upcoming media blitz, potential tourists around the world would become acquainted with the signature campaign theme which describes South Africa as A World in One Country.

The new sales strategy was announced by the SATour Marketing Committee which hos-

ted a media presentation for over 100 foreign journalists from nearly 30 countries at Durban International Conference Centre which is now home to a grand gala tourism extravaganza -- the INDABA -- housing some 800 exhibitors.

INDABA is a word forked out of the Zulu language meaning a meeting or get together. It is providing a platform for tourism and tour operators to exchange information and create business opportunities for the growing international travel trade. Bangladesh is represented by five large travel and tour operators led by Zahid Hussain who looks after South African Airways operations in Dhaka.

Present at the media event were Stewart Lumka, Dale Pretorius, Walter Damman and David Frost of the SATour Marketing Partnership Committee. All these tourism experts unfolded before the international media The SATOUR Vision and Mission.

Although the SA campaign would be conducted globally, it would try to emphasise and tap some of the existing markets like the UK, Germany, France, The Netherlands, Italy as one target group and France, Benelux countries and Italy as another. Promotion to attract tourists would be carried out as far east as Japan, and the sub-continent including Bangla-

desh, India and Sri Lanka besides other countries.

"We feel that we have to work on a cooperative basis not only with private operators and airlines but also with the countries in the region for the mutual benefit of everyone," said David Frost, the special adviser to Dr Pallo Jordan, Minister of Environmental Affairs and Tourism, who inaugurated the four-day INDABA.

There is also going to be increasing alliances and partnerships between private enterprises and the government in matters related to tourism development which would make tourism one of the most important economic activity in SA," explained Dr. Jordan.

In an interview with select journalists, the Chief Executive Officer (CEO) of the South African Tourism Authority (SATour) Stewart Lumka said that Asia was the biggest emerging market. SA Tourist offices would shortly be opened in South Asia, he said.

Stewart said that it was important to cooperate with the private sector to develop tourism anywhere. "We use whatever South African infrastructure is available overseas for the focus on tourism."

From South Africa's thrust on tourism as a major revenue earner of foreign exchange, it is evident that Bangladesh too could market its destination as an unique scenic spot of natural

beauty and as the legendary land of the Royal Bengal Tiger. Many past visitors to Bangladesh attending the INDABA told this correspondent. Besides it could utilise the country's national flag carrier Biman and its overseas missions to promote tourism in tandem with the Bangladesh Parjatan Corporation, many visitors feel.

V Lochan, Area Manager of South African Airways for India, Pakistan, Sri Lanka and Bangladesh said that there was a growing tourist traffic to South Africa in recent times. He said that if Bangladesh Biman could operate more flights to Mumbai, from where South African Airways operate to Johannesburg, Bangladesh tour operators could attract a segment of the tourists to South Africa. Currently, Biman operates two weekly flights to Dubai via Mumbai.

The new South Asian tourism strategy takes into consideration several essential aspects: South African infrastructure handles increased volumes, airlines have enough capacity of increased volume and the tourism industry improves its skills further and the SA infrastructure remains good.

Advertisement action plans by the SA will be launched according to a market study in the US, Europe and other areas of the world. The target market

is aimed at those who traveled on long-haul holiday last year, high earners and those belonging to the age group of 30 to 65.

The strategy also aims at creating an economic upturn for this country from larger volume of visitor arrivals and generating more job opportunities.

While tourism operates in a highly competitive environment, the SA strategy would be to make it easily apparent to potential tourists that while Australia may present a freer-spirited atmosphere and open spaces, the Caribbean the sea and the sun, the US diversity and Asia exotic food are shopping, South Africa, sandwiched between the Indian and Atlantic oceans is located in a natural setting of game reserves, unspoiled beaches, mountains, wildlife, and is a melting pot of people and cultures. That it has truly unique and diverse offerings. As a tourist destination, South Africa besides its natural habitat, is a place which has a pleasant climate and is sunny round the year.

South Africa would definitely give a diversified experience. No wonder, anyone after travelling any part of this 1.2 million square kilometer country would readily agree with its tourism campaign theme, that South Africa is indeed -- A World in One Country.