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# The Daily Star BUSINESS

DHAKA, TUESDAY, JUNE 1, 1999

**Swimming Lessons**  
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## BINA-6 grows 120 maunds per acre

BINA-6, locally-innovated high-yielding variety of paddy, got the highest yield of 120 maunds per acre this year, a press release said here yesterday.

The yield was recorded at different 'display lands' in Sherpur district recently.

The press release said, the seeds of BINA-6 could be preserved and adequate straws from this high bred paddy would be available after more or less than 160 days of its life time.

Scientists and agriculturists have called upon the peasants to grow BINA-6 paddy considering its high yield and other advantages.

## JS body hails steps to end quota forgery

The Parliamentary Standing Committee on the Commerce Ministry has lauded the authorities for taking steps to prevent quota forgery in exporting readymade garments, says APB.

The compliments were made at a meeting presided over by Committee Chairman Rangzud Ahmed Razu at the Sangsad Bhaban on Sunday.

The meeting, attended by Commerce and Industries Minister Tojal Ahmed, discussed about the allocation and distribution of quotas for RMG export by the textile sector of the Export Promotion Bureau.

The meeting was informed that the Commerce Ministry had taken a number of steps to ensure transparency and accountability in distributing RMG quotas for exporting apparel to the United States and Canada.

Under the measures companies found guilty of quota forgery would be black listed and corruption cases would be initiated against them.

Besides, the meeting also reviewed the activities of the TCB and urged the authorities concerned to take appropriate measures to make the institution dynamic and competitive in an environment of free market economy.

Committee members Mir Shakhawat Ali (Daru), Master Mujibur Rahman, Shree Biren Sikder and Sarwar Zaman Nizam attended the meeting.

## StanChart settles largest govt guarantee claim

Standard Chartered Bank has settled the largest ever government guarantee claim favouring Gas Transmission Company Limited (GTCL), a concern of Petro Bangla.

A pay order of Tk 178 million was handed over to GTCL's banker in an informal ceremony attended by GTCL officials, says a press release Sunday.

Sethu Venkateswaran, Chief Executive-Bangladesh of Standard Chartered Bank, while meeting with the senior officials of GTCL said that the bank was committed to the spirit of international payments settlement and attaches the highest importance to local and international regulations.

SAA Masrur, Head of Corporate Banking, and Mamun Rashid, Head of Institutional Banking, were also present in the meeting.

## First board meet of Mercantile Bank held

The first meeting of the Board of Directors of Mercantile Bank Ltd was held at its head office in the city on Saturday, says a press release.

Mr Abdul Jalil, Chairman of the Bank presided over the meeting.

The Board unanimously approved the appointment of Lutful Rahman Sarkar, Ex-Governor of Bangladesh Bank, as Chief Advisor and M Taheruddin as Managing Director of the bank.

The meeting also reviewed the activities relating to the inauguration of the bank on 2nd June 1999.

## Bid to weather drought

Iran to raise rainfall through cloud seeding

TEHRAN, May 31: Facing a serious drought, Iran announced on Saturday to carry out a five-year cloud-seeding project to boost the country's rainfall, reports Xinhua.

Deputy Energy Minister in Charge of Water Resources Rastoul Zaigari told the Islamic Republic News Agency that the project would be implemented in an area of 300 square kilometers.

The official said that the country's average rainfall in the period from October to April has decreased by 38 per cent from the same period last year and by 24 per cent comparing to the average figure in the period over the past 30 years.

# Tk 8,650cr new investment likely in telecom sector by 2001

The government and the private sector are likely to invest around Tk 8,650 crore to install 8,77,500 new phones across the country within the next two years to expand the existing tele-net.

Talking to BSS, Post and Telecommunications Secretary Nazmul Ahsan Chowdhury said the government floated international tenders for 3 lakh phones on Build Own and Operate (BOO) basis in private sector.

The government has also agreed in principle to install 50,000 wireless loop telephone by the private sector and 2 lakh more in collaboration with

BTB and Japanese private sector, the secretary said adding that the total private sector investment would be around Tk 3200 crore.

Referring to the government's investment, Chowdhury said negotiations with China and Japan are going on to install 1,89,000 phones in 58 districts and 2 lakh personal handy system phone in the city respectively.

The rest work of installing 50,000 phones out of the 1.5 lakh phones is going on in Dhaka city, the Secretary said and informed that the government will invest Tk 5450.85

crore for installation of the new phones.

Chowdhury said phenomenal advancement in telecommunications technology and policy level reforms in Bangladesh has minimized the role of government and enhanced the challenges to the private sector.

Referring to the tele-density, Chowdhury said existing tele-density in the country is only 0.24 per 100 population against 78 in India, 64 in Pakistan and 90 in Sri Lanka. It means Bangladesh has only one telephone for 418 people, he added.

According to a report,

Bangladesh invests in telecommunication sector only 90 cents per inhabitant when India, Pakistan and Sri Lanka invest 1.90, 4.40 and 13.10 US dollars respectively.

The low investment is one of the prime reasons for backwardness of telecommunication in Bangladesh, the report added.

Investment for one telephone in Bangladesh costs about 1,300 US dollar and the return on the basis of impact on overall economy is equivalent to 6,000 US dollar, said an analysis of International Telecommunication Union.

## Pledge to maintain transparency, accountability

# Standard Bank Ltd joins business fray June 3

Star Business Report

With a pledge to maintain transparency and accountability, Standard Bank Ltd (SBL), one of the eight private banks that have recently received the central bank's approval to open their shops, will go into operation on June 3.

"We can assure you that the bank would be operated strictly in accordance with the central bank rules and maintain cent per cent transparency and accountability," said Kazi Akramuddin Ahmed, Chairman of SBL, while talking to the press at a city hotel yesterday.

SBL, which will concentrate on foreign trade, has been equipped with modern technology to provide better customer

service, he added.

Ahmed said that they had already formed a bankers' team comprising honest and hard-working officials to run the bank efficiently.

SBL will primarily operate in Dhaka, the SBL Chairman said, adding that the management of the bank had already sought permission to set up 10 more branches.

The opening of Standard Bank Ltd will raise the number of private banks in the country to 18, while the total number of banks including the nationalised and foreign ones will be 40.

Of the 39 banks now doing their business in the country,

nine are government, 17 private, and the rest 13 are foreign banks.

Replying to a question, Managing Director of the SBL Fariduddin Ahmed said that the bank would not provide term-finance at the initial stage. "For the time being, the bank would only go for trade financing though we have plans to start industrial sector financing in the future," he said.

With a total of 17 directors, SBL has an authorised capital of Tk 75 crore while its paid-up capital is Tk 40 crore, of which Tk 20 crore will be collected after three years by floating shares to the public.



The executives and directors of Standard Bank Limited (SBL) address a press conference on the occasion of the bank's launching in city yesterday. — Star photo

## Monthly Currency Roundup

During the month of May, Dollar demand in the local foreign exchange market was higher than it was in April. In the first week, demand for US dollar spurred up due to scarcity in the interbank market. Demand for dollar fuelled later due to higher import payment and forward-buying by some corporate clients on apprehension of a downward adjustment of Taka.

Depreciation of the Pakistan rupee after it was declared free floating prompted fear of downward adjustment of Taka. Border tensions between India and Pakistan kept downward pressure on Indian and Pakistani rupees, which also heightened apprehension of Taka depreciation.

In the interbank market, the daily foreign exchange turnover average for the month was USD 50.92 million (Source: Bangladesh Foreign Exchange Dealers' Association.)

During the first week, the money market was insipid and the call rate escalated and maintained the trend. During the second week, the call rate reached a new height due to a large difference between Treasury Bill maturity and acceptance and the call rate fluctuated in a elevated range of 10 and 11 per cent.

**Treasury Bill Acceptance Status**

Tenor	May 02		May 09		May 16		May 23	
	Accepted BDT crore	Yield	Accepted BDT crore	Yield	Accepted BDT crore	Yield	Accepted BDT crore	Yield
28	349	7.53	176	7.53	314.5	7.545	428.50	7.51
91	17	9	7	8.80	19	8.575	21	8.80
182	0	0	0	0.99	21	8.575	8	8.89
364	18	9.63	74	9.54	102	9.46	8	9.54
2	2	10.10	65	9.96	34.15	9.855	150	9.75

— Standard Chartered Bank.

## BA, Royal Bank of Canada form alliance

British Airways and Royal Bank of Canada recently announced the launch of British Airways Global Financial Services — a major strategic alliance between the two organisations — which takes off with the Offshore Deposit Account from today, says a press release.

This is the first in a range of innovative products developed following extensive research and tailored to meet the needs of frequent travellers, expatriates and those with international personal and business interests, including members of British Airways' Executive Club.

Robert Ayling, British Airways' Chief Executive, said, "British Airways is committed to giving unparalleled service and offering high-quality products for premium customers."

## New DMD of Janata Bank



MA Yousoof is the new Deputy Managing Director of Janata Bank.

Prior to his present assignment, he was General Manager (Administration) in Bangladesh Krishi Bank, says a press release.

He also served Agrani Bank as General Manager Khulna circle.

He authored a number of books.

## 5-star hotel to be built in Ctg city

CHITTAGONG, May 31: A Taka 577 crore five-star hotel will be constructed at Tiger Pass here, which a South Korean construction firm and the Chittagong City Corporation (CCC) have agreed to jointly finance, a CCC press release said Sunday night, reports BSS.

South Korean firm Nam Nam Corporation President Choe Pong Su and the city Mayor ABM Mohiuddin Chowdhury discussed the details of the proposed five-star hotel project at a meeting at the latter's office here on Sunday. Some representatives of Nam Nam Corporation and the City Corporation officials were also present at the meeting.

## Faridpur Sugar Mills may incur Tk 3 cr loss

From Our Correspondent  
FARIDPUR, May 31: Faridpur Sugar Mills at Madhukhali is likely to incur a loss of Taka three crore in the current season.

According to sources, the mills produced 9,782.2 tonnes of sugar during the current crushing season. This is far short of the production target fixed at 12,737.5 tonnes i.e. the mill's production fell short of the target by 2,955.3 tonnes.

## MIDAS course on small business planning ends

A week-long training course on "Small Business Planning" conducted by MIDAS at its head office concluded on Friday, says a press release issued in city yesterday.

15 participants including private entrepreneurs and institutional nominees attended the course.

In the concluding session, Lailul Nahar Ikram, Member of the MIDAS Board of Directors, was present as the chief guest and distributed certificates among the participants.

Abdul Karim, Managing Director, Golam Sarwar Bhuiyan, Chief Programme Coordinator, and M Khairul Bashar, Chief Programme Officer of MIDAS, also spoke on the occasion.



Obaidur Rahman Khan, Executive Director of Transcom Electronics Limited, inaugurates a four day Whirlpool Product Workshop yesterday while Nirmal Bhattacharya, representative of Whirlpool Corporation who is conducting the workshop, and Abdul Baki Bhuiyan, Service Manager of the Company, look on. — Unitrend photo

# Vagaries of weather cost world \$92b in '98

WASHINGTON, May 31: Weather-related damage worldwide totalled \$92 billion in 1998, up a staggering 53 per cent from the previous record of \$60 billion in 1996, according to a new report.

Worldwatch President Lester Brown, co-author of the report, "Vital Signs 1999: The Environment Trends Are Shaping Our Future," says this past year was an off-the-chart year.

"In 1998, the earth's average temperature literally went off the top of the chart we have been using for years in Vital Signs," an annual publication, he says.

Record storms and floods drove an astounding 300 million or more people from their homes in 1998, more people than live in the United States, noted the report. Many of those forced out of their homes lived in China's Yangtze River Valley, in Bangladesh and in eastern India. Similar numbers, living in the Caribbean and Central America, were driven from

their homes by two of the most powerful hurricanes ever to have come out of the Atlantic: George and Mitch.

While the Earth's temperature was accelerating, the growth of the global economy was decelerating. Economic turmoil in East Asia, Russia and Brazil slowed economic growth from 4.2 per cent to 1997 to 2.2 per cent in 1998, the slowest in seven years.

Closely associated with the economic turmoil was a four per cent drop in international trade in 1998, the first decline in 15 years, the report says. "The increase in armed conflict was another source of turmoil in 1998," said co-author Michael Renner. After five annual declines, the number of wars in the world climbed from 25 to 31 in 1998.

Nearly all were in internal or civil wars in the developing world, except for Serbia's Kosovo province. Driven partly by concerns about climate change and partly by depletion

of fossil fuel resources, the world energy economy is undergoing massive reconstruction, shifting from historically heavy reliance on oil and coal to renewable energy sources, such as wind turbines and solar cells.

While wind use was expanding at 22 per cent a year from 1990 to 1998 and solar use at 16 per cent per year, the use of oil was growing at less than two per cent and that of coal was not increasing at all, the report says.

Glimpses of the new emerging energy economy can be seen in the solar cells rooftops of Japan and Germany and in the wind farms of Denmark, India, Spain and the US states of Minnesota, Wyoming and Oregon, it points out.

Within the developing world, India is the unquestioned leader with more than 900 megawatts of wind generating capacity in operation.

On the food front, world grain prices in the latter half of 1998 dropped to the lowest level in two decades, partly because of the economic downturn in several East Asian countries, but more fundamentally because of extensive overpumping for irrigation in both China and India, with 1.25 and one billion people, respectively.

In effect, both countries are expanding production in the short run by depleting their aquifers which means they will face sharp cutbacks in irrigation and water supplies once the aquifers are depleted.

According to the report, cigarette production per person fell by two per cent in 1998, continuing a decade-long trend. After peaking in 1990, it dropped almost eight per cent.

This follows a US trend where cigarettes smoked per person have dropped 41 per cent since 1981. The changing fortunes of the tobacco industry are evident in its landmark agreement in the United States to pay the 50 state governments collectively a total of \$251 billion over the next 25 years to compensate for the Medicare cost of treating smoking-related illnesses.

# EC to help improve Dhaka's foreign trade

European Commission will continue its support for improving Bangladesh's external trade as the country has a 'bright prospect' to prosper, reports UNB.

EC Ambassador Antonio-B De Souza Menezes said this when he called on Commerce and Industries Minister Tojal Ahmed at his office in city yesterday.

Appreciating the decision taken by the EC to allow duty-free market access of the products of LDCs, including Bangladesh, Tojal said with the support of the Commission, Bangladesh raised this issue in the first ministerial meeting of the World Trade Organisation.

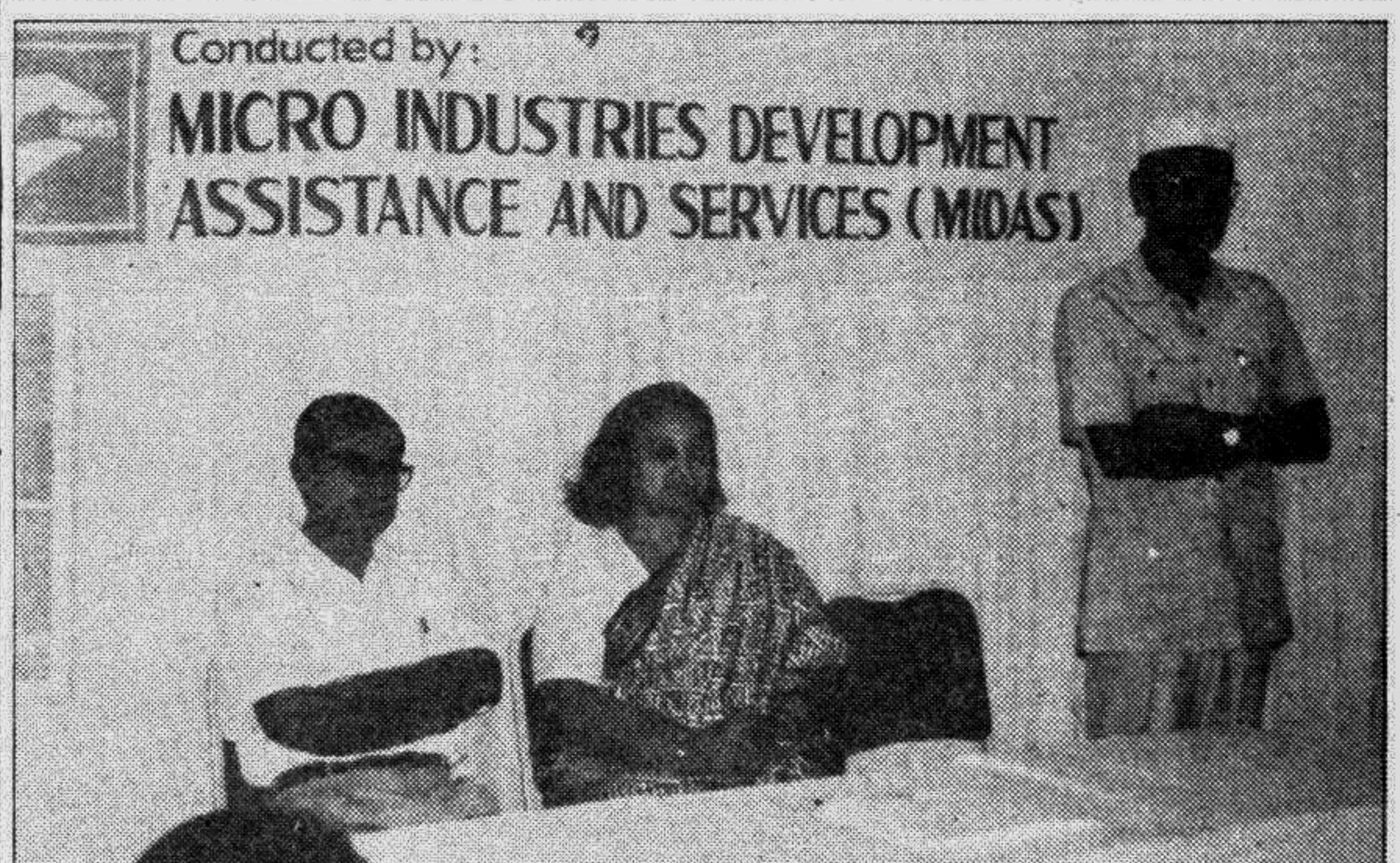
He requested the EC envoy to continue GSP schemes for Bangladesh even beyond 2004. "Bangladesh entrepreneurs have set up backward-linkage industries to cope with the open competition in garment export after 2004," the minister told Menezes.

Tojal said the government is giving special incentives for the development of textile sector, as it provides employment for women and also contributes to the poverty alleviation.

The country has successfully eliminated child labour from garment industry, he pointed out.

"European Union is the largest development partner of Bangladesh. We like to strengthen further the bilateral trade links with EU countries," the minister told the envoy.

Commerce Secretary Sayed Alamgir Farroque Chowdhury was present during the meeting.



Abdul Karim, Managing Director of MIDAS, delivers his speech in the closing session of the week-long training course on "Small Business Planning." Lailul Nahar Ikram, Member of the Board of Directors, and senior officials of MIDAS are also seen. — MIDAS photo

# Asian music industry turns to web to boost sagging sales

SINAGAPORE, May 30: Hit by the regional economic downturn and rampant copyright piracy, Asia's music industry is turning to the Internet as a tool to revive slumping sales, says AFP.

While the ability to download music from the worldwide web for free is alarming record companies, the Internet's vast reach also presents a host of opportunities to the embattled industry, insiders say.

At a recent conference here organized by MTV Networks Asia and Billboard magazine, musicians, record producers and promoters acknowledged that the exponential growth of

the Internet in Asia gave ambivalent benefits to the trade.

Michael Smellie, senior vice president of record label BMG International, noted the regional industry's revenues were down 50 per cent from pre-crisis levels and that some markets "are unfortunately still falling."

The controversial emergence of digital downloading of music from the Internet through a format called MP3 may enable acts and customers to bypass the labels, but in cyberspace there is also a vast pool of up-and-coming acts, he said.

Other industry representatives were hostile to the sales-sapping potential of digital

downloading from the Internet.

"Today, a technology-savvy person can use MP3 to make a copyrighted song available for free on the web where it can be downloaded from and e-mailed on and on into infinity," Tom Freston, chairman of MTV Networks USA, told the conference.

"If artists can distribute their music rapidly and inexpensively over the web, there's the uncertainty around whether they will attempt to act as their own record labels," he said.

Confusing and varied copyright regimes in Asia did not help record labels seeking to protect their intellectual property, he added.

Johan Nawawi, managing director of Malaysian company Cyber Music Asia, lamented that the use of MP3 had aggravated already widespread copyright piracy in the region.

"The fans, by making the music accessible (on the Internet), are actually killing their artists," he said.

Up to 20 million users worldwide regularly downloading music from the Internet, said Andreas Wuerfel, general manager of Billboard's web-based source for new talent.

"Of these users, 13 million already store up to 500 songs by both established and unknown artists — the equivalent of 50

free CDs," he said.

But Tom Fernandes, Malaysian-based Southeast Asian managing director for Warner Music, said it was only a matter of time before record labels used the web "as a full-time reference" for new singers and bands.

"I can't comment on the success rate of new acts in Asia trying to break through in such a manner. To be honest, I really haven't seen one yet," said Fernandes.

"But it is a possibility and with the increasing reliance on computers and Internet communications, it is a potential growth area for the future," Nawawi of Cyber Music Asia

recounted his struggle in getting the music industry to take the Internet as a potential marketing tool seriously just three years ago, when Malaysia had only 50,000 Internet subscribers.

With subscribers in Malaysia now standing at about one million the music industry has begun to give due attention to his company, set up in 1997 to help musicians sell their music and merchandise on-line.

"It's not easy to convince people in the music industry of our purpose. By default, all of us must somehow be involved in the Internet or say goodbye to this industry," Nawawi said.

## China steps up oil production abroad

SHANGHAI, May 31: Chinese oil companies plan to produce annually 50 million tons of oil abroad by 2010, a senior executive was quoted Monday as saying, reports AP.

China is investing heavily in foreign oil production, both to fuel its growing economy and also apparently in hopes of competing in the global energy market.

China plans to produce some 50 billion cubic meters (1.7 trillion cubic feet) of natural gas annually in other countries by 2010, said Qin Anmin, president of the China Petroleum Engineering Construction Enterprise Group.