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India to partially lift ban on onion export

NEW DELHI, Dec 1: Union government is likely to partially lift the ban on onion exports to provide relief to farmers who have been affected by sharp decline in prices of the commodity in recent days, official sources said yesterday, reports PTI.

While the agriculture and commerce ministries were favourably inclined to the ban being lifted to ensure remunerative prices to onion producers, the only resistance has been from the Consumer Affairs Ministry which is fearing a subsequent spurt in prices after the ban's removal, they said.

Public Distribution and Consumer Affairs Minister Shanta Kumar told PTI that official level consultations are going on and there is pressure from various quarters to lift the ban.

Following a bumper Kharif onion crop, prices have fallen to record lows in Mandis across Maharashtra and Karnataka.

While average prices of onion in Nashik were between Rs 100-150 per quintal, it was slightly above at Rs 200-240 a quintal was in Karnataka.

Government had slapped a ban on onion exports in October 1997 when its prices skyrocketed due to supply shortage. It was partially revoked in February this year following the government's decision to permit exports in a restricted manner after its prices hit the floor.

But government later re-enforced the ban with effect from June one once the harvest season was over.

Russia presses hard for deal with London Club

FRANKFURT, Dec 1: Russia started another round of talks with its London Club of private creditors yesterday in a bid to clinch a deal to restructure \$32 billion of Soviet-era debt before a crucial December 2 deadline, reports Reuters.

Earlier on Tuesday Finance Minister Mikhail Kasyanov, who heads the Russian delegation, said it might not be possible to wrap up the talks by the end of the day.

Russia is keen to strike a deal before December 2 when a \$550 million coupon payment on the debt falls due.

Kasyanov told the ITAR-Tass news agency that there were still "significant differences of opinion on a number of main parameters" between the two sides.

He added that he and his team were prepared for "a serious and constructive dialogue."

Russia and London Club failed to reach a breakthrough during the previous round of talks in London last week but Russian officials have said they managed to narrow differences and suggested talks were entering their final stretch.

A spokesman for Deutsche Bank, which chairs the creditors' group and hosts the eighth round of talks, said the negotiations were likely to continue on Wednesday.

Vietnam yr-end foreign debt seen at \$12b

HANOI, Dec 1: Vietnam Finance Minister Nguyen Sinh Hung said today the country's total foreign debt obligations would be an estimated \$12 billion at the end of 1999, an amount he indicated was at a safe level, reports Reuters.

Answering questions during the current session of Vietnam's National Assembly, Hung said state foreign debt obligations would be between \$6.5-7.0 billion at the end of 1999.

He said overseas commercial debt — which includes obligations of state-owned enterprises — would be above \$4 billion by the end of the month.

Hung, whose answers were broadcast on national radio, gave no clear reason why the two components did not exactly equal \$12 billion, nor did he give comparative figures.

He said state domestic debt, such as government bond issues, would amount to \$1 billion by the end of the year.

Hung said if Vietnam had total debts around 50 per cent of gross domestic product, the government would consider this a safe level. Most economists say the communist-ruled country's GDP would be some \$25 billion this year.

In its 1998 annual report on Vietnam, the World Bank said the country's foreign debt level was sustainable.

The Bank estimated Vietnam's foreign debt would be around \$13 billion this year. That figure includes non-convertible rouble debts owed to the former Soviet Union.

Hung also said that the \$12 billion foreign debt included such obligations, along with non-convertible debts owed to China.

Country Director at seminar on Loan Admn Change Initiative in city WB to monitor governance in deciding IDA aid chunk

Star Business Report

The World Bank (WB) will closely monitor the improvement in governance in Bangladesh which will determine the country's share of IDA assistance.

"We will dwell upon the improvements in governance as one of the key factors in ascertaining how much financial assistance IDA will make available to Bangladesh," said WB Country Director Frederick T. Temple yesterday at the inaugural ceremony of a seminar on Loan Administration Change Initiative (LACI) and Financial Accountability.

"The Bank cannot justify its lending in cases where we are not confident the funds will be used effectively," he said.

The seminar was jointly organised by the Bank and the Economic Relations Division (ERD) at city's Sheraton Hotel

yesterday. Law, Justice and Parliamentary Affairs Minister Abdul Matin Khasru was the chief guest of the seminar which was chaired by ERD Secretary Dr. Masihur Rahman.

Temple also criticised the quality of audit reports prepared by the office of the Comptroller and Auditor General (CAG).

However, Law Minister Abdul Matin Khasru said that the CAG office had hardly 3,000 staff for auditing 22,000 units.

He said CAG has a fund of taka one million to hire private sector experts in the 1999-2000 fiscal, which is quite insufficient.

The World Bank Country Director said Bangladesh loses hundreds of millions of dollars a year due to its prolonged and poor procurement process. "It is

the citizens who are paying the money through higher costs and inferior goods and services," Temple said.

The government procedures for civil works and procurement of goods, equipment and services are extremely important because they set the framework within which most corruption occurs, he added.

He said that WB had already prepared a draft assessment procedure to tighten and streamline all public procurement processes. Finally, the Bank will be drawing on several case studies and various surveys to launch an anti-corruption study early next year, he added.

Temple emphasised the importance of improving the quality of audits and accounts of the WB and IDA-financed projects.

"In Bangladesh, we have recently returned a few audit re-

ports prepared by both private and government auditors because they did not reasonably meet standards," he said.

Emphasising good governance, the Country Director said: "Improving governance is challenging since there are powerful vested interest groups that benefit from the status quo and resist changes. Without improved governance, Bangladesh will not ride out poverty and ensure development for its people."

Development partners such as the World Bank can help solve Bangladesh's governance problems, but experience has shown that reforms must be homegrown, built on a solid base of broad social support, and supported at the highest levels of the government for their effectiveness, Temple noted.

DSE refuses to list Safco

By M Shamsur Rahman

The Dhaka Stock Exchange (DSE) refused to list a public limited company Tuesday after it failed to meet its criteria.

It's the first time the DSE policy makers have made such a move.

Safco Spinning Mills Ltd floated Tk 8 crore worth of shares, but investors only purchased Tk 11.3 lakh.

The company's eight underwriters refused initially to follow through with earlier commitments to buy the remaining shares. The underwriters picked up the the remaining shares three months later.

The company applied for a listing from the DSE, but the exchange rejected the application since the company failed to meet the criteria outlined in the listing regulations.

The regulation state there must be at least 250 applicants before a listing is granted, DSE officials say.

"The company offer were only responded by 153 applicants including the eight underwriters," said an exchange councillor.

the company, capital market regulators told the exchange on Oct. 12 to list the company anyway.

But the DSE council examined the matter on Tuesday and formally rejected the application.

Bangladesh to get Tk 130cr German aid

Bangladesh will receive Tk 130 crore from Germany as part of the long-standing development cooperation between the two countries, reports UNB.

The commitment came from bilateral negotiations held in Bonn on November 23-25.

Of the amount, over Tk 100 crore has been earmarked for bilateral financial cooperation while Tk 65 crore will be used for the rehabilitation of Ashuganj Power Plant, Tk 39 crore for a dredger for Chittagong Port and Tk 30 lakh for a new electricity supply pilot project.

WDB undertakes 15 projects in CHT

CHITTAGONG, Dec 1: Water Resources Minister Abdul Razzak yesterday said the Water Development Board (WDB) had undertaken 15 projects in the Chittagong Hill Tracts with an estimated cost of Taka 84.24 crore, reports BSS.

On completion, the projects would make significant contributions to the overall development of the three hill districts, he said. He directed the officials of the WDB to implement the projects in the shortest possible time.

The minister said this at a function arranged to mark the inauguration of WDB divisional office at Talachhari in Rangamati yesterday, an official handout said.

Presided over by Deputy Commissioner of Rangamati, Abu Haider, the function was also addressed, among others, by Chairman of the Task Force on Refugee Affairs in Hill Tracts, Dipankar Talukder, MP, Chairman of the Local Government Council Ching Keu Rowaza and WDB Chairman A K M Samsul Hoq.

The projects undertaken in the hilly region of the country include town protection efforts in Rangamati, Kaptai, Khagrachari and Manikchhari and Bandarban, Bagaiachari Irrigation and Flood Control, the handout said.

The Water Resources Minister said peace has been prevailing in the region after the signing of the peace accord. He urged all concerned to come forward for smooth implementation of the peace accord.

Later the minister visited the erosion-hit areas in Kaptai. Chief engineer of WDB and other senior officials were present on the occasion.

Germany to lift ban on British beef by Feb

BERLIN, Dec 1: Germany will lift its embargo on British beef by February at the earliest, Health Minister Andrea Fischer said late Tuesday, reports AFP.

The European Commission had given Germany until Wednesday to present a timetable for the lifting of the embargo.

German federal authorities say only the 16 regional states have the power to lift the embargo through a vote in the upper house of parliament, the Bundesrat, where they are represented.

Fischer said the majority of the states had approved the calendar for the lifting of the ban. She added that a decree ordering the labelling of the origin of British beef would soon be submitted to the Bundesrat.

The ban was originally imposed across the European Union in 1997 over fears of "mad cow" disease, or bovine spongiform encephalopathy (BSE), and its human variant, Creutzfeldt Jakob Disease.

It was ordered lifted in August this year, but both Germany and France continued to bar British beef from its territories — Germany because of the lengthy legal process required, and France because of worries that BSE contamination was still possible.

France is currently embroiled in testy negotiations with the European Commission and London on beef imports.

New chairman of Central Insurance

Mir Rahmat Ali has been elected chairman of Central Insurance Company Ltd at a company board meeting held at Dhaka Sheraton Hotel on Sunday, says a press release.

Ali is the chairman of Alliance Group of Companies and Director of Quality Garments Ltd, Quality Apparel Ltd, and Synthetia Packaging & Accessories (Pvt) Ltd.

He started garment export business in 1983 and actively participated in various activities of BGMEA since its inception and currently holding the post of co-chairman of Port Transport and Shipping Committee of the association.

Ali is the immediate past chairman of Shippers' Council of Bangladesh and actively connected with affairs of Federation of ASEAN Shippers' Council (FASC) and SAARC Shippers' Council (ASCOBIPS).

He is the senior vice president of Silva International Graduate Association of Bangladesh (SIGA), a subsidiary organisation of Laredo, Texas, USA, general body member of FBCCI and member of its export committee.

Bangladesh Trade Show Toronto '99 opens Canada okays \$3.6m programme for garment workers

Bangladesh Trade Show Toronto '99, organised by Canada-Bangladesh Trade Promotion Centre in conjunction with World Trade Centre and Toronto Board of Trade, was inaugurated by Minister for International Cooperation Maria Minna at Hotel Regal Constellation in Toronto, Canada, on Monday, says a press release of FBCCI.

Abdul Awal Mintoo, President, FBCCI spoke on the occasion as special guest.

In her inaugural speech, Maria Minna expressed her satisfaction to have the opportunity to inaugurate the first Bangladesh Trade Show organised by the private sector. She was delighted to see 26 Bangladeshi companies as participants to promote their products through the fair.

The minister said that the trade show would create opportunities for the entrepreneurs and exporters of Bangladesh. The participants displayed their products and exchanged views in one-to-one meetings.

Maria Minna, as incharge of CIDA, would endeavour to assist Bangladesh in increasing trade and investment. She announced a programme of US\$ 3.6 million dollar to improve the quality of the lifestyles of Bangladeshi garment workers and to improve gender equality. She also mentioned that a consortium of Canadian organisations from the private and voluntary sectors would work with a "women's organisation" in Bangladesh called Nari Uddog Kendra.

Abdul Awal Mintoo, President of FBCCI, mentioned in his statement that Bangladesh and Canada had strong links and excellent bilateral relations. This friendly relationship pro-

vided enough impetus in the context of the fast global economic changes. Mintoo mentioned that Canada is one of the largest export markets of Bangladesh. Export to Canada rose from US\$27.64 million in 1991-92 to US\$106.88 million in 1997-98.

Aminul Islam, Bangladesh High Commissioner to Canada, G Douglas Valentine, Director of World Trade Centre, Garrett Harman, Honourary Consul General of Bangladesh in Toronto, Benazir Ahmed, BGMEA Vice President Alimur Rajaman Hyder, Rezaul Karim Talukder and Abdul Jabbar spoke on the occasion. FBCCI Director Rajab Sharif, Director of BGMEA, Ashrafuddin Chunnui, Vice President of BKMEA, participants and distinguished guests from Canada were present in the inaugural session.

PB chief off to Nepal to attend two conferences

Chairman of the Privatisation Board (PB) Kazi Zafarullah left Dhaka yesterday for Katmandu to attend two separate conferences on privatisation there, reports BSS.

One of the conferences, "South Asian Privatisation Summit," is organised by Adam Smith Institute of London while the other one, titled "International Conference on South Asia 2010 Opportunities and Challenges," is organised by the Coalition for Action on South Asian Cooperation, a press release said.

The PB chairman will present papers on privatisation in Bangladesh at the conferences.

After attending both the meetings in Katmandu, Zafarullah will also attend "India, Economic Summit 1999" in New Delhi, from December 5 to 7.

He is expected to return home on December 8, the press release added.

Eastern Bank managers meet in discussion

The Head Office officers and Managers of the Dhaka-based branches of Eastern Bank Limited (EBL) met in a discussion meeting at the bank's Head Office in the city Sunday.

The meeting was presided over by M Khairul Alam, Managing Director of the Bank, says a press release.

Performance of the bank upto October 1999 was reviewed in the meeting, which observed that besides notable growths in all areas of its operations during the last 10 months, profit of the bank stood at around Tk 46 crore, which was Tk 14 crore more than the corresponding period of 1998. The EBL management is confident of further growth in its operational result by the end of the year.

Ahmed Ismet, Executive Vice President, and Dewan Abdul Latif, Senior Vice President, the two New entrants to the EBL family, introduced themselves before the audience.

Ismet expressed his views in the light of his long 25-year experience when serving the central bank of UAE, while Dewan talked about his experience in serving two multinational banks, one local private commercial bank in Dhaka and his exposure in Canada. They expressed their satisfaction to be associated with EBL and sought co-operation from all concerned to work as part of the team.

Welcoming the participants, the Managing Director, M Khairul Alam said that self-criticism was the best way to bring improvement. A banker should have an ambition in life, but he/she should be alert and conscious regarding their surroundings.

Pak banks place \$271m with central bank

KARACHI, Dec 1: Pakistan's central bank said today that \$271.7 million worth of foreign currency deposits had been placed with it by banks since it stopped them from placing the funds overseas in June, reports Reuters.

A State Bank of Pakistan statement said it was paying interest of 4.5 per cent for one week deposits, 4.65 per cent for one month and 4.80 per cent for three months.

In June, the central bank stopped banks from investing their foreign currency deposits overseas in a bid to stop capital flight.

The central bank statement also said that Pakistan's foreign currency reserves on November 30 stood at \$1.61 billion.

IMF delegation due in Islamabad today Debt rescheduling spurs hopes for Pak economic revival

KARACHI, Dec 1: Pakistan has secured a string of debt rescheduling deals with western nations which have brought relief to the country's ailing economy, analysts say, reports AFP.

A deal with the United States was signed last Friday to postpone payment of \$26 million dollars in debt, and six other countries have since signed similar agreements.

The US deal was the first since the military seized power in a coup on October 12 and came under an overall 3.3-billion-dollar debt rescheduling plan negotiated with the Paris Club of creditor nations in January.

"It is a clear indication that majority of Paris Club donor countries have relaxed their rigid posture towards Pakistan by agreeing to sign debt rescheduling agreements, which refresh hope of economic revival," said Yousaf Lodhi, an economist at Karachi University.

Although the Paris Club had approved Pakistan's request for rescheduling, the conditions required that each of the club members sign bilateral agreements by the end of the this

year.

Of the remaining donors Japan is the most important, and is owed some 700 million dollars.

The Paris Club's decision averted the possibility of default, which would have pushed Pakistan deeper into economic strife.

The desired objective of the rescheduling of the past loans is to provide a much needed breather to Pakistan and thereby to enable it to gear up development efforts," said Abid Reza, analyst at brokerage house Khadim Ali Shah Bokhari.

He said the debt rescheduling would save the country from an "economic squeeze."

Debt rescheduling was a healthy respite for the country's balance of payments deficit, itself a growing worry.

"It is vital for the country to gain fresh loans and financial assistance to remove economic sanctions," he said.

Musharraf, has put an economic recovery at the top of his agenda he faces an uphill battle.

The rescheduling in fact has led to the erosion of Pakistan's credit rating by the leading financial agencies of the international capital market," said Ashraf Khan, an independent consultant.

Meanwhile, an International Monetary Fund delegation is due in Pakistan on Thursday for key negotiations on reopening a creditline to revive the country's ailing economy, officials said.

The two-member delegation will be briefed on the new economic reforms planned by the country's military rulers, who seized power in a coup on October 12, the official Associated Press of Pakistan said.

The visit will be led by Paul Chabrier, head of the Fund's Middle East department.

General Pervez Musharraf, who led the coup, has put an economic revival at the top of his agenda.

He must deal with poor tax collection, a yawning trade gap, pervasive corruption and a long-running tariff row with private power producers.

Maya calls for ending Shipping Ministry projects in time

State Minister for Shipping Mofazzal Hossain Chowdhury Maya on Tuesday instructed the concerned officials to complete all development projects of the ministry before their scheduled time, reports BSS.

The instruction came when he was presiding over a meeting to review the progress of different development projects of the ministry under the Annual Development Programmes (ADP) at the conference room of the ministry.

The minister urged the concerned officials to specifically focus the up-to-date progress of implementation of the on-going projects. Expressing concern over slow progress of a project of BITWA, he said stern actions would be taken if any lapses is detected in discharging duties.

The meeting was informed that a total of 33 projects were included in the ADP. Of these, 28 were approved and five were in progress. A total of Tk 113.80 crore was sanctioned for 33 projects of which Taka 53.80 crore was local funding and Tk 60 crore came from project aid, it added.

The meeting was informed that Tk 24.88 crore was spent for the projects till October this year, which is 8.54 per cent higher than the previous year.

Additional secretary to the ministry Mohammad Abul Kalam Azad, chief of different organisations of the ministry, representatives of different ministries, directors of different projects and concerned officials attended the meeting.

Weekly Ctg Tea Sale

Market witnesses price, demand fluctuations

CHITTAGONG, Dec 1: The weekly tea sale held here yesterday witnessed fluctuating demand for and prices of different grades of teas, market sources said, reports BSS.

The market opened on a slightly shaky note where prices dropped by Tk 3 to 5 per kg but towards the later half, demand improved and bids were about Tk 2 to 3 below previous levels. The bright teas witnessed better demand and were mostly firm with a few lines also being dearer.

Internal buyers, particularly the blenders, were more active. There was also some inquiry from Pakistan and Afghanistan. The polish and CIS buyers operated on a limited strength. As a result, the larger and bolder brokers suffered heavily in prices with substantial withdrawals.

CTC Bold Borkens: Witnessed limited interest and discounted further and sold between Tk 47 and Tk 48 with some withdrawals. The larger brokers were much easier and declined by Tk 4 to Tk 5 per kg, generally selling between Tk 53 and Tk 55. Medium and smaller brokers were initially easier by Tk 3 to Tk 4, but with the progress of sale, demand im-

proved and were generally lightly easier. The brighter types were about steady, especially the smaller varieties. Plain types also met with and improved enquiry, but eased by Tk 3 to Tk 4.

CTC Fannings: Met with a better demand and were initially easier by Tk 2 to Tk 4. Towards the close, demand strengthened when prices were generally firm with the best types becoming lightly dearer. The plain varieties also received better support and were mostly steady.

Green Tea: 110 chests on offer met with good demand at slightly easier rates. Fine Young Hyson realised Tk 90 and Hyson also sold at Tk 90.

CTC Dust: 77 chests and 1,593 gunny sacks on offer met with a very strong demand at dearer rates with grades advancing by Tk 5 to Tk 7 and sometimes more following competitions. The better liquoring Peko dust, Red dust and dust sold a Tk 70 and above.

Both blenders and loose tea buyers lent strong support, particularly for the better liquoring types. There were 10,574 chests and 13,083 gunny sack of teas on offer.



Deputy Managing Director of Delta Life Insurance Company Ltd Mosleh Uddin Ahmed (2nd-R) hands over a death claim settlement cheque for Tk 2.79 lakh to Kohinoor Ahmed, the nominee of late Monir Ahmed, who was a policyholder of the company's Single Insurance category, in the city recently. Company Vice President (Single Insurance Claim) Syed A K Aminul Haque (L) was also present. — Delta Life photo



M Khairul Alam, Managing Director of Eastern Bank Limited (EBL), addresses a meeting of Head Office officers and Managers of the Dhaka-based branches of the Dhaka-based branches at its Head Office Sunday. Ahmed Ismet, Executive Vice President of the bank, is seen beside him. — EBL photo