



Bangladesh gas reserve much higher than estimated: Shell

A high-ranking delegation of foreign investors on Tuesday claimed that the gas reserve in Bangladesh is much more than it is officially estimated, reported UNB.

They met Board of Investment (BOI) Executive Chairman M Mokammel Haque and told him that there was huge potential for development of oil and gas sector in the country.

The delegation included Managing Director of Shell Bangladesh exploration and Development BV Andrew Vaughan and Managing Director of Shell Bangladesh Marketing Ltd James Ashworth, said a BOI press release.

They discussed about their existing projects and future investment proposals in the oil and gas sectors and explained their plan of action.

Shell offered its collaboration for the development oil and gas sector as a counterpart organisation of the concerned government agencies.

The BOI executive chairman apprised them of the government's firm commitment to encourage and facilitate foreign investment in the energy sector projects in Bangladesh.

New Rian Motors display centre opens at

Tejkunipara

As part of its expansion and customer service programme, Rian Motors Ltd, a Rangs Company, yesterday opened a new Display and Sales Centre at Tejkunipara in city, says a press release.

The centre was inaugurated by Akio Udo, General Manager of Tomen Corporation, Dhaka, Yoshihisa Sakurai, General Manager of Tomen Corporation, Mumbai, Mahbubul Gani, Managing Director, Akbar Hussain, Director of Rian Motors Ltd, Sachin Hussain, Director of Rangs Electronics Ltd, Seng Cheuk Guan and Eric Song of Sony Corporation, Ashrafuddin Ahmed, FCA, Financial Adviser, Kamal uz Zaman, Deputy Manager, Habibur Rahman, Senior Executive, and other officers of Rian Motors Ltd and city elite were present.

In the inaugural function, Akbar Hussain, Director of Rian Motors Ltd, mentioned about the happy news of opening more display and sales centres in other commercially important cities in the country within a short span of time in order to enable their valued customers to get the world famous Suzuki products at their door-steps.

The idea behind opening more display and sales centres was to create awareness among the customers about Suzuki Rangs products and to help them select and buy their desired motorbikes from the Rian Display and Sales Centres.

UPS makes S\$38m investment in Asia-Pacific HQ

United Parcel Service has unveiled plans for its S\$38 million Singapore and Asia-Pacific region headquarters, says a press release.

At the groundbreaking ceremony for UPS's first company-built and owned facility in Singapore, guest-of-honour Philip Yeo, Economic Development Board (EDB) Chairman said: "The development of UPS and UPS Worldwide Logistics' capabilities will enhance Singapore's position as the leading logistics hub in Asia Pacific."

It will also contribute to Singapore's position as a manufacturing location because manufacturers will need to compete on the efficiencies of their total supply chain. The EDB will continue to support and encourage the growth of such knowledge-based logistics activities in Singapore, he said.

Located in Changi near the Singapore Expo, UPS's new 280,756-square feet (26,084 sqm) building will house the Asia-Pacific headquarters for UPS and its affiliate, UPS Worldwide Logistics (UPS WWL).

\$170m ADB loan to upgrade urban infrastructure in India

MANILA, Oct 27: The Philippine-based Asian Development Bank today approved a \$175 million loan to help upgrade living conditions in 10 urban centre along India's west coast, a bank statement said.

The loan, made for Karnataka Urban Development and Coastal Environment Project, will provide "essential urban infrastructure and municipal services," the statement said.

The project includes water supply and sanitation improvements, solid waste and waste water management as well as road traffic management.

Millions of people are expected to benefit from the project, the ADB said.

Investors see disruption of industrial activities

## Refusal to EPZ unionism may impact exports: Holzman

Star Business Reports

US Ambassador John C Holzman has said that the potential impact of the US and international concerns over the lack of freedom of association in the Export Processing Zones (EPZs) go well beyond termination of Bangladesh's preferential access to the US market.

Consumers and buyers in the United States and other countries are paying increased attention to the conditions under which products are made, he mentioned, while briefing Savar and Chittagong EPZ investors on the petition filed by the AFL-CIO in June, 1999, to deny Bangladesh GSP privileges this week.

One US group has already publicised alleged abuses caused by the lack of freedom of association in Bangladesh's EPZs, and sought to create pressure on a large US retailer, which purchases goods made in an EPZ factory.

Whatever the true working conditions, it would be difficult for the EPZ manufacturers to counter such claims of abuses while workers are denied free-

dom of association, the US ambassador said. If Bangladesh's GSP privileges were revoked, the attention and concern of the buyers and consumers would increase, and Bangladesh's exports would be at a competitive disadvantage, he added.

Meanwhile, Ambassador Holzman explained to both the DEPZ and CEPZ investors that for preferential trade access to the US market under the Generalised System of Preferences (GSP) scheme, US law requires that the beneficiary nations must be making progress towards observance of several core labour standards.

Chief among these rights is freedom of association – the ability of the workers to form and join organisations of their own, choosing to represent their interests. In 1991, AFL-CIO, the largest trade union federation in the United States, petitioned for the revocation of Bangladesh's GSP privileges because of various alleged infringements of labour rights, including the denial of freedom of association in the Chittagong EPZ. After a review of the petition, the US government decided to continue Bangladesh's GSP privileges following the Bangladesh government's assurance to allow freedom of association in the EPZs in 1997. In June 1999, AFL-CIO filed another petition to revoke Bangladesh's GSP status, based solely on the country's failure to act in accordance with the assurance.

Holzman encouraged the investors to form a committee to help devise a resolution of the issue which both ensures progress towards freedom of association and protects investors' legitimate interests in productivity, efficiency and stability. He promised that the US Embassy would strongly support such efforts. He observed that an early concrete progress would ensure Bangladesh's GSP privileges in place. The 1998 BGMEA-UNICEF MOU on child labour could be a model for protecting labour rights which facilitated booming exports by reconciling the buyers' and manufacturers' concerns.



The inauguration ceremony of the new Sales and Display Centre of Rian Motors Ltd at Tejkunipara yesterday.

— Rian Motors photo

Moreover, as per BEPZA Act, the government is committed not to allow trade unions in EPZs," Bauer said. "If trade unions are allowed, it will be a violation of the commitment made to the investors here."

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India's software exports up 37pc in 6 months

NEW DELHI, Oct 27: India's software exports registered a growth of 37 per cent in the first half of the current financial year beginning on April 1, the Hindustan Times reported today, says Xinhua.

Export revenue from software touched 103.7 billion rupees (2.4 billion US dollars) in the first six months ending on September 30 compared to that in the same period last year, according to the Electronics and Computer Software Export Promotion Council (ESCP).

The newspaper quoted ESC chairman Vivek Singh as saying that during the second half of the 1999-2000 fiscal year, software exports were likely to exceed 130 billion rupees (3.02 billion dollars).

The overall annual growth in software exports would go up by some 33 per cent as against 177.75 billion rupees.

— Xinhua photo

## Bangladesh's economy still fragile: IMF

International Monetary Fund (IMF) finds the fragility still continuing in the Bangladeshi economy, says UNB.

"I have not seen, alarmingly, any difference. Fragility is still there," said visiting IMF mission chief Lazarus E Molho at a press conference Tuesday on the mission's appraisal activities in Dhaka.

Finance Secretary Dr Akbar Ali Khan was present at the press conference where the donor representatives presented their evaluation of the current state of the economy.

The IMF mission has been in Dhaka for the past two weeks and concluded its discussions with the authorities Tuesday, holding final round of parleys with Finance Minister Shah A M S Kibria in the afternoon.

Relying to a question, Molho said IMF, as before, felt that the pace of reform should be much faster. "We advocate faster reforms."

However, the finance secretary said the government followed its own pace, time and sequence in carrying out reforms.

"We want to follow our own pace and formulate own programme. The government can't overlook the political and social implications of reform," Dr Akbar Ali said.

macroeconomic and structural measures that could be adopted in the next few months to strengthen the foundations for rapid and sustainable growth in Bangladesh paving the way for a possible PRGF.

These include the broadening of the domestic tax base and tighten fiscal discipline, ensuring that credit growth is kept within prudent limits and the exchange-rate system is flexible, adopting bolder and faster reforms to strengthen governance in the banking system and state-owned enterprises, and launching an ambitious programme of trade liberalisation.

"If the authorities take adequate measures along these lines over the next few months, and show interest to pursue discussions toward PRGF programme, a follow-up mission could return to Dhaka to initiate the negotiations soon after the Executive Board concludes the Article IV consultation."

The IMF mission also held talks with the government concerning Bangladesh's possible access to IMF resources, he said.

Molho said that Bangladesh could be a candidate for support under the Fund's new Poverty Reduction and Growth Facility (PRGF), which is replacing the Enhanced Structural Adjustment Facility (ESAF).

The PRGF aims to place poverty reduction efforts among low-income members at the centre of a renewed growth-oriented economic strategy.

The mission discussed with the authorities a number of

## Weekly Ctg Tea Sale

### Market witnesses higher demand, price falls

CHITTAGONG, Oct 27: The weekly tea sale held here yesterday (Tuesday), witnessed slight improvement in the demand for clean good liquoring grades although prices generally declined further for all types, reports UNB.

Poland was less active but Russia and the CIS showed a little more interest and Pakistan and Afghanistan were again totally absent, according to Tea Market Report.

There was some interest from loose tea whilst blenders were fairly active. Withdrawals were slightly less than previous week.

**CTC fannings:** The good liquoring fannings met with a fair demand easing by up to Tk 5 but all others faced selling difficulties and where sold, recording a drop of Tk 5 and sometimes more. Withdrawals were heavy in this category.

**CTC leaf:** 11,731 chests and 14,732 gunnysacks, and (239 chests and 170 gunnysacks of old season) on offer met with slightly improved demand but prices declined further for all grades. There was a considerable withdrawal.

**CTC dust:** 768 chest and 1,955 gunnysacks on offer met with less demand. The better liquoring types were mostly easier by up to Tk 2, whilst all others eased further following quality. Internal market lent fair support but were once again selective.

## NCCBL going public to raise Tk 19.50 cr

National Credit and Commerce Bank Ltd (NCCBL) is going public to raise Tk 19.50 crore, bank chairman Mir Zahir Hossain said yesterday.

The bank will issue Initial Public Offerings (IPO) of Tk 19,50,000 shares of Tk 100 each.

Hossain was addressing the bank's 14th annual general meeting held at a city hotel yesterday, according to a press statement of the bank.

Yakub Ali, Vice Chairman, and Mohd Sajidul Haq, Managing Director, were present.

Presenting the annual report and financial statements for the year 1998 and six months to June 1999 respectively, Mir Zahir Hossain highlighted the performance of the bank.

He informed the meeting that the bank had made a net pre-tax profit of Tk 21.10 crore as on December 31, '98 and Tk 10.17 crore as on June 30, '99 respectively. The bank's deposit stood at Tk 682.49 crore as on December 31, '98 and Tk 709.85 crore as on June 30, '99.

Mohd Sajidul Haq said that the authority was planning to add shared ATM, SWIFT Service and on-line transactions through Networking System in near future.



Mir Zahir Hossain, Chairman of National Credit and Commerce Bank Ltd, Yakub Ali, Vice Chairman, Mohd Sajidul Haq, Managing Director, and Md Tarikul Alam, Secretary, are seen at the bank's 14th annual general meeting held at a city hotel on Tuesday.

— NCCBL photo

## 90pc of Bangladesh banking sector ready for Y2K

### Malaysia

According to Bank Negara's website (www.bnm.gov.my), 100 per cent of commercial banks, finance companies and insurance companies have been Y2K ready since August 31.

This includes assessment, renovation, testing and implementation of Y2K plans.

A Bank Negara spokeswoman says their own systems are 100 per cent Y2K ready.

Pakistan's banks are on track for Y2K, the head of a banking Y2K committee said.

"Things are going well and we are on track," said Nadeem Hussain, the general manager for Citibank in Pakistan and the chairman of an industry committee set up to make sure financial institutions in the country are dealing with any Y2K problems.

He said of the 72 financial institutions which come under the State Bank of Pakistan's oversight, the committee felt 27 needed further reviews.

## FBCCI for removing bars to direct trade with Mizoram

for export-import trade between Bangladesh and Mizoram, spokesman said.

The HKMA is ready for the year 2000. All banks in Hong Kong have reported to the HKMA that their preparations for the year 2000 are complete," a HKMA spokesman said.

All 105 commercial banks in India reported full compliance as of August 30. All 40 non-banking subsidiaries of commercial banks have also reported full compliance.

Thirteen financial institutions – including insurance firms, development finance institutions, mutual fund, the United Trust of India – all reported full compliance as of October 5.

The central Reserve Bank of India has reported full compliance.

**Indonesia**

Bank Indonesia, Indonesia's central bank, said it has upgraded its system to almost 100 per cent Y2K compliance.

It said it was prepared to allocate funds in the form of cash

worth some 70 trillion rupees should there be any rush by depositors near the new year.

Out of Indonesia's 160 banks, 140 rely mostly on simple computer systems, which are easy to upgrade. The remaining 20 banks are stepping up preparations to meet Y2K compliance.

Japan

Simulation tests conducted between last December and July to check computer systems connected to the BOJ network revealed no problems directly related to the Y2K bug, the BOJ said. The BOJ expects there will be no need to expand the discount window or to extend bank loans under Article 37, which provides for temporary uncollateralised loans in cases of system breakdowns and emergencies.

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