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The Daily Star BUSINESS

DHAKA, THURSDAY, OCTOBER 7, 1999

Speakers say at BISS roundtable in city Trade expansion serves developing countries better than aid

Speakers at a roundtable on "Development Policy on the Threshold of the Year 2000" in city yesterday said developing countries like Bangladesh should go for trade expansion as it serves the country's needs better than aid, reports BSS.

There is no other way out to be a trade competitive country in the days ahead as the multi-fibre agreement is running out soon putting Bangladesh in a stiff competition, they told the roundtable being held in the auditorium of BISS.

Bangladesh Institute of International and Strategic Studies (BISS) and the German Embassy jointly organised the roundtable.

Comilla branch of Employment Bank opens

Law Minister Abdul Matin Khasru opened the Comilla branch of 'Employment Bank' at a simple ceremony at the district town on Tuesday, reports BSS.

Addressing a gathering on the occasion, the law minister said Bangladesh government for the first time set up such a bank in 1998 to create self employment opportunities for the unemployed youths.

The minister said youths are the most precious assets of society. We must use the inherent talents of the youths for the socio-economic uplift of the country.

So far, 14 branches of the bank have been opened in different districts of the country and another eight will be opened very soon.

The minister said 32 sectors have been identified for sanctioning loans to the youths. The youths could get loans up to Taka 50,000 from the bank without collateral.

Managing Director of the bank A J Masudul Haq Ahmed, Chairman of the bank Khondakar Moniruzzaman and Acting General Secretary of the Comilla District Awami League A T M Mahbubur Rahman also spoke on the occasion.

Samata Leather clarification

Samata Leather Industries has contradicted a news item published under the headline 'Replacing fake shares doesn't absolve forgers from crime' in The Daily Star on Tuesday.

It claimed that after suspension of allotment letter trading, no share of the company was identified as fake by its share department.

"We have not received any complaint from the DSE or the CSE about any forged share against our company," said Company Secretary Mohammad Mohsin in a statement issued on Tuesday.

Asia slow to enact workplace sex harassment laws: ILO

MANILA, Oct 6: Asian has been slow to enact comprehensive laws on workplace sexual harassment, leaving its women more vulnerable than in industrialised nations, the International Labour Organisation (ILO) said today, reports Reuters.

More advance countries have already institutionalised (measures) against sexual harassment before we even started to realise that it is a violation of rights," Mitsuke Horie, ILO regional director for Asia Pacific, told Reuters.

The level of implementation might also be better in industrial countries, she said.

In a report prepared for an ILO women's conference in Manila on Wednesday, Horie said existing provisions against the offence in the workplace also need fine-tuning.

Thailand's labour protection act of 1998 only forbids employers or persons in authority from sexually harassing female workers. The law doesn't bar such harassment by co-workers or male workers.

South Korea's six-year-old measures provide only for the punishment of "sexual harassment by the authority in work relations."

The same is true of the Philippines' four-year-old anti-sexual harassment act, the ILO said.

Clarification

Bangladesh Shilpa Rin Sangstha (BSRS)'s attention has been drawn to a news item published in The Daily Star quoting UNB on October 6 under the headline "BSRS lowers interest rate."

It has been wrongly reported in the news item that BSRS has reduced its interest rate on advances against savings certificates etc. from 16 per cent to 14 per cent. In fact, BSRS has reduced the interest rate by 1 per cent i.e. from 16 per cent to 15 per cent.

Commerce and Industries Minister Tofail Ahmed, speaking as the chief guest at the opening session of the two-day roundtable, said the development of LDCs now depends much on WTO policy-framing if it protects the interests of a developing country.

Appealing to the developed nations to implement the commitments to LDCs made at different levels, the minister laid stress on the need for preferential arrangement for the LDCs to help them sustain in the world market at the time of trade liberalisation and globalisation.

The minister expressed his gratitude to the European Union

and USA for providing GSP and quota facilities to Bangladesh and urged them along with other developed countries to provide duty-free market access for Bangladeshi goods.

State Minister for Foreign Affairs Abdul Hasan Chowdhury urged the developed countries to reconsider the extension of multi-fibre agreement for the country's RMG and other exportable manufacturing sectors.

Referring to the magnificent support of Germany in terms of import and aid since independence of Bangladesh in 1971, the state minister urged it to help develop jute and jute goods sector with technical know-how

and through import. Former Commerce Minister M Shamsul Islam said that the global economic super-powers now need to readjust their policies for the overall betterment of the developing nations. Diversion of funds from arms procurement programmes would help a lot in the development process of the poorer economies, he observed.

Islam said that the country's vast majority was still far from enjoying their basic needs even after 27 years of the independence. No development effort would be successful without providing food, shelter and clothes to the teeming millions.

he added. BISS Board of Governors Chairman Maj Gen Mustafa Kamaluddin, BISS Director General Brig Shahedul Anam Khan and German ambassador to Bangladesh Uwe Schramm also addressed the inaugural session of the roundtable, while Dr Wolfgang-Peter Zingel, Dr Chithra D MaaB and Dr Q K Ahmed presented two papers.

In his paper, Dr Q K Ahmed said the total German aid disbursed during 1972/73-1997/98 amounts to US dollars 1.34 billion, all in the forms of grants. Germany is the fourth largest bilateral donor of Bangladesh after Japan, USA and Canada, he added.



Mizanur Rahman Sinha, Managing Director of ACME Laboratories Ltd, presents the ACME memorabilia to Myanmar Commerce Minister Major General Kyaw Than during his visit to ACME Laboratories Ltd's Dhamrai factory on Tuesday.

— ACME photo

Myanmar minister visits ACME's Dhamrai plant

The visiting Myanmar trade delegation led by Commerce Minister Major General Kyaw Than paid a visit to ACME Laboratories Ltd's Dhamrai factory on Tuesday, says a press release.

The minister was cordially welcomed by Managing and Deputy Managing Directors of the company Mizanur Rahman Sinha and Afzalur Rahman Sinha. Senior members of the company management and staff were also present.

They went round the factory.

India raises diesel prices by 35pc

NEW DELHI, Oct 6: Government tonight effected a 35 per cent increase in diesel price to offset an upsurge in global oil prices and ease pressure on burgeoning oil pool deficit, reports PTI.

In Delhi, retail price of diesel would cost Rs 3.56 more per litre at Rs 13.91, while it would cost Rs 4.31 higher in Mumbai at Rs 16.54. Executive Director of Oil Coordination Committee MS Ramachandran told reporters today.

In Calcutta, diesel would be higher by Rs 3.8 at Rs 14.20 and Chennai diesel would cost Rs 3.97 more at Rs 15.24 per litre.

Today's hike, coming nearly five months after the last revision of diesel prices on April 20, is aimed at easing the pressure on burgeoning oil pool deficit, currently at about Rs 5,200 crore.

The price hike is expected to fetch an additional Rs 6,600 crore during the remaining part of the financial year, Ramachandran said.

Glaxo Wellcome to cut workforce by 6 pc

LONDON, Oct 6: Glaxo Wellcome, the world's second-largest drugmaker, plans to cut its global workforce by 6 per cent in an effort to streamline its manufacturing operations, the company said Tuesday, reports AP.

Glaxo Wellcome will phase out drugs production in South Africa over the next four years as part of the restructuring.

The British company aims to trim 3,400 people from its worldwide payroll of 59,000. The layoffs amount to 16 per cent of a total manufacturing force of 21,400.

The cuts are expected to boost earnings in 2000 and will build to an annual benefit of some 370 million pounds (\$611 million) per annum in 2003, Glaxo Wellcome said.

About half of the jobs cuts will come in Britain. None will be made in the United States, it said.

The restructuring will cost about 520 million pounds (\$858 million). One third of the costs are likely to be taken against this year's profit, with the balance spread evenly over the next four years.

These changes will enable the company to consolidate its worldwide manufacturing capacity in a more globally integrated network, the company said in a press release.

Glaxo Wellcome announced its move following a yearlong review of 54 of its manufacturing sites in 31 countries. It said the restructuring is "in keeping with worldwide trends among major pharmaceutical companies who are operating in an increasingly tough business environment."

US congressional study slams IMF accounting

WASHINGTON, Oct 6: A US congressional study released this week accused the International Monetary Fund of understating its lending capacity and said the multilateral agency may be unprepared for the millennium date change, reports Reuters.

The highly critical report by the General Accounting Office, the investigative arm of Congress, took issue with many of the fund's fundamental accounting practices, and is likely to give ammunition to IMF opponents in Congress.

In the coming weeks Congress will debate whether the IMF should be allowed to revalue some of its massive gold reserves to finance a scheme to cut the debts of the world's poorest countries.

The report, commissioned by Congress last year when many US lawmakers questioned the need for increased IMF funding, said the IMF's stated \$77 billion in liquid resources, funds available to lend, was understated.

It noted that the IMF deducted \$19 billion from its liquid reserves for a working balance reserve, a reserve which has not been used in the past 20 years.

The report also questioned the fund's ratio of available and uncommitted resources of between 25 and 30 per cent, saying it saw no analytical basis for the ratio, which it said was based on "no formal methodology."

Financial activities in Bangladesh are deceitful, ill-governed: IFC

Poor intermediation a significant disincentive to economic growth

By M Shamsur Rahman and Monjur Mahmud

The economic and financial activities in Bangladesh are deceitful, ill-governed and highly-regulated and the bureaucrats seem to have a "finger" in almost every sphere of the national life, said an International Finance Corporation (IFC), the private sector lending arm of the World Bank, report.

"Although significant reforms including the deregulation of interest rates and promulgation of laws aimed at taking action against defaulters have been implemented in recent years, the financial system still faces enormous problems and poor financial intermediation presents a significant disincentive to foster economic growth," the report said.

"Four major impediments to the Bangladesh financial market are weak governance, the nationalised commercial banks (NCBs) bad loan situation, overlapping of the regulatory role among the Bangladesh

Bank, Securities and Exchange Commission (SEC) and Ministry of Finance and lack of incentives and private initiatives for market development."

The report was prepared ahead of three-day symposium on "South Asian Regional Debt Market" which began in Bentota, Sri Lanka, on Wednesday. A team from Bangladesh is also attending the symposium.

The number of potential blue chip issuers and the size of the investors are not enough to create an institutionalised market in the country, IFC said. The lack of an effective interest rate structure and yield-curve are the major drawbacks in developing a corporate secondary bond-market."

Citing an example, the report said that the government-issued high interest-bearing savings certificates have pushed up the benchmark rates for corporate issuance.

Bangladesh is missing an effective interest rate structure having credibility and accountability, which are the cornerstones for an efficient financial market, the report said.

"An efficient fixed-income market will not only create the possibility of resolving the bad loan situation, but will also bring necessary competition into the financial sector, which, at present, is almost a monopoly market totally dominated by the nationalised commercial banks."

There is no meaningful base now for a secondary corporate bonds market."

"But as the country's economy will grow at a good rate and as the capital-intensive industries, such as gas and telecom, will invest heavily, Bangladesh will eventually need an efficient capital market that commands public confidence to mobilise the maximum domestic and foreign resources for investment."

The country also needs an operational fixed-income market to deal with the bad loan situation. But before that it has to create a primary bond market with an efficient yield curve.

The consolidated public sector deficit, taking into account the losses incurred by state-owned enterprises, is much higher and highlights the need for improved fiscal management.

The state-owned nationalised commercial banks (NCBs), which dominate the country's banking sector, conduct a high percentage of financial intermediation and the financing requirements of the state constitute a large part of the activities of these banks.

Approximately, 33 per cent of the outstanding loan portfolios of the NCBs are non-performing,

which may jump to 50 per cent if international standards are applied, the report said.

CTC fannings: The clean good liquoring types met with a much improved demand and were firm to occasionally dearer, whilst others were initially slightly easier.

CTC leaf: 8,065 chests and 12,814 gunny sacks, and 131 chests and 151 gunny sacks of old season on offer met with a much improved demand but at slightly easier rates. There were lesser withdrawals.

CTC brokens: Bold brokens met with less demand and eased by Tk 2 to Tk 3 and where sold fetched between Tk 61.50 and Tk 62, whilst large brokens were slightly easier, selling between Tk 64 and Tk 66.

Clean better-liquoring medium brokens met with better demand but eased by Tk 2 to Tk 3 while a handful of the best types eased further upto Tk 5 and are selling between Tk 74 and Tk 78. Clean smaller brokens were quite strongly

competed for and although initially slightly easier were fully firm towards the end. The plain fibrous types met with a similar trend.

CTC fannings: The clean good liquoring types met with a much improved demand and were firm to occasionally dearer, whilst others were initially slightly easier.

CTC leaf: 769 chests, 2,260 gunny sacks and 131 gunny sacks of old season on offer continued to meet with a good demand.

New Hallmark branch opens at Mirpur today

A new branch of Hallmark cards and gifts will be opened at Mirpur avenue 10 (old) today.

Renowned artiste Lucky Inam will inaugurate the new branch at 5 pm, said a press release.

IFAC president says at press confce

Accounting experts need govt support to reduce corruption

Star Business Report

President of International Federation of Accountants (IFAC) Frank Harding yesterday said the accounting and auditing professionals need support from the governments as well as the people to reduce corruption.

"Corruption is a major issue round the world today. We need economic infrastructure and support from the government and the people to minimise corruption," he said at a press conference on "Development of Financial Accountability - the Role of IFAC" organised by the Institute of Chartered Accountants of Bangladesh (ICAB) at its Sonargaon Hotel.

IFAC is the world apex body of accounting professionals with its current membership standing at 143 professional bodies, representing more than two million accountants in 104 countries.

IFAC Chief Executive Officer Peter Johnston, ICAB President Anisur Rahman, Vice-President Anwaruddin Chowdhury and former President Jamalfuddin Ahmed attended the press conference.

Investors need to base their business decisions on the information that is consistent, transparent and comparable across national boundaries," Harding said, while highlighting the necessity of proper accounting.

Development and promotion of International Standards on Auditing (ISA) and International Accounting Standards (IAS) are the key priorities of the IFAC and the International Accounting Standards Committee (IASC), he added.

He said that there should be much more disclosures on the part of the financial institutions.

Speaking at the press conference, IFAC CEO Peter Johnston said corruption has been much more widespread in the developing world.

"IFAC can help build up sound economic infrastructures, which will allow these countries to attract international and domestic investment in the industry, trade and government projects," he said.

Later, speaking at a seminar on the application of IAS in Bangladesh, ICAB President Anisur Rahman said that ICAB had adopted 21 IAS and 22 ISA with the aim to overcome divergences and harmonise account-

ing and auditing practices. The adoption of rest of the IAS and ISA are presently under consideration.

Vice-President Anwaruddin Chowdhury said that the application of International Standards on Auditing (ISA) and International Accounting Standards (IAS) are considered as a must for ensuring management accountability and transparency in financial information and for the credibility of audit functions in Bangladesh.

The implementation of IAS and ISA is absolutely vital for the development of the country's capital market and promotion of local and foreign direct investment in Bangladesh.

The application of IAS and ISA may not be a panacea for overcoming all economic ill-prevailing in the financial reporting and auditing systems in the country. But it would at least be a pragmatic step towards restoring financial discipline through objective disclosures of information and more credible auditing, he added.

The practical implementation of IAS and ISA will, over the years, have significant impact on the corporate sector," he said.