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DCCI trade team off to Thailand

A 9-member trade delegation of the Dhaka Chamber of Commerce and Industry (DCCI) led by its president M H Rahman left Dhaka for Thailand yesterday, says a press statement.

The delegation is scheduled to participate in the June 24-26 BIMST-EC Private Sector Meeting organised by the Ministry of Foreign Affairs of Thailand.

The DCCI president will present a paper at the forum on 'The Role of the BIMST-EC Business Forum and Views on Formation of Economic Forum.' Former president of DCCI and BIMST-EC Business Forum chairman A S M Quasem will also present a paper in the inaugural session.

The delegation will also have meetings with business leaders of the Thai Chamber of Commerce to discuss expansion of bilateral trade and joint venture investment.

The DCCI delegation comprises DCCI senior vice president Sajjatuz Jumma, former minister A F M Fakhrul Islam Munshi, Maj. Gen. (Retd) Ruhul Alam Chowdhury, M A Rouf Chowdhury, Md Abdul Aziz Sarker, former DCCI director Arshad Ali and Motiur Rahman.

Reliance Ins declares 30pc dividend

The 11th annual general meeting (AGM) of Reliance Insurance Limited was held at a city hotel Tuesday, says a press release.

Azimur Rahman, Chairman of the Board of Directors, presided over the meeting, which dealt with a number of important issues, including the election of two new directors from amongst the public shareholders and the declaration of a 30 per cent dividend. The newly-elected directors are Dr Md Shafiuddin Chowdhury and Farzeen Khan.

This was the fourth annual meeting after the company went public in 1995. The shareholders expressed their deep appreciation of the timely, calculative and judicious steps taken by the management in running the affairs of the company despite the onslaught of the century's devastating flood last year.

They also put forward a number of suggestions on how to make the company more dynamic and vibrant in the future.

Before the agenda were taken in hand, the shareholders present unanimously agreed and offered a munajat for the departed soul of A Samad, Director of the Board who died in the month of January 1999.

The AGM was subsequently followed by a meeting of the Board of the Directors in which all the Board members including the newly-elected directors took active part and discussed elaborately the future course of action of the company.

The new Board of Directors of the company is now comprised of Asadul Huq Chairman, Yasmeen Khan, Vice Chairman, and the directors M Shamsul Alam, Zakia Rouf Chowdhury, Anwarul Huq, Joya Pati, Azimur Rahman, Latifur Rahman, Shahnaz Rahman, Shamsur Rahman, Amanullah Chowdhury, Dr Md Shafiuddin Chowdhury, Farzeen Khan, Atiqur Rahman and Rokia A Rahman.

Gulf Air flights to Geneva from July 3

Gulf Air will launch two flights a week between the Gulf and Geneva with effect from July 3, 1999 when the airline's summer schedule comes into operation, says a press release.

The service between the Gulf and Geneva has been designed as day flights and these will be operated on Tuesdays and Saturdays.

The flights will depart Abu Dhabi at 1115 hours, arrive in Geneva at 1615 hours, leave Geneva at 1710 hours and reach London at 1750 hours.

In the return direction, flights will leave London at 1130 hours, reach Geneva at 1405 hours, depart Geneva at 1500 hours, reaching Abu Dhabi at 2330 hours.

Intel chief for waking up to e-commerce revolution

LONDON, June 23: Electronic commerce and the Internet will drive global business in the 21st century in the way oil did in the 20th, generating a trillion dollars in revenues annually by 2002, the chairman of Intel Corp said yesterday, reports AFP.

Hinting at major acquisitions in Europe to ensure that Intel remains at the hub of the e-commerce revolution, Craig Barrett predicted a future in which every company would be an 'Internet company' linked together by millions of interconnected server computers.

"The Internet infrastructure will be to the economy of the 21st century like oil has been to the 20th century," Barrett told a Wall Street Journal technology conference. Computer bits are the oil of the internet economy."

US court dubs trade ban on Myanmar unconstitutional

BOSTON, June 23: A Massachusetts law barring the state from doing business with companies that trade with Myanmar is unconstitutional, a federal appeals court held, reports AP.

The decision released Tuesday by the 1st US Circuit Court of Appeals could affect dozens of states and local governments with economic boycotts protesting social or political injustices in foreign lands.

The 1st Circuit upheld a decision by a lower federal court that struck down the so-called Burma law — the former name of Myanmar.

While the ruling found that "human rights conditions in Burma are deplorable," the court said the Massachusetts law "interferes with the foreign affairs power of the federal government and is thus unconstitutional."

Massachusetts, which purchases $2 billion in goods and services annually, enacted its law in 1996 because of human rights violations by Myanmar's military dictators.

The decision could impact 20-plus states and local governments — including New York City, San Francisco and Portland, Oregon — that have Myanmar boycott laws.

The 1st Circuit also ruled that Massachusetts had no right to single out a particular trading partner for a boycott and no authorization to regulate activities in Myanmar through economic sanctions.

The lawsuit was brought by the National Foreign Trade Council, which represents 580 major US corporations. The Massachusetts law affected more than 30 member companies, but NFTC officials refused to name which ones for fear consumers will boycott them.

Massachusetts had argued that Congress must decide whether a state or local government may enact legislation that affects foreign affairs.

Congress, the state argued, enacted federal sanctions against Myanmar several months after Massachusetts enacted its law — and chose not to override the state law. Furthermore, the state isn't regulating conduct. it is merely choosing how to spend taxpayers' money, attorneys said.

NFTC president Frank Kittredge applauded Tuesday's decision, calling it a "full and sweeping" rejection of Massachusetts' right to impose its own economic sanctions.

Attorneys for the state said they were disappointed.

"We wish it had come out the other way. We're reviewing the decision and considering options," said Assistant Attorney General Thomas Barnico.

UK 'won't drift into' euro

LONDON, June 23: A British cabinet minister gave fresh ammunition to supporters of the pound yesterday, saying there was "no question of Britain drifting into the single currency" and its economy was strong enough to remain outside the euro zone, says Reuters.

Trade and Industry Secretary Stephen Byers, answering questions from businessmen in Hong Kong, also said it would be "very difficult" to win a referendum on euro entry, which Prime Minister Tony Blair has promised to hold after the next election.

He acknowledged that Britain had expected the single currency to be strong but it had suffered a "rocky start" and fallen against other world currencies.

The comments, which will be seized on by the opposition Conservatives as new evidence of a government retreat on the euro, were released in a transcript from the Department of Trade and Industry (DTI).

Addressing the Hong Kong General Chamber of Commerce at the end of an Asian trade mission, Byers said:

"I would say this, there is no reason given that Britain is the fifth biggest economy in the world, there should be no question of Britain drifting into the single currency."

"We are strong enough to have our own currency and so there will be a genuine decision, which the British people will have if there is a referendum on joining the single currency."

Breaking with the Labour government's traditional caution about dates and timetables, he said he saw "no prospects of Britain joining the single currency before 2001 at the earliest."

Byers added that he did not believe the five economic tests set by the government for Britain's entry into the euro would be met before 2001.

Byers is a loyal follower of Blair's "New Labour" modernisation but has in the past sometimes courted controversy when talking off the cuff.

But despite the apparent shift in emphasis, a spokesman for Blair stood by Byers' remarks and denied any change in policy.

"There has been no change to what we've been saying. We're in danger of going down the route of criminology, examining every comma and question mark," he said.

Byers said earlier in an interview on CNN that Britain would not join the single currency for "a few years yet."

Those comments briefly bolstered the pound, demonstrating market sensitivity to any nuance of policy.

(From left to right) Directors of Reliance Insurance Limited Dr Md Shafiuddin Chowdhury, Rokia A Rahman, Zakia Rouf Chowdhury, Joya Pati, Latifur Rahman, Asadul Huq, Azimur Rahman, Managing Director M Shamsul Alam, Joint Managing Director Anwarul Huq, Shahnaz Rahman, Shamsur Rahman, Company Auditor Iftikhar Arshad Hussain, M H Chowdhury and Acting Secretary Tariquzzaman Khan at the 11th AGM of the company held at a city hotel Tuesday.

Tofail on trade constraints

Govt-pvt sector-donor interactions needed

Commerce and Industries Minister Tofail Ahmed yesterday said the existing and emerging trade constraints could be addressed through intense interaction among government, private sector and donors community, reports BSS.

"Our technical support requirements in all trade related fields must be addressed more logically for integration in the global trading system," the minister said while inaugurating a workshop on "Integrated Framework for Leas Developed Countries' Trade Development's at MCCI conference hall here.

The Minister said the LDCs need substantial and sustained technical assistance to enable LDCs to cope with the challenges in the aftermath of the Uruguay Round. "We, especially the LDCs, are going to be marginalised after the Uruguay Round," he said.

The process of marginalisation must be stopped and zero tariff access to the developed countries must be ensured for the sustenance of LDCs, the Minister said and called upon the developed countries to open their doors for LDC goods and transfer of huge human resources.

"Our government, in collaboration with international community, has decided to develop an integrated framework for trade development to reduce the constraints and enhance our capacities to improve export performance in an increasingly competitive world."

The minister said the government has attached great importance to the development of exports as a prime means of poverty alleviation. He said this year export is expected to reach US$ 5.4 billion. Last years' export of more than US$ 5 billion had covered 68 per cent of our import bill, he said.

Australia to take beef dispute with ROK to WTO

CANBERRA, June 23: Australia will take South Korea to the World Trade Organisation to try to settle a dispute over restrictions on beef imports, Trade Minister Tim Fischer said Wednesday, reports AP.

South Korea is Australia's third largest export market for beef, worth an average of 140 million Australian dollars (US $ 91.1 million) a year.

But Australian exporters had experienced "certain impediments which have limited our ability to compete fairly in the market," Fischer said.

"These have included limitations on companies entitled to import and the separation of imported and domestic beef distribution channels," he said.

SSAB, BGMEA talk container terminal at Patenga

A delegation of SSA Bangladesh Ltd (SSAB) recently met with the members of the Bangladesh Garments Manufacturer and Exporters Association (BGMEA) to discuss the proposed private container terminal to be constructed at Patenga, says a press release.

Vice President of BGMEA Benajir Ahmed, Director Engr. Aminur Rahman Khan, Shahadat Hossain and other members of the Standing Sub-Committee on Port of BGMEA were present in the discussion meeting.

Ashfaque J Rahman, Deputy Managing Director, led the SSAB delegation.

Ashfaque gave a detailed description of the project and explained its importance. He mentioned that the garment sector will be benefited most from this project and it will reduce the port cost, which in turn will help this sector to face competition from neighbouring countries after 2004, when the quota facility will be over.

Smoking-related deaths, illness

French insurer launches legal action against tobacco firms

SAINT-NAZAIRE, France, June 23: Tobacco companies are to be called to account for the first time in France for smoking-related deaths and illnesses following a legal complaint filed yesterday in this western town, says AFP.

The Saint-Nazaire branch of France's national health insurance agency, the CPAM, announced it was launching legal action to seek damages from four tobacco firms — Philip Morris, Rothmans, Raynolds Tobacco and SEITA.

The four account for 90 per cent of tobacco sales in France, where 35 per cent of adults are smokers and where recent figures show 60 per cent of 18-year-old smoked against between 25 per cent and 35 per cent in Scandinavia.

The CPAM said in a statement it was seeking 51 million francs (7.7 million euros) in damages, the amount it estimates it has spent since April 1, 1997, in public health expenditure caused by smoking-related illnesses such as lung and throat cancer.

"A further 23.7 million francs per year will be added to this amount for as long as tobacco products fail to offer legitimately-expected safety," it added.

"The action is aimed at forcing the manufacturers of a particularly dangerous product, which is addictive and carcinogenic, to face up to their responsibility, and at improving preventive health measures."

France's SEITA tobacco company, which has a 38 per cent share of the market, dismissed the court action, saying it had "no serious legal basis," and threatening to hit back by filing for damages "for abusive (legal) procedure."

According to statistics from the health ministry this year, one out of nine deaths are attributed to tobacco, and one out of two French smokers can expect to die if smoking began during adolescence.

Nationwide, the CPAM last May decided to spend 25 million francs a year in the campaign to prevent smoking.

The Saint-Nazaire branch had announced last February that it hoped to launch legal action against tobacco firms operating in France, winning the backing of Health Minister Bernard Kouchner who at the time said he was "astonished this has not been done before."

But Labour Minister Martine Aubry disapproved of the move, saying it smacked of US-style court-action and that she favoured preventive action such as increasing the price of cigarettes in a bid to warn of young smokers.

'Risk of loan default to decrease'

India launches farm insurance scheme

NEW DELHI, June 23: Indian Prime Minister Atal Behari Vajpayee yesterday launched a landmark farm insurance programme that will cover more crops, says Reuters.

"Good agricultural insurance will provide a positive and stabilising influence on production and productivity," Vajpayee said at a launch function. "It will also reduced the risk of loan default."

The agriculture Ministry said in a statement a crop insurance plan launched in 1985 covered only wheat paddy, oilseeds, millet and pulses, and did not extend to cash crops such as sugar cane, potatoes and cotton.

The programme was restricted to farmers who had obtained loans from institutions, and the total sum insured per case was restricted to 10,000 rupees ($232). It covered only 18 per cent of India's total crop area.

The statement said the new programme, mandatory for farmers who take loans, would be available to all, with no restriction on the total sum assured.

It would cover all crops, including coarse pulses and oilseeds, sugar cane, potatoes and cotton would enjoy cover as cash crops in the first year, the statement said.

"All the remaining crops, including horticultural and commercial crops, will be placed under insurance cover within the next three years," the statement added.

4th AGM of UFIL held

The fourth annual general meeting (AGM) of Uttara Finance and Investments Limited (UFIL), the second after the company went public in 1997, was held at a Hotel on Tuesday, 22 June, 1999, says a press release.

The meeting was attended by a large number of shareholders and all the company directors.

Bernard NG Chin Keong, CPA and his wife Chin Keong, Foreign Directors of the Company, who jointly hold 20.83 per cent of the equity, traveled all the way from Singapore to Dhaka to attend the AGM and review the company's business affairs.

Bernard, while talking to the shareholders, spoke highly of the prevailing investment climate in Bangladesh particularly the facilities offered to foreign investors. He further said that his investment would inspire others to invest in Bangladesh.

Rashid-ul Hasan, Chairman of the company, narrated in short the problems faced by the company in 1998, which adversely affected UFIL's business performance.

In reply to shareholders' query, the chairman stated that as per Bangladesh Bank's recent directive, no audit firm could work for more than three consecutive years in a financial institution. As a result SF Ahmed & Co. Chartered Accountant's name was proposed and approved by the shareholders.

Earlier the Chairman presented the Directors' Report before the shareholders and highlighted the constraints under which business was performed in 1998. Total lease contracts processed in 1998 stood at Tk. 201 million. Profit before tax during the year was recorded at Tk. 3,0703,788 as against Tk. 1,5991,478 in 1997, showing a 92 per cent increase in pre tax profit.

The meeting approved a 15 per cent dividend for the shareholders of the company.

Weekly Tea Sale

Market witnesses price fall amid poor demand

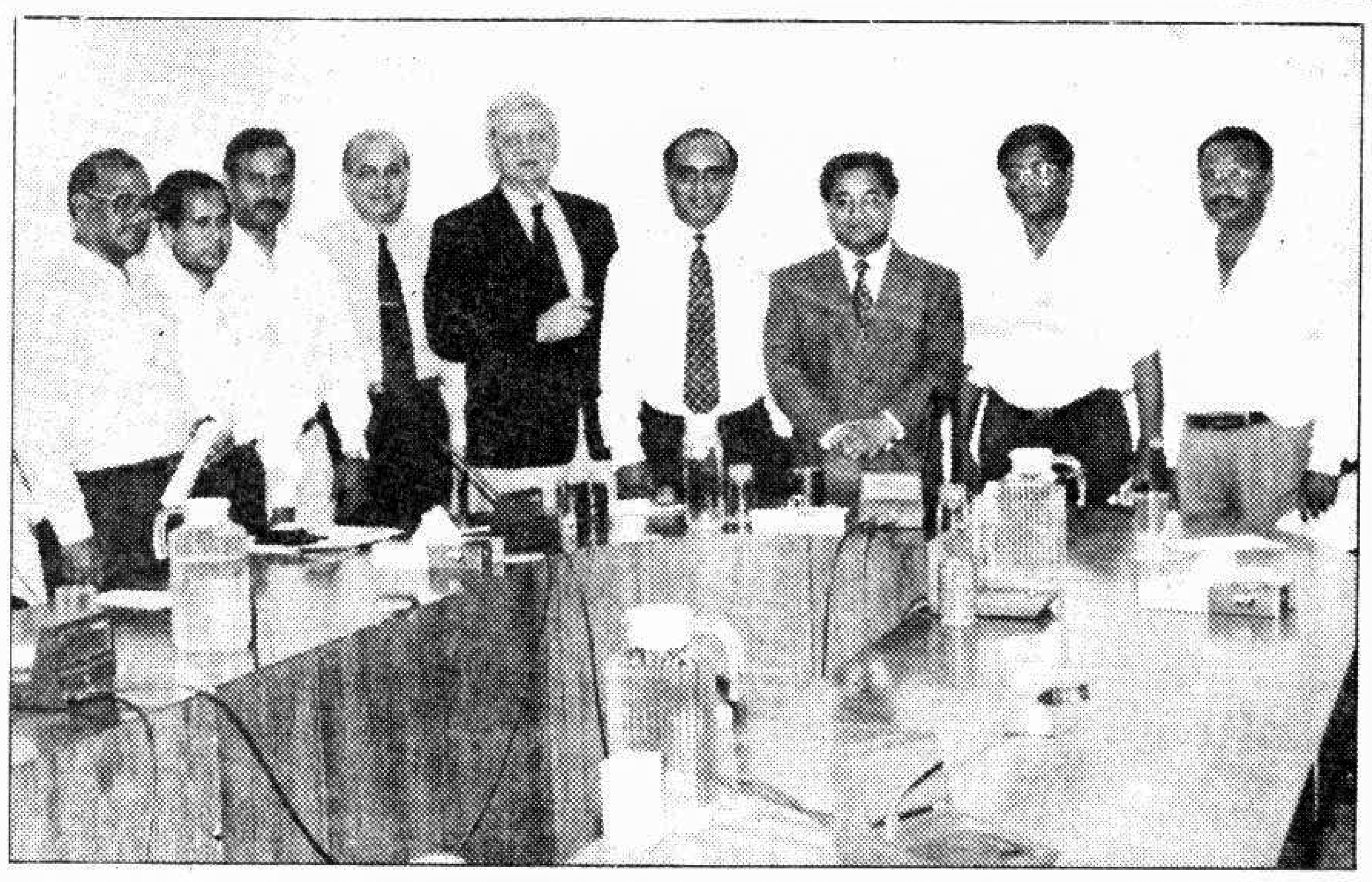
CHITTAGONG, June 23: The weekly tea sale here yesterday (Tuesday) experienced weak demand amidst sharp decline in prices this week for all varieties, reports UNB.

Pakistan was absent whilst there was limited interest from Poland and the CIS. Internal blenders, however, lent slightly more support to the few liquoring types but loose tea trade was much less active, according to a market report of the National Brokers' Ltd.

CTC Leaf: 8,479 chests and 7,097 gunny sacks, and (792 chests, 933 gunny sacks of old season) on offer met with much less demand at progressively lower rates.

CTC Brokens: Bold Brokens was down Tk 2 and mostly sold between Tk 48 and Tk 49, while larger Brokens witnessed a discriminating market and mostly realised Tk 58 per kg with sizeable withdrawals.

Medium and smaller Brokens met with a selective market and initially declined by Tk 3 to Tk 4 and with the progress of sale often up to Tk 5 to Tk 6 with considerable withdrawals. Plainer types were discounted further.



The delegation from SSA Bangladesh Ltd prior to holding talks with the BGMEA officials on the private container terminal project at Patenga, Chittagong. — SSAB photo

Asian crisis crushed Brazil's development dream

RIO DE JANEIRO, June 23: Shortly after his re-election last year, President Fernando Henrique Cardoso took a moment to correct himself, says AP.

"I once said it was easy to govern Brazil," he said in a televised speech. But that was before Asia's economic crisis.

After the economies of Southeast Asian began faltering in the summer of 1997, investors bailed out of emerging markets around the world. In Brazil, a wave of optimism and prosperity crashed.

"My life changed after that," said Rubem Rodrigues Vieira, a baker. "Back then everyone had money. I was thinking about opening my own business. Today, money doesn't go far. I'm just worried about keeping my job, and the crisis doesn't end."

Like many Brazilians, Vieira blames the government for the hard times.

"It was a tremendous disillusion," he said, slumped on a park bench in Ipanema. "Each day I believe less in politicians."

The crisis that began in Thailand was a disaster for the Plano Real, the hugely popular economic plan introduced in 1994 by Cardoso when he was finance minister. Inflation fell so fast Brazilians made Cardoso president three months later.

For a country accustomed to four-digit inflation rates, it was like a dream. With lower trade barriers and a strong currency, the real, Brazilians went on a buying spree.

Few seemed worried that Brazil's trade surplus had swung into the red. Or that the budget deficit, no longer depreciated by inflation, was sending the federal debt through the roof. Or that promised tax and social security reforms were going nowhere.

"Ah, the glorious years of '95 and '96. It was the best of all worlds — the end of inflation and cheap imports," said Jose Luciano Dias, a consultant at Goes e Consultores. "But it couldn't last. The government couldn't sustain the fiscal deficit. It was just old-fashioned Latin American populism."

The bubble burst in 1997. Panic struck as investors, fearing a repeat of the Asian debacle, pulled their money from Brazil. Stock prices plunged, and the Central Bank lost $10 billion propping up the real. Interest rates literally doubled overnight, to 43 per cent.

"The next day, half my customers had disappeared. It was devastating," said taxi driver Isaias Pereira da Silva, although he is still confused about the cause. "Everything collapsed over there, and then it hits us here. I never understood what they had to do with Brazil."

Soon after, Cardoso announced a "package" of spending cuts and tax increases, intended to save some $19 billion. The spending cuts were mostly forgotten in the election campaigns of 1998, but the bloom was off the real.

Unemployment soared, from 5.8 per cent in November 1997 to more than 8 per cent. Especially hard hit were industrial workers in Sao Paulo, Latin America's largest city, where labour unions say the jobless rate is 20 per cent — more than 1.7 million people.

Meanwhile, the government was forced to issue dollar-linked securities to raise money, because investors balked at accepting reals even at high interest rates.

Ironically, the turmoil seemed to work in Cardoso's favour at election time. Last October, unwilling to risk switching presidents in mid-crisis, Brazilians re-elected him on the first ballot.

To support the real, Cardoso appealed to the International Monetary Fund, which put together a $41.5 billion loan package. In return, Brazil promised more austerity, budget cuts and layoffs.

But there was no saving the currency in January when new doubts rose about Brazil's ability to pay its debts. The Central Bank let the real trade freely against the dollar, and the Brazilian currency promptly lost 45 per cent of its value before slowly strengthening.

Today, Brazilians take heart from expectations that the recession could be shallower than first thought — a one per cent retraction instead of four per cent — and the economy might grow next year. For a government that took office announcing a "historic opportunity" for a great leap of development, it's small consolation.

"Brazil never entirely recovered from the Asian crisis," said Francisco Pires de Souza, an economist at the Federal University of Rio de Janeiro.

"It was a shock of reality," Souza said. "Asia contributed to hasten the end of an unsustainable economic model. Now the foreign exchange crisis is past, a turned page. In the future, we might consider this an evil that came for the good."

Gujarat business team for boosting trade ties with Bangladesh

The visiting business delegation from the Indian state of Gujarat expressed this keen interest to strengthen trade relations with Bangladesh, reports BSS.

"A special desk for Gujarati business entrepreneurs should be immediately set up here to provide information on business and trade," leader of the 22-member delegation Jagat Shah said at a meeting with the leaders of FBCCI Tuesday.

He said that Bangladesh entrepreneurs had little knowledge about Gujarat, the industrial heart of India, which contributes 17 per cent of Indian export to Bangladesh, for lack of information exchange among the businessmen of the two sides.