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# The Daily Star BUSINESS

DHAKA, FRIDAY, DECEMBER 3, 1999

## JS body talks trade protocol with India

The Parliamentary standing committee on Shipping Ministry in a meeting in the city on Wednesday discussed trade protocol and naval transit between Bangladesh and India, reports BSS.

The meeting was informed that according to the trade protocol, Bangladeshi transports will carry half of the Indian goods which would be transported through Bangladesh water territory and Bangladesh will get Tk two crore every year from the sector. India is getting the naval transit through Bangladesh water territory since 1950, the meeting added.

It discussed the various steps for filling up the vacancies in the port and buying of 142 instruments for bringing dynamism in the activities of Chittagong port. The meeting also discussed different aspects of the management contract proposal of the port.

Ways and means to solve the existing problems in the domestic sea ports of the country and setting up new mooring container terminal at Chittagong port also came up for discussion.

Presided over by committee Chairman Colonel (Retd) Shakhat Ali, the meeting was attended by State Minister For Shipping Mofazzal Hossain Chowdhury Maya, ABM Abul Kashed, Mrs Mahmuda Sawgath and Golam Farooque Ovi.

Acting Secretary to the Shipping Ministry Abul Kalam Azad and concerned officials were present in the meeting.

## China's financial markets to close early for New Year

SHANGHAI, Dec 2: Chinese financial markets will guard against Year 2000 computer problems by closing at noon on Dec 31, cancelling a half day of trading, state media said Thursday, reports AP.

Stock and futures markets, as well as brokerages, are to keep computers running through the Jan 1-2 weekend to see whether they make the change to the new century, newspapers said. Markets, normally closed on weekends, are to reopen Jan 3.

Chinese officials are worried that computers programmed to read only the last two digits of a year could mistake 2000 for 1900, throwing finance and other industries into turmoil.

China's top official on the "Y2K bug" said Wednesday that banks, power supplies and key industries are ready, but hospitals, companies and the rural interior are unprepared.

China's two stock exchanges are located in Shanghai and Shenzhen cities, two of China's most modern cities. The futures exchanges are located in Shanghai, Dalian and Zhengzhou.

Brokers and exchanges already have conducted several Y2K tests and said, they found few problems.

The China Securities Regulatory Commission also plans a drill Saturday to test contingency plans, newspapers said.

## Cambodia GDP to double in 10 yrs

PHNOM PENH, Dec 2: Cambodia is quickly recovering from economic and political crises and should double its gross domestic product within 10 years, Finance Minister Keat Chhion said Thursday, reports AP.

He warned, however, that stiff competition from China could hamper growth.

Cambodia's economy nosedived in 1997 because the Asian financial crisis and domestic political turmoil kept foreign investment away, but the country is on target for 4 per cent growth this year and 5.5 per cent growth in 2000, Keat Chhion said at a conference on investment.

Stability, membership in the Association of Southeast Asian Nations and a regional economic recovery have been key elements in the comeback, Keat Chhion said, predicting that Cambodia's GDP — estimated at \$3.15 billion in 1998 — will double in 10 years. GDP is a measure of all goods and services produced in a country.

"We can do it," he said. "We can see a real recovery now."

The finance minister expressed concern that China's expected entry into the World Trade Organisation will mean stiff regional competition.

"China being a member of the WTO means export quotas won't be a problem for China," he said. "We will have to increase the skill and productivity of Cambodian labour, otherwise we won't be able to compete."

Cambodia's export industries rely on trade privileges and the comparative advantage of rock-bottom labour costs.

Keat Chhion's speech came on the heels of Prime Minister Hun Sen's strict orders Wednesday for his government to reduce economic barriers hampering foreign investment.

Complicated export procedures, high electricity costs and a tangled bureaucracy were all cited by Hun Sen as factors that are causing investors to take their business elsewhere.

## ECNEC okays Tk 1113cr projects

The Executive Committee of the National Economic Council Wednesday approved seven projects, involving about Tk 1112.93 crore. The project are to be implemented with the government's own resources, reports UNB.

An officials handout said that the approval was given in the 68th meeting of ECNEC held in the NEC conference room with Prime Minister and ECNEC Chairperson Sheikh Hasina in the chair.

The projects are extension, development and remodeling of Sylhet railway station (revised), contact-road construction for launching Shariatpur-Chandpur ferry service, upgrading Ekdaria-Agapur existing feeder road into a regional highway, the second revised phase of

Also, a total of 330 out of 388 foreign-aided projects under 1999-2000 ADP had been approved so far.

Approved by State Minister for Planning Dr Mohiuddin Khan, some new projects involving over Tk 41.18

Kurigram Dharala bridge construction on Kurigram-Bhurungamari road, introduction of Agriculture Faculty at Rajshahi University, the second revised phase of providing stipend among girl students (class six to ten) and construction of an industrial park in Sirajganj.

It was informed in the meeting that a total of 1,017, out of 1,290 projects included in ADP 1999-2000, had been approved till November 10, which is 74.94 per cent of the total projects.

Also, a total of 330 out of 388 foreign-aided projects under 1999-2000 ADP had been approved so far.

Approved by State Minister for Planning Dr Mohiuddin Khan, some new projects involving over Tk 41.18

crore were placed in the meeting.

These are construction of 22km bridge over river Khrishna on Gafargao-Bhaluka-Sakhipur road, another five oil depots and three jetties at Baghabari POL depot, completion of construction work of Sarbari Biman landing field, pragmatic research project on multiple uses of deep tube-well at low cost for post-flood long-term rehabilitation, constructions of multistory BEPZA Complex Bhaban, setting up laboratory for testing quality of fertilisers and training projects.

The prime minister directed the ministry concerned to prepare and submit investment project, including study, for creating tourism facilities on both sides of the Tongi-Ashulia

road. Hasina expressed her dissatisfaction over uncleanliness in various railway stations across the country, including Sylhet.

She asked the authorities to give the charge to any official until creation of a permanent post of manager at Sylhet railway station.

Education Minister ASHK Sadique, Food and Agriculture Minister Begum Matia Chowdhury, Communications Minister Anwar Hossain and State Minister for Planning Dr Mohiuddin Khan Alamgir attended the meeting.

Principal Secretary to the Prime Minister, Cabinet Secretary, members of the Planning Commission and the secretaries concerned were present.



Picture shows the participants of the recently-held second annual client workshop of American Express Bank Ltd, Bangladesh in Bangkok, Thailand. The workshop primarily focused on the regulatory issues, account structures and foreign exchange market in Bangladesh. A review of Bangladesh and the global economy was presented by Prof Muzaffar Ahmad of IBA, Dhaka University. Shafiqul Haque Choudhury of the Association for Social Advancement (ASA) also presented an overview of micro-credit programmes in Bangladesh.

## India set to open its insurance sector as protests dwindle

NEW DELHI, Dec 2: India was set to open its insurance sector to foreign players as protests dwindle yesterday with only communist parties opposing the government's march towards liberalisation, reports AFP.

Despite a massive protest strike, a government bill to open the industry received crucial support as India's main opposition Congress party offered its backing to the Hindu nationalist-led coalition government in parliament.

Prime Minister Atal Behari Vajpayee's BJP party needs the support of the Congress of Italian-born Sonia Gandhi to endorse the bill.

The backing of the Congress, which launched India's economic reforms in 1991, came open to the suggestions of the Congress, which had initially called for opening the industry when it was in government.

"The government is open to suggestions for changes in the bill from opposition parties

like the Congress if they are in the national interest," said Parliamentary Affairs Minister Pramod Mahajan.

The final debate on the Insurance Regulatory and Development Authority Bill will begin Thursday before it is taken in as law.

Indian economists estimate the law will help the domestic insurance market triple in size to 25 billion dollars over 10 years.

Only five per cent of India's one billion people have life insurance and a 200-million strong middle class offers new opportunities to investors.

The bill allows foreign investors a maximum 26 per cent stake in insurance joint ventures.

The communists say the legislation will dismantle the state-run monopoly in the insurance sector and result in huge layoffs.

The government said it was open to the suggestions of the Congress, which had initially called for opening the industry when it was in government.

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