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DHAKA, TUESDAY, AUGUST 3, 1999

LPG production restarts at Golapganj plant

Rupantarito Prakritik Gas Company Limited (RPGCL) resumed production of liquefied petroleum gas (LPG) at its Golapganj plant in Sylhet on Thursday, reports BSS.

LPG production at the plant was suspended for a month due to non-availability of NGL. The production of LPG was stopped with the suspension of NGL production at the MST plant of Sylhet Gas Field as it went for emergency repair, said a Petrobangla press release today.

The supply of NGL resumed after necessary repair of the plant and Bangladesh Petroleum Corporation (BPC) is marketing now the produced LPG.

Course on intl trade, forex ends at BIBM

A 15-day training course on 'International Trade and Foreign Exchange' ended yesterday at the Bangladesh Institute of Bank Management (BIBM) here.

The course was designed to familiarise the participants with different foreign exchange transactions, exchange rate mechanism, documentary credit under URC, export and import trade reports BSS.

It also dealt with techniques, laws, principles, documents and procedures adopted in financing international trade, said a press release.

BIBM Director General Dr Muinul Islam chaired the closing session and distributed certificates among the participants. Members of the BIBM faculty Dr Toufic A Choudhury and Md Mohiuddin Siddique jointly coordinated the course.

Nepal looks for hydro-power project investors

KATHMANDU, Aug 2: The Nepalese government is determined to change laws to attract investment for hydro-electric projects as it seeks to double the amount of electricity generated in the country by 2003. Water Resources Minister Govinda Raj Joshi said, reports AFP.

He told parliament today that interest had been shown by firms such as Enron of the United States and companies from Canada, China, Britain and Australia, state radio reported.

Joshi said interest had been attracted following a government campaign using the slogan 'water resources development, the basis of national prosperity.'

He said the Electricity Development Centre would give licenses for surveying, designing and building of hydro-electric projects.

The Nepal Electricity Authority (NEA) plans 11 projects with total capacity of 3,397 megawatts.

'At present the NEA has been able to generate only about 269 megawatts of electric power while studies show that Nepal has the potential to produce 83,000 megawatts of which 44,000 megawatt is physically and commercially feasible.'

After the completion of the projects like the 144mw Kallandaki A station and 60mw Khimti projects, power generation capacity in Nepal will reach about 604 megawatts by the year 2003, Joshi said.

At present about 15 per cent of the 21 million inhabitants have access to electric power, mainly in urban areas.

Myanmar's rice export picks up in '98-99

YANGON, Aug 2: Myanmar's rice export amounted to 123,000 tons in fiscal 1998-99, picking up from 28,300 tons in 1997-98 and 93,100 tons in 1996-97, according to the latest Economic Indicators published by the country's Central Statistical Organisation, says Xinhua.

The picking up of Myanmar's rice export in the year followed a three consecutive years' drop in the export since 1994-95 when it was 1.04 million tons.

The country's paddy production dropped steadily in the past three fiscal years, falling from 18.19 million tons in 1994-95 to 17.95 million tons in 1995-96, to 17.67 million tons in 1996-97 and to 17.3 million tons in 1997-98.

Meanwhile, Myanmar experienced a flash flood and drought in some parts of the country in 1997-98, which was one of the main reasons for the fall in its paddy production and rice export.

As part of its measures to boost the agricultural production, the Myanmar government has, since the beginning of this year, allowed private entrepreneurs to reclaim vacant, virgin, fallow and wet lands in the country. Up to now, a total of 467,370 hectares of such lands have been reclaimed in six divisions and states.

Another 291,600 hectares in the country's Mon and Kayah states are being planned for reclamation.

CSE plans to open on-line trading outlet in Bogra

By M Shamsur Rahman, back from Bogra

As part of its vision to expand the countrywide network, the Chittagong Stock Exchange (CSE) is planning to bring the northern region under its on-line trading network by opening an outlet in Bogra, the gateway to 16 districts in the region.

The CSE's automated wide-area network (WAN) system currently links three major cities - Dhaka, Chittagong and Sylhet.

'Conceptually, the stock exchanges are geographically neutral,' CSE President Amir Khosru Mahmud Chowdhury told a group of business leaders at Bogra. 'So through WAN, the bourse has fulfilled the need for separate stock exchanges in all districts,' he added.

The CSE president was speaking at the conference room of Bogra Chamber of Commerce and Industry as a prelude to opening a new trading outlet in the district.

He said that in 1996 the business leaders of Bogra, Rajshahi, Jessore, Khulna and Sylhet had initiated moves for establishing stock exchanges in their respective districts, which were turned down by the au-

thorities.

Investors in Sylhet can now trade with their counterparts in Dhaka and Chittagong through the CSE brokers operating in their own district.

The CSE president, while inviting the Bogra businessmen to get organised and invest in the capital market, pointed out that the participation of small investors was essential for economic development of a country.

He also said that savings and investment were inter-related since investment opportunity encourages savings.

'People will save only when there are scopes for investment,' Khosru said.

He said that CSE would also try to launch trading operations in Khulna and Rajshahi in its next attempt.

Replying to different queries, the CSE president said that while information was the key to stock business, transparency in trading and the integrity of brokers were the two main factors which affect business of a brokerage firm.

He said that none of the CSE brokers were accused or prosecuted following the 1996 share scam. 'It was only because CSE is more transparent and it gives membership after checking brokers' integrity.'

He said the CSE Board does not interfere in the day to day affairs of the bourse and that there is no room for the chairman.

Khosru said that the CEO manages the day to day affairs and the Board does not have the power to sack him. This has been done, the president said, to allow the CEO to work independently.

Replying to a question about the presence of huge fake shares in the market, the president said that trading of allotment letters were prohibited and laws were being amended to minimise trading of fake shares as a first step.

He also stressed the need for establishing a Central Depository System (CDS) for abolishing fake share trading.

Replying to another question, the president said that a CSE outlet in Bogra would help people in the district apply for raising funds from the capital market and expand their indus-

tries.

Earlier, the CSE acting CEO Wali-ul-Marooof Matin made a presentation of slides and spoke about the automated trading system of the bourse.

Speaking on the occasion, M Amjad Hossain, President of Bogra Chamber, said: 'Industrialisation was a pre-requisite to economic development and a modernised stock exchange with state-of-the-art technology will surely accelerate the country's industrialisation process.'

He also said that one should not be frustrated by the prevailing market depression. 'Lack of knowledge about stock business was one of the main reasons for the sluggishness in the market,' he added.

'The current move by many to educate investors will enable them to understand the market and the market will regain its natural economic course and momentum,' the Bogra Chamber President said.

Among others, CSE Vice President AK Chowdhury and Senior Vice President of Bogra Chamber Abul Kalam Azad were also present.

recovery across East Asia after record World Bank lending to the region in the fiscal year to June 1999 are encouraging, a World Bank official said Monday, but warned against complacency, reports AFP.

'While a great deal remains to be done, and many difficult reforms only now beginning to work their way through the system, the signs of recovery are very encouraging,' said Jean-Michel Severino, regional vice president for the institution.

'They are, however, potentially worrying, because there is a risk of complacency in continuing the implementation of these essential reforms as the crisis abates. Complacency is a luxury the region cannot afford,' he said in a statement.

The World Bank said it lent a



Shiho Namba, an employee of Japan's toy maker Tomy Company Ltd., displays its new compact digital steel camera at its head office in Tokyo Monday. The 'Mexia', weighing 113.5 grams, allows 256x240 pixel digital image. The company will put it on the domestic market in October this year with a price of 6,980 yen (60 USD). — AFP photo

17th System Marketing Confce begins Biman officials asked to make airline profitable

Minister for Civil Aviation and Tourism, Housing and Works Engineer Mosharrar Hossain has called upon the marketing and sales officials of Biman at home and abroad to put in their best efforts in making the national flag carrier a more profitable and service-oriented airline, reports BSS.

The minister was addressing as the chief guest the inaugural session of the three-day 17th System Marketing Conference '99 of Biman at its head office 'Balaka' in city yesterday. Attending as special guest, Secretary of the Ministry of Civil Aviation and Tourism Chowdhury Mohammad Muhsin and Managing Director of Biman

Air Commodore M Refiqul Islam also spoke on the occasion. Biman's Director of Marketing and Sales Wahid Haq Khondker delivered the address of welcome.

All Country, Regional and District Managers under Biman network and other concerned officials are taking part in the conference.

Mosharrar, in his speech, emphasised the need for improved customer services for ensuring a solid customer base in the highly-competitive aviation market. He also urged the marketing executives of Biman posted both at home and abroad to serve with a sense of dedication to uplift the image of Biman as a truly international

airline, thus making it commercially viable.

Despite many odds, Biman has been able to make steady progress in the last fiscal (1998-99), which, the minister termed 'commendable' and expressed his satisfaction over the growth achieved during the period.

Chowdhury Mohammad Muhsin, in his speech, urged all to make efforts for building Biman as an airline of international repute.

'Biman has tremendous potentials,' the Civil Aviation secretary said and opined that the airline needed long-term and far-reaching strategies to achieve desired goals.

Lankan president rules out bank privatisation

COLOMBO, Aug 2: President Chandrika Kumaratunga said there was no need to privatise Sri Lanka's two main state banks but their management must be more efficient, state media reported today, says Reuters.

State-owned Daily News reported Kumaratunga as saying that the Bank of Ceylon and People's Bank have to be efficient to compete in the changing global economy.

Kumaratunga, who is also finance minister, was speaking at the inauguration of a new Bank of Ceylon building in the central hill town of Kandy on Sunday.

She said the two state-owned banks had contributed much to Sri Lanka's economic development, but their share of the total banking business in the country had dropped from an earlier 60 per cent.

E Asia shows early recovery signs on record WB lending

MANILA, Aug 2: Early signs of recovery across East Asia after record World Bank lending to the region in the fiscal year to June 1999 are encouraging, a World Bank official said Monday, but warned against complacency, reports AFP.

'While a great deal remains to be done, and many difficult reforms only now beginning to work their way through the system, the signs of recovery are very encouraging,' said Jean-Michel Severino, regional vice president for the institution.

'They are, however, potentially worrying, because there is a risk of complacency in continuing the implementation of these essential reforms as the crisis abates. Complacency is a luxury the region cannot afford,' he said in a statement.

The World Bank said it lent a

record 9.765 billion dollars to East Asia and the Pacific in the fiscal year to June 30, accounting for a third of all bank lending over the period.

Much of the lending was in the form of quick-disbursing finance, designed to provide budget support to countries with which were unable to meet short-term debts and provide basic services, it added.

'It is with some considerable pleasure that we now see the early signs of recovery taking hold across countries which were devastated just two years ago,' Severino said.

The official said the region's priority for the year ahead was to continue 'managing the social crisis' that followed the currency meltdown, 'restructuring the financial and corporate sectors,' and 'taking steps

to minimize corruption and increase transparency.'

He said the crisis had also 'distracted attention from the critical environmental agenda in East Asia.'

The World Bank's country director here, Vinay Bhargava, said bank officials 'look forward to a stronger recovery and pledge to continue our support, particularly to poverty alleviation programs.'

He pledged World Bank support to the Philippines for 'urgently needed structural reforms in contractual-savings, public sector management, and housing finance.'

The World Bank raised its lending to the Philippines to 723 million dollars in the last fiscal year to help the government 'pump-prime the economy,' Bhargava said.



British supermarket chain Asda greeted European visitors to the UK on Monday with British beef sandwiches as part of the general campaign to promote beef following the BSE scandal that brought a worldwide ban on British meat. Passengers alighting from Eurostar trains at Waterloo Station on the day were treated to the 'eat British beef' promotion. — AFP photo

Maruti to launch three new cars in India

NEW DELHI, Aug 2: India's largest automobile maker Maruti Udyog Ltd. plans to launch three new cars in India to stave off fierce competition from global car makers, company officials said Monday, says AFP.

They said a 12 billion rupee (282 million dollar) new car design project was underway at Maruti Udyog Ltd., in which the Indian government ad Japan's Suzuki Motor Corp. hold equal stakes.

'We are working towards developing new models, but we do not have a specific time frame in mind for launching all three cars,' said a senior Maruti executive.

However, Maruti is working towards launching a locally designed 1600cc car, named Baleno by November this year for the domestic and export markets.

According to auto experts, Maruti is introducing the Baleno in the semi-luxury segment as a foil to the planned launch of a slew of new cars by global auto giants in the Indian market by the year end.

Currently, only the Indo-Japanese joint venture has a

product, the Esteem, in this segment, but it will face fierce competition from Hyundai, General Motors, Ford Motor Co. and Toyota by end November.

Ford India Ltd., the Indian arm of the US-based Ford Motor Co. is planning to globally launch petrol and diesel versions of its Ikon car by the end of November in the southern city of Madras, where it has a new factory.

Similarly, the Hyundai car is expected to be launched by the end of the year.

All these new cars are expected to cost between 400,000 rupees and 700,000 rupees.

'We are positioning the Baleno in a semi-luxury segment which is not too crowded now, but which will become crowded soon,' said a Maruti executive.

The car maker is also working towards producing a multi-utility vehicle called the Wagon R by the year end. This locally designed vehicle will have at least 70 per cent of its parts produced locally, unlike the Baleno.

An upgraded version of Maruti's popular small car Zen

called the Alto is also on the cards.

The Alto will help Maruti reposition itself to meet competition from Hyundai's small car Santro, Daewoo's Matiz and Telco's Indica,' said auto expert Lavang A. Khare.

'We have to strike a very delicate balance as there are a lot of similar products competing with each other in the Indian car market,' added a Maruti executive.

Maruti which has an 80 per cent market share in the passenger car segment, managed to sell only 291,050 cars in the 11 months from April 1998, against 310,843 units in the same period last year.

However, with new cars on the anvil, Maruti has set itself the target of producing and selling 405,000 cars in the financial year ending March 2000.

India's car sector was opened to foreign companies following market reforms launched in 1991.

The market had been dominated for over four decades by antiquated versions of British cars and from the 1980s by Maruti-Suzuki.

Qataris learning to face economic realities

DOHA, Aug 2: Pampered citizens of the Gulf nation of Qatar, who have been enjoying the luxuries of one of the world's most generous welfare states, are having to face up to the realities of changed economic circumstances, says Reuters.

Years of low oil prices and mounting debts have shaken state finances and the government is systematically withdrawing the various privileges it casually distributed to citizens in the heyday of booming oil prices.

'Gone are the days when the state took the bills for free college education, housing and foreign holidays and granted every wish of the citizens,' said a senior Qatari official.

'Times are hard for the moment and our people have to get used to the fact that money is scarce and cannot be doled out for ever.'

Qatar, the smallest producer in the 10-member Organisation

of Petroleum Exporting Countries (OPEC), has, like all other cartel members, been hit severely by the collapse of oil prices. Its finances have also been constrained by the repayment of huge debts for giant gas and petrochemical projects which are not expected to start paying dividends before 2003-2004.

In the meantime, Qataris are having to get used to paying for basic services.

Their sons, for example, can no longer go to foreign universities at state expense and on graduation pick from a range of government jobs that require no work.

Citizens now have to pay for certain health services, like dentistry, and for driving licences, though they still pay less than foreigners.

The only services still given free of charge to Qataris are water and electricity. But there is talk that even this may not last much longer.

At government offices, especially the Qatar General Petroleum Corporation, staff not performing to required standards are replaced or even sacked — something rare in a country where until recently being a national meant quick

promotions and assured perquisites without much work being required in return.

The new standard applies equally to all Qataris. Two years ago, when one of the emir's sons took unauthorised leave from his army post, he was dismissed on the spot, according to a palace official.

Older Qataris fondly remember the days when they could get anything from the palace, just by asking.

'There was a time when you could go to the palace and return with a government LPO (local purchase order) to buy a car or a holiday ticket or whatever for your family. Now you are told there are no funds,' said an elderly man.

But the majority of citizens, especially the younger generation, appear to back Emir Sheikh Hamad bin Khalifa al-Thani's policies.

'Nations are built not by doles and handouts, but by hard work and sacrifices. We don't

mind foregoing state largesse in the interest of the nation,' said a Western-educated Qatari businessman.

Last year, Qatar withdrew subsidies on petrol and some wheat products, and this year raised fees on visas.

The visa fee may not have directly affected Qatari individuals, but the 10-fold hike to 1,000 Qatar riyals (\$275) has hit businesses badly. Spiralling overheads have hurt many small firms, especially in the labour-intensive construction sector.

Qatar's advisory Shura Council and the chamber of commerce urged the government to curb the rise, but authorities refused.

'A 10 times rise in visa fees has badly affected the operation of our company and the economics of maintaining the (expatriate) staff,' said a Qatari businessman.

Such steps have been taken to plug the chronic budget

deficits which have plagued the government finances.

The government has promised the International Monetary Fund to balance its books by 2000. But the 1999-2000 budget forecast a 3.6 billion riyal (\$998 million) deficit — equivalent to 10 per cent of GDP.

Officials said the current improvement in oil prices might ease the constraints, but the state would not go back to blindly distributing largesse and subsidies.

'Already, our people enjoy one of the highest per capita incomes in the world and they do not need subsidies and handouts,' said one.

The World Bank's 1997 atlas put Qatar's per capita GNP, measured by purchasing power parity, at \$17,690 and ranked the country the eighth wealthiest in the world, per capita, and first among the Arab Gulf states.

Manila cancels air pact with Taipei

MANILA, Aug 2: The Philippines has cancelled air agreements with Taiwan because China Airlines (CAL) and Eva Air abused their rights to the disadvantage of local carriers, press reports said today, reports AFP.

The decision to terminate the air accord was relayed by the Manila Economic and Cultural Office (Meco) to Hsien-Ching Chan, chief of the Taipei Economic and Cultural Office.

CAL and Eva Air aircraft will only be allowed to fly to Manila until September 30.

Last week, Manila's Civil Aeronautics Board (CAB) suspended CAL's Manila-bound flights for one month after it found the Taiwanese carrier used bigger planes not covered under the agreement.

The board also discovered CAL and Eva Air were transporting passengers beyond the 9,600 limit allowed under the pact, reports said.