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More Indonesian investment urged to reduce trade gap

Bangladesh on Thursday urged Indonesia to increase its investment volume in Bangladesh to reduce the existing trade gap between the two countries when the visiting Indonesian presidential envoy Imam Tohik held a meeting with BOI chief Mokammel Haque, reports BSS.

During the meeting, the Board of Investment (BOI) executive chairman said that investment by the Indonesian companies would help overcome the huge trade gap.

The Indonesian envoy acknowledged the gaps and said that exchange of businesses both in the public and private sectors could minimise it. He particularly expressed Indonesian interests in extending its technical support for the state-owned gas and petroleum explorer, BAPEX.

He hoped that with proper training, Bangladeshi experts would be capable to compete with any foreign companies in exploiting the country's mineral and other resources.

Currently, Bangladesh's import of Indonesian commodities is worth 160 million dollar.

Pran declares 20pc dividend

The fourteenth AGM of AMCL-PRAN was held on Thursday at the National Shooting Complex, Dhaka.

A large number of investors participated in the meeting, which was presided over by Chairman of the Board of Directors of the Company Lt Col Mahtabuddin Ahmed (retdl), says a press release.

Maj Gen Amjad Khan Chowdhury (retdl), Chief Executive, Ahsan Khan Chowdhury, Deputy Managing Director, Sabitha Amjad and Barrister Akther Imam, Directors, were present in the meeting.

Pre-tax net profit of the company increased from Tk 31.56 million in 1997 to Tk 33.07 million in 1998-99, while gross sales went up from Tk 251 million to Tk 402 million respectively, registering an increase of 60 per cent. Gross profit increased to 121.85 million in 1998-99 as against that of Tk 76.07 million last year. The company declared a 20 per cent dividend for the year 1998-99.

The investors expressed their satisfaction and confidence in the management and offered their constructive suggestions for further progress of the company.

In his speech, the Chief Executive highlighted the growth of the company including future plans, growth in exports and human resource development.

The AGM ended seeking support of the small investors on which the future of the company depended.

Y2K bug threats.

Forex deals over New Year seen risky

BANGKOK, Dec 10: Thai banks carrying out foreign exchange transactions from the end of December to the beginning of January face greater risks due to possible Y2K-related computer problems, the Thai Bankers' Association warned Thursday, reports AP.

The association had advised its members to avoid foreign exchange transactions between Dec 15 to Jan. 15, an association statement said.

The Thai central bank gave a similar warning last week.

All Thai financial institutions have made the best possible preparations, but no system can guarantee 100 per cent error-free operations over the period, the statement said.

If banks can't avoid transactions maturing during that time, they should be aware that they may encounter increased levels of exchange risk, settlement risk, and interest rate volatility, it said.

US economy may grow 3.8 pc next year

WASHINGTON, Dec 10: The head of the largest US industry association yesterday predicted the US economy would grow 3.8 per cent next year, culminating an expansion of "historic proportions," reports AFP.

"We're looking at nothing less than an economic expansion of historic proportions" said Jerry Jasnowski, president of the National Association of Manufacturers, announcing a new NAM forecast.

"By the end of the first quarter of 2000 we will have had a longer and better balanced expansion than the 1960s."

Jasnowski said the keys to sustaining non-inflationary growth were rising labour productivity and strong consumer and investment spending.

"E-commerce will be a central factor in future productivity growth and maintaining low inflation," he added.

Electronic commerce increases the speed of transacting business and distribution, thereby lowering expenses and containing inflation, according to Jasnowski.

Motia for poverty reduction through raising food output

FAO assures spl food security programmes for Bangladesh

Minister for Food and Agriculture Begum Motia Chowdhury yesterday called for a social mobilisation and political commitment both at national and international levels to bring down the number of poor worldwide through increasing food production, reports BSS.

The problem of food security is not technical as the world can produce more than enough food to feed its population. Let us prepare ourselves for the coming millennium to demonstrate our capability against hunger," she said, while addressing a banquet hosted in honour of the visiting Director General of Food and Agriculture Organisation (FAO) at a hotel in the city.

The Ministry of Agriculture hosted the banquet which was attended by Foreign Minister Abdus Samad Azad, Minister for Environment and Forest Sayeda Sajeda Chowdhury, Minister for Fisheries and Livestock ASM Abdur Rob, State Minister for Foreign Affairs Abul Hasan Chowdhury and State Minister for Planning Dr Mahiuddin Khan Alamgir.

Besides, members of the parliament, political leaders senior government officials and officials of the Ministry of Agriculture and different depart-

ments under it and representatives of various UN organisations based in Dhaka attended the banquet. Secretary of the Ministry of Agriculture Dr AMM Shawkat Ali welcomed the guests.

Begum Motia Chowdhury referred to Prime Minister Sheikh Hasina's commitment made in the World Food Summit in Rome in 1996 that her government would bring down the number of poor from 840 million to 420 million by the year 2015.

"We are making all out efforts to build a society free from hunger and poverty along with ensuring the right to vote as part of our commitment to establish good governance and the rule of law," she said.

She also pointed out the government's policies on eradication of illiteracy and ensuring equitable social justice for all citizens as part of the broad-based pro-people development programmes being implemented since 1996. She said that all these programmes were now being vigorously implemented in Bangladesh only to ensure overall growth of economy with top priority on the agriculture sector.

Reciprocating the sentiment of Begum Motia Chowdhury, Dr Jacques Diouf said FAO was al-

ready highly impressed by the level of improvement achieved in the agriculture sector in Bangladesh towards reducing poverty, which helped a lot in upholding fundamental human rights all over the country.

The FAO Director General especially lauded the role of the present government in efficiently managing the overall situation during the century's worst flood last year as well as the post-flood situation in Bangladesh. "We are delighted to have seen that the government in Bangladesh most effectively handled the havoc and also the post-flood agriculture rehabilitation programme all over the country," he said.

Diouf dubbed the efficient management skill during last year's flood as a clear manifestation of the present government's commitment to improve the life and living conditions of the people of Bangladesh.

Meanwhile, an UNB report says: Jacques Diouf, Dr Diouf assured special food security programmes for accelerating grain production in Bangladesh.

Officials said food-security programmes and its promotion in Bangladesh were discussed in the meeting.

EU, ACP strike informal Lome pact renewal deal

BRUSSELS, Dec 10: The European Union and ministers from 71 African, Caribbean and Pacific countries yesterday struck a provisional deal to renew the current Lome trade and aid pact which expires in February, EU officials said, reports Reuters.

"We arrived at a very satisfactory result for this partnership. There is a very firm agreement on trade and ministers were also able to agree the fundamental objectives of the (aid) partnership," Philip Lowe, the EU's chief trade negotiator, told a news briefing.

However, neither side has formally approved the deal because the two-day negotiations ran out of time early on Thursday morning leaving a final statement undrafted, he added.

A new pact will nevertheless enter into force on March 1 next year and a meeting between the two sides will be held before the

end of January aiming to ratify it formally.

After protracted wrangling ACP countries decided to accept an EU offer of 13.8 billion euros (\$14.1 billion) in aid for the period 2000-2005 under the umbrella of the EU's European Development Fund (EDF), Lowe said.

"They (the commission) made a proposal of an overall envelope for the EDF of 13.8 billion euros of which 300,000 euros has to be reserved for overseas territories of EU countries," he said, adding ACP states had accepted this figure.

However, a substantial amount will not be released unless the EU is convinced by 2004 that ACP countries have actually spent the money which they have been given.

"It is subject to the condition that up to one billion euros would be reserved for a decision in 2004 on whether or not it is

necessary in the function of financial performance."

Crucially, ACP countries have also agreed to sign up to regional free-trade agreements after an eight-year period, signalling an end to the system of trade preferences which they have enjoyed since 1975. A further 10-15 year phase — in period has now also been negotiated.

Lowe hailed the informal accord as a major success for the EU. "As far as the European Commission is concerned it is a major success and a significant development in the deepening of the EU's relationship with the developing world."

The two sides also managed to resolve the controversial problem of "good governance" which ACP states feared could give the EU the pretext to suspend aid too easily if it suspected its money was being misused.

In a report published in the Zambian newspaper, The Post, right after the election in late November, Amin was quoted as saying, "There is a dearth in foreign exchange supply as the Bureaux is not getting anything from the Bank of Zambia."

We hope things will now be put straight since we have an association to speak through," he said.

The other Executive Committee members of the Association of Bureaux are Mulenga, David Nkonde, Cuthbert Sinyangwe and Sreedara Ngarajian.

Sony mulls over Internet banking business

TOKYO, Dec 10: Japanese electronics giant Sony Corp said Friday that it may set up an internet banking business targeting consumers, reports AP.

A Sony spokesman said that the company would have to purchase a bank or apply for a banking license to break into the field of consumer banking.

resume pumping of oil on Saturday if the UN Security Council agrees on Friday a straightforward six-month rollover of the United Nations' oil-for-food programme.

The United States and Britain said on Wednesday that the Security Council is expected to renew the oil pact for six months before Saturday when a short existing extension — which Baghdad had rejected — expires.

If traders warned that bureaucratic procedures could well stop new Iraqi crude cargoes actually loading for another week.

World benchmark Brent for January delivery fell 47 cents to \$25.22 a barrel by 1830 GMT as a likely end to Iraq's three week supply stoppage promised relief to parched world oil markets.

Buyers have been deprived of Iraq's 2.3 million barrels per day (bpd) "oil-for-food" exports since November 24 when Baghdad suspended supply because of a wrangle at the United Nations over a new resolution on sanctions.

Prospects that the US might move to cool the rally strengthened as Energy Secretary Bill Richardson said the Clinton

Bangladeshi made Zambian Assoc of Bureaux Chairman Star Business Report

Delta Bureau de Change Limited Chairman Syed Rubul Amin has recently been elected the Chairman of the Association of Bureaux, a forum of the banks in Zambia.

Amin, who hails from Sylhet, is the only Bangladeshi to take pride in becoming the first to head the Association, which aims at protecting the interests of its members.

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disrupts normal supplies.

OPEC oil ministers insist they have no plans to relax overall output policy before next April, the scheduled expiry date for their year-long supply restraint agreement which has more than doubled prices this year.

The International Energy Agency (IEA) warned that world oil inventories are being drawn down so rapidly that consumers in the West might even be hit by retail supply outages this winter.

Richardson has already submitted contingency plans to the White House proposing sales of oil from the strategic Petroleum Reserve if the Y2K computer bug causes chaos to oil supplies at the turn of the year.

Saudi Arabia's Oil Minister Ali al-Naimi, in Washington to meet Richardson, said that he believed the SPR would not be used as a tool to adjust oil prices and that he was more concerned about oil market volatility than current strong values.

Naimi reiterated that Saudi Arabia is ready to supply replacement oil if the Y2K bug



Steve Ballmer (l), CEO of Microsoft, shakes hands with Kurt Hellstrom, Ericsson CEO, at a press conference about their joint venture at the Grand Hotel in Stockholm, Thursday. The software giant Microsoft and the mobile communications leader Ericsson will develop products to access the Internet and send e-mail from any wireless device. - AFP photo

Indian commerce minister warns Path ahead of Seattle round hazardous

NEW DELHI, Dec 10: India's Commerce and Industry Minister Murasoli Maran yesterday warned the path ahead of the deadlock Seattle round of the World Trade Organisation (WTO) was "hazardous," reports AFP.

Maran told the upper house of parliament the developed nations, particularly the United States would now launch "guerrilla tactics" to scuttle the developing nations' interests.

"Some of the issues discussed at the Seattle WTO ministerial conference will come back during the resumed meeting at Geneva and developing countries will have to be vigilant to ensure WTO's activities are restricted to trade alone," Maran said.

"We have only postponed the D-day. The journey from Seattle is dangerous and hazardous and unless WTO was reformed developing countries cannot

survive," he said.

Maran said "now it is time to reform WTO to make it genuinely democratic to dismantle trade barriers and not sovereignty of state."

Indian Prime Minister Atal Behari Vajpeyi earlier this week said developed nations would have to be sensitive to the needs of the developing world.

Before the Seattle summit began, India had said industrial countries were yet to fulfil existing commitments made under the previous Uruguay Round.

India and other developing nations were also opposed to discussions on social, environmental and other non-trade issues at Seattle.

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Chakta Homidullah Market Businessmen Association President Syed Ahmed Chowdhury, Pahartali Rice Merchants Association Secretary Abdul Khaleque, joint secretaries M Nizamuddin, Rafiqul Alam and Sakti Bikas Barua assured at a meeting of the officials and businessman that they would not raise the prices of essentials during Ramadan, an official handout said Thursday night.

The meeting, held with Chittagong Division Commissioner A S M Mobaidul Islam in the chair at his office chamber, was attended by Additional Commissioner (Gen), Deputy Director of Agricultural Marketing and other officials.

Mobaidul Islam said that stern actions would be taken against those who will raise the prices of essentials to make fat profit during Ramadan. "It is our moral responsibility to keep the prices of essentials stable in this holy month," he added.

Hungary inches closer to EU membership

BUDAPEST, Dec 10: With its economy strong and democracy steady, Hungary leads the pack to become the next new member of the European Union. But there's a flaw in this former communist country made good, reports AP.

The speed of Hungary's transformation has given it an edge on Poland and the Czech Republic — other top candidates looking for quick EU entry.

All three have installed Western-style governments in the decade since the collapse of communist rule, but Hungary's economy has outperformed the others. The EU will open a summit on enlargement Dec 10 in Helsinki, Finland.

Moscow's envoy to G8 says Russia unable to meet IMF loan terms before Feb

MOSCOW, Dec 10: Russia will be unable to fully comply with all the International Monetary Fund terms for a release of a new loan tranche before February, a top government was quoted yesterday as saying, reports Reuters.

Interfax news agency also quoted Russia's envoy to the Group of Eight, Alexander Livshits, as saying relations with the Fund and Moscow were extremely difficult but hope for improvement.

The IMF has held up a new \$640 million loan tranche since September and on Tuesday listed the terms Russia needed to meet for it to be disbursed. Russia's campaign against rebel Chechnya has also led to calls in the West for further IMF aid to be halted.

While US government data showed a big build in stock of refined products stocks in the world's largest consumer last week, the IEA warned that North America's stock cushion would fall especially fast in coming months.

make a pre-payment for goods arriving in Russia as this was aimed at curbing capital flight.

Livshits said relations between Russia and the IMF were currently extremely difficult. "There were hard times in relations between Russia and the Fund, but we must say