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The Daily Star BUSINESS

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Expats remit Tk 6.41 cr in May

Bangladeshi nationals living abroad remitted Tk 6.41 crore through post offices during the month of May, says UNB.

During the period, they remitted Pound Sterling 269,319 and US dollar 897,297 against 6,751 foreign money orders (FMOs), said an official hand-out.

The exchange value of the FMOs has been paid to payees or dependents of the remitters living in different parts of the country.

The total remittance received in the outgoing fiscal is Pound Sterling 30,43,510 and US dollar 100,72,856 against 83,740 FMOs.

14th AGM of IDLC held

The 14th Annual General Meeting of the Industrial Development Leasing Company of Bangladesh Limited (IDLC) was held at a city hotel yesterday, says a press release.

The meeting was attended by directors nominated by both local and foreign sponsor institutions as well as public shareholders.

Managing Director M. Aminul Islam presented the Directors' Report and Financial Statements for FY 1998 before the shareholders. The shareholders appreciated the company's operational and financial performance during the period under review and approved the proposed 25 per cent dividend.

Despite sluggish economic activities, competitive environment and slow industrial growth, the company made lease contracts of Tk 927 million during the year. It maintained sectoral diversity to ensure balanced portfolio, which is spread over transport, telecommunications, textile, chemical, pharmaceutical, service and other industrial sub-sectors.

The company's profit before tax stood at Tk 116 million. However, the sudden abolition of initial depreciation has increased its tax liabilities for the year to Tk 68 million from Tk 27 million estimated under the old depreciation rule, which resulted in a drastic decline in the company's net profit. At the end of the year, total lease assets (at cost) and equity stood at Tk 3,010 million and Tk 336 million respectively.

It expanded its range of services by introducing Housing Finance and Short Term Finance in 1997, which have broadened its business base and is contributing significantly to IDLC's growth and profitability.

Under the Housing Finance Scheme, IDLC extends loan facilities to individuals for purchasing apartments, business houses/professionals for purchase of commercial spaces (office space/chamber/display centre etc.), real estate developers for construction, employees under corporate house finance scheme.

United Insurance branch managers' confce held

The seventh branch managers' conference of United Insurance Company Limited was held at its Head Office in Dhaka recently, says a press release.

M. Moyeedul Islam, Chairman of the company, inaugurated the conference which was attended by all branch managers and other senior officials.

Welcoming to branch managers, the chairman in his speech said that the company had to survive through stiff competition as more private sector insurance companies were entering the market.

UIC is taking steps to increase its assets through investment, said the chairman, adding that it was not prudent to open a new branch, unless the branch-in-charge ensures that the proposed branch will be economically viable.

DHL introduces 'Europe First' to boost Asian exports

DHL is introducing 'Europe First' to boost Asian exports.

It is an enhanced and guaranteed air express solution for Asian exporters who are pursuing business success in Europe, says a press release.

Europe First features a guaranteed delivery service into Europe and incorporates DHL's competitive pick-up cut-off times, expedited customs clearance and a fast, secure delivery with one all-inclusive fee.

"DHL realises the changes in trade dynamics brought about by the economic downturn and appreciates the importance of the US and European markets for Asian exporters in their development of an export-led recovery."

Following the successful launch of USA First last year, we are now introducing Europe First so that exporters can benefit from a smarter and more direct delivery method to send their goods to Europe in the shortest possible time," said Douglas Lewis, Commercial Development Director for DHL Asia-Pacific/Middle East.

Increased aid for CHT projects sought

Bangladesh seeks preferential access to German market

Foreign Minister Abdus Samad Azad has sought increased aid from Germany and requested it to continue preferential market access to Bangladeshi products, reports UNB.

In a luncheon meeting with German State Minister for Foreign Affairs Dr Ludger Volmer in Germany Wednesday, he particularly requested for German support for the development projects in Chittagong Hill Tracts.

The German minister hosted the lunch in honour of Bangladesh minister who is on a two-day visit to Germany at the invitation of German Foreign Minister Joschka Fischer, said a message received yesterday.

During the meeting, the two ministers agreed to continue political dialogue at appropriate levels.

The German State Minister

praised the peace agreement concluded by the Bangladesh government in order to resolve the problems in the CHT.

He lauded the moderating role played by Bangladesh in South Asian politics and hoped that SAARC would contribute to strengthening peace and socio-economic development of South Asia.

Volmer praised Bangladesh's role as the coordinator of LDCs and said Bangladesh Prime Minister's letter to German Chancellor on the eve of the G-8 Summit to be held in Germany is being given serious consideration.

The German minister said G-8 Summit would take a decision on the reduction or cancellation of debt of heavily indebted poor countries (HIPC).

He briefed the visiting Bangladesh Foreign Minister on the current crisis in Kosovo

and outlined Germany's policy as a member of the NATO and G-8 countries in resolving the crisis.

Samad Azad informed the German State Minister for Foreign Affairs that Bangladesh would be prepared to participate in the UN Peace-Keeping operation in Kosovo.

He said that saddened by the tragic crisis in Kosovo and the plight of thousands of refugees, Bangladesh Prime Minister has made a token gift of US\$50 thousand to the UN High Commission for Refugees to reflect our solidarity with Kosovo.

He said that Bangladesh Prime Minister pursuant to her commitment to world peace has offered Bangladesh's participation in UN Peace Keeping Operations in Kosovo and when such an agreement is reached, German State Minister for Foreign Affairs appreciated

Bangladesh's offer.

The German Federal Minister of State for Foreign Office expressed the hope that a top-level visit from Germany to Bangladesh would take place in the near future.

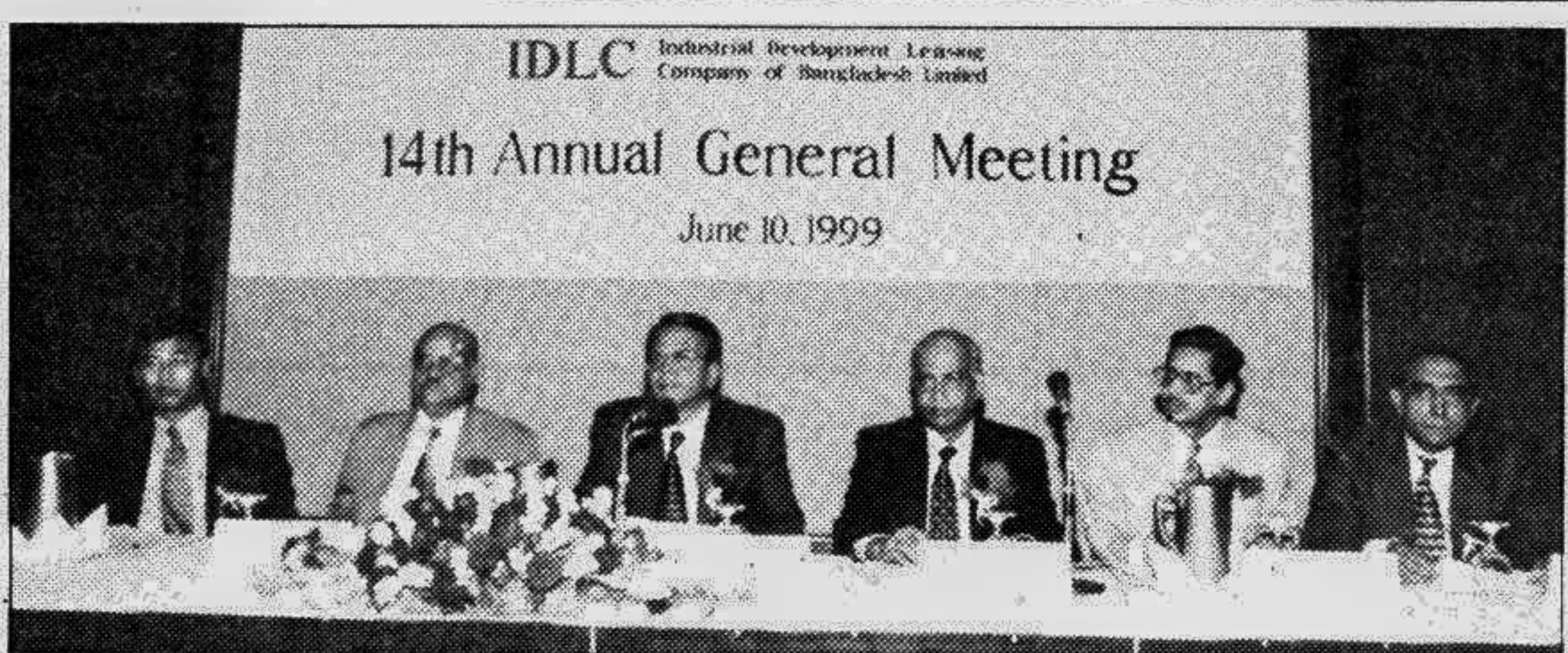
He assured that Germany would respond on a comparable level to reciprocate Bangladesh's participation in trade fairs in Germany.

Bangladesh Ambassador to Germany Kazi Anwarul Masud, Bangladesh's Permanent Representative to the UN Anwarul Karim Chowdhury and Additional Foreign Secretary Dr Toufik Ali assisted.

The Bangladesh Foreign Minister while the German Minister was assisted by the Director General (UN), the Deputy Director General of Economic Affairs Division and the Head of the South Asia Division in the Foreign Office.



A Cathay Pacific jumbo jet comes in for a landing over the distinctive scalloped roof of Hong Kong's Chek Lap Kok airport Thursday, on the fourteenth day of a work slow-down by the airlines cockpit crews. Cathay pilots said that they had reached an agreement with the management to end a crippling pay dispute which has forced the airline to cancel a number of flights each day. The settlement comes a day before the deadline for Cathay pilots to accept a new pay package or be dismissed. — AFP photo



The 14th annual general meeting of IDLC held at a city hotel yesterday.

Govt's project fund release hailed World Bank calls for faster structural reforms

World Bank Country Director Frederick T Temple has urged the government to do the structural reform in a faster way for expediting the overall economic activities, says UNB.

The WB representative was talking to Commerce and Industries Minister Tofail Ahmed at his office in Dhaka yesterday.

He was accompanied by country coordinator Hafeezuddin Ahmed of International Finance Corporation (IFC), a member of the WB.

Temple explained the modalities of the WB-funded export development project, a new initiative of the Bank for export diversification of Bangladesh.

He praised the government for speedy progress in disbursement of fund for the project and suggested it go for infrastructure development for expanding industrialisation and export, said an official hand-out.

The WB Country Director said the macro-economic management in Bangladesh is excellent and that despite last year's devastating flood the country has achieved a remarkable recovery in earning GDP growth.

Tofail thanked the WB for providing help and assistance to Bangladesh since independence and requested it to provide more fund for export diversification and for improving trade capacity besides the pre-

sent \$48 million export development project.

"We want to set up a foreign trade institute and a fashion and design institute with WB assistance," he said.

Hafeezuddin said IFC has been providing and organising loan for development and industrial projects, including those in textile sector.

Very recently, an independent consulting firm has submitted a report on possibility of backward and forward linkage industries set up in Bangladesh.

He informed that IFC approved four projects at cost of \$103.3 million in cement, telecommunication, power generation and industrial promotion and development company.

US economy strongest in 30 years

WASHINGTON, June 10: The US economy is enjoying its strongest performance in 30 years and there are no signs of inflation is about to pick up sharply, Janet Yellen, chair of the White House Council of Economic Advisors, said yesterday, reports AFP.

"I think we are at a wonderful place in the US economy," she told CNBC television.

"We have the strongest economic conditions we have seen in at least 30 years."

She said the economy had grown at a real rate of more than four per cent over the last three years while inflation had fallen and workers were increasing productivity at a rate "well above anything seen" since the early 1970s.

Yellen added that she did not think the rapid pace of growth would ignite inflation, despite concerns triggered in part by a rise in consumer prices in April — that the economy might be on the verge of overheating.

"We haven't seen that yet, and we are not likely to see that soon ... It's hard to see inflationary pressures in the pipeline other than those which will result from the return of oil prices to more normal levels" and an uptick in the costs of imported goods, she said.

The core measure of inflation, which excludes food and energy prices, has "been extremely stable and is likely to remain so," she added.

Yellen announced her resignation Tuesday, saying she plans to return to teaching at the University of California at Berkeley.

ECNEC approves Tk 1824.32cr projects

The Executive Committee of National Economic Council (ECNEC) has approved ten projects involving about Tk 1824.32 crore including Tk 1156.13 crore as project assistance, reports BSS.

The approval was given at the 59th meeting of the ECNEC held in the NEC conference room at Sher-e-Bangla Nagar on Wednesday with Prime Minister Sheikh Hasina in the chair.

The projects include installation of a high capacity optical fibre system between Dhaka and Chittagong including Spur transmission links (amended), construction of bridge over Dakatia river in Chandpur, rural infrastructure development project for greater Dhaka district (3rd Amended), higher academic training (PhD programme) every year on science and technology under the Bangabandhu fellowship. Setting up of fire service and civil stations in forty important thanas and installation and expansion of digital telephone exchanges in different district headquarters.

Pilot project for increasing the production of pulses (amended), project for construction of cross dam on the Kapalbhera river in Patuakhali, project for re-excavation of the Noakhali canal including expansion polder 59/2 were

placed before the meeting for appraisal.

The meeting was told that 1087 projects out of 1329 under the Annual Development Programme of 1998-99 fiscal were approved by the ECNEC till its last meeting.

The percentage of approval stood at 81.79 compared to the last year's 78.18 per cent during the same period, which is 3.61 per cent higher.

Four hundred and fifty foreign funded projects out of 513 have been approved by the ECNEC till June 2.

Finance Minister Shah AMS Kibria, Local Government, Rural Development and Cooperatives Minister Zillur Rahman, Education Minister ASHK Sadique, Home and Telecommunications Minister Mohammad Nasim, Agriculture and Food Minister Begum Motia Chowdhury, Communications Minister Anwar Hossain, Science and Technology Minister Mohammad Nouruddin Khan and State Minister for Planning Dr Mohiuddin Khan Alamgir attended the meeting.

The meeting was also attended by principal secretary to the prime minister, secretary of the Planning Commission, members of the Commission, science and technology secretary and concerned secretaries and officials.

Asia accused of overreacting to Belgian food scare

BANGKOK, June 10: Saying Asian nations have overreacted to the dioxin food scandal in Belgium, the ambassadors of Belgium and the European Union ate Belgian chocolates at a news conference Wednesday in a show of proving the fears were inflated, says AP.

The ambassadors urged the quick lifting of a series of bans imposed on Belgian and European products in Asia due to fears that Belgian meat, dairy products and chocolate had been contaminated with the cancer-causing chemical.

Belgian Ambassador Cristina Funes-Nopen said that while fears for food safety were understandable, a panic had ensued, with governments and retailers taking all sorts of Belgian products off shelves even mosquito repellent.

"The European Union has found no evidence of any contaminated products entering any country outside the European Union," Michel Caillouet, ambassador of the EU's Executive Commission, said.

Funes-Nopen and Caillouet opened a box of Godiva chocolates, ate one each and passed them around to journalists.

Dark chocolate contains no animal fat, the main vehicle for dioxin, Funes-Nopen said, while milk chocolate contains 25 per cent milk powder.

Dairy products are more susceptible to dioxin contamination, but Funes-Nopen said there was no evidence any chocolate was contaminated and even if there had been, the quantity would be minuscule.

Economies showing robust growth GDP forecasts surge across Asia

SINGAPORE, June 10: Economic forecasts across Asia have surged over the past few months, with some of the region's most battered economies now expected to show robust growth this year and next.

A Reuters survey of 130 economists found mighty hikes in the outlooks for South Korea and Indonesia and, to a lesser extent, Hong Kong and Malaysia, suggesting that the regional slowdown is finishing sooner rather than later.

In many countries, economists said stock market rallies were stimulating private consumption.

Even the indomitable Australian and Taiwan economies, which have powered through the Asian crisis, are seen stronger than in the previous Reuters survey, in March.

South Korea is the star of the crisis economies. With consumption rebounding and businesses rebuilding their business inventories, economists now see Korean GDP 4.8 per cent stronger this year than last, compared with

the 2.2 per cent gain they predicted on average in the previous survey.

For 2000, too, the Korean outlook is markedly stronger, with economists forecasting a 4.5 per cent gain in GDP, up from the 3.4 per cent predicted previously.

Korea's economy was down 5.8 per cent last year.

While China's steady outlook identifies it as the strongest major Asian economy, Indonesia is the weakest — but not as weak as before.

Countries	1999		2000	
	Jun	Mar	Jun	Mar
Australia	4.6	4.2	3.3	2.9
China	7.3	7.4	7.3	7.4
Hong Kong	-0.9	-1.8	2.2	1.8
India	5.5	5.4	5.8	>>
Indonesia	-2.3	-4.1	2.3	1.8
Malaysia	1.3	0.2	3.3	2.9
New Zealand	2.4	2.4	3.3	3.3
Philippines	2.2	1.8	3.4	2.8
Singapore	2.7	0.9	4.2	3.2
South Korea	4.8	2.2	4.5	3.4
Sri Lanka	4.3	4.6	4.8	5.0
Taiwan	5.1	4.7	5.6	5.4
Thailand	0.8	0.1	3.0	2.8

While economists' forecasts for Indonesia differed wildly, they average expectation that GDP will be down 2.3 per cent this year is a great improvement on the 4.1 per cent drop seen just three months ago.

Share rallies are thought to have helped Hong Kong and Malaysia.

Hong Kong's 1999 GDP is still seen 0.9 per cent smaller this year than last but, as with Indonesia, the shrinkage is not as big as the 1.8 per cent previously expected.

Chunky full-year numbers hide a more subtle quarterly picture, and some economists think Hong Kong is now growing again from quarter to quarter, even if the full-year value for its GDP remains lower than last year's.

South Korea's economy is thought to have bottomed out and resumed growth in the second half of last year, while estimates from Indonesia, Malaysia and Thailand have suggested that those economies, too, might now be growing.

In Australia economists predicted a slowing in growth, although outlooks are still stronger than they were, and they said the biggest risk to their forecasts was that the long-anticipated slowdown might again fail to materialise.

The current fiscal year's growth — now estimated by economists at 4.6 per cent — confounded earlier forecasts and GDP in the coming fiscal year, to June 2000, is seen 3.3 per cent higher, compared with 2.9 per cent previously.

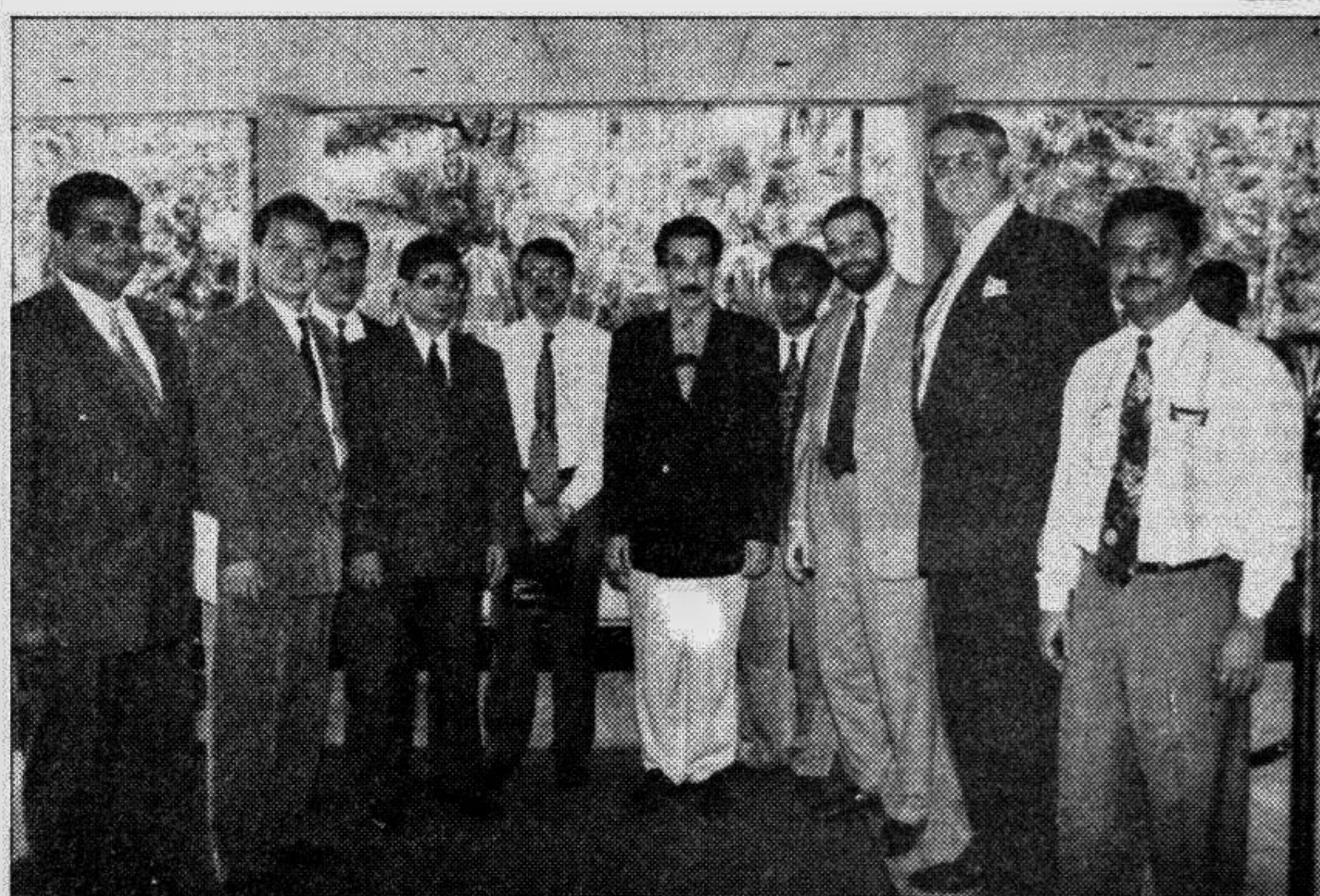
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Mohammed I Al-Baiz (centre), Vice President, Cargo Sales and Services of Saudi Arabian Airlines, is being received by Eldridge J. Mac Ewan III, General Manager of Pan Pacific Sonargaon Hotel, upon his arrival at the hotel. Director of Sales and Marketing of the hotel Hide Ishiyama (2nd from left) and Anwar M A Mukhtar (3rd from right), Manager—Bangladesh of Saudi Arabian Airlines, and other local officials of the hotel and airline are seen in the picture. — Sonargaon photo

India taps global market with new cup of tea

NEW DELHI, June 10: India, the world's largest tea producer, is pinning its hopes on organically grown teas to boost its 20 billion rupee (470 million dollar) exports of the commodity, reports AFP.

"We have chosen a new high-value-added commodity, organic teas, grown without chemicals or fertilisers to capture markets around the globe," said Asit Kala of the Tea Board of India.

India exported 500 tonnes of organic tea (about one-fourth of total exports) worth one billion rupees in the financial year ending March 1999 and plans to double exports this year.

"This year, we are likely to

produce over 2.1 million kilograms (4.6 million pounds) of organic foods. With this crop, exports should double," said a Tea Board official.

Tea growers say the current export figures will be dwarfed once organic teas really catch on with health-conscious consumers in Europe, Japan and America.

"We are not just stoking a passing health fad," said organic tea grower Ashim Barua from the tea-producing north-eastern state of Assam.

"The demand for organic foods has grown worldwide. In the European Union alone, sales of organically grown fruit and vegetables exceed five bil-

lion dollars a year.

The growing demand for organic foods has made Indian industry experts upbeat about the prospects of organic teas.

"Five years from now India should be doing organic tea exports of roughly 2,500 tonnes a year," said Lal Raisinghani, managing director of tea broking house, Contemporary Target Limited.

Germany and Sweden have the potential to be our biggest markets."

However, tea planters say that they have experienced their share of teething problems with the new method.

"Since we cannot use chemical fertilisers or pesticides we

have to take extra care to protect our tea bushes from red spiders," said Barua.

Tea planters also demand higher prices for organic teas as the cost of production is higher than in normal methods.

"Our input costs remain the same. But the yield per acre drops dramatically since we do not use any chemical fertilisers," explains Barua.

According to planters, a hectare yields 2,000 kilograms of greenleaf, but this drops to 700 kilograms when growing organic teas.

A tea estate which switches to growing teas organically has to wait for four to five years until it rids itself of all traces of

chemical fertilisers in the soil and plants. Harvesting is banned during this period.

"The slow cleansing process hits productivity and a planter has to be prepared to sacrifice crop," said Raisinghani.

"But there are big gains in store for those who persevere with this method of growing tea."

Officials from India's Organic Tea Committee headquartered in the eastern port city of Calcutta visit tea plantations in Assam, Darjeeling and the Nilgiris to check whether organic tea growers adhere to the rule.

The government is planning to launch a multi-million-dollar

campaign to increase the global consumption of organic tea. And it has asked the trade to design a special logo for organic teas.

India's 1.5-billion-dollar tea industry produced 865,000 tonnes (1,903 million pounds) of tea in 1998 of which 205,000 tonnes (451 million pounds) was exported, mainly to Russia. India itself is the world's biggest consumer of tea.

The state of Assam alone accounts for about 55 per cent of India's total tea production.

The Indian tea industry has set a target of producing 920 million kilos (2,024 million pounds) this year.

Bleak investment outlook hangs over India

MUMBAI, June 10: The outlook for investment in the country would continue to be bleak in the current fiscal also, despite signs of recovery shown by the economy during the first two months, the Centre for Monitoring Indian Economy (CMIE) has said, reports PTI.

Political instability following the loss of confidence of the Vajpayee government and the military action in Kashmir did not augur well for India's Balance of Payments (BOP) situation. CMIE said, terming the Rupee's weakening in the wake of Kargil air strikes as an "unfavourable development."