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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.

Mahamudul 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 Agrobased 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 supported 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 would 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 Waliul-Maurof 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 trading by the members who had submitted all the documents.

Following the request to SEC, the CSE allowed trading by the members yesterday. However, it suspended their trading 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."

UNDP 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 benefited 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.

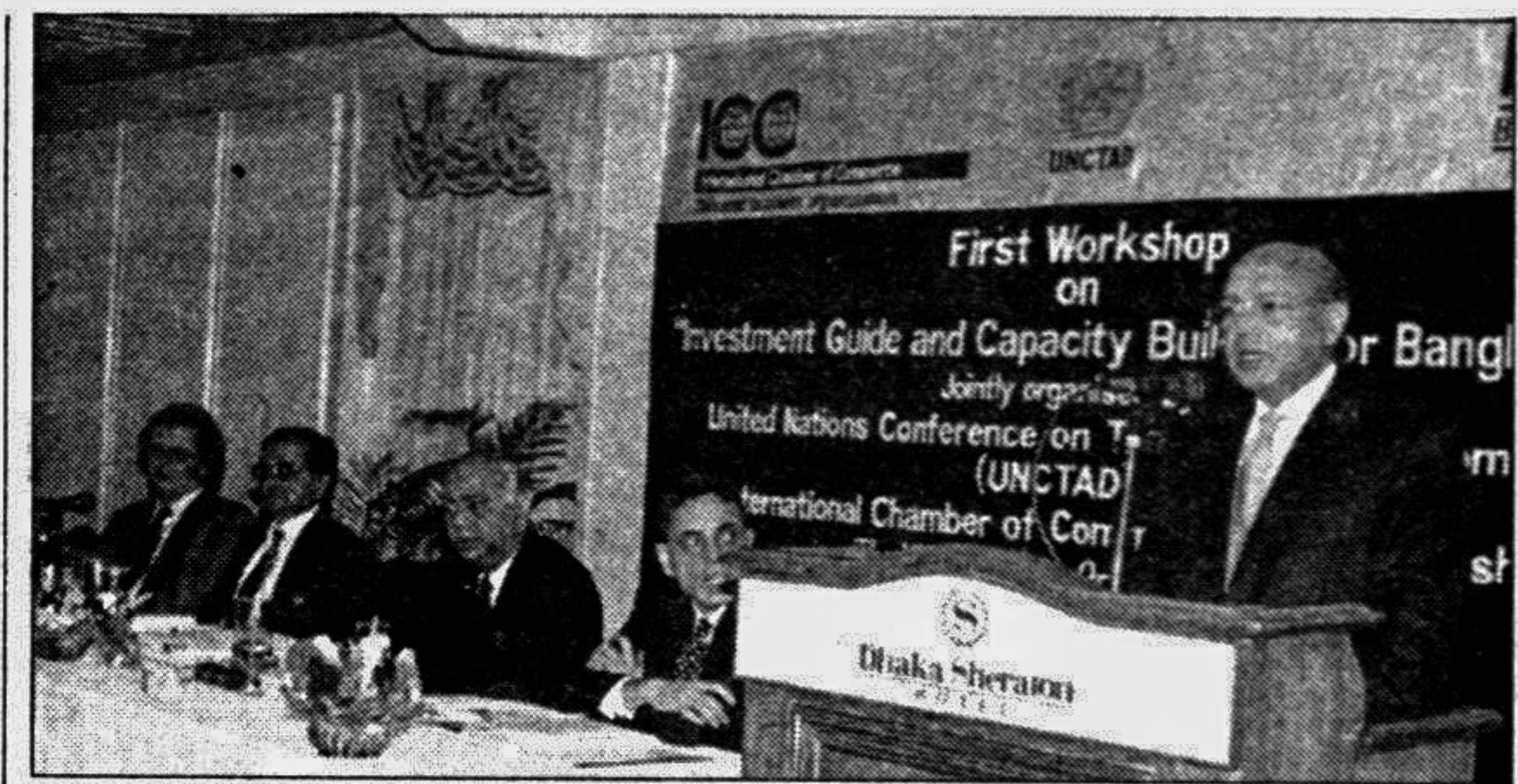
UNCTAD and ICC are producing investment guides to provide objective and up-to-date overview of investment conditions and opportunities in these countries.

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 product-specific campaigns to raise export earnings and create new job opportunities.

Where full private-sector



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 said today.

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.

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.

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