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DHAKA, WEDNESDAY, AUGUST 18, 1999

**JS body urges govt
Allocate Tk 200cr
more for jute
purchase**

The Parliamentary Standing Committee on Ministry of Jute yesterday suggested the government to allocate Tk 200 crore more this year for purchasing jute through BJMC, says BSS.

The government has allocated Tk 100 crore to the BJMC for buying jute this year.

The suggestion for additional allocation was given at a meeting of the parliamentary standing committee on the ministry held at the Jatiya Sangsad Bhavan here yesterday with committee chairman Mohammad Shamsul Haque in the chair.

The meeting discussed the criteria for buying jute by the BJMC.

It also urged the concerned authorities to find out possibilities for exporting jute and jute goods abroad.

The meeting stressed the need for better maintenance of jute by repairing the jute godowns in different parts of the country. Besides, it emphasized the need for solution of existing problems in different jute mills of the country.

Committee members State Minister for Jute A K Fayzul Haque, Dr M M Makhlesur Rahman, Sharif Khasruzzaman, Mohammad Emdadul Haque Bhuiyan, Mohammad Jalal Uddin Talukder, Mohammad Mujibur Rahman, Dr Mohammad Salek Chowdhury, Alhaj Prof Kazi Golam Moshed and Advocate Goutam Chakraborti attended the meeting.

Jute Secretary Mahfuzul Islam and concerned officials were present.

**Biman using own
facilities to
carry out D check**

For the first time 'D' check on one of Biman's F-28 aircraft is being carried out using own in-house facilities at Biman Engineering Hanger at Kurmitola, says UNB.

The major maintenance of Biman's F-28 aircraft of this nature was previously done outside Bangladesh costing a huge amount in foreign exchange.

The major overhaul and maintenance work got underway from Monday and is likely to be completed in 35 days.

Biman's engineers and technicians are carrying out the 'D' check under supervision and guidance of 4 Engineers from Lab - a French company, said a press release yesterday.

Cost-wise Biman is expecting to save a sizeable amount of hard earned foreign exchange and technology-wise performing 'D' check at Biman's own facility is a big step forward towards attaining capability in aircraft engineering and maintenance work.

**Senior bankers
attend SCB
workshop
in Taiwan**

Three senior bankers of Bangladesh attended a four-day workshop on 'Overseas Bankers in Taiwan'.

Standard Chartered Bank (SCB) organised the workshop and sponsored the visit of the three-member Bangladesh team, says a press release.

It was sponsored under the initiatives of International Banking Group of Standard Chartered Bank in Bangladesh.

The team included M Lokiatullah, Managing Director of Bexim Bank; A H Giasuddin, General Manager of Uttara Bank; and M Bariqullah, Vice President of Eastern Bank Ltd.

The workshop ended on June 9 this year.

During a meeting with the three bankers at his office, Sethu Venkateswaran, Chief Executive of Bangladesh Standard Chartered Bank, handed over certificates to them.

He said that the Standard Chartered Bank would be happy to send more bankers to various workshops in future as part of its commitment to the development of the banking sector of Bangladesh.

**Emirates' new
cargo booking
system goes
live**

Cargo bookings and tracking on Emirates can now be accessed by anyone from anywhere at any time, as much as 250 days before consignments are transported, using the new booking system which is now live on the airline's cargo automation system SkyChain, says a press release.

In a radical departure from industry practice, Emirates SkyCargo has introduced a booking system which is not driven solely by the air waybill number. Anyone - shipper, agent, consignee - can start a shipping record in SkyChain.

When a request is received, the system will automatically assign a Job Reference Number (JRN), along with a message confirming (or otherwise) the booking request.

Bid to meet globalisation challenge

**Govt takes initiative to
amend trade rules**

The government has taken an initiative to amend the Trade Organisation Ordinance 1961 and the Trade Organisation Rules 1994 to make trade rules suitable and pertinent to the present context of free market economy, says UNB.

In this regard, the government has formed a committee headed by the Joint Secretary (Import and Internal Trade) of the Ministry of Commerce. Officials of other related ministries, including the Law Ministry, and leaders of the business bodies, have been included in the high-powered committee.

Talking to UNB, a high official of the Commerce Ministry said the initiative should have been taken much earlier to meet the challenge of the globalisation of the economy.

"It was a long due action to make the country's trade and

business competitive with the international standard," he said. "The move is also targeted to bring back discipline in trade and business activities of the country."

According to sources, the committee would primarily invite amendment suggestions from the business bodies across the country.

However, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the country's apex trade body, might play a catalytic role in this regard by summarising the proposals of the business bodies and finally submitting those to the committee.

About the rationale of the need for bringing amendments to the two laws, the Commerce Ministry official cited a number of examples, including the weakness of law regarding trade licence.

Presently, trade licences are issued in a manner that leave the licence-holder business organisations out of any kind of monitoring system.

"None - the issuing authority or the local business bodies - is able to say how many licence holders are really in business. Or what they are really doing with the licence," the official said.

"Thousands are taking trade licences and the government does not know what they are doing... this should change," he added.

As bringing amendments in the laws would take time, the FBCCI, meanwhile, has taken an interim step to bring the business organisations under a monitoring system to restore discipline in trade and business of the country.

It has requested the Commerce Ministry to ask the LGRD ministry to issue a notification making membership of chambers and associations mandatory for eligibility to get trade licence.

According to FBCCI, although taking membership of the chambers or the associations has been made mandatory for every businessman through a circular of the Commerce Ministry in 1996, many trade organisations tend to avoid this provision because they don't need it while taking trade licence.

The FBCCI alleged that due to legal loopholes there had been mushroom growth of many fake trade organisations. "They are the black marketeers... black money owners," said the ministry official.

Manpower export, remittance inflow increasing
**Minister optimistic about
end to bluff, harassment**

With rising manpower export and inflow of remittance the labour minister here yesterday sounded optimism about "total elimination of bluff and harassment" by certain recruiting agencies, reports UNB.

"We are determined to check cheating in overseas employment of workers by recruiting agents. Investigation is now going on against 43 agencies," Labour and Employment Minister M A Mannan told a press conference at his ministry.

Laws say actions like cancelling or suspending recruiting licences and forfeiting money of collateral will be taken if any agent is found guilty of cheating or harassing people.

At present, there are some 600 recruiting agencies in the country who select skilled, semi-skilled and unskilled Bangladesh workers and send them abroad.

The minister said the manpower export in the first seven months of the current year stood at 149,291 which is 58.55 per cent of the 1999 target of 245,000.

In January-July period, the remittance sent by the expatriates was Tk 4,932 crore. It was Tk 7,513 crore in 1998, Tk 6,709 crore in '97, Tk 5,685 crore in '96 and Tk 4,838 crore in 1995.

"The government is going to take steps so that the expatriates could send money through

banking channel in an easy way," the minister said.

His ministry is now working with Finance Ministry and Bangladesh Bank to ease the remittance sending process, which is a major concern for the skilled and unskilled manpower working abroad.

Saudi Arabia as usual topped the list recruiting 107,140 people in January-July 1999 followed by UAE, Kuwait, Singapore, Qatar, Bahrain, Oman, South Korea and Libya.

As Malaysia has suspended recruiting manpower from abroad, officially no worker went there during the period. However, Malaysia legalised 1.5 lakh Bangladesh workers following persuasion by the government.

"We're considering employment of Bangladesh workers also in Russia, Africa and West Asia. Steps will be taken after reports of our ambassadors from those countries," Mannan said.

When Bangladesh workers started going abroad with employment in 1976, the manpower export was only 6,087. In that year, the remittance sent by them was Tk 35.85 crore.

Today, 2,791,081 Bangladesh workers are working abroad. Of them, 1,207,393 are employed in Saudi Arabia, constituting a key source for

foreign currency reserve of the country, the minister said.

He hoped that country's manpower export would rise further as different Singaporean organisations in joint venture are setting up technical training centres in Bangladesh.

The minister informed that the government is going to set up 12 more technical training centres in the country. Another six will be established for women, including one in Dhaka shortly.

In this respect, he mentioned Bangladesh's campaign in different international bodies, including ILO and WTO for free movement of labour as commodities in this time of free economy.

The minister also elaborated activities of Wage Earners Welfare Fund: Since its inception in 1982, it has provided orientation training to foreign-bound workers.

It spent Tk 26.8 lakh for treatment of workers and another Tk 90 lakh in legalising some 1.5 lakh in Malaysia. Some Tk 1.5 crore was spent in giving financial assistance to families of those who die abroad.

Besides, the fund realised Tk 54.92 crore as compensation from the authorities under whom Bangladesh workers died and paid Tk 50.03 crore among the victim families.



Sethu Venkateswaran, Chief Executive Bangladesh of Standard Chartered Bank, hands over certificates to the senior bankers who attended a workshop organised by the bank in Taiwan recently

**East European
currencies
gain**

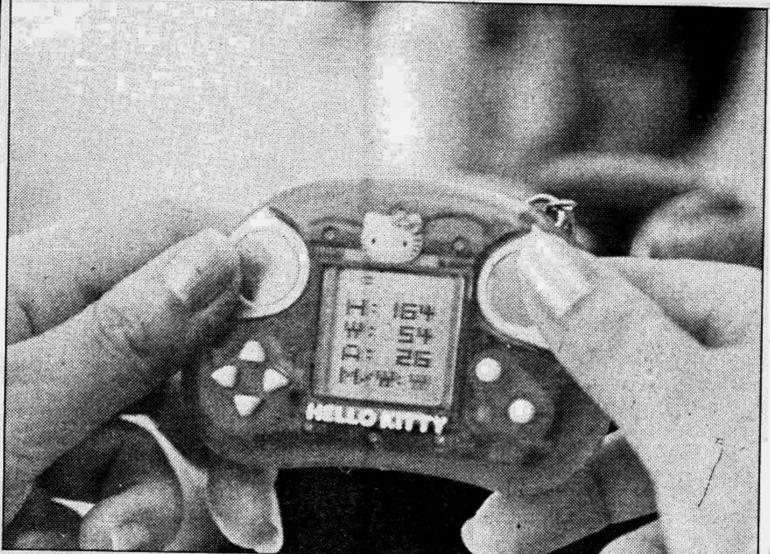
LONDON, Aug 17: Despite looming US data, East European currencies gained today in busy trade with the Czech crown and Polish zloty leading the way, reports Reuters.

Asian currencies, however, stood weaker as the yen eased and concerns over chaebol reform resurfaced in South Korea to drive the won down 0.27 per cent at 1,205 to the dollar.

"It's been an active morning in the European time zone. Bank of America currency strategist Juliet Sampson said.

"The Czech crown has punctured resistance at 36.20 to the euro and is now aiming at 36.00, although there are rumours the Central Bank could intervene, while the Polish zloty is up after a soft start following the release of industrial production figures."

None-OPEC producers Mexico, Norway, Oman and Russia agreed to cut output by 400,000 barrels a day in addition.



Michiyo Kimura, an employee of Japan's toy maker Tomy Company Ltd., displays new portable body fat measuring device 'Fitty' which features famous cartoon character Hello Kitty at its head office in Tokyo on Tuesday. The company will put the product on the domestic market in September this year with a price of 3,480 yen (30 USD). —AFP photo

**Urea stock sufficient,
review meet told**

Country has sufficient stock of urea to meet its present and future demands of fertiliser, says BSS.

This was informed at a review meeting of the production, supply and price situation of fertiliser at retailers level with Commerce and Industries Minister Toifal Ahmed presiding.

BCIC Chairman M Anwarul Haq, directors of BCIC and other officials were present in the meeting.

On August 15, this year the total stock of urea was 3,33,895 tons after meeting 50 per cent of the demand of the month to 1,76,000 tons. Out of the stock, 1,83,944 tons were in factory godowns and 1,49,951 tons in 28 buffer godowns throughout the country.

With the present stock, after meeting the remaining demand of August, about 2,45,000 tons will be available for fulfilling future demand and stock is being increased everyday by about 2,000 tons from the production of three factories out of six urea factories under the BCIC.

It was informed in the meeting that the total demand of urea in September is 1,80,000 tons. So, BCIC has sufficient stock to meet the demand of urea. Besides, out of three, two factories Jamuna and Zia will go into production within the week after recovery from mechanical troubles.

Ghorashal factory will also go into production from the first week of September after completion of annual overhauling.

**Work on Comilla
EPZ may start
before schedule**

COMILLA, Aug 17: Physical works on the country's fifth EPZ on 258 acres of land in the district are expected to begin well before the schedule, says UNB.

Originally the project works were scheduled to start in 2001.

According to the Deputy Commissioner of the district, 125 acres of land would have to be acquired for the project as the government land at the project site accounts for only 133 acres.

He said some 200 families would get compensation for land acquisition. "They will get Tk 1.5 per cent more than the present market price for their lands."

He said the EPZ would have 208 plots along with easy road communication facilities and staff aircraft services.

A good number of investors, the DC said, have shown keen interest to set up industrial units in the EPZ, 97 km off the capital.

The project is expected to create employment opportunities for 44,000 people.

**DCCI course on
garments begins**

A 7-day training course on 'Garments Merchandising, Operation and Management' began at DCCI Training Centre in the city on Monday, says a press release.

The course was organised by Human Resources Development Programme (HRDP) of the Dhaka Chamber of Commerce and Industry (DCCI).

The course aimed at familiarising the following topics: Concept, importance and role of a merchandiser, basic ideas on yarn, fabrics used in garments sector, banking formalities, fabric dyeing, fabric printings and finishing, communication and negotiation of orders, different design, patterns and styles in knit and woven garments, items, quota, GSP, UD, garments washing and dyeing, garments accessories, garments costing and consumption analysis, garments inspection system and shipping and transportation.

The course was inaugurated by DCCI Director Aftab ul Islam.

A total of 42 participants from different business organisations attended the training course.



Md Salauddin Gazi, Executive Vice President of United Commercial Bank Ltd, addresses as chief guest the inaugural session of a course on 'Lending Risk Analysis' at the UCBL Training Institute. A H M Nurul Islam Choudhury, Principal of the Training Institute, is also seen. — UCBL photo

**Yen hits record highs
against dollar, euro**

NEW YORK, Aug 17: The Japanese yen was the undisputed ruler of the currency markets yesterday, punning the dollar and testing record highs against Europe's single unit as investors expressed new confidence in Japan's economy, says Reuters.

As US trade progressed, however, trading stalled and the market's focus turned to US consumer price data due on Tuesday.

The yen rally started during Asian trading hours as Japan's Nikkei stock index gained more than two per cent after Tokyo announced an upward revision to June industrial output.

"The Nikkei has been very stable these days and the data coming out of Japan has been much better than expectations," said Mitsuaki Kata, vice president at Bank of Tokyo-Mitsubishi in New York. "All that is supporting investment in Japan and that's supporting the yen."

The dollar lost over a full yen and the 7-1/2-month-old euro, probed lifetime lows against the Japanese currency over the course of the trading day.

UK interest rate setters face troubled times

LONDON, Aug 17: You might think that having skillfully avoided a recession in Britain with fast and furious interest rate cuts, the Bank of England's Monetary Policy Committee could now sit back and enjoy the praise, reports Reuters.

But far from it. Indeed, the nine-member committee is probably now entering one of the most difficult periods of its short history and there are already signs of tension emerging from the Bank's hallowed corridors.

The problem facing the MPC is that while inflation is below target and set to fall in the short-term, the economy is recovering rapidly.

So on the one hand, there are the so-called 'inflation hawks' saying growth is roaring away, pay pressures are building fast and the MPC is already 'behind the curve' with rates at a 22-year low of 5.0 per cent.

On the other side are the

"New Paradigmists", such as well-known economist Roger Bootle, who say that structural changes in the economy mean it can run at a faster rate of growth without triggering inflation. Thus, they say, the MPC can leave rates where they are or even cut them further because inflation is all but dead.

This division among economists is also present within the MPC itself, as witnessed in the Bank's latest quarterly inflation report last week and which will doubtless surface again in this week's minutes of the latest rate-setting meeting on August 4 and 5.

In the latest report, however, members disagreed about whether underlying inflation would be above or below the government-set 2.5 per cent level in two years' time, the Bank's preferred horizon.

They disagreed about how strong pay pressures were or were likely to be and also about the extent to which competitive pressures were holding inflation in check.

Richard Jeffrey, an economist at Charterhouse Securities, sums up the arguments of the inflation 'hawks', which include Bank of England Deputy Governor Mervyn King, as follows:

"Most of the prevailing evidence suggests that growth in the UK is accelerating and that it is generating increases in costs and asset prices that would normally be considered as forewarnings of more general price pressures," he says.

The labour market is tight — unemployment is at a 19-year

low of 4.3 per cent — prices of raw materials are rising, service sector inflation is strong and the housing market soaring, he says.

"Taken together, these create a picture of the economy that is worryingly consistent."

But a potential headache for the MPC is that if King, who thinks the late rate cut in June was a mistake, persuades his colleagues to raise rates sometime soon, inflation will almost certainly be falling.

Previous falls in commodity prices and a sharp slowdown in the economy at the end of last year are still conspiring to push down inflation, or RPIX, under the current 2.2 per cent over the next few months.

If it falls to 1.5 per cent, Bank Governor Eddie George will have to write to Chancellor of the exchequer Gordon Brown explaining why he has strayed a full percentage point away from the target.

Although George would say that it was all a matter of "Lags", and that the MPC was targeting inflation at the two-year horizon, it would still be a very awkward situation.

Especially as Bootle and other New Paradigmists, as well as MPC members like Willem Buiter, would all be saying inflation was subdued.

"Yes, the economy is picking up," wrote Bootle recently. "But that is precisely what the MPC intended when it cut interest rates. It should not panic at the first sign of economic revival, but lie back and enjoy it."

He warns that the MPC, if it raised rates aggressively in the next few months, would risk "squashing" the economic recovery unnecessarily.

The US Federal Reserve, says Bootle, believes the "Sustainable" rate of growth (i.e. without rising inflation) has accelerated in the US and it is quite possible the same has happened here.

"If not, what exactly was the point of all that pain and restructuring," asks Bootle.

Britain's long-term trend rate of growth is around 2.25 per cent a year, and it is probably now growing at that rate on an annualised basis, having been accelerating since almost grinding to a halt at the turn of the year.

The money markets, however, are siding with the inflation hawks, pricing in rates rising to at least 5.5 per cent by the end of the year, and 7.0 per cent by the end of 2001. But most City economists predict rates will rise more slowly than that.

Interestingly, while many City pundits have been furiously revising up growth forecasts in recent weeks in the wake of upward revisions to past growth from the Office for National Statistics, few have been revising up their inflation forecasts.

**Pay hike demanded
15,000 S African
workers go
on strike**

JOHANNESBURG, Aug 17: More than 15,000 South African telecommunication and postal workers went on strike yesterday to demand higher pay as the country prepared for more industrial action by civil servants and some miners, says Reuters.

But an agreement late on Monday between the National Union of Mineworkers (NUM) and the Chamber of Mines meant many gold mining workers would not strike on Tuesday.

The national strike came after the Communications Workers' Union (CWU) failed to break a deadlock in wage talks with telecommunications utility Telkom and the Post Office.

"The strike is going ahead and it's going to be a weeklong action," CWU General Secretary Seleboho Kiti told Reuters.

The end to it will be dictated by what comes out of the talks when the employers decide to meet with us.

Monday's late NUM and Chamber deal averted most strikes planned by gold miners on Tuesday, but coal miners remained in dispute with management and planned to go ahead with action.