

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 a grant and a commercial credit will be used to supply Dhaka WASA with 100 stationary 150 KVA diesel stand-by 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 17,074 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 3100 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 (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 30 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.

"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 of the Nationalised Commercial Banks (NCB's) 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.

**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.

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 Buechelhofer, 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 34,700, 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.

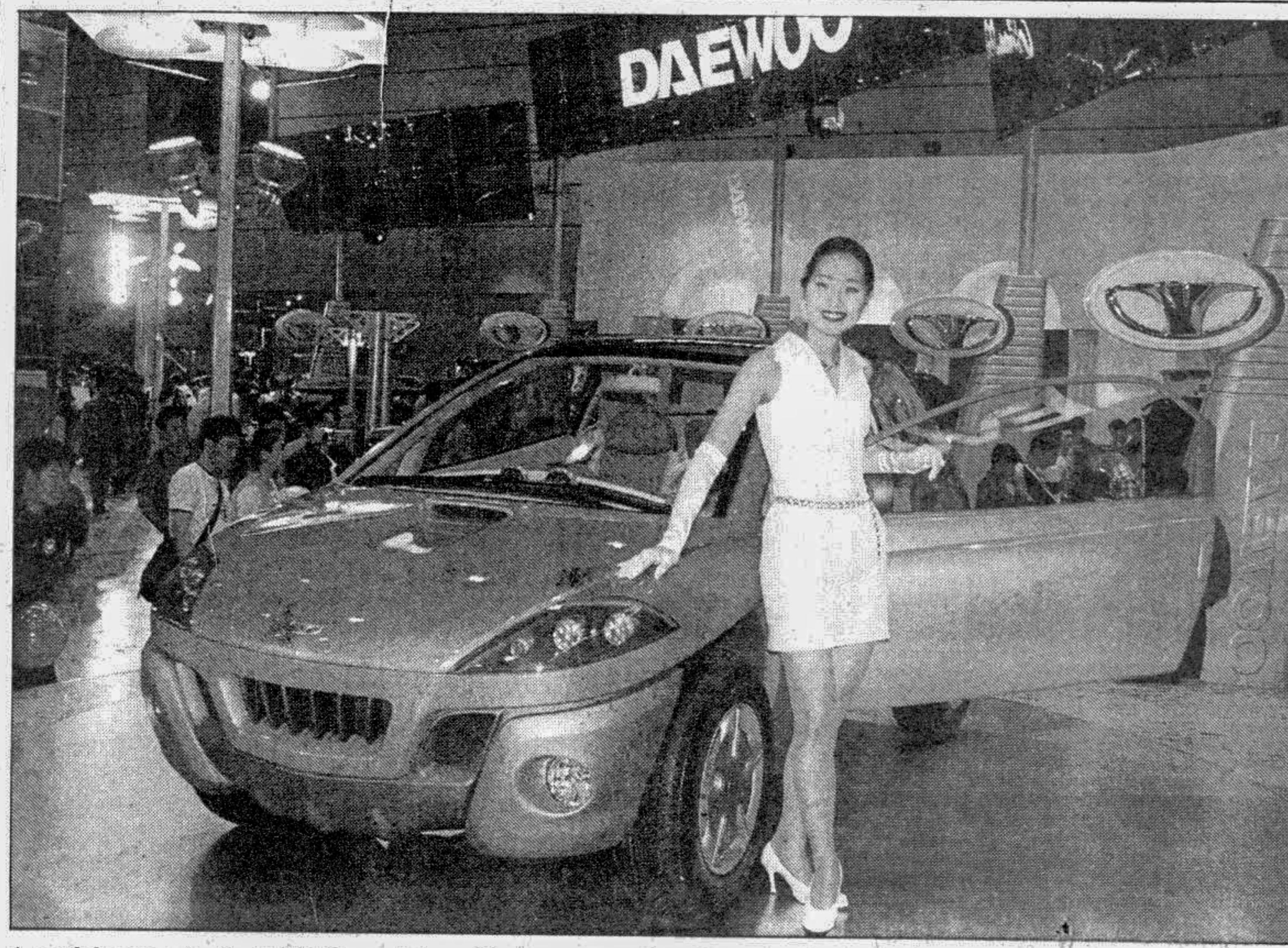
The Agriculture and Industry ministries are working on plans for improving competitiveness, and the Cabinet is expected to consider them in June, he said.

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 time-frame for those plans.

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 financial companies which are non-bank lenders.



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 at-

tack."

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.

"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 our own 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.

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 free-spirited atmosphere and open spaces, the Caribbean, the sea and the sun, the US' diversity and Asia's exotic food and 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.

From M Anwarul Haq

Durban, May 11: As thousands of international delegates, tour and hotel operators crowd the pavilions of INDABA 99, here in the harbour city of South Africa, the South Asian 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 on the year