

### BFFEA team on market expansion visit to US, China

Star Business Report

A four-member trade delegation of Bangladesh Frozen Foods Exporters Association (BFFEA) has gone on a 13-day visit to China and the United States to expand markets for frozen foods.

Mahmudul Hasan, Joint Secretary-General of BFFEA and Managing Director of Concept Sea Foods Ltd, is leading the delegation, says a press release.

The team left Dhaka on Monday.

The delegation includes Kamruddin Ahmed, Director of Fish Preservers Ltd and AKM Mursheed Hossain, Director of Mahi Fish Processing Ltd.

Dr Mahmudul Karim, Shrimp Programme Coordinator of Agro-based Industries and Technology Development (ATDP) accompanied the delegation as advisor.

During the visit, the team will attend Shanghai and San Francisco Sea Food Fair. It will visit some fish processing plants, super markets in addition to meet the importers of frozen foods and officials of the govt. of these countries to discuss mutual business interest.

The tour is sponsored by ATDP which is the USAID support project of the Ministry of Agriculture.

Another BFFEA delegation had visited Belgium, Holland, Germany, Switzerland and UK last September with the financial support from ATDP.

### Kuwait cuts LPG prices as Asian demand plunges

KUWAIT CITY, Nov 2: Kuwait Petroleum Company (KPC) announced Tuesday that it has cut prices of liquefied petroleum gas (LPG) by 20 dollars a tonne because of a lack of demand in Asia, reports AFP.

Propane will sell at 250 dollars a tonne and butane at 240 dollars a tonne in November, compared to 270 dollars and 260 dollars in October respectively.

The plunge is due to a surplus of unsold LPG in East Asian markets, KPC said in a statement reported by the official KUNA news agency.

LPG is a secondary source of income for Kuwait, which has between nine and 10 percent of the world's crude oil reserves. Kuwait currently produces 1.84 million barrel of oil per day, following a decision by the Organisation of Petroleum Exporting Countries (OPEC) in March to cut production levels to boost oil prices.

### Taiwan to cut flights over Y2K fears

TAIPEI, Nov 2: Taiwanese aviation officials said Tuesday flights would be reduced on December 31 and January 1 as part of their efforts to cope with the millennium bug, reports AFP.

Taipei airport, the busiest for domestic services here, will be allowed to handle a maximum of 20 flights per hour on those two days, compared with 35 at present, an official with the Civil Aeronautics Administration told AFP.

"By reducing traffic, the risk of air collision could be reduced during the sensitive moments," the official said.

But he said "the air traffic service automation system and the navigation facilities are all Y2K compliant now."

Some suspect problems may arise if computer programs and chips that deal with dates tracking only the last two digits of the year may cause the first day of 2000 to be confused with January 1, 1900.

The problem, which could affect airlines, elevators, electricity and any industry using computers, is referred to as "Y2K" for year 2000.

The official said the planned flight reduction would not seriously affect the operation of Taiwan's Chiang Kai-shek International Airport, which only allows 25 flights hourly at any time.

### Maruti sales up 19pc

NEW DELHI, Nov 2: India's largest carmaker Maruti Udyog Ltd. posted a 19 per cent increase in its sales for the first seven months of the current fiscal year compared to the same period the previous year, the company said yesterday, reports AFP.

The sales of the 50:50 joint venture between Japanese firm Suzuki Motor Corp. and the Indian government shot up to 220,427 from 185,906 cars sold in the April-October period during fiscal year 1998-99.

The company said it will also raise prices of all its models to absorb the cost of pollution control equipment prescribed by the government.

The Press Trust of India quoting a circular put out by the company said car prices could be hiked by 30,000 rupees (697 dollars).

## Bourses suspend 53 brokers for not getting registered

By M Shamsur Rahman

Dhaka and Chittagong stock exchanges yesterday suspended 53 stockbrokers from trading for not having registration certificates following a Securities and Exchange Commission (SEC) directive.

Of the suspended members, only six are from the Dhaka Stock Exchange (DSE) while the rest are from the Chittagong Stock Exchange (CSE).

The brokers have failed to comply with the SEC directives that wanted brokers to submit necessary documents and deposit fees to collect certificates by October 31.

As per regulation of the Securities and Exchange Commission, brokers can not trans-

act in securities without obtaining stock dealer/broker registrations from the SEC, according to an SEC letter on October 31, 1999 to both the bourses.

"Despite repeated reminders to the exchanges, requisite documents were not furnished to the Commission for which registration certificates could not be accorded," the letter said.

Therefore, direction is given for not allowing securities transaction by the exchange members who shall not possess stock dealer/stock broker registration certificates after October 31, 1999," according to the letter.

On receipt of the SEC direc-

tives, the CSE collected all the necessary papers from 21 of its members who were eligible for licenses. It also collected partial documents from another 21 members while the rest five did not submit any papers to the CSE, according to Wali-ul-Ma-

roof Matin, acting Chief Executive Officer of the bourse.

He said that the CSE had sent all the relevant papers to the SEC and requested for allowing tradings by the members who had submitted all the documents.

Following the request to SEC, the CSE allowed tradings by the members yesterday. However, it suspended their tradings follow-

ing a SEC objection.

Meanwhile, SEC officials said that they had given ample time to both the bourses to obtain the certificates for their members.

They said that the DSE had acted promptly while the CSE could not act fast enough.

They also said that out of the six suspended DSE brokers, some have submitted the necessary documents and are likely to get their certificates within a day or two.

The suspension would not continue for long as many were getting in touch with the SEC and submitting necessary papers, officials said.

### UNCTAD-ICC-BOI workshop told

## Liberalisation makes Bangladesh foreign item dumping ground

Star Business Report

By opening up its market, Bangladesh has only become the dumping ground for almost all types of foreign commodities, from simple cosmetics to fast moving consumer goods, a top business leader said yesterday.

"This is not only halting the nation from exploiting its own potential, but also raising fears and concerns about the comparative disadvantages of economic liberalisation," said Mahbubur Rahman, President of International Chamber of Commerce (ICC) - Bangladesh, at the inaugural session of the first workshop on an investment guide and capacity-building for Bangladesh.

The trade liberalisation measures have been hurting the economy, which are not convenient to its economic aspirations, Rahman said adding that despite initiating major trade liberalisation, Bangladesh had not been able to attract any substantial foreign investment.

The two-day workshop organised jointly by ICC Bangladesh, United Nations Conference on Trade and Development (UNCTAD) and Board of Investment (BOI) began at Sheraton Hotel.

Commerce and Industries Minister Tofail Ahmed addressed the opening session as chief guest while Andre Klap, Acting Resident Representative of UNDP in Dhaka, Vishwas P. Govitrikar, Project Manager of UNCTAD-ICC project, and M. Mokammel Haque, Executive Chairman of BOI, also spoke on the occasion.

Mahbubur Rahman said potential investors very often do not find reliable information on investment opportunities in many Asian and African countries. This is why UNCTAD and ICC launched a joint project to prepare investment guides and Capacity Building for LDCs.

There has to be a serious image building effort to wash off the wrong perceptions of the prospective investors, he added.

In the recent years, 37 per cent of global FDI went to the developing countries and emerging economies, but the LDC share was only around one per cent, Rahman said adding that the major flow of investment was going to the developed world widening the gap between the North and the South.

Speaking at the function, Commerce Minister Tofail

Ahmed said that the return of investment was higher in Bangladesh compared to the neighbouring countries.

Bangladesh has removed all tariff and non-tariff barriers by opening up its economy, but the rest of the world is yet to withdraw restrictions like labour standard and eco-labeling, he added.

The Minister said that Bangladesh had started liberalising its trade much before the WTO started functioning in 1995. But India, without reciprocating the same, took full advantage of Bangladesh's trade liberalisation.

He sought cooperation from the businessmen to help maintain political stability in the country. "We have political stability. But you are the people who can help us maintain it."

UNCTAD Resident Representative Andre Klap mentioned that political commitment was essential for economic development of a country like Bangladesh.

He underscored the need for focussing on poverty alleviation so that majority of the people are benefitted from economic development.

UNCTAD-ICC Project Manager Vishwas P. Govitrikar said attracting foreign direct investment is a highly competitive affair these days as foreign companies can choose between a large number of locations to set up their businesses.

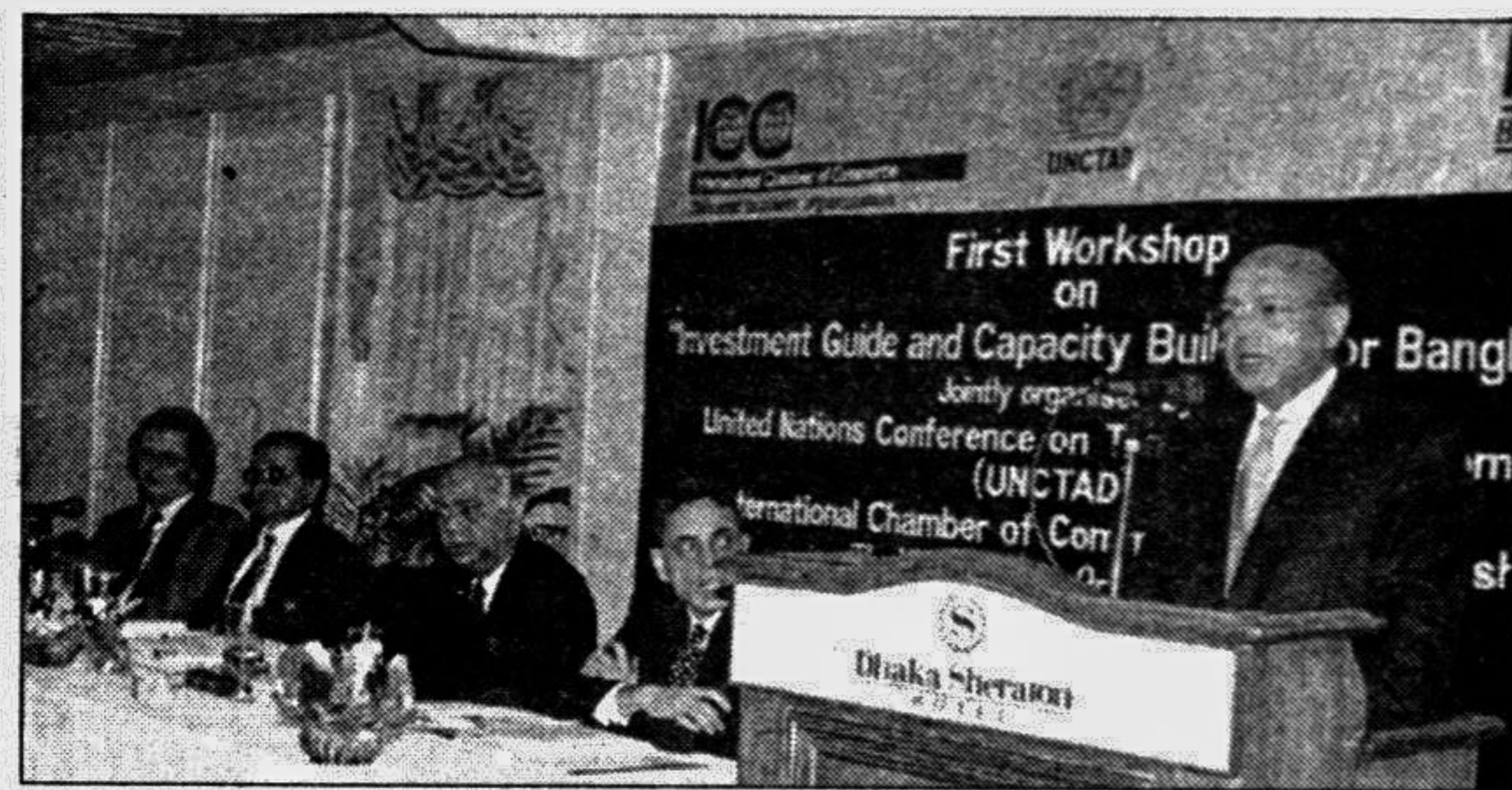
The project was designed for five LDCs in Africa alone. Later, it was decided to include Bangladesh in the initial phase following persuasion by ICC Bangladesh.

In its pilot phase, UNCTAD and ICC are producing investment guides to provide objective and up-to-date overview of investment conditions and opportunities in these countries.

BOI Executive Chairman M Mokammel Haque put equal importance on local investment to attract FDI. "If local entrepreneurs do not invest, it will be unwise to expect much FDI."

The success of local investment determines the quantum and quality of foreign investment, he added.

Haque said BOI is launching country-specific and production-specific campaigns to raise export earnings and create new job opportunities.



Tofail Ahmed, Minister for Commerce and Industries, addresses the inaugural session of the ICC-UNCTAD-BOI First Workshop on Investment Guide and Capacity Building for Bangladesh at a local hotel yesterday. Mahbubur Rahman, President, ICC Bangladesh, M Mokammel Haque, Executive Chairman, Board of Investment, Andre Klap, Resident Representative of UNDP, and Vishwas P Govitrikar, Project Manager, UNCTAD-ICC Project on Investment Guides and Capacity Building for LDCs, are also seen.

— ICCB photo

## Experts for pvt participation in Asian water industry

SINGAPORE, Nov 2: Laws in Asia should be reviewed to allow greater private participation in the water industry, the region's next driving force for infrastructure development, officials and experts said today, reports AFP.

They were speaking at a seminar here on Asia's emerging water industry organised jointly by the International Private Water Association and the Singapore Trade Development Board.

Gary Wigmore, head of Asian project financing at US law firm Milbank, Tweed, Hadley and McCloy, said it was probably going to be a "long journey" for Asia to get more private participation in the water sector.

"Water is the most basic necessity, and the private sector can only assume the responsibility for the provision of that essential commodity if the surrounding circumstances are right," Wigmore said.

He said among key reforms required in Asia were a functioning, cost-based tariff system of water supply and a sound and credible regulatory and legal system to oversee the activities of a private utility.

Where full private-sector

participation could not be achieved, Wigmore suggested a water management contract tailored to meet local requirements and where investment and risks could be limited.

He also said that participation by export credit agencies and multilateral institutions could be a necessary condition to financing water projects in Asia.

This, he noted, could overcome private lenders' fears of political instability and foreign exchange risks for projects particularly carried out through the so-called build, operate and transfer (BOT) method.

Experts at the conference said there were no fresh statistics on the estimated value of potential water projects in the region but according to published estimates of the Asia Development Bank, the region needs to spend at least 80-100 billion US dollars between 1995 and 2000 in the water sector.

David Chin, deputy chief executive of the Singapore Trade Development Board, said Asia's recovery from economic crisis and concerns over environment and water issues would present greater business opportunities.

"Indeed, in contrast to the past, many now believe that the

water industry is Asia's next driving force for infrastructure development," Chin said.

"This is more so as governments around the region have demonstrated greater concern and efforts to reduce water pollution and improve environmental well being," he added.

The conference was told that Singapore whose water requirements are mostly met by neighbouring Malaysia, would spend 202 million Singapore dollars (121.68 million US) on water projects this year, nearly double the amount spent in 1998.

In the Philippines, more than 10 water projects worth about eight billion US dollars are proposed.

According to documents tabled at the conference, the percentage of people without access to safe drinking water is in the alarming range of 16-25 per cent in some Asian countries.

Like transmission losses in the power sector, water losses also create a tremendous drain on the viability of water projects in Asia, experts said.

The losses are mostly due to physical leaks in the distribution system, incorrect metering or billing, illegal connections and theft.

### AmEx arranges syndicated loan for Rahim Steels

American Express (AmEx) Bank has arranged a syndicated term financing of Tk 364 million for the expansion of Rahim Steel Mills Co. (Pvt) Ltd.

One Bank Ltd is also a co-arranger of the syndicated financing. Four leading private banks have subscribed to the syndicated loan, which has a tenor of 5 years. The banks are: One Bank Ltd, Eastern Bank Ltd, Prime Bank Ltd and Southeast Bank Ltd.

The officials of these banks signed an agreement in a ceremony held at a city hotel recently.

The loan facility will enable Rahim Steel Mills to modernise its plant, introduce new locally made re-rolled products to compete with those that are currently 100 per cent imported and supply its own electricity requirements.

The company is a leading shipbreaker and producer of steel products for the country's construction industry, says a press release.

### New NBL DMD



Solaiman Khan Mojlish has been promoted to the post of Deputy Managing Director of National Bank Limited with effect from July 1 this year, says a press release.

He obtained his Masters Degree in 1965 from Dhaka University. He started his career in the erstwhile United Bank Ltd. Now Janata Bank, in 1967 as a probationary officer Grade-II.

During his long banking career, Khan Mojlish held many important positions. He was Asstt. General Manager in Janata Bank till 1984 before joining in National Bank Limited as Asstt. Vice President in the same year. Subsequently he held the position of Vice President, Senior Vice President and Executive Vice President of the Bank.

## French minister resigns in face of financial scandal

PARIS, Nov 2: French Finance Minister Dominique Strauss-Kahn, facing allegations of financial shady dealing, announced his resignation Tuesday, but denied any wrongdoing, reports AFP.

"If I am resigning, and I say this forcefully, it is in no way because I feel guilty," Strauss-Kahn told reporters after announcing he had handed his resignation to President Jacques Chirac and Prime Minister Lionel Jospin.

"When I was working as a lawyer I did the work I was supposed to do and which resulted in a single payment which I have shown and declared," Strauss-Kahn said.

The Paris prosecutor's office on Friday opened a preliminary investigation into charges that

Strauss-Kahn accepted about 90,000 euros (96,000 dollars) in 1997, before the current government came to power, from a student health insurance fund, MNEF, for work that was never done. Strauss-Kahn at the time an attorney for the fund.

"I have taken this decision because I consider that my position and sense of responsibility require it," Strauss-Kahn said Tuesday.

"In my opinion, it is not right for a minister to continue to exercise his functions while there is an allegation against him giving rise to a judicial process, which risks damaging the whole government."

"As a citizen I want to explain myself to the legal authorities rapidly, concerning both the reality of my work and

the amount I was paid, and any technical irregularities which may have been committed," Strauss-Kahn said.

### Daewoo chief offers to resign

SEOUL, Nov 2: Kim-Woo-choong, the disgraced chairman of the Daewoo Group, offered to resign to repent for the financial woes of his ailing conglomerate, Daewoo officials said Monday, reports AP.

The presidents of the group's 12 affiliates, all under recovery programmes overseen by government-controlled creditor banks, followed suit by submitting their resignations as well.

### Court may strike down privatisation decree

## Thai reforms face uncertainty

BANGKOK, Nov 2: The government of Prime Minister Chuan Leekpai may face a major challenge to its economic recovery programme over the constitutionality of a piece of privatisation legislation, says AP.

The Nation newspaper reported Tuesday that the 13 judges of the Constitutional Court may strike down an emergency decree ordered by the government to privatise large state-owned corporations. A ruling is expected by mid-March.

"Certainly, the decision will not be unanimous," The Nation cited a source close to the court as saying. "The judges are clearly divided and there is almost an equal number on each side."

The ruling will come at a time of vulnerability of the two-year-old government, whose largest coalition partner has own signs of breaking ranks in the run-up to elections expected sometime after April.

Meanwhile, the parliament opposition is preparing a censure motion over the government's handling of a nascent banking scandal and Thailand's unfinished economic recovery.

one of 13 pieces of legislation Chuan struggled to ram through with minimal parliamentary debate after coming to power in 1997 in the depths of Asia's economic crisis, kicked off when Thailand let its currency float that July.

It would enable the government to more sell off large chunks of state ownership, in national carrier Thai Airways or power plants, for example.

But the court, established in 1997 to rule on a new constitution aimed at cleaning up Thailand's often-corrupt politics, is divided over whether the government has the power to issue decrees to sell off corporations established by acts of parliament.

Government decrees are considered less valid legally the acts of parliament. The case has been pending before the court for seven months.

The opposition has already been gearing up to censure the government over former lending practices at Krung Thai Bank, the country's second-largest commercial bank.

A partial audit by international firms PricewaterhouseCoopers suggested that the level of non-performing loans at the state-owned bank approached

84 per cent, far above the already horrendous figure of 47 per cent throughout the financial system.

Finance Minister Tarrin Nimmanhaeminda, whose brother, Surin, was once president of Krung Thai, appointed a committee to investigate the allegations of poor lending controls.

The panel concluded two weeks ago that the non-performing loans amounted to 64 per cent, still extremely high, but said there was no malfeasance.

The Chart Pattana Party, which joined Chuan's coalition earlier this year, has echoed opposition criticism that the report's conclusions have been vague and unsatisfactory.

Chuan's Democrats have accused Chart Pattana of pre-election posturing and hinted its organizers were behind a protest over low prices last week by hundreds of cassava growers.

The protest outside Government House degenerated into a brawl between mud-throwing farmers and biting police dogs.

Chart Pattana's 51-seats have helped give Chuan a comfortable 258-seat edge in the 393-member House of Representatives.

## China's role in WTO talks would be limited to observer: US

WASHINGTON, Nov 2: China's role in upcoming World Trade Organisation (WTO) talks would be limited to that of observer, given little chance that Beijing can join the trade body before global negotiations start next month, the Clinton administration said yesterday, reports Reuters.

China would have "no voice in decision-making and no decision-making power" in the new trade round, until it becomes a full-fledged member of the 134-member WTO US Trade Representative Charles Barshefsky said.

Barshefsky's comments could put pressure on China to jump-start negotiations, but also underscored growing pessimism within the Clinton administration and the business community that a pact would be reached ahead of the WTO's ministerial meeting in Seattle November 30 to December 3.

The Seattle meeting would pave the way for a new round of global trade negotiations, which are expected to last at least three years.

To join the WTO, which sets global trading rules, China must first reach market-opening agreements with the United States, the European Union and other WTO member-nations.

But negotiations have made little progress in recent months, bogged down by disputes over access China would provide to its vast market, potentially the world's largest with 1.2 billion consumers.

Barshefsky said she expected US-China talks to resume before the Seattle meeting, though no dates have been set. She offered little hope an agreement would be reached any time soon.

"I'm neither an optimist nor a pessimist," Barshefsky told reporters at a briefing in Washington. "We've made, as you know, quite extraordinary progress on a bilateral basis, and that progress I think will continue, including this month."

But she added: "It's a complicated accession... Whether or not the US and China conclude a bilateral agreement, we have yet to see... So there's quite a bit of work to go as we look ahead."

US-China negotiations have been marred by a dispute over market-opening concessions proposed by Premier Zhu Rongji during a state visit to Washington in April.

The United States wants China to recommit to that package, which included unprecedented tariff cuts and in-

creased access in agriculture, telecommunications and financial services.

Washington also hoped to wring additional concessions from China to open financial and banking sectors, and to improve safeguards against surges in Chinese exports of steel and textiles.

China must also conclude agreements with other trading powers, including the European Union. But EU negotiators said Beijing must offer bigger concessions in pricing open its key markets to complete an accord.

In lieu of a final agreement admitting China to the WTO, some analysts have suggested that Beijing would be offered special status in the new round. But Barshefsky said China could only be an observer, since anything more might discourage Beijing and other nations from making the market-access commitments needed to join the trade group.

"They (the Chinese) can certainly make offers in the round. They can be requested to further open their markets. But in reality, their participation is rather limited in scope, and I do think that's an appropriate basis on which to proceed," she said.