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DHAKA, TUESDAY, JULY 20, 1999

**BGMEA hails devaluation of taka**

**Star Business Report**  
Bangladesh Garments Manufacturers and Exporters Association (BGMEA) yesterday welcomed Sunday's two per cent devaluation of taka.  
In a press release yesterday, BGMEA president Anisur Rahman Sinha said that this timely decision of the government would boost the country's exports.  
"The recent devaluation will make garments products competitive in the international market," the release added.  
Sinha said in recent years the South Asian countries went for more devaluation of their currencies than ours. He also called for determining a rational exchange rate with a view to making our products more competitive in the international markets.

**Date exhibition in Pakistan from Sept 15-17**

Pakistan's Export Promotion Bureau (EPB) will hold a Grand Dates Exhibition from 15-17 September at Karachi, in which foreign buyers and importers from all over the world have been invited.  
Prime Minister Nawaz Sharif is likely to inaugurate the exhibition, says a press release.  
Pakistan, with an annual dates production of 535,000 tonnes, has already introduced these items in the European and Far Eastern markets. The forthcoming exhibition will provide an opportunity to foreign buyers to see all commercial varieties of dates, dates packing materials and packing machines.  
A special package has been offered by the EPB to Bangladesh importers and buyers. Free stay at a five-star hotel and transport facilities are part of the package.  
Interested Bangladeshi importers and buyers are advised to contact the Commercial Section, Pakistan High Commission, Dhaka, for required assistance and further coordination.

**2-day MIDAS workshop ends**

A 2-day training workshop on "Business Management, Marketing and Bank Loan Application" was concluded at MIDAS head office in the city on Thursday, says a press release.  
The workshop was organised and conducted by MIDAS under the sponsorship of JOBS Programme of USAID for small entrepreneurs from bakery, footwear, light electrical goods and handloom/handicraft sub-sectors.  
Twenty entrepreneurs included in the workshop participated in the closing ceremony. Abdul Karim, Managing Director, Bazul Rahman Khan, Deputy Managing Director, and Md Golam Sarwar Bhuiyan, Chief Programme Coordinator of MIDAS, and Syed Latif Hossain, Communication and Training Manager, and Mostafizur Rahman, Enterprise Development Manager of JOBS Programme, spoke on the occasion. Abdul Karim awarded certificates to the participants.

**China Telecom may further cut internet fee**

BEIJING, July 19: China's telecom administration is considering to further lower the country's internet access fees under the increasing pressure of internet users, according to today's China Daily Business Weekly, says Xinhua.  
"It's a trend to cut fees to an affordable level, further price adjustments are being considered," Chen Yin, a division chief of the planning and development department with China Telecom Administration Bureau, was quoted as saying.  
"However, Chen, who is responsible for internet-related prices, didn't disclose the exact schedule of the price cut."  
The telecom administration had already lowered charges over internet access by a large margin in March this year. The price cut contributed to the explosive growth of internet users in the first half of the year.  
The number of Chinese internet users has hit 4 million by the first six months this year, according to the latest statistics from the China Internet Network Information Centre.  
The figures, showing the number of dial-up users at 2.56 million, have almost doubled last year's 2.1 million users.  
"The growth momentum could hit more than 100 per cent a year in the coming years," Mao Wei, director of the Centre, told China Daily. "But another great leap this year has to do with the stimuli of price cuts."  
According to the Centre's survey, Chinese internet users mainly suffer from the low speed of the connection when accessing websites and the relatively high costs. Complaints about speed represent 49.3 per cent and complaints about costs account for 36.8 per cent.

**Tofail says at AMC award presentation Defaults block loans to fresh entrepreneurs**

**Star Business Report**  
Commerce and Industries Minister Tofail Ahmed said fresh entrepreneurs are being deprived of loans as huge amounts of bank funds are stuck up with defaulters.  
Classifying the defaulters as willful and circumstantial, he said that the country needed to draw an end to default culture for the survival of its industrial sector.  
Tofail Ahmed said this while speaking as the chief guest at the award presentation ceremony of the Associated Merchandising Corporation (AMC) at a city hotel Sunday.  
Labour and Employment Minister M A Mannan, FBCCI

President Abdul Awal Minto, BGMEA President Capt. (Retd) Anisur Rahman Sinha, AMC Asia Vice President Bob Chang, KDS Group of Industries Chairman and Managing Director Khalilur Rahman, KDS Group Director Salim Rahman and AMC Director in Bangladesh Iqbal Ahmed also spoke on the occasion.  
\* Congratulating the KDS Group for achieving the AMC Vendor Award for the second time, Tofail said: "Our RMG products deserve to meet lustrous image all over the world."  
Termining Bangladesh as one of the lucrative places for investment, he said that the rate

of investment return in Bangladesh was 21 per cent which has already attracted foreign investors here.  
The minister also added that the government would continue to provide cash incentives for boosting RMG exports.  
The FBCCI president cautioned the readymade garment sector may lose world markets as the present quota system would be phased out in the year 2005.  
The BGMEA president said that a new institution would be opened in September this year for increasing the skill and managerial efficiencies of RMG sector.



French Ambassador to Bangladesh Renee Veyret (2nd from right), Lafarge Country Director Michel Folliet (right), Islam Group Chairman Manzurul Islam, Engr. Mustak Ahmed and Raihan Albarune of Lafarge are seen after the formal inauguration of the company's new corporate office at Gulshan in city recently. — Lafarge photo

**Business mood in Australia strong despite recent eases**

SYDNEY, July 19: Australian business employment expectations are at their best in four and a half years although overall business confidence has eased slightly, the June quarter Dun & Bradstreet survey, released today, showed, reports Reuters.  
The survey also found profits growth expectations remain strong, after a decline in the middle of 1998, with the June quarter index net reading to 43 equal to the second best level seen in the last four and a half years.  
However, the proportion of firms reporting an actual increase in profits remained well below the proportion expecting a rise.  
"The strength in business expectations is good news for the Australian economy with strong economic growth set to continue," D&B Australia and New Zealand managing director Christine Christian said in a statement.  
The survey covers over 950 business owners and senior executives from major industry sectors across Australia.  
Executives slightly eased their expectations on sales — a net 51 per cent expect a sales increase, down three index points on the March quarter, and new orders, where the index eased to 49 from 51 in March.  
Employment expectations rose two points to a net 18 per cent, and other areas to rise were inventory expectations, with a net 17 per cent expecting a rise in the quarter, and capital investment, where a net 27 per cent expect an increase.  
The selling prices index was steady at 16 per cent, with 25 per cent of firms expecting to lift selling prices in the coming quarter and nine per cent expecting them to fall, which survey said showed inflation expectations remained subdued.

**End to Pak power row still some way off**

KARACHI, July 19: Pakistan has inched closer to solving a bitter dispute with foreign-backed power producers, but a long-term solution to the row, which has hit foreign investment, is still some way off, industry analysts said, reports Reuters.  
They said hopes for an end to the tariff fight, which has engulfed the International Monetary Fund and the World Bank, were raised last week when tariff cut agreements were signed between state utility WAPDA and three independent power producers (IPPs).  
But any long-term resolution hinges on a settlement of WAPDA's fight with Hub Power Co Ltd, which owns Pakistan's biggest private power plant, analysts said.  
Britain's National Power has a major stake in Hub

Power.  
National Power also manages the partially state-owned Kot Addu Power Co (KAPCO) — a 1,600-megawatt power plant in Punjab province — and it is locked in a tariff dispute with WAPDA.  
"Aside from Hubco and KAPCO, the other IPPs are too small to matter," said Ibrahim Masud, research head at brokerage firm Khadim Ali Shah Bukhari & Co.  
The Hubco dispute has caused jitters on the Karachi Stock Exchange where it is a major market barometer.  
On negotiations have dragged on, but Hubco said it was hopeful its latest proposal would lead to a breakthrough. However, WAPDA responded last week by asking for further tariff cuts.  
"We had tabled the proposals

with the expectation that they were very good proposals... WAPDA has not come back to us with anything concrete or new," a Hubco official told Reuters at the weekend.  
Industry sources said Hubco, which has a \$1.5 billion, 1,292 megawatt power plant near Karachi, offered a \$350 million cost saving to WAPDA over the next 11 years by cutting tariffs, and its interest rate of return to 15.76 per cent from 18 per cent.  
"We are very earnest and will continue to negotiate for an amicable as well as an economically acceptable solution... to our shareholders and lenders," the Hubco official said.  
Analysts said any delay in reaching an agreement benefits WAPDA because it was paying lower tariffs through a court order and lower capacity charges than agreed earlier.

**Filipino banks' bad loan ratio slips to 14.45pc**

MANILA, July 19: The non-performing loan ratio for Philippine commercial banks slipped to 14.45 per cent of total loans in May from 14.48 per cent in April, reports AP.  
The dip in the bad-loan ratio, caused mainly by a slight increase in total loans, is an "encouraging sign of renewing vitality in the banking system," the central bank said Sunday.  
April's bad-loan ratio was the highest since the outbreak of Asia's currency crisis in July 1997.  
In May, the non-performing loans of the country's 53 commercial banks totaled 212.3 billion pesos (\$5.59 billion), up slightly from April's 212.1 billion pesos (\$5.58 billion).

**Draft of SAFTA deal by 2001 likely**

KATHMANDU, July 19: Officials from seven South Asian nations have begun work on a treaty to set up a free trade area, the regional forum said, reports Reuters.  
A statement by South Asian Association for Regional Cooperation (SAARC) said member countries adopted the terms of reference defining the scope and coverage of the free trade area.  
"The SAARC Secretariat has been requested to prepare the preliminary draft of the treaty," the statement, issued late on Saturday, said.  
Officials would meet again in October to discuss the draft and consider tariff and non-tariff measures, the Kathmandu-based SAARC Secretariat said.  
SAARC, launched in 1985 for the economic development of the region, groups Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka.  
Its members have been implementing preferential trading arrangements since December 1995.  
Member nations have agreed to give 10 to 100 per cent tariff concessions for 5,400 goods agreed under SAFTA provisions to boost regional trade.  
Officials said the draft of a treaty to establish the free trade area was expected to be ready by 2001.

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**World Bank says Argentine debt scare poses no LatAm crisis**

MADRID, July 19: A recent debt scare in Argentina does not represent the start of a new financial crisis in Latin America, the head of the World Bank was quoted as saying on today, reports Reuters.  
"I reject the possibility that Argentina will be the origin of a new Latin American crisis," the World Bank's president James Wolfensohn told newspaper El Pais in an interview. Shares in Buenos Aires plunged nine per cent on Monday last week after a candidate for the ruling Peronist Party in October's presidential elections said he would ask the pope to press for debt relief from rich nations.  
"With all respect to the pope, this is not a question for the Catholic church but one for the creditors and the market's reaction... had nothing to do with a possible intervention by the church but what the creditors would think if someone suggested Argentina would not pay its foreign debt," Wolfensohn said.  
Brazilian markets also took a hit last week. Although calm appeared to have returned to Argentine markets by Friday, international investors are likely to remain jittery about possible further shocks in the run-up to the October elections.  
Wolfensohn said the comments by Eduardo Duhalde, currently running second in opinion polls, raised fears among investors that all of Latin America could plunge into turmoil.  
"It's true that there some power supply problems in Ecuador, some armed incidents in Colombia and problems in Venezuela as in the rest of the countries," the World Bank head said. "But if you follow Latin America closely you'll see there's always something to be worried about."  
Argentina's problems in the last few days were "one of the many potholes on the road that Latin America is taking to development," he said.

**Thai candidate says Term compromise was for WTO's good**

BANGKOK, July 19: Thai Deputy Prime Minister Supachai Panitchpakdi said Monday that his agreeing to take second half of a shared term as director-general of the World Trade Organisation shows that his backers want the organisation to move forward, reports AP.  
On Friday, the Thai government announced that Supachai was willing to let New Zealand's former prime minister, Mike Moore, take the job ahead of him in deal to end a deadlock.  
The deal still has to be endorsed by the WTO's membership.  
The person taking the job first is seen as having more influence over the WTO — and therefore more prestige — because the new director-general will play a major role setting the agenda for a round of world trade talks beginning in November in Seattle.  
Supachai's candidacy was endorsed by Thailand and its Southeast Asian neighbors, and had support from Japan and Australia. But he was opposed by the United States, which played a major part in stalemating the eight-month contest to succeed Renato Ruggiero.  
Even after the idea of taking turns was accepted by both sides earlier this month, there was still the question of who would take the job first and for how long.  
Supachai told reporters Monday he had consulted with Thai Prime Minister Chuan Leekpai and Foreign Minister Surin Pitsuwan as well as representatives of the key coun-

tries supporting him, and they agreed to the deal to end the conflict and move on.  
"Everyone I talked to was concerned with the progress of the WTO, especially how to begin the next round of negotiations. I feel relieved and proud of the decision," Supachai said.  
"We the Thai government and our supporters are doing our best in offering a way out on the basis of every member's interests."  
Supachai said his supporters need a clear regulation setting out the working term of each director.  
The deal involves Moore and Supachai serving for three years each, even though the job was set up by the director-general a single four-year term.  
A Thai newspaper reported on Monday that in the view of a senior Thai Foreign Ministry official, serving second as WTO director-general would still allow Supachai to have an impact on negotiations concerning such trade issues as electronic commerce, services and agriculture.  
Kobsak Chutikul, the head of the ministry's economic affairs department, said he expected that the next round of WTO negotiations would not be concluded during the three-year term that Moore is expected to hold, the Bangkok Post reported.  
That is because 2000 is a US presidential election year and domestic considerations are likely to keep the US government from timely approval of any new trade pact, he said.

**Female company presidents top 60,000 in Japan**

TOKYO, July 19: The number of female company presidents has topped 60,000 for the first time in Japan, signaling a slight improvement for women workers along limited to secretarial work, a research firm survey showed Thursday, reports AP.  
Despite the increase, women CEOs in Japan are still very rare. Women headed 60,593 firms, just 0.05 per cent of the country's 1.14 million companies, Teikoku Data Bank Ltd said.  
The number of firms having female leaders was up 1,959, or 3.3 per cent, compared to last June. The average age of female presidents in Japan was 59.  
While women find it nearly impossible to rise to the top of larger, established Japanese corporations, they have had an easier time making gains in the country's many smaller companies.  
"Unlike female leaders on the career track in western nations, a majority of Japanese women are heading family-type firms," said Mari Suzuki of Teikoku Data Bank, Japan's largest credit research agency.  
A majority of Japanese companies say they do not allow women in management positions because of "lack of knowledge and judgment," according to a recent Labor Ministry survey.  
By industry, retailers of women's and children's clothing had the largest number of female presidents with 3,217, Teikoku Data Bank said. Other industries where women hold top positions include rental of office business, small public engineering works, travel inns and hotels, the agency said.

**German economy recovering**

ROME, July 19: Deutsche Bank chief economist Norbert Walter said in an interview published yesterday that the German economy was beginning a tentative recovery, reports Reuters.  
"I'm not convinced by the talk in recent months of Germany being the sick man of Europe because it's not growing at hoped for rates. Having said that, we shouldn't expect Germany to become the locomotive of Europe again soon," Walter told financial daily 11 Sole 24 Ore.  
"We are already accelerating, albeit in a year which is very difficult to interpret," he said.  
Exports, benefiting from euro weakness, would be the prime motor of growth but that effect would only be felt strongly from 2000, Walter told the Milan-based newspaper.  
"Only at the end of 2000 will we realise that 2000 and 2001 will be capable of posting growth between 2.5 and 3.0 per cent."  
The German economy grew 2.3 per cent in 1998 and the government's official forecast is for 1.5 per cent next year, though some officials have said it could go a little higher.  
Asked about the euro, which got a brief boost last week when European Central Bank (ECB) President Wim Duisenberg said a monetary tightening bias was "creeping into our (the central bank's) considerations," Walter said he approved of the ECB's new tone.

**Euro likely to lose a lot against yen further**

TOKYO, July 19: The euro's fundamental flaws are compounded by a truly ugly technical picture against the yen that warns of further misery to come, reports Reuters.  
The hapless European currency has already lost 10 per cent of its value against the yen this year and analysts are certain it would have been a lot more if not for the intervention of the Bank of Japan (BOJ) to curb the yen.  
The euro squandered a chance for redemption on Monday by fleeing below its former

lifetime trough at 122.63 yen to as low as 121.98. In the process, the euro ruined a potential double bottom formation that had offered a glimmering of a reversal in the eight-month-old downturn.  
With that bulwark overrun, analysts had expected support around 122.10/20 to provide only a momentary cushion before a push to the key 121.65/70 level, a trough from August 1997 derived using the old Ecu rate.  
"We would be strongly bearish below here (121.70)," said an

analyst at Standard and Poor's MMS.  
"Although interaday technicals are moving into oversold territory, the overall bearish bias keeps the focus firmly on selling strategies."  
By 0200 GMT the euro had slipped to 122.09/26 yen from 123.43 late in New York on Friday.  
A break below 121.65/70 would take the euro to territory not seen since the first half of 1995, again derived using the Ecu, when it delved as deep as 106.98.

**Kurdish conflict wrecks havoc on Turkish tourism**

MARMARIS, Turkey, July 19: Hotel rooms lie empty, cruise boats bob unmanned at the quayside and glum souvenir sellers trawl beaches, longing for a return of foreign tourists who normally flock to Turkey's sun-blessed shores, says Reuters.  
"There are no tourists, even though the season has begun," Dogan Tosun, himself a Kurd, said from the wooden steps of a sailing boat in the town's small port. "Many have not come fearing bombs."  
Officials see a 30 per cent drop in visitors from abroad since the start of the season, compared to 1998. Some 10 million tourists brought in revenues of some \$8.3 billion last year.  
A survey by the Association of Turkish Travel Agencies (TURSAB) warns of an annual \$2 billion loss in tourism income along with a drop of some 2.5 billion in the number of foreign visitors if cancellations

from abroad cannot be reversed.  
Ocalan, convicted for leading the PKK in a 14-year-old fight for self-rule in the mainly Kurdish southeast, has made court room warnings of a bloodbath if he is hanged.  
The PKK stopped short of direct threats against tourist centres after the death sentence, but did little to allay fears "the PKK has not said it will attack tourists in Turkey but the fact is the Kurdish people are very angry and irritated which means it is dangerous for foreigners to go to Turkey," a PKK statement said.  
The rebels have vowed not to hit civilian targets.  
The decision on whether Ocalan is actually executed now rests with the appeals court, and ultimately parliament. If they seek his hanging, there are

fears that tourism could suffer not just in 1999 but in the years to come.  
However, support for execution is high even among those who make their living from tourism.  
"This snake's head should be chopped off," says Gulsumer Sinanoglu, who sells traditional souvenirs on a narrow street in the once busy local bazaar in Marmaris.  
"He should be hanged as soon as possible so that we can return to normal. If tourists do not want to come, they do not come. If we go bankrupt, so be it," she added with resignation.  
One of her two sons is currently doing his military service.  
Sun-tanned Tosun, 27, calls out cheerfully from the sailing boat, selling a daily trips around the secluded coast and the remote mountains of the southeast region which few tourists

meets the Aegean.  
But his mood quickly sours when he is asked about business.  
"Bad, too bad. I am scared of losing my job," said Tosun echoing worries among his fellow workers. Despite his anxiety, he too wants to see Ocalan hanged. "The state should prove its determination. I can always go and find another job anywhere."  
According to some, the mass vacancies are linked not only to the Ocalan case but to inefficient promotion and the impact of the conflict in Kosovo.  
Turkish troops have battled with Ocalan's PKK since 1984. Officials say the conflict has no connection with tourism as the fighting occurs mainly in the remote mountains of the southeast region which few tourists

visit.  
Tourism Minister Erkan Mumcu expressed confidence with the state's ability to deal with the rebel violence.  
"There has been no serious incident in touristic areas... There will not be in the future either," he adds quickly in an interview with Reuters.  
The PKK kidnapped dozens of foreign tourists in the southeast and killed a British woman in a bomb attack on a resort in the mid-1990s but threats of violence in tourist centres in recent years have come to little.  
Mumcu dismissed the possibility that the death sentence in itself would harm revenues. "Cancellations are out of question because of the verdict," he said. Reservations had recovered by some ten per cent for July.

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