

US-China joint venture finds 200m tonnes oil reserves

BEIJING, July 12: A US-China joint venture company has discovered offshore oil reserves estimated at 200 million tonnes in north China's Bohai Bay, official media said today, reports AFP.

The venture, between Phillips Oil Company of the US and China Offshore Oil Share-Holding Company (Bohai) found the new pool, "Penglai 19-3", 70 kilometres (42 miles) off the north coast of Shandong Province in a 50-square kilometre (20 square mile) area where the water is 20 metres (66 metres) deep, Xinhua news agency reported.

This is the first pool with more than 100 million tons found by a joint venture in Bohai Bay and is a major breakthrough in collaboration with a foreign oil company," the agency quoted geologist Deng Yunhua as saying.

Exploration began on May 1 and since then the joint venture had found two oil layers 900 metres (2,970 feet) and 1,400 metres (4,620 feet) below the sea bed, it said.

Chinese and US geologists said the oil was high quality and easy to tap, the agency said. "Drilling on the third well is already under way and they have great expectations," Deng said.

DCCI course on selling skill begins

Acting President of the Dhaka Chamber of Commerce and Industry (DCCI) Sajjatuz Jumma underscored the need for improving the selling skill for the sake of long-run sustainability of business enterprises.

Jumma said this while inaugurating a 5-day training course on 'Effective Selling Skill' at DCCI Training Centre Sunday, says a press release.

The course was jointly organised by Business Advisory Service (BAS) and Human Resource Development Programme (HRDP) of DCCI.

The DCCI acting president stated that in the present competitive business world, the salesmen must adopt innovative sales techniques to attract buyers, adding that uninterrupted production followed by quick and gainful marketing can only ensure the sustainability of a business enterprise.

BAS Project Coordinator Michael K Nathan gave a brief resume of the BAS Project and encouraged the participants to avail themselves of the services of the project.

AFM Obaidur Rahman, Convener of the Human Resource Development Committee of DCCI, was also present on the occasion.

In all, 27 sales executive from different business enterprises attended the course.

German consumer prices under control

WIESBADEN, Germany, July 12: Consumer prices in Germany remained very firmly under control in June, final data published by the Federal Statistics Office today showed, says AFP.

Germany's consumer price index (CPI) edged up 0.1 per cent in June from the figure for May and was 0.4 per cent higher than it had been in June 1998, the office said in a statement.

The final data represent a slight downward revision of provisional figures released at the end of June when the office had calculated a month-on-month rise of 0.2 per cent and a year-on-year rise of 0.5 per cent for June.

In May, CPI had remained unchanged month-on-month and risen by 0.4 per cent year-on-year.

Thai central bank to take over Nakornthon Bank

BANGKOK, July 12: Thailand's central bank said Monday it will take over Nakornthon Bank and reopen the bidding for a stake in the institution after a deal with Britain's Standard Chartered Bank was put on hold earlier this year, reports AP.

Kitti Patongpibul, deputy governor of the Bank of Thailand, told a news conference Standard Chartered can make another offer for Nakornthon, a small ailing bank, in the new round of bidding.

The Bank of Thailand has taken over six other ailing banks since the onset of the country's financial sector crisis two years ago. Recovery of the banking sector is crucial to the recovery of the economy.

Most banks are suffering from a large amount of bad loans, and the central bank is striving to clean up their books so the banks can be sold to new partners and investors.

Nakornthon currently has negative net worth as it tries to deal with nonperforming loans which reached 34 billion baht (\$918 million), or 60 per cent of total lending, by the end of May,

UN Annual Human Development Report says

Globalisation rendering rich richer, poor poorer

GENEVA, July 12: The rich are getting richer and the poor are worse off in nearly every way thanks to globalisation of the economy, the United Nations Development Programme (UNDP) charged today, reports AFP.

As globalisation speeded up, the ability of the world's leaders to cope with the human consequences of it lagged way behind, the agency said in its annual Human Development Report.

The result is new threats to human security in both rich and poor countries, as people fear for their jobs, their health, the survival of their culture and community, their environment and their personal safety, the UNDP warned.

The 260-page report stuffed with tables and statistics shows the stark and ever widening gap between rich and poor: in nine years the income ratio between

the top fifth and the bottom fifth has gone from 60:1 to 74:1, and 80 countries have less revenue than they did a decade ago.

The assets of the 200 richest people exceed the combined income of 41 per cent of the world's total population.

The rules of globalisation need to be rewritten, the UNDP said, condemning a dangerous polarisation between those able to take advantage of the system and those who are forced to suffer its effects.

Globalisation covered such areas as diverse as drug-smuggling, money-laundering and other organised crime, the pop culture, the internet, the spread of epidemics and police cooperation as well as trade and business, the report noted.

The internet, it said, is a "two-edged sword," cutting many people in but also in-

creasingly cutting people out, as its main users are educated young white males with access to money.

The UNDP criticised the concentration on economic development, whose results are partial and uneven, following the agenda of the world's richest countries in the Group of Seven.

It noted that in Asia, for example, recovery in terms of nutrition and education would lag two to three years behind the economic recovery following the crash two years ago.

The report highlighted cultural dominance as a source of instability, noting for instance that in Latin America two-thirds of films and television programmes are produced outside the continent.

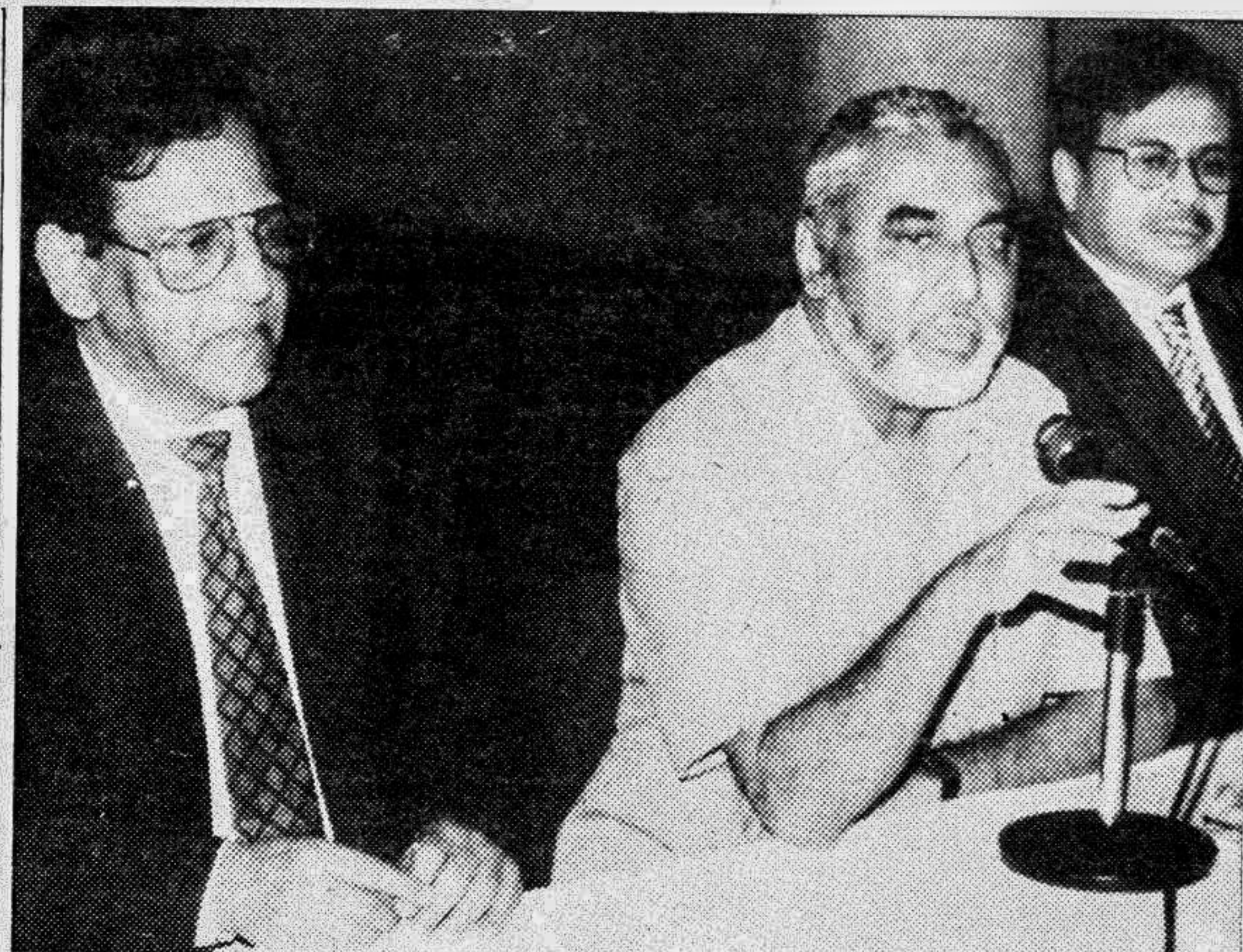
"We side with those in the World Trade Organisation who say there is a case in principle for looking at cultural issues as

somewhat different from normal trade," it said.

The UNDP also urged more technological aid to poor countries, warning that they risked being left out in the rush to monopolise the world's knowledge.

The report called for strong governance — a set of rules and institutions at every level — to preserve the advantages of global markets and competition while ensuring that globalisation works for people, not just for profits.

This would cover the fields of ethics (less violation of human rights), equity (less disparity within and between nations), inclusion (less marginalisation of people and countries), security (less instability and vulnerability), sustainability (less environmental destruction) and development (less poverty).



M H Chowdhury, Chairman of One Bank Limited, speaks at a press conference at a city hotel yesterday. — Star photo

One Bank starts its operation tomorrow

A new private sector commercial bank with an authorised capital of Tk 1000 million is going to start its operation from tomorrow, reports BSS.

Finance Minister Shah AMS Kibria will inaugurate the new bank — One Bank Limited. It will be the 20th private bank in the country.

Chairman of the bank M H Chowdhury at a press briefing yesterday said that the paid up capital of the bank would be Tk 405.00 million — Tk 202.50 million contributed by the sponsors and Tk 202.50 million to be raised through public subscription.

He said that the bank was sponsored by a group of Bangladeshi industrialists and highly-qualified professionals like medical practitioners, scientists and chartered accounts.

Managing Director of the bank Ashfaq U Chowdhury said that the bank would try to provide satisfactory services to customers.

The press briefing was attended, among others, by Vice-Chairman of the bank Hafizur Rahman, Director Asoke Das Gupta and Farzana Chowdhury.

Moody's lowers Mitsubishi Motor's rating

TOKYO, July 12: Moody's Investors Service said Monday it has downgraded the long-term rating of Japanese automaker Mitsubishi Motors Corp. putting it below investment grade, says AP.

The downgrading, from Baa3 to Baa3, affects about 2 trillion yen (\$16.4 billion) of debt securities.

Moody's cited the challenges facing the company to broaden its product successes beyond mini-cars, currently a high-selling model, and to reduce its costs to more competitive levels.

The rating also took into account the continuing weakness in Mitsubishi Motors' domestic market which, combined with the company's high leverage, results in weak debt protection measurements, Moody's said.

The ratings outlook is stable, Moody's said.

The ratings agency said Mitsubishi is cutting expenses and overheads to offset the impact of an economic slowdown in Japan and the rest of Asia, but that larger competitors are making more progress.

Mitsubishi Motors does not have the scale to be the lowest-cost producer and therefore will need to develop new vehicles for which consumers are willing to pay a premium, Moody's said.

Mitsubishi Motors is a member of the Mitsubishi Group. It was spun-off from Mitsubishi Heavy Industries Ltd, the core member of the Mitsubishi Group.

Diminishing debt default may change scenario Pak credit rating 'hostage' to Eurobond payments

KARACHI, July 12: Pakistan's credit ratings will likely continue to reflect uncertainty unless a plan to reschedule Eurobond payments is drawn up as promised, economists and bankers said, reports Reuters.

Apart from that factor, some of Pakistan's credit ratings would probably improve as prospects of debt default have diminished, they said.

"Things have been improving with rescheduling and we hope the rating agencies would place the country into non-default category soon," said Arshad Arif, head of research at Dutch brokers ABN AMRO Equities in Pakistan.

Pakistan's financial position has improved after it recently rescheduled a portion of repayments on its foreign bilateral and commercial debts.

Standard & Poor's affirmed on Friday its double-C ratings on Pakistan's Eurobonds and floating rate notes and kept foreign currency issuer credit ratings at SD (selective default).

The ratings agency also assigned Pakistan single-B long-term and short-term local currency credit ratings, with a stable outlook on the long-term local currency rating.

Arif said a Eurobond downgrade remained possible as Pakistan had to pay about \$450 million in the next 12-13 months as interest and principal bond payments — a difficult feat considering cash reserves of around \$1.7 billion and an

expected current account deficit of over \$1.77 billion.

Pakistan has committed to reschedule these Eurobonds like other debts but even if it does so, our ability to honour these payments is limited," he said.

A banker who asked not to be identified said finance ministry officials dealing with debt rescheduling had indicated that two of the country's largest state-run banks had accumulated large holdings of Eurobonds in recent months.

The plan is to give an option to the bond holders that they

BSSF seminar on migrant workers ends

The 5-day seminar of Bangladesh Sanjuktta Sramik Federation (BSSF) on "Impact of Globalisation on Migrant Workers" ended at the BSSF Support Centre in the city yesterday, says a press release.

25 participants took part in the seminar, which was opened by Mukhlesur Rahman, President of BSSF, and addressed by Dr CR Abrar and Harunur Rashid Bhuiyan.

While discussing the issues, the participants recommended the establishment of a cell consisting of government and trade union representatives to mitigate the grievances of the migrant workers both at home and abroad.

can get interest and principal payments in local currency instead of dollars. And as the majority of bonds will be with local banks, they will agree to the proposal," he said.

He said even after an exchange rate loss, the bondholders stand to get a 33-34 per cent yield — higher than any rupee investment available to local banks in Pakistan.

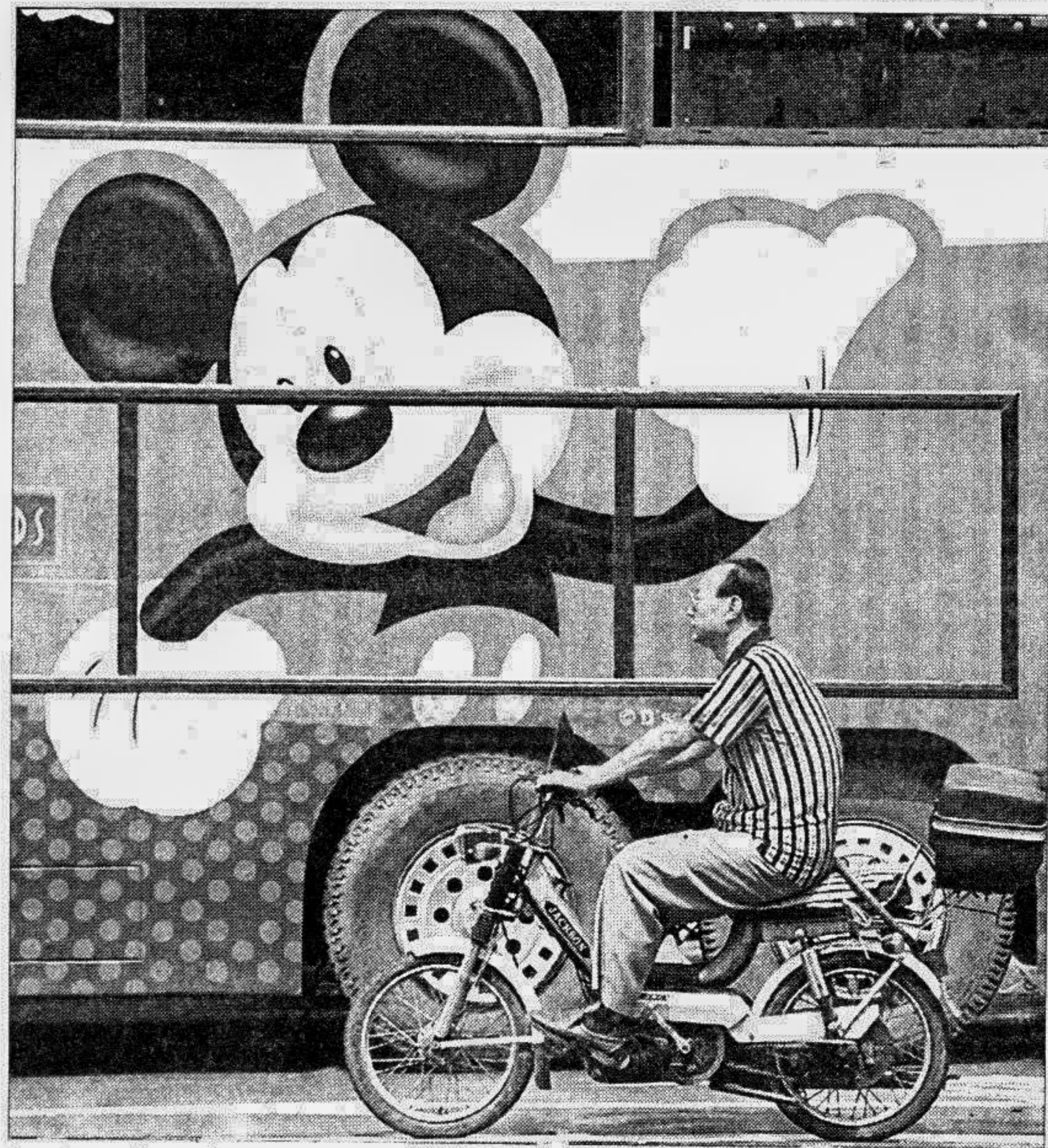
The banker said Pakistan would unveil the plan close to maturity of a \$150 million five-year bond due on 22 December, 1999.

The Eurobond repayment schedule for debt-crushed Pakistan has become a test case of whether official creditors like the IMF and the Paris Club will insist on restructuring Eurobonds as emerging market borrowers reschedule their debts.

Pakistan says it will continue to honour its commitment to bond holders unless it becomes clear how these bonds, held by individuals and institutions, could be rescheduled.

Pakistan has two floating rate notes and two sovereign bonds outstanding, worth a total \$750 million. By December 2000, \$470 million worth of bonds will mature.

Extending the effective maturity of Pakistan's \$600.2 million foreign currency bond debt would permit the rescheduling of about \$3.3 billion of official development aid and other bilateral debt servicing, S&P said in a statement.



A motorcyclist rides past a tourist bus adorned with Disney's Mickey Mouse Monday in Shanghai. US entertainment giant Disney, after years of aggressive marketing in Asia, has won over a new generation of both adults and youngsters as the likes of Mickey, Donald Duck and Goofy can be found on shirts, lunch boxes, shoes, umbrellas and even adorned on buses throughout Asia and China. — AFP photo

Board of Investment reveals

Tk 155b domestic investment offers received in 3 yrs

Domestic investment offers amounted to around Tk 155 billion in the last three years.

The Board of Investment (BOI) sources told BSS yesterday that the offers were received against 4,230 projects between June 23, 1996 and June, 1999 with estimated employment opportunities for 5,50,605 people.

A total of 1,247 projects involving Tk 47,457,102 million got registered with the BOI in the fiscal 1998-99.

The investment offers rose to Tk 50,605,165 million against 1,448 projects in the 1997-98 financial year, which further went up to Tk 56,770,618 million in the fiscal 1998-99, sources said.

The rate of registration of

local investment offers with the BOI during the last three years of the present government was 1.77 times higher than that of the registration in five years of the previous BNP government.

The BOI is conducting a survey on 2,695 projects registered between June 23, 1996 and June 1998 to assess the rate of implementation.

Meanwhile, the Board has completed survey on 1,094 projects which found 438 projects already in production, 112 are to go into production soon and the rest in different phases of implementation.

Referring to a recent survey of the Finance Division on the trend of domestic investment and the facilitating steps by the

government to raise local investment, the sources said industrial investment in the country will further go up in near future.

According to the Finance Division survey, banks and financial institutions disbursed long-term loans for new industries to the tune of Tk 797.5 crore in 1996. The similar disbursement soared to Tk 1,029.7 crore in 1997.

Meanwhile, the government has permitted Agram Bank to float a government guaranteed bond of Tk 500 crore and Sonali Bank to sell similar kind of bonds to the tune of 100 million dollars among the expatriate Bangladeshis to mobilise resources for industrial investment.

ture to catch up with lost time, said Eddie Lee, regional economist with Vickers Ballas investment house.

He cited as an example the build-up in wafer fabrication plants in the region just before the Asian economic crisis which some saw as excess capacity.

Among Asian economies trying to emulate Silicon Valley or attempting to propel their economies into the outer reaches of the information age:

Malaysia: Prime Minister Mahathir Mohamad last week launched a new hi-tech city in the heart of a proposed Multimedia Super Corridor (MSC) that would fast-forward the country into the 21st century.

Covering 750 square kilometers (300 square miles), an area

larger than the size of Singapore, the corridor outside Kuala Lumpur would be wired up for high-speed transmission of video, voice and data on the Internet.

Singapore: This compact, densely populated island will be completely wired by the end of the year with a high capacity cable system capable of bringing cable TV, e-commerce and other multi-media applications into every office and home.

Singapore is also developing its own Silicon Valley in Buona Vista, south of the island, specially zoned for industrial, research and development and commercial activities, with an ambitious plan to attract cutting-edge start up technology companies.

Hong Kong: An ultramodern



People walk past multi-media kiosks set up along Singapore's posh Orchard Road Sunday. Singapore and other Asian nations are scrambling to set up their own multi-media and information technology (IT) hubs, to power their economies into the new millennium. — AFP photo

Asian states in healthy competition to set up IT hubs

SINGAPORE, July 11: Asian nations are scrambling to set up their own multi-media and other information technology (IT) hubs, in what analysts see as healthy competition, to power their economies into the new millennium, says AFP.

But none of these hi-tech aspiring nations were expected to clinch the coveted title of "Silicon Valley of Asia" because market forces would confine them to areas where they enjoy competitive advantages, the analysts said.

"The Asian economies will have their own Silicon Valleys, so to speak, as they develop their niche areas to survive and thrive, rather than competing against each other and cannibalising into each other's opportunities," said Akhil Agar-

wal, senior analyst with research firm International Data Corp.

He saw, for example, a Hong Kong developing into a regional telecom hub, Singapore an electronic commerce hub, India's Bangalore a computer software development hub and Taiwan a hardware manufacturing hub.

Malaysia, South Korea, the Philippines and even China would eventually find their own niches, analysts said.

The race to build hi-tech paradises stems largely from the explosive growth of the Internet.

As Asian economies recover from recession caused by the financial crisis which erupted in mid-1997, they are stepping up plans to beef up IT infrastruc-

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Hong Kong: An ultramodern

1.67 billion dollar "Cyberport" of high capacity telecom links, research labs and other multi-media facilities will be set up in this Chinese territory to boost hi-tech industries.

South Korea: It is building "Media Valley" on reclaimed land on the western coast near Incheon City, which it hopes will become a regional IT hub.

Media Valley Inc., a consortium of 52 firms including Intel and four other foreign firms, have set aside more than 500 million dollars to reclaim land and put up infrastructure by 2000.

Some 640 firms, 50 of them foreign, want to set up base there.

India: About 20 projects have been launched to upgrade infrastructure this year in Ban-

galore, India's own Silicon Valley in southern Karnataka state, with plans to build an entire IT city across 500 acres (200 hectares) — complete with a mayor to be chosen from resident computer software professionals.

Bangalore hosts 1,700 IT firms, including Microsoft, Compaq, Sony and Samsung, with scores of others queuing up for a slice of India's computer market, expanding by 41 per cent annually.

China: Venture capital funds are being sought to transform China's fledgling Zhongguancun high-tech zone in northwestern Beijing into a bustling hi-tech capital. It has an ambitious target of attracting more than 36 billion dollars in businesses.

Taiwan: The authorities are building a second industrial park in southern Taiwan after the maiden venture in Hsinchu, north of the island, became a roaring success.

Philippines: Two firms have received approval to set up largely computer software development centres, both outside Manila. Another IT project to be set up in the Fort Bonifacio development beside the Makati financial district has been stalled by squatter problems.

Thailand: A plan to set up a hi-tech park called Alpha Technopolis outside Bangkok was stalled because of Thailand's economic crisis. Alphas Electronics, closely linked with the delayed project, was submerged by debts and taken over by foreign parties.