

Installation Facility Available



SANYO
Japan

Freezer
(100% CFC Free)

Transfin Trading Ltd.
Tel: 815307-10, Fax: 813062

The Daily Star BUSINESS

National Housing Finance & Investments Ltd.

Home Mortgage Loans available for

- Construction of houses
- Purchase of houses or apartments
- Renovation or extensions to existing properties
- Purchase of housing plots in approved land developments

Telephone inquiries are welcome

Chamber Building (6th Fl), 122-124 Motijheel, Dhaka-1000
Telephone: 955 9311-2, 955 3387, 955 3254 Fax: 956 8987

DHAKA, FRIDAY, OCTOBER 22, 1999

New Citibanking System installed in Southeast Bank

Citibank NA has launched its international electronic banking software. New Citibanking (NCB) in Bangladesh which specifically designed to handle international business needs of banking institutions, says a press release.

The system is already being used by several hundred banks in many countries.

Southeast Bank is the first Bangladeshi bank to install the software and Citibank will be installing the system in several other local banks before the end of this year.

The software was launched at a simple ceremony at the Head Office of Southeast Bank on Monday in presence of its Chairman Yussuf Abdullah Harun.

Also present on the occasion were David Rees, Chief Executive Officer of Citibank NA, Bangladesh, and Syed Anisul Huq, President and Managing Director of Southeast Bank.

Speaking on the occasion, Harun expressed his optimism that NCB would help Southeast Bank in increasing international cash management and trade capabilities and provide superior services to its customers.

David Rees congratulated Southeast Bank as the launching client for New Citibanking in Bangladesh and commented that "effective technology was essential to maintain competitive advantage as the global delivery systems for banking were changing very quickly."

The ceremony was attended by senior officers of both banks.

Citibank NA is the world's largest bank with a presence in 104 countries.

The opened its first full-service branch in Bangladesh on June 1995 and is a major provider of international banking services to leading banks in Bangladesh.

More destinations for SIA-Lufthansa cargo customers

From October 31, 1999, the customers of Singapore Airlines (SIA) and Lufthansa Cargo (LH) will be able to ship express cargo to even more destinations more efficiently and in shorter transit times, says a press release.

Customers of SIA's express product, Swiftliner, will have a choice of ten new destinations. These are in addition to the 16 European destinations introduced when the joint programme was launched in April this year.

The new destinations are: Atlanta, Bremen, Hanover, Lisbon, Mexico City, Nice, Porto, Prague, Toronto and Venice.

Likewise, LH will be able to market their express product, td.Flash, to four new Asian destinations, namely Macau, Male, Manila, and Penang. This is on top of the original 16 destinations in Asia and Oceania.

Both the carriers will continue to make use of each other's hubs, as well as to give priority to and expedite handling of each other's express cargo. At the same time, the Swiftliner and td.Flash express service attributes and product identities will be retained.

Japan to take US steel import rulings to WTO

TOKYO, Oct 21: Japan will take the United States to the World Trade Organisation over its rulings against Japanese steel imports, Japan's trade minister said Wednesday, reports AP.

Washington's decision to limit imports of hot-rolled steel products from Japan goes against WTO trade regulations, said the minister of international trade and industry, Takashi Fukuyama.

"Steel imports from over 20 countries have been the subject of the US anti-dumping procedures," the minister said in a statement.

"This widespread and frequent use of antidumping procedures, and their use to exclude steel imports from the US market, is a cause for serious concern," he said, suggesting that the intention is protectionism.

India's truckers start strike to protest diesel price rise

NEW DELHI, Oct 21: People began stocking vegetables, fruits and other foodstuffs as more than two million truckers across India began an indefinite strike Thursday, protesting a 35 per cent hike in the price of subsidised diesel, says AP.

Talks between the government and the truckers failed as the government refused to roll back the increase in diesel prices announced two weeks ago to offset an upsurge in global oil prices. Press Trust of India news agency said.

"Global diesel prices have shot up by 66 per cent to more than \$160 per tonne in September," Ashok Joshi, the transport secretary, told reporters in New Delhi on Wednesday.

CEPZ investors say in letter to foreign secy Introduction of TUs in EPZs violates BEPZA Act

While the government is under pressure to allow trade unions in Export Processing Zones, investors have said introduction of TUs in EPZs will contradict the BEPZA Act, says UNB.

"Bangladesh Export Processing Zones Authority (BEPZA) Act came as a commitment from the government to the entrepreneurs," investors of Chittagong EPZ said in a recent "note of justification" to the foreign secretary for not introducing TUs.

The BEPZA Act forbids formation of any labour union in the zones. Strike within the zones is also prohibited under the act.

The investors said that millions of dollars had been invested in Bangladesh EPZs by being encouraged by a bunch of

fiscal and non-fiscal incentives, and with the feeling that investment would be secure and productive.

Now, after 14 years of successful operation of EPZs, if the facility is withdrawn, the very objective of setting up of EPZs would be jeopardised, they said.

Investors who have already gone into investment shall withdraw their capital and no further investment could be expected in EPZs in future," they said in the letter.

The investors said that introduction of trade union in EPZs would not be necessary due to a very powerful and organised department of BEPZA.

BEPZA Industrial Relations Department is taking care of all interests of the workers and employees of EPZs under the guideline of instruction number

one and two."

They said the instructions were framed to safeguard the interest of workers and also to handle industrial relation issues including grievance-handling, negotiation with the employers on behalf of workers.

The instructions included working hours, leave and holiday, wage fixation, payment of wages, festival bonus, provident fund, gratuity, termination benefit, maternity benefit and injury compensation, rest room, canteen, health and sanitary requirement, medical and hospital facilities and legal conditions for a factory.

"So, the workers are not being deprived of their dues and welfare facilities as the department is acting as CBA. Hence, there is no necessity of introducing TUs in EPZs," they

said.

The investors said the workers and employees of different grades are given higher pay in EPZs as compared to the minimum wages and pay scale that is mandatory for all enterprises to follow.

The EPZ workers and employees are getting higher payment as compared to the factories situated outside the EPZs.

Referring to a qualitative difference between the role of TU and BEPZA IR department, they said the facilities brought by the TUs outside EPZs after lots of endeavours, are readily available in EPZs as ensured by BEPZA's IR department.

The consequences of the introduction of TUs in the country were not found to be satisfactory, it was rather frustrating," they said, adding that industries in the sector corporations, especially jute and textile, have already been shattered due to uncontrollable activities of TUs.

They said the government has felt that activity of TUs should be controlled and restricted for obvious reasons and the attitude was reflected in the governmental decision of suspending the operation of TUs in the Bangladesh Bank. "The World Bank supported the decision as well."

EPZs are proved to be very successful in respect of increase of investment, employment generation and export earnings," they said. "With this success story, government was so impressed that new Korean EPZ is established and new other EPZs are under process of establishment."

They added that the success and achievement was possible due to the congenial working environment of EPZs even in absence of TUs.

Therefore, why should the country be deprived of the benefit of the disciplined work atmosphere when the workers are not losing materially," the investors said.

Sources said considering the socio-economic condition, the labour management situation of the country and keeping in view the interests of the prospective investors, the government has suspended enforcement of certain laws temporarily.

BEPZA started its operation in 1983 with the CEPZ, but up to 1990 the number of industries in the zone was very small and not as per expectation of the authority.

As a result, the government had to take massive steps to attract foreign investors by providing both fiscal and non-fiscal incentives, they said.

WB, IMF ready to work with new Indonesian govt

WASHINGTON, Oct 21: The World Bank and International Monetary Fund congratulated Indonesia's new president yesterday and said they were ready to work with the government there to realise Indonesia's immense potential, reports Reuters.

Statements issued after ailing Moslem leader Abdurrahman Wahid won Indonesia's first contested presidential election, beating the popular favourite Megawati Sukarnoputri, said the vote was a watershed for the troubled Asian country.

"I congratulate Mr. Abdurrahman Wahid on his election as Indonesia's fourth president," IMF Managing Director Michel Camdessus said.

The IMF looks forward to working with the new president and his administration on building on the macroeconomic gains achieved so far.

Britain ready for Y2K bug

LONDON, Oct 21: The British government and big business are prepared to handle the millennium computer bug, but some towns and small financial institutions still have work to do, officials said Wednesday, reports AP.

"I am confident that the UK will suffer no material disruption due to the millennium bug," said Don Cruickshank, who chaired the government's millennium bug watchdog group.

The millennium bug can cause problems if computers that use two figures to designate a year mistake the year 2000 for 1900 and shut down or produce erroneous information.

Cruickshank said seven small financial institutions in Northern Ireland still are experiencing problems getting their computer systems on track.

He declined to name the financial institutions, but authorities said they were not well-known.

Other organisations cited as still presenting a possible risk of disruption included Northern Ireland's Ulster Bus and City Bus, and York Gas and Manchester Metrolink, but in northern England.

Bangladesh trade seminar in Osaka Infrastructure, human resource development stressed

OSAKA, Japan, Oct 21: Speakers at a seminar here today emphasised the development of infrastructure and human resources for the success of globalisation initiatives all over the world, reports BSS.

They were speaking at a seminar entitled "Bangladesh Trade and Investment Seminar" jointly organised by the Osaka Chamber of Commerce and Industry and Bangladesh Embassy in Tokyo on the occasion of Bangladesh participation in the three-day Global Business Opportunities Convention, popularly known as GBOC began in Osaka from October 18.

A 22-member Bangladesh delegation including a large number of private sector entrepreneurs under the leadership of Abdul Hoque, Director, Federation of Bangladesh Chambers of Commerce and Industry have been participating

in the GBOC '99. Promotion materials on trade, tourism and investment and samples of Bangladesh exportables are on display in the six booths owned by the Bangladesh Embassy, Tokyo, BOI, BEPZA, FBCCI and BGMEA.

Representatives from 47 countries and regions including host country Japan in 258 booths exchanged business talks to establish intra trade and investment negotiations.

The Bangladesh delegation had meetings with the top officials of the Osaka Bureau of Japan External Trade Organisation, Osaka Chamber of Commerce and Industry and International Business Organisation.

Osaka Chamber of Commerce and Industry hosted a luncheon meeting in honour of

the Bangladesh delegation.

The Bangladesh seminar highlighted the potentials for trade, tourism and investment to the large number of Japanese business leaders and representatives of financial institutions.

Jamil Majid, Ambassador of Bangladesh to Japan, Ansaruddin Ahmed, Member, BOI, Engg Reza Hussain, Member, BEPZA, Abdul Haque, Director, FBCCI explained the initiatives undertaken by the government of Bangladesh for the economic development and incentives offered for inducing foreign direct investment (FDI).

Yoshimori Higuchi, Executive Director of a Japanese company now operating in Chittagong EPZ told the Japanese audience his experiences in doing business in Bangladesh.



Japan's auto giant Toyota introduces a four-seater sports concept car Acsu. The front seats are equipped with independent multi-media display monitors to access multi-media information according to passengers' needs at the Tokyo Motor Show in Makuhari, suburban Tokyo yesterday. — AFP photo

Pakistan's IMF lifeline seen on hold

KARACHI, Oct 21: Pakistan's dimming economic prospects may push the IMF to review its lending to the troubled country, even if donors decide to resume aid after last week's military coup, analysts said today, reports Reuters.

They said the International Monetary Fund, which had already put its \$1.56 billion programme on hold before the overthrow of Prime Minister Nawaz Sharif, wants to wait to assess the new regime's economic plans.

The United States, European Union and major IMF board members have urged the military regime to quickly restore democracy and have threatened economic sanctions.

Stanley Fisher, IMF first deputy managing director, said that the fund was assessing the situation after the coup and would not resume funding for the time being.

The new government has also yet to name a cabinet or detail its stated goals of trying to revamp the economy and crack down on corruption.

"Pakistan in all likelihood will miss most of the IMF targets for this year, so the fund will have to rework the numbers before lending is resumed," a senior banker said.

The analysts said the IMF was worried about Pakistan's

ability to meet key programme targets amid stagnant hard currency inflows and low foreign exchange reserves of just \$1.46 billion — which would fund imports for around six weeks.

"They are not sure if Pakistan by the end of the year will be able to collect enough revenue to meet the key fiscal deficit target, and all the signals are there that the trade and current account deficits will be

much higher than projected," said one senior banker.

Analysts said continued IMF lending was vital for Pakistan to remain solvent.

Pakistan set an ambitious tax revenue target of 356 billion rupees (\$7 billion) for its 1999/2000 fiscal year that started in July, on which a fiscal deficit target of 3.3 per cent of gross domestic product hinges. Both are key conditions for continued IMF lending.

The State Bank of Pakistan has imposed cash margins on some imports to conserve hard currency, but analysts said the 1999/2000 trade deficit was still likely to be above \$2 billion, against a target of \$800 million.

The current account deficit would reach around \$3.5 billion for the year against the targeted \$1.77 billion, they added.

Pakistan had hoped to receive \$2.8 billion this fiscal year in foreign investment, remittances and bank deposits, but recent central bank restrictions on foreign exchange transactions and political uncertainty will slow inflows, the analysts said.

Also tied to the IMF programme was a rescheduling of official bilateral loans and official commercial loans which are part of a three-year \$19 billion lifeline package.

Russia had reserves of \$12.2 billion at the beginning of this year, and they dropped to three-year low of \$10.9 billion on March 26. The reserves are considered extremely low for a country of Russia's size.

Russia has relied on its reserves to defend the ruble, meaning that it has had trouble coming up with enough hard currency to meet all its recent foreign debt payments.

Russia's currency reserves up

MOSCOW, Oct 21: Russia's gold and hard currency reserves crept up by \$100 million to \$11.7 billion in the week ending Oct 15, the Central Bank said Thursday, reports AP.

The bank gave no reason for the rise in reserves, which stood at \$11.6 billion on Oct 8.

Russia had reserves of \$12.2 billion at the beginning of this year, and they dropped to three-year low of \$10.9 billion on March 26. The reserves are considered extremely low for a country of Russia's size.

Russia has relied on its reserves to defend the ruble, meaning that it has had trouble coming up with enough hard currency to meet all its recent foreign debt payments.



Southeast Bank Chairman Yussuf Abdullah Harun, Citibank NA CEO in Bangladesh David Rees and Southeast Bank President and MD Syed Amirul Huq are seen, among others, at the launching ceremony of the New Citibanking (NCB) electronic banking system in SBL recently. — Citibank photo

Unit prices of major exportables fall drastically RMG sector helps country slightly beat export target

While the unit prices of the major export items fell drastically in the international market, the unit prices of frozen foods declined by 31.29 per cent, leather by 31.3 per cent, tea 13.16 per cent and chemical products by 28.24 per cent during the same period.

This very single factor pulled down the income of the sectors despite a higher volume of exports.

The export earnings target for agri products, tea, engineering products, jute goods, primary products, chemical products, handicrafts and electronic goods could not be achieved.

Frozen foods worth US\$ 56.68 million were exported during the July-August period of the current fiscal, which is 15.31 per cent up from the target and 6.15 per cent less than last

Star Business Report

million were exported, exceeding the target by 3.21 per cent.

But as a major cause for concern, the unit prices of frozen foods declined by 31.29 per cent, leather by 31.3 per cent, tea 13.16 per cent and chemical products by 28.24 per cent during the same period.

This very single factor pulled down the income of the sectors despite a higher volume of exports.

The export earnings target for agri products, tea, engineering products, jute goods, primary products, chemical products, handicrafts and electronic goods could not be achieved.

Frozen foods worth US\$ 56.68 million were exported during the July-August period of the current fiscal, which is 15.31 per cent up from the target and 6.15 per cent less than last

fiscal's corresponding period.

Tea export showed a nose-dive during the same period, with one million kg tea worth US\$ 1.66 exported against the target of US\$ 6.67 million. This is 75.11 per cent less than the target and 83.32 per cent lower than the achievement during the last fiscal's corresponding period.

Leather sector fetched US\$ 23.64 million during the July-August period, 21.2 per cent less than the target and 13.15 per cent lower than the corresponding period last fiscal.

Raw jute worth \$12.73 million was exported during the period against the target of US\$ 12 million and jute goods worth US\$ 41.35 million were exported against the US\$ 51.67 million target.

Biman to be privatised for better service, profit

Biman Bangladesh Airlines is to be privatised for improved service and increased profit, reports UNB.

"We are in the final stage of selecting a consortium of consultants who will prepare the airlines for privatisation and help us select an airlines which will take a 40 per cent stake in Biman," Managing Director Rafiqul Islam said in city Wednesday.

Presenting the keynote pa-

per at a roundtable organised by the Chartered Institute of Transport, Bangladesh, he said four firms, selected from 60 consultancy firms, will start feasibility studies by the month-end after getting the World Bank's approval.

He said Biman being 100 per cent owned by the government, has certain disadvantages in competing with the private sector.

"Our competitors are more

commercially focused. Our major weakness is shortage of equity and speed in decision-making. The aviation market is fiercely competitive and more and more state-owned airlines are being privatised," Rafiqul Islam said.

He said Biman for its part has also started the process and the government has already given its approval. The World Bank has lent its support to the move.

Eighteen international airlines and four local airlines operate in Bangladesh. Of the international airlines, only Alitalia is providing freighter services.

Of the Bangladesh airlines, Biman Bangladesh Airlines operates freighter services between Dhaka and Bangkok, while GMG and Air Parbat operate on domestic routes. At the main airport of Dhaka, there are 50 scheduled arrivals and 50 departures everyday, said the Biman MD.

He said that 2.5 million passengers, 83,000 tons of cargo and 950 tons of mail were carried last year.

"This shows a rise of 6.5 per cent in international passengers and 1 per cent in cargo over the previous year while there was a dull one for the aviation sector because of the Asian economic crisis," he said.

About the tariff statistics, the MD said the current year is expected to witness about 10 per cent growth. The domestic market, compared to international traffic, has a slower growth and is to some extent dependent on international passengers.

The carrier spreads over 25 destinations in 21 countries in Europe, Asia and the US in Bangladesh, it operates to seven destinations. This operation is maintained by operating 50 international and 60 domestic flights per week.

There are three airport capable of handling international traffic. The foreign airlines operate only out of Dhaka, while Biman operates some flights between the Middle East to Chittagong and Sylhet. Biman also operates flights between Chittagong and Calcutta, twice a week.

In 1998, Rafiqul Islam, Biman carried 123 million passengers — 367,000 domestic and 866,600 international. Cargo and mail are mostly international.

In 1998-99, it carried 29,500 tons of cargo and 300 tons of mail. Of these, about 750 tons of cargo and mail were carried on domestic routes.

Biman's revenues come primarily from international operations.

exchange rates

Following are yesterday's Standard Chartered Bank rates of major currencies against Taka:

Central Bank USD/BDT rate: Buying - BDT 49.35/Selling - BDT 49.65

Selling	Currency	Buying	DOC	TRANSFER
49.700	49.7700	USD	49.3200	49.1566
0.4821	0.4825	JPY	0.4516	0.4502
33.9941	34.0215	CHF	33.0187	32.9093
30.4961	30.5206	SGD	28.8135	28.7180
34.3843	34.4119	CAD	32.3029	32.1958
6.1236	6.1286	SEK	6.0102	5.9903
33.2147	33.2414	AUD	30.4502	30.3493
13.2278	13.2385	MYR	12.8421	12.7995
6.4511	6.4563	HKD	6.2990	6.2781
13.3694	13.3801	SAR	13.0452	13.0200
13.3697	13.3805	AED	13.0459	13.0207
0.0415	0.0415	KRW	0.0408	0.0406
83.6210	83.6883	GBP	81.4125	81.1427
54.3798	54.4235	EUR	52.4272	52.2534

US Dollar Export Bills

TT DOC	30 days	60 days	90 days	120 days	180 days
49.2183	48.9146	48.5093	48.0431	47.5364	46.4013

Exchange rates of some Asian currencies against US dollar

Indian Rupee	Pak Rupee	THAI BAHT	Maq Rngit	Indo Rupiah	Sing. Dollar
43.38/	51.85/	39.20/	3.7995/	7225/	1.6705/
43.41	51.90	39.25	05	7325	1.6715

US Dollar LIBOR

Buying	Selling	1 Month	3 Months	6 Months	12 Months	
Cash rates	49.15	49.75	USD	5.41	6.2225	6.13
TC	49.1	49.7	GBP	5.37125	6.02656	6.14859

Market Commentary

On Thursday, trading in the local foreign exchange and money market was very thin due to the opposition-sponsored general strike. There were no reports of foreign exchange transactions in the interbank market. In the money market, there were a few call money transactions to square positions and the call money rate was steady. The market will resume its operation on Sunday next.

In the international markets trade was range-bound ahead of the European Central Bank's (ECB) policy setting meeting due later yesterday. Market is awaiting ECB's decision on euro interest rate. Market analysts are of the opinion that Euro interest rate would remain unchanged at the ECB policy-setting meeting, but would be hiked by at least 30 basis points in next ECB meeting scheduled for November