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# The Daily Star BUSINESS

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India to speed up economic reforms: PM

NEW DELHI, Oct 17: Indian Prime Minister Atal Behari Vajpayee said yesterday his government wanted to hasten economic reforms and emphasize infrastructure development, says Reuters.

"In coming days, our government proposes to speed up economic reforms and focus attention on infrastructure development," Vajpayee said in an address to the nation on state television, Doordarshan.

He said his government would "introduce new laws for financial sector reforms so that India can keep peace with the rest of the world."

His government also planned to "evolve a programme for achieving fiscal rectitude by improved expenditure management, deep tax reforms and a new mechanism for speedier restructuring and disinvestment of public sector units."

The fiscal deficit of the federal government and states, combined with losses of state-run firms, was about eight per cent of the gross domestic product (GDP) in 1998-99 (April-March).

Vajpayee said the new government would adopt measures to remove bottlenecks that lead to delays.

The Prime Minister and his council of ministers were sworn in earlier in the week after Vajpayee's multi-party alliance won a clear majority in the month-long elections that ended last week.

## Bank holiday

Bangladesh Bank and all scheduled banks will remain closed on Wednesday on the occasion of Durga Puja, the greatest religious festival of the Hindu community, said a press release, reports UNB.

## Beijing says goodbye to minibus taxi

BEIJING, Oct 17: Beijing's yellow minibus taxis, guaranteed to give a low-cost, bumpy ride and blamed for defiling the capital city's image, made their final exits this month after 11 years on the city streets, says Xinhua.

The minibus taxi, or "mianli" in Chinese, appeared here in 1988 and instantly helped ease traffic congestion as commuters clumped together for rides.

By 1993, there were 350,000 of the vehicles in Beijing, sources from the local taxi administration said. Mianli accounted for 51 per cent of the city's taxis, daily forming a choppy yellow sea as they chugged down the roads.

Despite its advantages, the minibus was proved to be relatively unsafe and emitted high levels of exhaust. Choosy travellers were turned off by its lack of air conditioning.

Before China's 50th anniversary celebration on October 1, Beijing authorities replaced all the minibus taxis with new cars to lessen air pollution in the city.

## India builds \$286m world's longest LPG pipeline

NEW DELHI, Oct 17: An Indian state-run company yesterday began constructing the world's longest exclusive liquefied petroleum gas (LPG) pipeline in the western coastal state of Gujarat, says AFP.

The Gas Authority of India Ltd (GAIL) said the work began at Gujarat's Jamnagar region on the proposed 1,250-kilometre (781-mile) gas pipeline. Gujarat borders Pakistan.

A GAIL statement said the project was estimated to cost about 286 million dollars and would be completed by February 2001.

It would also be the first LPG pipeline in India, where the gas is now transported by road or rail.

The pipeline will cover five states, terminating in Uttar Pradesh.

## US Commerce Secy arrives in UAE

ABU DHABI, Oct 17: US Commerce Secretary William Daley arrived in the United Arab Emirates (UAE) yesterday on the last stop of his extensive Middle East tour, the official WAM news agency reported, says AFP.

Daley was met upon arrival by his UAE counterpart Sheikh Fahem bin Sultan Quasimi, WAM said, adding that he was due to sign an "open-skies" agreement today deregulating air traffic between the two nations.

The commerce secretary, who is accompanied by a delegation of US business executives, said they would meet UAE counterparts to discuss joint investment possibilities.

Trade between the two nations was just more than three billion dollars last year.

## Move to help exporters diversify, expand product line \$12m Matching Grant Facility programme starts operation

Star Business Report

Services to exporters. No particular export sub-sector will be entitled to more than 10 per cent of the fund, he added.

Exporters will be aided by the fund as they will become more competent through product development and market diversification, Burke said, adding that its service-providers would be benefited by enhancing and adding to their existing services to be purchased by exporting firms.

Both private firms and non-governmental bodies, such as chambers and trade associations which sell professional and support services to exporting firms, are eligible for participating in the service development grants, Burke mentioned.

Under the programme, 50 per cent cost of a product development and promotion plan would be provided as grant from the MGF on a first come, first served basis.

An exporter will have to bear the entire expenditure of his development programme and then apply for reimbursement of 50 per cent of the cost from MGF.

The Matching Grant Facility will operate through July 31,

2002. Chaired by Rajjab Sharif, acting President of the Federation of Bangladesh Chambers of Commerce Industry (FBCCI), the seminar was attended, among others, by eminent businessmen.

Speaking at the seminar, Rajjab Sharif said that export diversification was a must to sustain in the global market.

"The scheme will help exporters diversify their products and increase competitiveness," he added.

Replying to a question, Burke said a clearance certificate from the Credit Information Bureau of Bangladesh Bank would be required, as loan defaulters would not be entitled to the grants.

## LDCs to demand free market access at WTO confce

The least-developed countries will demand duty-free and quota-free market access for all of their products in the forthcoming third ministerial conference of the World Trade Organisation, says UNB.

Bangladesh, the coordinator of the LDCs, called for a standstill to all contingency protection measures on market access for exports from LDCs.

The envoy asked for longer transitional periods for LDCs with respect to various WTO agreements.

He also called for a new committee to be established in the WTO in place of the present sub-committee on LDCs.

Chowdhury also stressed the need for a fast-track approach to accelerate the accession process of the seven LDCs who have applied to join the world trade body.

"LDCs want to bat on an even wicket and, at least for the time being, to slow bowling," the ambassador said in his concluding statement.

## More Gulf Air flights go smoke-free

Gulf Air has added eight destinations to its list of no-smoking flights, says a press release.

From October 31, all Gulf Air flights to and from Frankfurt, Paris, Rome, Katmandu, Jakarta, Bangkok, Hong Kong and Kuala Lumpur will be smoke-free.

The introduction of a no-smoking policy on these flights follows extensive consultation with passengers, an overwhelming majority of which indicated that they were against smoking on board an aircraft.

Gulf Air was one of the first carriers in the Middle East to introduce the no-smoking policy.

In 1994, Gulf Air was awarded a medal and certificate by the World Health Organisation in Recognition of its no-smoking policy on selected routes.

## BB T-bill auction held

The 58th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year Treasury Bills were held yesterday, says a central bank press release.

The 1333.10 crore, Tk 56 crore, Tk 31 crore and Tk 44 crore were offered respectively for the 28-day, 91-day, 182-day, 364-day and 2-year bills.

Of these, Tk 1115.90 crore, Tk 0.50 crore, Tk 22 crore, Tk 14 crore and Tk 12 crore of 28-day, 91-day, 182-day, 364-day and 2-year bills were accepted respectively, whose range of implicit yields were 6.22 per cent-6.90 per cent, 7 per cent, 7.75 per cent-7.91 per cent, 8 per cent-8.20 per cent and 8.95 per cent per annum. However, no bid was offered for the 5-year bill.

## Employment Bank branch opens at Hobiganj

HOBIGANJ, Oct 17: Finance Minister Shah AMS Kibria has said the government has taken a range of measures to create employment opportunities to change the fate of the common man, says BSS.

Inaugurating a branch of the Employment Bank here today, the minister illustrated the government efforts including launching of housing fund, Ashrayan project and Employment Bank for the welfare of the people.

Presided over by District Commissioner Md Abdul Aziz, the meeting was also addressed, among others, by Enamul Haq Mostafa, MP, Abu Lays Mohamad, Mubin Chowdhury, MP, Chairman of Employment Bank M Muniruzzaman Khan, Managing Director of the bank AJ Majeed Haq Ahmed, Pourashaba Chairman Shahid Chowdhury and district Awami League general secretary Dr Moshfiqur Hossain Chowdhury.

The Employment Bank disburses bank loan to unemployed educated youths for self-employment.

The maximum collateral free loan offered to an individual is Tk 50,000 and with collateral it goes up the Tk five lakh.

The maximum group-based loan of the bank is Tk 20 with simple interest.

The finance minister said the establishment of the bank has opened up opportunities for the educated unemployed youth to contribute to the national economy.

## 'Sino-ROK trade imbalance a cause for concern'

BEIJING, Oct 17: The Republic of Korea should make an effort to reduce its growing trade surplus with China, "China Daily" reports today, says Xinhua.

China has remained in deficit in its trading with ROK since the two established diplomatic relations in 1992 and the deficit volume has expanded in recent years, the paper quoted Xu Changwen, director of the Asian and African Affairs Department of the Chinese Academy of Foreign Trade and Economic Co-operation, as saying.

Statistics from the General Administration of Customs indicate China's trade deficit with ROK increased from 200 million US dollars in 1992 to 8.72 billion US dollars in 1998. From 1992 to May this year, the cumulative deficit volume has added up to 32.2 billion US dollars.

Xu attributed the growing trade gap to the depreciation of the Korean currency, which has sharpened the competitive edge of Korean exports and the dumping of some South Korean goods onto the Chinese market.

"Although we are not pursuing a continual trade balance with every trading partner, a lingering and growing trade deficit will surely influence the further development of our bilateral trade," he said.



The draw of Prime Bank share allotment lottery, conducted by the teachers of Computer Science and Engineering Department of Bangladesh University of Engineering and Technology, was held at the head office of the bank on Saturday. Representatives of Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, ICB, Manager and Co-Manager to the issue, Prime Bank Director Dr RA Ghani, Managing Director Kazi Abdul Mazid, Deputy Managing Director Naser Bukhtear Ahmed and senior executives of the bank and share applicants were present on the occasion. Applications were made for the value of shares of Tk 10 crore 24 lakh 70 thousand against Tk 2.75 crore. The public issue was about 4 times oversubscribed. Out of the total public issue of 20,00,000 shares worth Tk 20 crore, the bank was able to place shares worth Tk 17.25 crore under pre-IPO placement subscribed by financial institutions and local and foreign investors.

— Prime Bank photo

## EU to ease banking secrecy to fight money laundering

TAMPERE, Finland, Oct 17: European Union leaders yesterday declared banking secrecy would take second place to the fight against money laundering in the 15-nation block, says Reuters.

It would involve an easing of banking secrecy in Luxembourg and Austria.

Luxembourg Prime Minister Jean-Claude Juncker said he had no problem with this, pointing out that in Luxembourg banking secrecy could not be used to evade criminal prosecution.

He added that he hoped that the European Commission and justice ministers would quickly produce necessary legislation.

"It would like them to speed it up, because it makes no sense to launch broad political declarations without giving them operational contents," he told Reuters.

Austria has said its banking secrecy can be waived if account holders face criminal proceedings, but the country still retains anonymous savings accounts criticised by FATF.

The summit also called for common action against the use of tax havens outside the union

would eventually result in EU laws based on recommendations of the Financial Action Task Force, a Paris-based agency set up to combat money laundering.

It would involve an easing of banking secrecy in Luxembourg and Austria.

It said the mandate of the union's law enforcement cooperation body Europol should be extended to cover all forms of money laundering and that countries should bring into line procedures on tracing, freezing and confiscating funds.

It urged a speedy adoption of a new law requiring casinos, accountants, property agents and lawyers to report suspicious transactions.

Banks and bureaux de change in the EU are already obliged to report transactions they suspect may originate from organised crime, fraud against the EU or the drugs trade.

The Finnish EU presidency has focused on money laundering in tackling organised crime because it says it makes cross-border crime profitable and compromises the credibility of banks and financial institutions.



In the run-up to Halloween, a security guard watches over some of the 250,000 pumpkins that have been growing in a field in West Sussex on Friday. The supermarket chain Sainsbury's say that this year's crop has been larger and more orange than ever, thanks to the recent good weather, and that they have employed the additional security after passers-by were unable to resist the colourful pickings.

— AFP photo

## Asian women worse off than men following financial crisis

MANILA, Oct 17: Asian women and children were left worse off than men after the region's gravest financial crisis in half a century, the International Labour Organisation (ILO) said in a report released here today, reports AFP.

Shrinking economies left more women out of work than men while those who held on to their jobs had to do with less pay, and the crisis "is generally believed to have pushed more girls than boys out of school and into work," the UN agency said in a regional report.

ILO officials told a new conference they had yet to quantify the possible effects of the crisis on the problem of trafficking in women and children, an acute problem in a number of less developed countries in Asia even

before the mid-1997 currency meltdown.

The findings "show how vulnerable women are" in a region where "Millions of women are underpaid and under-employed and millions more are working without pay at all," said ILO regional director Mitsuko Horie.

While situations varied greatly among countries in the region, available data generally indicate "that the situation of women has deteriorated further than the situation of men," said Roger Bohning, an ILO director for Southeast Asia and the Pacific.

The report said that the women's labour force participation rate in South Korea dropped 4.4 per cent since the crisis, while the rate for men

had remained "virtually constant."

"Among regular workers, women's income fell further than men's with six per cent and four per cent differentials respectively," the report said.

The report also dealt with the situation of 70 million Asian women who migrated for work, who it said "are often channelled into the most vulnerable occupations, notably household and commercial sex work, often outside the scope of regulation or labour laws."

While there were fewer women migrant workers in Asia in 1995, "women have begun to redress the gender imbalance by dominating the authorized outflows from sending countries such as Indonesia, the Philippines and Sri Lanka."

## Inflation increases in Philippines

MANILA, Oct 17: Inflation in the Philippines rose slightly to 5.7 per cent year-on-year in September from 5.5 per cent in August as relatively stable food prices held down the impact of higher fuel costs, the government said, reports AP.

For the first nine months of the year, inflation averaged 7.4 per cent, still within the government's recently revised forecast of between 7 per cent and 8 per cent for the year.

The consumer price index in September was pushed higher by an 8 per cent jump in prices of fuel and utilities, up from 5.9 per cent in August, due to several recent oil price hikes.

However, clouds are gathering on the inflation horizon, with recent transport fare increases and expectations of further oil price hikes likely to kindle inflation over the rest of the year.

up marginally from 3.2 per cent in August.

Economists believe the weaker peso may also have contributed to inflation by raising the cost of imports. Regional currency tensions pushed the dollar well above the key level of 40.50 pesos for most of September.

September's favourable inflation performance — after consumer price increases hit a two-year low in August — confirmed a string of recent economic data indicating a strong economic recovery.

However, clouds are gathering on the inflation horizon, with recent transport fare increases and expectations of further oil price hikes likely to kindle inflation over the rest of the year.