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DHAKA, SATURDAY, NOVEMBER 20, 1999

Int'l business, technology instt opens in Chittagong

CHITTAGONG, Nov 19: An international institute of business and technology was inaugurated in the port city today, reports BSS.

Chittagong mayor ABM Mohiuddin Chowdhury opened the institute, International Institute of Business and Technology (IIBT), at a colourful ceremony at OR Nizam Road in Panchalis.

The institute, established by the Chittagong City Corporation (CCC), will offer four-year BBA degree with major in management, finance, marketing, human resources management, international business and information technology. It will also introduce MBA for part-time students in near future.

Inaugurating it Mohiuddin expressed his firm confidence that Bangladesh would achieve remarkable progress in knowledge, culture and development of human resources in the next millennium.

He said Bangladesh would not be considered as an over populated country in the coming century as pragmatic programmes are being taken to turn the huge population into human resources.

Presided over by IIBT Rector Prof Anwarul Azim Arif, the function was attended by Vice Chancellor of Chittagong University Prof Abdul Mannan, Pro-vice Chancellor Abu Yusuf, CCC Chief Executive Abdul Wahab and Chairman of CCC Education Standing Committee Shahidul Islam.

Tofail sees huge prospect in the industry

First-ever packaging, accessories exposition begins in city

Hartal or similar political programmes seriously damage the economy impeding the normal process of trade and business while politicians stay unhurt by this kind of wrath because they are neither traders nor businessmen.

It was observed by Minister for Commerce and Industries Tofail while inaugurating the first-ever two-day Packaging and Accessories Exposition '99 (PACEXPO) at a local hotel yesterday. State Minister for Textile AKM Jhanagir Husain, Commerce Secretary Syed Alamgir Frauque Chowdhury and FBCCI President Abdul Awal Mintoo were present as special guests on the occasion, says BSS.

Calling upon the opposition parties to shun their prohartal politics in the greater national interest, Tofail said any issue of national importance could easily be resolved in the Parliament, not in Paltan Maidan, as the nation had elected their representatives not to take resort to any destructive politics.

He said that the present government, by dint of its pro-people policies, had already carried

out tremendous development in all fields of economy, thus installing the country on the path of gradual progress to face the challenges of the coming decades. But the opposition has been trying to retard the economic growth by their own brand of politics which is featured by hartal and other destructive programmes, he said.

The minister said the nation had already rejected the hartal-based politics and expressed his firm confidence that Bangladesh would become a highly developed country with 2000 US dollar per capita income by the year 2020 due to the huge reserve of natural resources.

He said the foreign investors were increasingly coming with funds to Bangladesh as they were convinced with the current stability and good governance being ensured by the government.

Tofail Ahmed described the packaging and accessories industries as a very prospective sector saying that the number of units in this field had jumped from only 15 in 1980s to nearly 700 now. "It is only due to this

sector that the country's value added exports has risen to 40 per cent now," he said, adding the contribution of textiles is now 70 per cent in the RMG sector from 30-40 per cent in 1996.

He said the past regimes had pursued wrong policies to make different industrial units sick, but the present government by implementing correct policies and reform programmes successfully overcame many hurdles to restore discipline. "We have removed various tariff and non-tariff barriers to make the country less import-oriented and more export-oriented," he told the audience.

State Minister for Textiles AKM Jhanagir Husain said that the world would be free after the year 2005 and urged the businessmen of Bangladesh to prepare themselves for facing the competition ahead, which would be stiff in nature. He said the government would extend the best possible cooperation to businessmen in the greater interest of the national economy.

PACEXPO '99, being organised by Bangladesh Corrugated Carton and Accessories Manu-

facturers and Exporters Association, has exposed the products of different member units at Dhaka Sheraton Hotel. The leading industries displaying their products are Patriot International, Modern Paper Converting and Packaging Industry, Export Aid Pvt. Limited, KDS Packaging Industries, Khan Accessories and Packaging Industries, Saimon Printing and Packaging Ltd, Badar Box Industries, Dhaka Packages Ltd and Maghura Packaging Company.

The products on display include, carton thread, hanger, collarbone and butter fly, elastic, zipper, back board and neck board label, button, polybag, Drawing, embroidery, collar insert, brush pin and washing materials.

Association President Shafulkar Chowdhury gave the welcome address and General Secretary Asiful Huq gave the vote of thanks in the inaugural session.

Later, the Minister opened the PACEXPO '99 exposition by cutting a ribbon.



Visitors having a look at some products on display at the Packaging and Accessories Exposition (PACEXPO) '99 organised by Bangladesh Corrugated Carton and Accessories Manufacturers and Exporters Associations at Sheraton Hotel yesterday. — Star photo

Row over milk pricing may stall Senate passage

US House passes \$385b compromise budget bill

WASHINGTON, Nov 19: The US House of Representatives ended months of wrangling with President Bill Clinton on Thursday, passing a \$385 billion compromise spending package that will complete the federal budget and let lawmakers go home for the year, says Reuters.

The House voted 296-135 for the bill, which was forged in weeks of often tense talks with the White House. It next goes to the Senate, where a dispute over milk pricing policy threatened to slow final passage, expected this weekend.

Some senators had threatened to press their interests by blocking a stopgap measure for funds needed until the budget is passed. The move could have closed part of the government, but the senators dropped their objections.

Once signed into law, the budget bill frees money to pay US back dues to the United Nations, offers debt relief for poor countries and funds priorities of both Democrats and Republicans for education, medical research, law enforcement and other initiatives.

Clinton and Republicans

both praised the House-passed budget bill that would complete the \$1.8 trillion federal budget. Democrats claimed wins in education, law enforcement, the environment and foreign aid.

Republicans, who in earlier bills boosted defence and veterans' benefits, gained a small across-the-board spending cut in most programmes, excluding benefits such as Medicare. They said the cuts would reduce waste and keep the budget from encroaching on Social Security reserves.

"The most important thing that happened is that we didn't dip into the Social Security trust fund," House Speaker Dennis Hastert, an Illinois Republican, said.

"It changed the way that this town does business and it probably will put an indelible mark on how this country will see its fiscal and financial future," Hastert said.

Clinton lauded the bill as "a hard won victory for the American people" in a statement from Turkey, where he was attending European security summit. A temporary funding bill was being flown to him to sign before the current stop-

gap measure expires as midnight. Treasury Secretary Lawrence Summers called the budget compromise "good for America and the world" because it would pay down the national debt.

"This agreement I expect will pay well over \$100 billion in debt down over the next year, taking pressure off interest rates and making room for more investment in our country and more economic growth," he said in an interview on CNBC.

The bill, which has become an end-of-session catchall for various pieces of legislation, combined five earlier spending bills that Clinton had rejected. Eight other annual spending bills were previously signed into law.

Clinton vetoed Republicans' plan on an earlier bill for a 1 per cent across-the-board spending cut, but finally relented on a 0.38 per cent cut to save \$1.3 billion.

Another report says, the White House said it was pleased with the amount of money it gained for environmental programmes in the tentative budget agreement with Congress announced on Thursday.

Barshefsky says WTO deal may improve China's labour standard

WASHINGTON, Nov 19: US Trade Representative Charlene Barshefsky said yesterday a landmark trade agreement between Washington and Beijing could lead to improved labour standards and human rights in China, reports Reuters.

"Do you isolate China and assume they will somehow, on their own, move toward Western values?" Barshefsky said in an interview with the PBS television programme "The Newshour with Jim Lehrer."

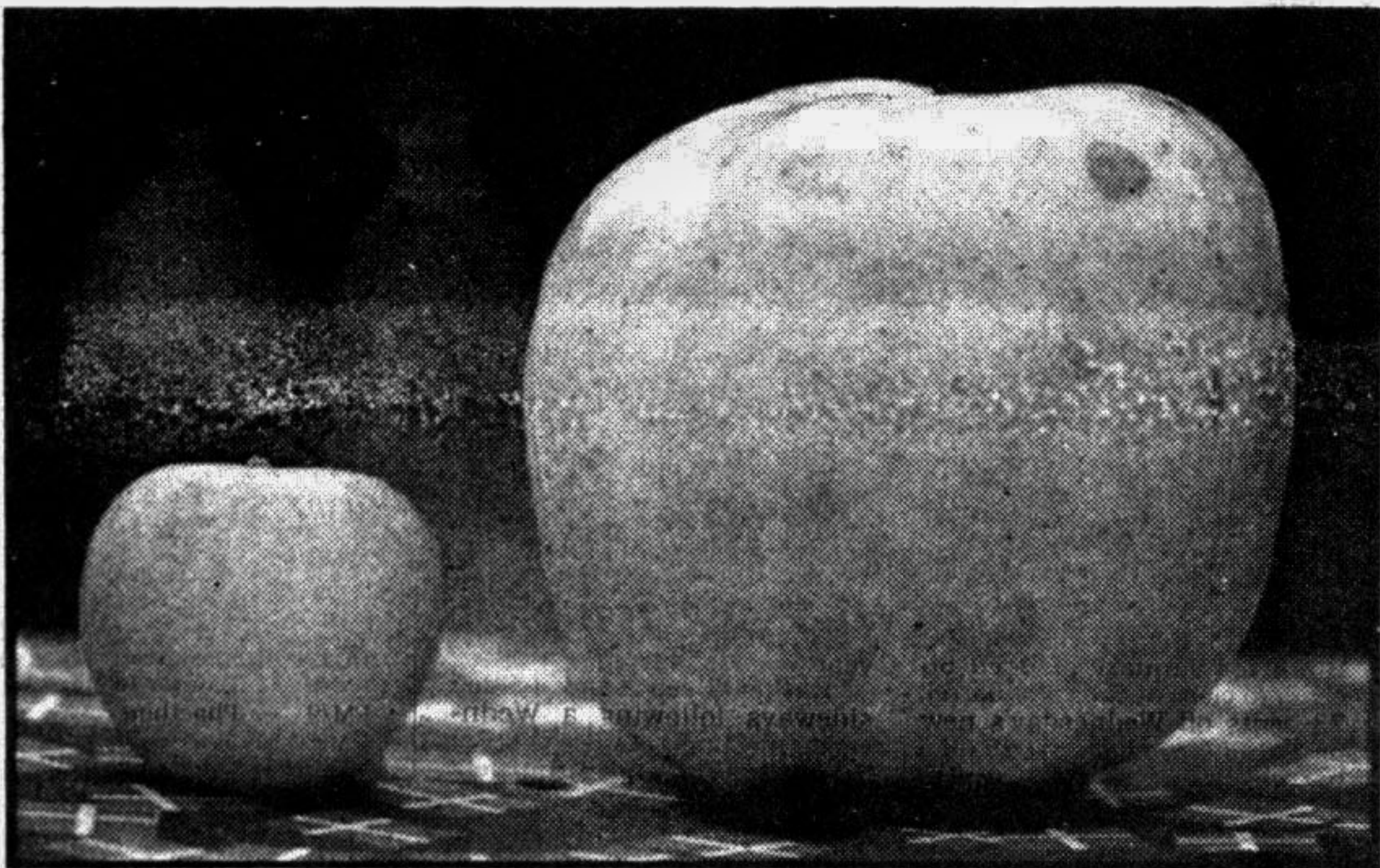
"Or do you bring China into an organisation that is rules-based, that is law-based, as a first step toward additional reform."

The agreement announced on Monday calls for China to slash tariffs and open a wide range of markets, and paves the way for Beijing to join the World Trade Organisation (WTO) after 13 years of negotiations.

In return for China rolling back its trade barriers, US President Bill Clinton must persuade the Republican-controlled Congress to grant Beijing favourable access to US markets, so-called permanent normal trade relations (PNTR) status.

Permanent NTR would guarantee Chinese goods the same low-tariff access to US markets as products from nearly every other nation. Without it, US businesses could not benefit from China's commitment to roll back tariffs and other trade barriers.

Clinton administration officials conceded it will be difficult to win permanent NTR ahead of the November 2000 election.



Denmark's biggest apple (R), Mutsu — a cross of Japanese and Danish apples — weighing 1,410-gram (50.3 ounces, three pounds) was on display at a supermarket in Vaerloese, some 20 kilometers north of Copenhagen on Thursday. Fruit grower Finn Sloth Larsen made Denmark's Guinness Book of Records Thursday with the apple. The outside fruit will shortly go on a nationwide tour for display in shops. —AFP photo

Microsoft backs off Internet message battle

REDMOND, Washington, Nov 19: Microsoft Corp. has backed off in its battle with America Online Inc. over Internet instant messages, saying the latest version of its MSN Messenger service will not operate with AOL's Instant Messenger, reports AP.

Microsoft claims that AOL's latest attempt to block MSN Messenger from working with AOL's Instant Messenger involves "a very serious security bug" that could allow computer code to be run on a personal computer without the computer user's approval or knowledge.

To provide an update to MSN Messenger service that would continue to enable interoperability, Microsoft would need to put its own users at risk in a similar fashion, "Yusuf Mehdi, director of marketing for Microsoft's Consumer and Commerce Group, said in a news release Wednesday.

AOL spokeswoman Ann Brackbill said, "We're glad they have decided to respect the security and privacy of our members and users."

Concerning Microsoft's allegation of a security bug, "We said four months ago that it was a fake issue, and it still is a fake issue today. We would never do anything to compromise the security of our users," she said.

Microsoft first released its Internet chat software in early August, challenging AOL's dominance of the market.

One advantage that Microsoft touted was the ability to work with AOL's software, allowing MSN customers to send and receive instant messages with AOL users.

China urges US Congress not to overturn trade deal

WASHINGTON, Nov 19: A top Chinese diplomat warned Thursday that the new market-opening US-China trade agreement will become null and void if Congress does not repeal the law that subjects China to an annual review of its trade status with the United States, reports AP.

The Chinese Embassy's second ranking diplomat, Liu Xiaoming, also cautioned against any attempt to link repeal of the law with approval of a controversial proposal to upgrade US military ties with Taiwan.

Liu spoke to reporters after a meeting at the US Chamber of Commerce, the nation's largest business group.

At issue is the so-called "normal trade relations" that China is assured under the agreement it concluded with the United States on Monday. The accord lays the groundwork for China's entry into the World Trade Organisation.

It gives the United States significant benefits in its trade with China but also calls on Congress to overturn the law that requires lawmakers to renew China's low tariff status annually. This produced a highly contentious annual debate each spring on such issues as human rights, religious freedom, Taiwan and other issues.

If there is no permanent NTR, diplomatic shorthand for normal trade relations, "then there is no WTO," Liu said, adding that all provisions agreed to in the recent negotiations will not take effect.

Liu warned against any linkage by Congress between the trade agreement and the proposal to expand security ties with Taiwan.

He added that the proposal, if approved, would nullify all the agreements the United States and China have entered into on the Taiwan issue over the past 20 years.

He called the trade accord a "win-win-win agreement" — good for China, good for the United States and good for the world.

"China's economic growth depends on an opening of the (trade) system," he said. "It will normalize economic relations (with the United States) and stabilise overall relations."

The agreement could mean that China and the United States will have the world's largest bilateral trading relationship, he added.

US President Bill Clinton has promised an all-out effort to win congressional approval but must overcome opposition from union and other groups.

The agreement offers the prospect of boosting sales of American manufactured goods,

farm products, movies and financial services by lowering barriers that have prevented US access to the world's most populous country.

Another report from Shanghai says, China is injecting \$24 billion in new credit into its slowing economy by cutting the amount of money banks are required to hold in reserves, according to state media.

The second reserve ratio cut in two years is to take effect Sunday, the Xinhua News Agency said late Thursday.

The ruling cut the amount that commercial banks are required to keep on deposit with the central bank from 8 per cent of their accounts to 6 per cent. The reserves are meant to insure banks keep enough cash for customer withdrawals and settlements of transfers to other banks.

Banks will be able to withdraw about 200 billion yuan (\$24 billion) in reserves and lend it to commercial borrowers, Xinhua said.

The move is the latest in a series of steps meant to revive growth in China's state-dominated economy through deficit spending and looser credit.

The central bank cut the reserve rate in March 1998 to the current 8 per cent from 13 per cent.

UK financial cos all ready for Y2K bug

LONDON, Nov 19: All Britain's big and medium-sized financial services companies are fully ready for the Year 2000 computer problem, the Financial Services Authority (FSA) said today, reports Reuters.

FSA Managing Director Michael Foot told an FSA conference on the Y2K that 100 per cent of the 144 "high impact" or large groups were now completely ready for the Y2K. He said 100 per cent of the 265 medium-sized firms were also ready, or termed "blue" under the FSA's "traffic light" system for measuring preparedness.

He said only a tiny proportion of the 2,500 smaller firms did not have a blue rating, but he was confident there was no threat to depositors' funds.

A similar survey conducted in June found that only about half of the companies were blue.

Niloy Cement in expansion pact with Korean company

Bangladesh Nitel Group of Companies signed a contract with Korean Rungrado General Trading Company in Dhaka Wednesday heralding the expansion of its cement plant, says a press release.

"Niloy Cement Industries, one of the 22 companies of Nitel Group, has expanded its production from 100,000 tons to 200,000 tons within three years with the establishment of the 3rd cement plant," said Nitel Group Chairman Abdul Matlub Ahmad.

The joint venture company has a big market in the western zone and the high-quality cement enjoys a year's advanced sale in the country. In spite of the steep demand in the capital, the company has not been able to supply and the expansion has been primarily to meet the needs of the consumers in Dhaka who prefer Niloy's high-grade cement.

On behalf of the Koreans, Counselor Ri Sung Chol said: "Bangladesh is a good country to invest in and we are happy with our side of the investment."

The Koreans have been supplying machinery, expertise and clinkers to this joint venture project.

The contract signing ceremony was attended by chief guest excellency Ri Sang IL, Ambassador of DPRK in Dhaka, Pak Ui Hun, Leader, Korea Rungrado Trading Corporation, Kim Rak Chol, Embassy of DPRK, Nitel Group officials and press members.

Japan to raise \$71b in bonds for its stimulus package

TOKYO, Nov 19: The Japanese government will issue 7.5 trillion yen (71 billion dollars) in bonds to finance its latest economic stimulus package, Finance Minister Kiichi Miyazawa said today, reports AFP.

Bonds will pay for a record 43 per cent of the budget for this financial year to March 2000, Miyazawa said.

Tax income was expected to fall short of initial expecta-

tions by 1.4 trillion yen, he said.

Japan's government announced an 18-trillion-yen (170-billion-dollar) package on November 11, part of which will have to be financed by the supplementary budget.

But the finance minister said he hoped that would be the last package given the already-strained state finances.

"I hope we can end our stimu-

lative fiscal policy with the next year's budget," Miyazawa told a news conference.

"If we see positive economic growth to a certain degree next year, we will take economic management measures so as to transfer (the engine of growth) to private demand," he said.

Combined with the 31.05 trillion yen in new bond issues already announced for this financial year, the new total is expected to be a record of more than 38.5 trillion yen.

The Finance Ministry will submit the supplementary budget plan to parliament later in the month.

"With the new issuance, there is no question about Japan's ballooning debts, and it creates pressure on (lifting) long-term interest rates," warned Koichi Ono, economist at Daiwa Research Institute.

The government would try to spread the burden on the market by issuing more five-year, four-year and two-year bonds, he said.

"But given the current state of the Japanese economy, further bond issuance may trigger a downgrade of national bonds."

Overall, the size of the new bond issuance was expected by the market, said Satoru Ogasawara, senior economist at Credit Suisse First Boston.



A contract signing ceremony between Bangladesh Nitel Group of Companies with Korean Rungrado General Trading Company was held in Dhaka Wednesday heralding the expansion of Nitel cement plant. Picture shows Ambassador of DPRK in Dhaka Ri Sang IL with Chairman of Nitel Group and others.

Americans seek more trade, labour protection

WASHINGTON, Nov 19: The US public, while generally supportive of world trade and globalisation, wants future trade agreements to incorporate stronger protections for workers and the environment, according to a survey released here ahead of a World Trade Organization (WTO) ministerial meeting in Seattle, according to IPS.

The poll by the University of Maryland's Programme on International Policy Attitudes (PIPA) also shows a large majority of the public believes that both the WTO and US trade policy makers give too much consideration to the interests of business and too little to other sectors of society.

The PIPA survey is the first comprehensive study of public attitudes toward trade and globalisation. It shows that more than 85 per cent of some 2,000 respondents believe that US companies should abide by US laws on environmental protection and working condi-

tions even when operating in foreign countries.

Moreover, some 92.5 per cent of respondents agreed with the statement that "countries that are part of international trade agreements should be required to maintain minimum standards for working conditions," including the right to organise unions.

"That's the highest percentage we've ever gotten on a poll question," said Steven Kull, PIPA's director, who has devised a series of highly detailed and much-cited surveys of public opinion on international affairs throughout the 1990s.

The new survey, conducted late last month, included nearly 150 questions posed to respondents on their attitudes toward globalisation, trade, and international institutions.

It also included questions on, as well as a series of "focus groups" — where pollsters meet with randomly chosen groups for longer periods to probe variations on the questions — in Michigan, Texas, and Maryland.

The results suggest that President Bill Clinton may be violating the concerns of a strong majority of the public when he opens the WTO meeting in Seattle Nov 30.

He did that last June at the International Labour Organisation (ILO) in speaking about the necessity for the WHO to "open its doors to the concerns of working people and the environment." To date, however, his words have amounted to very little.

Faced with mounting distrust by developing countries of

its motives, Washington has backed away from earlier efforts to impose labour and environmental standards on WHO members. Instead, it is proposing "working groups" to study these issues.

Labour unions and environmental groups have been disappointed by Clinton's failure to push for worker and environmental standards in recent trade legislation here or in the just-concluded accord with China on the terms for its WHO membership.

Those groups are expected to make their presence felt in Seattle, Nov 30-Dec 3, during the WHO conference which is supposed to launch a new round of global trade negotiations to reduce barriers to international trade in several key sectors.

As many as 50,000

protestors, many of them veterans of civil disobedience campaigns, have threatened to converge on the rain-swept port city in Washington state.

"Most Americans want the train of international trade to move forward, but they also want concerns for American workers, sweatshops overseas and the global environment to have a place on the train — even if this slows it down," he said.

In general, according to the poll, a strong majority of the public supports the growth of international trade, but the benefits of trade to date are seen as barely outweighing the costs for most sectors of society, except for the business community.

Among the costs, respondents cited the plight of both workers and the environment.

A majority of 56 per cent said they thought the growth in international trade "has increased the gap between rich and poor in the country."

To mitigate these effects, the survey found strong support for increase funds for worker retraining and education.

Asked to assume that such programmes were fully funded, the percentage supporting increased free trade soared to 84 per cent of respondents.

Despite the strong support for expanding free trade, the public is not willing to sacrifice it to other values and interests, according to the survey.

Very strong majorities favoured trade sanctions against countries that violate human rights, support terrorism, and test or build weapons of mass destruction.

Strong majorities also favoured US laws which are under attack or have been ruled illegal by the WTO — that restrict tuna imports from Mexico, because its fishing methods kill dolphins, and shrimp imports from South Asia, because fishing methods there kill sea turtles.

At the same time, the public is receptive to the idea that sanctions could be applied against US products for a variety of reasons.

Four of every five respondents found it legitimate for other countries to restrict the import from the United States of genetically modified foods.

Two of every three respondents also support giving trade preferences to the world's poorest countries, even at the risk of losing some US jobs. More than two-thirds agreed that "the United States has a moral responsibility toward poor nations to help them develop economically."