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DHAKA, SATURDAY, MAY 15, 1999

5,000 tonnes may be drawn out everyday

Extraction at Madhyapara hard rock mine to begin in 2001

Full-fledged production at Madhyapara Hard Rock Mine, the first of its kind in the country, will begin in the year 2001, reports BSS.

A member of the Korean expert team at the mine site told the agency that construction of the underground phase and skip shafts was now progressing fast.

Describing the method of mining work as 'clinical and conventional', the expert said that the work on 11,200 meters

of 6000 meters underground road and railway track had already been completed.

About 5000 tonnes of rock could be extracted from the mine everyday after completion of the project, the expert said.

He said that the per ton rock production cost would be Tk 374 against the present market price of Tk 1200 per ton.

The country would be able to save around Tk 148 crore in foreign currency annually

when the mine goes into full-fledged production, the sources said.

Experts said that the rocks found in the mine were of different colours blue, black and yellow.

The rock could be used in flood control, coastal and town protection embankment and in construction of bridges, highways and high-rise buildings, the experts said.

The rocks found in the tunnel

of the mine have already been used in the construction of Bangabandhu Jamuna Bridge.

The Canada based consultative firm NSC carried out a feasibility survey in 1976-77 following the discovery of the mine by Geological Survey of Bangladesh in 1974.

The implementation of the project began in 1995 at an estimated cost of Tk 894.90 crore including foreign assistance from North Korea.

ORGANISED BY: NICC LTD.



Science and Technology Minister Noor Uddin Khan (C) speaks at an ABB Installation Materials seminar organised by National Industries and Construction Co (NICC) Ltd in the city yesterday. Prof Jamilur Reza Chowdhury (2nd-L) of BUET, Asia-Pacific Area Manager of ABB Installation Materials (East Asia) Pvt Ltd-Singapore CG Lee (R), former Secretary S M Al-Husainy and Chairman of NICC A Z M Ali Akbar Khan are also seen. — Star photo

ADB appraises CHT affairs minister of development schemes

A delegation of the Asian Development Bank on Thursday appraised the CHT Affairs Minister Kalparanjan Chakma of an integrated development plan it is taking for the region, reports UNB.

The three-member delegation, led by ADB Resident Representative Phiphit Suphaphiphat, called on the minister at his office and discussed the CHT-post peace deal scenario.

They congratulated the Parbatya Chattagram Jana Samhati Samiti chief Jyotindra Bodhipriya Larma alias Santu Larma on his becoming Chairman of the interim CHT Regional Council.

"Now all development activities in the Hill Tracts will get a momentum," said the ADB delegation.

International donors, including ADB and EC, have pledged funds for massive development of the area on implementation of the CHT peace agreement signed by the government with the tribal leaders to end over two decades of insurgencies.

Tk 315cr KNM modernisation projects soon, says Tofail

KHULNA, May 14: Two schemes worth Tk 315 crore will be taken soon for modernisation of the Khulna Newsprint Mills to produce world-class newsprint. Commerce and Industries Minister Tofail Ahmed announced here on Thursday, reports UNB.

He told a labour gathering that one project at Tk 15 crore would be taken for enabling the KNM to produce quality newsprint.

Another project costing some Tk 300 crore with the assistance of ADB will be implemented for complete overhauling of the country's lone newsprint industry.

On implementation of the projects, production of the mill will almost double to 90,000 MT from its present capacity of 48,000 tonnes.

"The government will do everything possible for the survival of the mill," the Commerce and Industries Minister assured the workers.

"The government does not want to impose any restrictions on the state-owned mills and factories," he said.

Tofail accused BNP of pushing the country's mills and industries onto the verge of collapse by their indecision and wrong decisions.

"Khulna Newsprint Mill is its glaring example. To serve political purposes the then ruling BNP sent KNM into a dying state by issuing partymen permits for tax-free import of newsprint."

If forced the management to sell newsprint for Tk 19,000 per ton against market price of Tk 39,000, turning the KNM into a losing concern, he said addressing the mass gathering of labourers of KNM and Khulna Hardboard Mills (KHB) in the KNM premises.

State Minister for Disaster Management and Relief Talukder Abdul Khaleq and Kazi Sekander Ali MP also spoke as special guests at the rally presided over by BCIC

Chairman Anwarul Haq, Awami League leader SMA Rab, Managing Directors of KNM Abdul Baten Khan and Khulna Hard Board Mills SM Shahidullah, president of the newsprint mills employees union Rafiqul Islam and secretary of the union Mosahed Alam and Hardboard Mills CBA president Abdul Hannan also spoke among others.

The Minister said reducing taxes in the name of globalisation and liberalisation the BNP government had done a great harm to the industries sector.

But, said Tofail, the present government has taken initiatives for the development and expansion of domestic industries by adopting the policy of negotiations with different countries and international forums, including neighboring India.

Besides, the government is interested to protect mills and industries by removing tax and tariff anomalies.

Indian software exports surge 84 per cent

NEW DELHI, May 14: India's software exports in 1998-99 registered an 84 per cent growth, surpassing the three billion US dollar mark, reports Xinhua.

"The sharp increase in India's exports of software and services last year was mainly attributed to the 2000 opportunity and through new markets the world over, said Director of Electronics and Software Export Promotion Council RH Naqvi today.

The growth was 66 per cent in US dollar terms with total exports reaching 3.01 billion US dollars as compared with 1.81 billion US dollars in 1997-98, he said.

Growth in computer software and services exports could also be attributed to reduction of international telecom and leased line tariff, he said.

The council anticipated an increased challenge to Indian software exporters from their Chinese counterparts as China would emerge as a major player in the world market in another two years, he added.

Latest technology launched to boost output

Bata faces stiff competition from smuggled, local goods

Star Business Report

Bata Shoe Company Bangladesh Ltd, a major multinational footwear manufacturer, is facing stiff competition from smuggled goods and local products.

Smuggled items and products of some local companies are posing threats to Bata footwear said officials of the company, while talking to a group of journalists. The journalists visited two of its factories at Tongi and Dhamrai on Thursday.

To face the challenge, Bata is diversifying its products by introducing modern technologies and setting up new plants with huge investment, an official said.

"We have recently set up a new plant at our Dhamrai factory premises at a cost of around five lakh US dollars. The products of the new plant have already hit the market," said K M S Alam, Export Manager of the company.

"This new plant would be able to provide quality shoes at cheaper rates and help check sales of smuggled goods," he said.

"We would be able to sell shoes at Tk 700 per pair against the price of Tk 1,500 of some smuggled goods of similar quality," he said. Two factories of the company are now producing more than 60 thousand pairs per day. The annual production of the premiere company, stands at 18 million pairs.

Alam, however, said that the business turnover and production of the company faced a decline last year mainly due to the prolonged flood.

"Turnover declined by eight per cent last year over the previous year's figure," he noted. The company earned Tk 187.3 crore last year by selling a total of 17 million pairs of shoes.

Bata also exported 83,000 pairs of shoes last year, which earned the company Tk 1.4 crore, Alam said.

Production manager, A H M Eshanzuzaman, and advertisement manager Giashuddin Ahmed Chowdhury, were also present during the visit.

Bata Shoe Company alone meets around 17 per cent of the country's total footwear requirements.

The company paid Tk 38.2 crore as taxes to the government exchequer last year, which is around 29 per cent of its total earnings.

Filipino central bank lowers its interest rates

MANILA, May 14: In its fourteenth cut this year, the Philippine Central Bank will lower its key overnight interest rates Monday by 0.125 percentage point to encourage banks to resume lending, reports AP.

In a statement Friday, the central bank said its overnight borrowing rate will fall to 10.0 per cent from 10.125 per cent, and the overnight lending rate to 12.0 per cent from 12.125 per cent.

The cut in overnight rates aligns the borrowing rate closer to the bellwether 91-day treasury bill yield.

Overnight rates have declined 3.373 percentage points so far this year, with the central bank gradually loosening its monetary reins to encourage banks to resume lending after their credit policies were tightened following the outbreak of the Asian financial crisis.

Increased bank lending is seen as a must for a recovery in the economy. The country's banks, however, have been badly stung by bad loans as a result of the crisis, and credit conditions remain tight.

The central bank said the further reduction in its overnight rates is "expected to stimulate the resumption of credit growth" and hasten a recovery.

Recent cuts in overnight rates have not been as deep as those made earlier this year, indicating the scope for lower interest rates is narrowing.

At this week's government securities auction, the 91-day treasury bill yield fell to a single-digit level for the first time in more than two years. Banks use the yield to price their own lending rates.

But yields in the secondary market has risen in recent days, with the 91-day treasury bills trading just above 10.0 per cent on fears that an oil-price increase in April will rekindle inflation and put an upward pressure on overall interest rates.



An employee of Japan's Olympus Optical Co. Ltd. shows off its new IC recorder "Digital Voice Recorder V-90" at its headquarters in Tokyo Friday. The new compact IC recorder, which weighs only 45 grams with a battery, can hold about 90 minutes of input in the long playback mode. The firm will put it on the market from 10th June, priced at 16,000 yen (130 US dollars). — AFP photo

Lack of Y2K data

Int'l airlines may avoid African airports

ACCRA, May 14: Many airports in Africa may be shunned by international airlines if they do not provide adequate data on their systems Year 2000 compliance by the end of June, a senior air industry official said yesterday, reports Reuter.

Gabriel Wolde, an International Air Transport Association (IATA) official coordinating Year 2000 projects in Africa, said little information had come in from Africa.

"Apart from Cairo airport, which has been visited and rated among category one, the rest of Africa is categorised into two and three," he told a conference on the millennium bug in Accra.

"For category two and three, we don't have much information to determine their readiness for Year 2000," he said. "What it means is that most airlines cannot fly to such airports on year 2000."

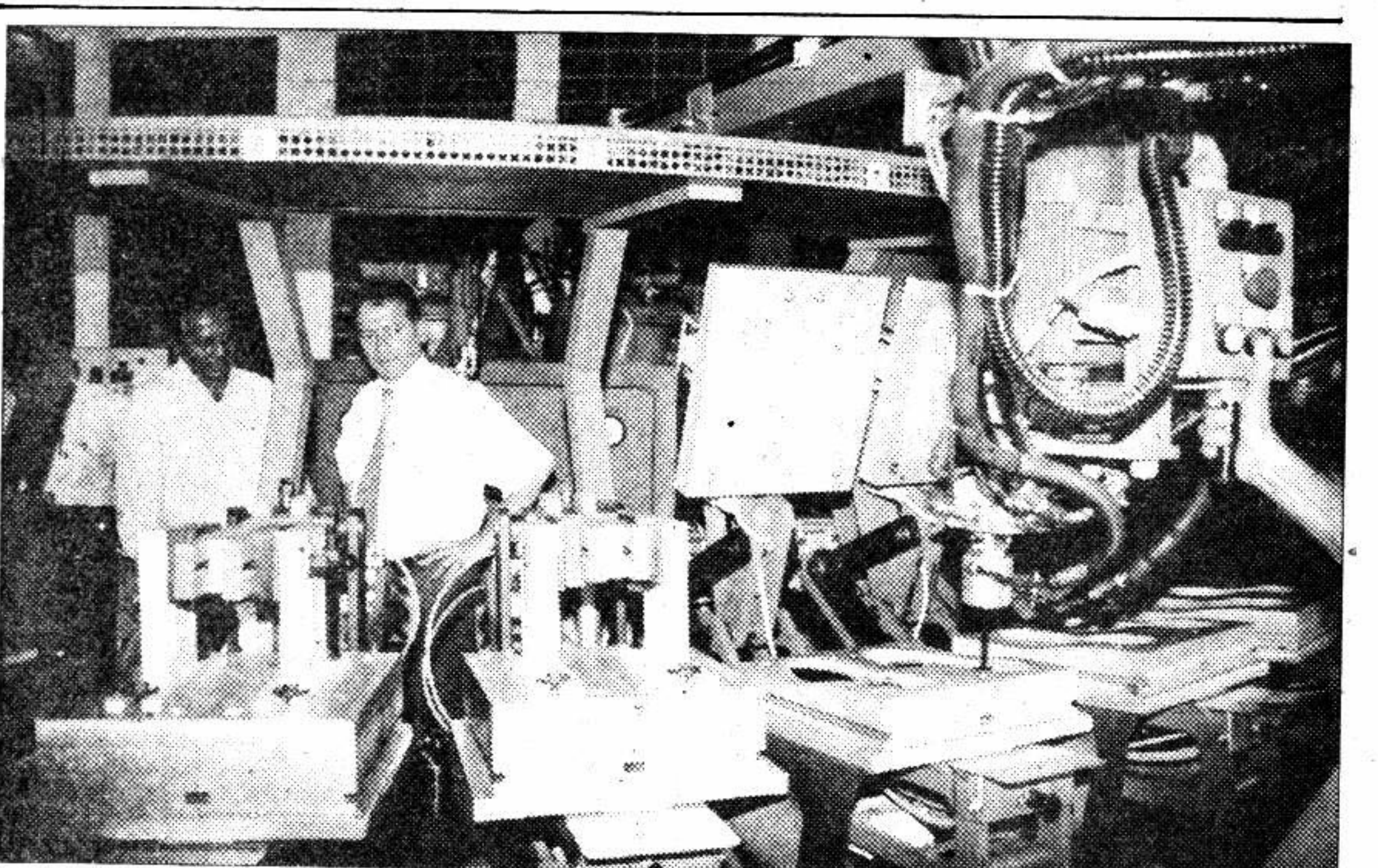
IATA has sent out questionnaires to all member countries on year 2000 compliance, but the response from Africa is "very slow," Wolde said.

The interdependence of airlines, airports and air traffic services made it imperative for the questionnaires to be returned by June.

Wolde noted that some large commercial airlines had decided not to fly on January 1, 2000, but some had rescinded that decision because of the information IATA had gathered on the major international airports around the world.

"We definitely need information on the African airports and we require everyone to understand the importance of the information we are gathering," he said.

The Accra conference is aimed at raising public awareness of the millennium bug problem in Africa and produce an action plan for the continent.



Fernando Garcia, Managing Director of Bata Shoe Company (Bangladesh) Ltd, reviews the efficiency of BG12 Station poly urithine (PU) pouring machine. A H M Eshanzuzaman, General Production Manager, is also seen. — Bata photo

Delay in permission for furnace oil import

Haripur power generation hinges on bureaucratic tangles

When the country is faced with severe power crisis, bureaucratic tangles are delaying the process of the 110mw Haripur barge-mounted power plant, reports UNB.

The NEPC-installed plant was scheduled to go into power generation from May 28. But it would not be able to switch on the plant as bureaucrats caused unnecessary delays in according permission for importing tax-free furnace oil and resolving few other important issues.

Mahmood Mir, Managing Director of NEPC, while explaining the delay said: "A number of items promised to us under the agreement are still not delivered or delayed inordinately due to cumbersome process and bureaucratic tangles."

Talking to reporters, the NEPC Managing Director said that they had applied for permission to import heavy fuel in December, but its was not available until May 5.

It requires at least 40 days to import the oil, which is needed to start the plant. "Our barge is ready and if we get cooperation, we can start operation within a week from the scheduled date," he added.

"We feel that we may not be able to start the plant on time because of foot-dragging by the government officials," he said.

Senior officials of NEPC consortium will come to Dhaka to review the situation and will hold talks with government officials to expedite the process.

The NEPC Dhaka office served a notice of the delay to the government on Wednesday.

"We left no stones unturned. We want to go for early operation. We want to run the plant, but things are not under our control."

Europe looks enviously at US economic miracle

LONDON, May 14: America's phenomenal success in generating strong technology-led growth without inflation is a wake-up call to European politicians. But don't hold your breath for them to replicated the miracle, reports Reuters.

Breiviled by high unemployment and sluggish growth, the finance ministers of France and Germany agreed at the weekend to try to claw back the high-tech lead that is fuelling unprecedented gains in US productivity — the ultimate building block of prosperity.

The US expansion is now in a record-breaking eighth year, yet wage inflation, defying economic theory, has slowed even as unemployment has fallen to the lowest level in three decades.

The best guess, shared by Federal Reserve Chairman

Alan Greenspan, is that accelerating productivity due to heavy investment in technology has temporarily broken the link between labour market conditions and wage gains, prolonging the business cycle beyond its usual sell-by date.

"What's most significant is now long the US growth cycle has lasted," said French Finance Minister Dominique Strauss-Kahn, long an admirer of America's high-tech prowess.

Strauss-Kahn and German Finance Minister Hans Eichel want to channel two billion euros (\$2.15 billion) from the European Investment Bank to innovative firms in the hope of nurturing a new Microsoft.

They will have their work cut out more than an oceans separates America and Europe.

Despite the competitive forces unleashed by globalisation and the new euro single currency, economists say Europe's rigid labour laws, red tape and stifling tax regimes would prevent it recreating America's flexible, entrepreneurial economy — even if voters wanted it.

Thomas Mayer of Goldman Sachs in Frankfurt says Europe needs to twin defensive restructuring, whereby firms shut unprofitable non-core operations, with the promotion of business start-ups if it wants to catch up with America's higher rate of return on capital and superior high-tech product range.

"Our problem in Euroland is that we make it difficult to successfully proceed with defensive restructuring, because we do not allow people who are laid off in the old industries to be reemployed in the new non-traditional sectors. There are too

many rigidities for that to happen," Mayer said.

Steven Englander of investment bank Salomon Smith Barney in London said that to the extent that America's out performance reflects improved technology, the gains should eventually spread around the world. That was what happened after World War Two.

But if US productivity is racing ahead because of flexible labour and product markets, it is more likely to hold its lead until other countries implement corresponding reforms.

"In this sense, smaller euro-area economies, such as Ireland and the Netherlands, that have made progress in establishing market flexibility, could continue to outstrip some of their larger neighbours," Englander wrote in a research note.

David Mackie of JP Morgan also cited the Netherlands as a positive example. As in Spain, reforms there have led to an improved trade-off between growth and inflation. As a result the unemployment rate in both countries has been able to fall further in the 1990s with less pressure on wages — albeit not as impressively as in the United States, he noted.

The picture in Germany, Europe's biggest economy, is far less bright.

Goldman's Mayer said two "mind-boggling" pieces of legislation enacted by the Social Democrat-led government elected last September showed how not to respond to the challenges of rapid economic change.

One law aims to root out the abuse of rules that exempted jobs paying less than 630 marks (\$346) a month from

Sharp rise in IBM share prices

Dow sets new record

NEW YORK, May 14: The Dow Jones Industrial Average set a new record here yesterday, jumping 106.82 points, or 0.97 per cent, to 11,107.19, boosted by a sharp hike in the price of IBM shares, reports AFP.

Shares of IBM stock soared by 20 dollars on analyst recommendations, pushing up the Dow by 93 points, accounting for almost all of Thursday's gains.

The Standard and Poor's 500 index also closed at a new high at 1,367.56, up 3.56 points, or 0.26 per cent.

The Nasdaq composite index was down, shedding 24.53 points, or 0.94 per cent, at 2,582.01.

Some 791 million shares were traded, with 1,797 up, 1,193 down and 562 unchanged.

The average yield on benchmark 30-year Treasury bonds, which moves inversely to price, stood at 5.738 per cent against 5.820 per cent on Wednesday.

Among the most heavily traded issues, IBM soared 20 3/8 dollars to 245 1/2 dollars. IBM chief executive officer Lou Gerstner said Wednesday that the company would reap double-digit growth in 1999.

Hewlett Packard also scored high in trading, finishing at a new record of 87 dollars, up 3 3/4 dollars, earning the Dow a 17-point gain.

Conagra was up 2 9/16 dollars to 27 3/8 dollars. Traders scooped up the stock after the company announced a restructuring plan that would save the company some 600 million dollars.