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# The Daily Star BUSINESS

DHAKA, FRIDAY, DECEMBER 24, 1999

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## BB starts special Y2K cell

Star Business Report

The central yesterday formed a special Y2K cell to deal with computer malfunctioning in the financial sector of the country due to the millennium bug.

The special cell consists of System Manager Md Nazmul Haque, Senior System Analyst Safia Akhter Begum and Assistant Programmer Abudur Rajjak.

The cell has been formed to deal with any failure which may arise out of the onslaught of the millennium bug on banks, insurance and other financial organisations.

"The officials will be available to help in case of any problems," a central bank official said, "they will try to solve any problem on an emergency basis."

## 7-member body on pvt EPZ to be formed

The Board of Governors for Private EPZ at a meeting yesterday decided to form a 7-member committee to suggest measures for removing obstacles in implementing the project, reports UNB.

Prime Minister Sheikh Hasina, who is also Chairperson of the Board of Governors, presided over the meeting at her office.

The meeting, 8th in the series, discussed the progress of establishment of the Korean EPZ being built on the bank of the river Karnaphuli.

It also discussed the progress of Rangunia private EPZ where a 25-mw power plant will be set up.

The prime minister suggested that the surplus power from the Rangunia EPZ should be supplied to CHT to meet the growing demand.

Finance Minister Shah AMS Kibria, Commerce and Industries Minister Tofail Ahmed Law Minister Abdul Matin Khasru, BOI Executive Chairman Mokammel Huq, State Minister for Land Rashed Mosharraf, State Minister for Planning Dr Mohiuddin Khan Alamgir, State Minister for Foreign Affairs Abul Hasan Chowdhury and State Minister for Energy Rafiqul Islam attended the meeting.

## BCS executive body formed

Star Business Report

Bangladesh Computer Samity (BCS) has elected a 7-member Executive Committee for the year 2000-2001.

The election was held in the city late last month, says a press release.

Abdullah H. Kafi was elected president while MA Wohab was made its Vice President.

Other office-bearers of the Samity are:

General Secretary: Engr. Md. Atiqul Ahsan, Joint General Secretary: Rtn. Md. Mohiuddin Bhuiyan, Asst. Secy: Md. Nazmul Haque (Shamim).

The two Executive Committee members are Obaidur Rahman and Forkan Bin Kasem.

## UNICEF to buy medicines from EDCL

UNICEF will buy medicines worth over Tk 25 crore from the state-run Essential Drug Company Ltd (EDCL) in the current fiscal, says UNB.

Health and Family Welfare Minister Salahuddin Yusuf was informed about it while he was visiting EDCL Wednesday evening. He was also informed that EDCL would produce medicines worth over Tk 50 crore this year.

Meanwhile, WHO, Germany and Bhutan have imported a huge quantity of medicines from EDCL, which produces 102 items, including life-saving drugs.

The minister visited different production units of the pharmaceutical industry and enquired about the quality of its medicines.

He directed the authorities concerned to ensure quality to attract more foreign buyers.

## MA Matin new BIWTC chairman

MA Matin has joined Bangladesh Inland Water Transport Corporation (BIWTC) as its Chairman, says a press release.

Prior to his joining BIWTC, he had served RAJUK, Bangladesh Handloom Board and BIWTC as Member and Director (Finance) respectively. He was also a director of BHBFC.

Matin participated in a training course in Denmark under Danida fellowship in 1975. He completed Senior Administrative Staff Course in 1983 and did an international course on Shipping Computer Management in Rucsa State University, Belgium, in 1992.

Matin is a Member of the British Institute of Management, Elected Councilor of ICMA National Council, Chairman of the Audit Committee of Govt. Officers Club and President of Brahmanbaria Sadar Samity, Dhaka.

# PB fails to offload shares of 17 cos, hand over 6 SOEs

By Monjur Mahmud

The Privatisation Board (PB) has failed to execute its decision to fully offload shares of 17 companies and hand over six state-owned enterprises (SOEs) under its ambitious crash programme for the months of November and December.

The PB at a meeting on October 25 this year initiated the impossible mission for which it fixed the deadline on December 31, 1999.

With only a week to go, it could not complete its task even for a single unit.

Although there has been some progress, the crash programme did not succeed because of the complicated offloading process and we are not

getting full cooperation from the officials concerned," said an official of PB.

However, the question now remains -- why had PB taken up the programme knowing fully well that this was a lengthy process? Sources within the Board say that it was forced to take the decision to satisfy the donors' conditionalities for some policy-based lending.

The PB was given the full responsibility for offloading the shares of 17 companies by December 31 at a Finance Ministry meeting on October 24 this year.

The decision came with a view to meeting the Asian Development Bank (ADB) condi-

tions for the capital market development loan. ADB will release the second tranche of its loan only on fulfillment of the conditions.

Of the 17 enterprises, 12 are listed with the bourses while five are non-listed companies.

The 12 listed companies are: Reckitt and Colman (6.47%), National Tubes Ltd (52.98%), Eastern Cables Ltd (51%), Atlas Bangladesh Ltd (51%), Metalex Corporation (51%), Renwick Jaggenswar and Co Ltd (60%), Osmania Glass Sheet Factory Ltd (61.72 %), Zeal Bangla Sugar Mills Ltd (63.52 %), Shyampr Sugar Mills Ltd (92.23%), Islami Bank Bangladesh Ltd (5%), National

Bank Ltd (5%) and Eastern Bank Ltd (20%).

The non-listed companies are: Mirpur Ceramics Ltd (20 %), Berger Paints BD Ltd (42.33%), Siemens BD Ltd (31.66 %), International Oil Mills Ltd (50%) and Van Omeran Tank Terminal Ltd (50%).

On the other hand, the Board set a target to hand over six SOEs within November 30 under the crash programme.

These six companies are: Nobarun Jute Mills Ltd, Engineering Industries Ltd, Ashrafi Oil Mills, Kohinoor Battery Manufacturing Co Ltd, Can Making and Tin Printing Plant and Dosha Extraction.

# CSE completes its Y2K compliance test

Chittagong Stock Exchange (CSE) has completed the rollover test to ensure that all its computerised trading system, including the country-wide trading network, is Y2K compliant, says a press release.

CSE has completed this test successfully in two phases. In the first phase, dates of the system server, trading engine, all operational modules like market operation, surveillance and dummy trading workstations have been changed artificially so that the system starts few minutes before January 2000, and rolls automatically over to the new millennium.

Then artificial trades were made through the dummy workstations and found to be in order during the trade and post-trade activities.

In the 2nd phase, all the CSE brokers from Chittagong, Dhaka and Sylhet participated on-line in this roll-over test in the same situation. This time access server, router etc. were also brought into the test to ensure smooth connectivity between the three regions. CSE automated settlement system, VSTAR, was also included in the test to ensure its flawless performance. The 2nd phase test confirmed the whole CSE Screen-Based Trading System Y2K-ready.

CSE will also do a Wellness Test prior to the trading on January 1, 2000. However, in addition to all this preparation, CSE is ready with a detailed contingency plan to operate manual trading in case of system malfunction, though CSE

foresees no system problem at all in the new millennium.

It should be mentioned that only Bangladesh capital market will be open on the very first day in the year 2000. CSE will start trade at 9:50 am on that day and will be the first one to be in operation on January 1, 2000.

## Hydro cooling plant set up in Comilla

COMILLA, Dec 23: Hydro cooling centre, first of its kind in country, has been installed at Chandina for preservation of vegetables, says UNB.

Agro-based Industries and Technology Development Project established the centre, which will play a significant role in preserving vegetable and selling abroad after processing.

## Handing over of Comilla EPZ land begins

COMILLA, Dec 23: The district administration has started handing over the lands acquired for the Comilla Export Processing Zone, says UNB.

Documents of 121.24 acres of land were handed over to the CEPZ authority on Sunday (Dec 19). The remaining lands will be handed over within a week.

The administration has already acquired 125 acres of land for the Export Processing Zone, the third in the country developed by the government after Chittagong and Dhaka. It will be located in the old airport area near the town.

Work of the main gate is progressing rapidly while land development and allotment of plots will start soon.

Officials said Prime Minister Sheikh Hasina is likely to inaugurate the groundwork sometime in the last week of January.

Although the beginning of construction work was scheduled to begin in 2001, it will now start one year ahead as the government attached due importance to early operation of the Export Processing Zone.

Officials told UNB that some 200 families would be paid compensation for the land at the rate 1.5 per cent higher than the market price.

The EPZ will have 208 industrial plots with excellent communication facilities. On implementation it will create job opportunity to 44,000 people.

Airport communication to and from Comilla will also be introduced to facilitate travelling of investors.

## US investment firm buys Korea First Bank

SEOUL, Dec 23: US investment firm Newbridge Capital Ltd today formally took over Korea First Bank, officials said, making it the first South Korean commercial bank to be run by foreigners, says AFP.

Korea First Bank (KFB) said Newbridge signed an agreement with the government to buy a 51-per cent stake in the bank, which was nationalised last year to avert bankruptcy.

In addition to the 500 billion won (441 million dollar) cost of the stake, Newbridge promised to inject an additional 200 billion won into the business over the next two years, depending on its sales performance.

The US firm also agreed to take over Korea First Bank's loan portfolio, including workout debts. But it left non-performing debts to the government's Korea Asset Management Corp.

Korea First was nationalised along with Seoul bank at the height of the economic crisis which prompted a sweeping restructuring of troubled banks and firms.

The sale of the bank was one of the conditions set by the International Monetary Fund in return for its \$7-billion-dollar bailout to South Korea in December 1997. The Newbridge deal was struck in September after lengthy negotiations.

## Joblessness down in Taiwan on quake recovery

TAIPEI, Dec 23: Taiwan's unemployment rate declined in November as the island recovered from the impact of the devastating September 21 earthquake, official data showed today, says AFP.

The November jobless rate was posted at 2.94 per cent, down from 3.05 per cent in October but up from 2.93 per cent a year earlier, the Directorate General of Budget, Accounting and Statistics (DGAS) said.

Some 287,000 people were out of work in November, about 10,000 lower than the previous month, it said.

In the first 11 months of 1999, average unemployment rose to 2.93 per cent from 2.68 per cent a year earlier, the DGAS added, with a forecast for the whole of 1999 of 2.9 per cent.



Tribal women are seen selling clothes at a stall at the 10-day 'Millennium Mela' organised at the Tennis Court of the Sheraton Hotel in the city yesterday. Some 40 shops are selling a wide-ranging products at the fair organised jointly by the hotel and Ruby's Ad.

## Public safety still remains the main concern

# France declines to lift UK beef ban, hopes to win in court

PARIS, Dec 23: France, given a week's respite by the European Commission, said yesterday it did not intend to lift its ban on British beef and hoped to win in court, says Reuters.

"We will not lift the embargo," Farm Minister Jean Glavany told French LCI television. "I think we have a strong hand in terms of public health and the European Court (of Justice) will not necessarily be dealt to our arguments."

Glavany said that while he feared the Court of Justice in Luxembourg would rule against France, he hoped that the length of the procedure would

allow new evidence to emerge in its favour.

The minister cited as an example a recently published study showed very strong evidence of links between bovine spongiform encephalopathy (BSE or mad cow disease) and its human equivalent, the brain-wasting Creutzfeldt-Jakob disease.

France has maintained throughout that its main concern is the safety of consumers.

"We will have a little more time to polish our judicial arms, so to speak, because this procedure will be long, it will be complicated and I for one think France has some very good ar-

guments to put forward," said Glavany.

The Commission on Wednesday extended its deadline for French compliance from midnight on Thursday to December 30, but maintained its threat to proceed to the European Court of Justice in Luxembourg.

Its last meeting of the year delegated powers to President Romano Prodi and health and Consumer Protection Commissioner David Byrne to take a decision during the Christmas break.

France had requested extra time to consider the Commission letter sent on December 16, saying the original five days

was not enough for all relevant government ministries to study it.

Byrne's spokeswoman Beate Gminder said the Commission had little choice but to accept the request because Byrne had shortened the usual time for a reply from two months.

The legal service (of the Commission) has advised us to accept, the first deadline was very short," she told Reuters.

A spokesman for Britain's Prime Minister Tony Blair expressed support for the EU Executive, stressing the importance of following the correct legal procedures.

# Labour union and EPZ: Are we allowed to grow?

by Hasanat Iqbal

The recent development on the issue of union in the Export Processing Zones (EPZs) is a growing concern for Bangladesh as far as its economic development is concerned. The US pressure to materialise the right of the labourers to form a union at EPZs reflects her concern about the welfare of the workers, nevertheless, it does not reflect the true spirit of helping a developing country like Bangladesh.

One of the major factors that the US authority is ignoring is that Bangladesh and the USA are on the same economic platform. The US economy even before the World War II went through a period of non-existence of the human rights as far as its practice is concerned.

Women right for voting in the US is not an old phenomenon -- only a development of the late sixties. The US as a nation has grown fast and successfully because it did not believe in the so-called 'sustainable growth', a slogan the donor agencies designed for the least-developed nations. The slogan simply dismantles the basic economic theory of 'market demand and supply' for the under-developed countries. The question that arises in our minds is why? Simply, if the under-developed countries grow like Singapore, Malaysia and China, the US economic hegemony will be in question.

Let's return to the issue of EPZ and labour union. What is the purpose of a labour union? The right to form labour unions ensures the workers' freedom and protects them against any

malicious intentions of the enterprise. This is a very conceptual definition. But the problem arises when the platform of unionisation is not set or appropriately molded. The entire economy is unstable in terms of labour unrest, politicisation of the workers and improper education and learning. There are laws without enforcement, there are 'rights' without legitimacy. In this circumstances, how does the US authority claim that rights of unionisation will establish the workers' voice? It is difficult for any government to make reforms overnight.

For Bangladesh, EPZ has become a very successful lay-out to attract foreign investors. One of the reasons why investors prefer EPZ is the absence of labour union. Everybody is well aware of the effect of unions in Bangladesh. There are examples like Adamjee Jute Mills, one of the largest jute mills in the world, becoming a chronic orthopedic patient, while DESA turning into a source of 'system loss definition'.

On the other hand, EPZ creates employment for around 100,000 people and contributes almost 20 per cent of the GDP, because it offers stable political and labour atmosphere. In the EPZ, there are rules and regulations that govern the rights and privileges of the workers. If the workers get what they deserve then the need of union won't arise in a country like Bangladesh. Forming of unions cannot be a fashion. It seems that only by establishing unions, workers' voice and rights are guaranteed. When

labour supply outnumbered its demand, the union must tend towards personalisation and political polarisation. If the US is so concerned about the labour rights and development of the LDCs, why can't they set up a monitoring system to check whether there is any violation of the labour codes or regulations? Enterprises can be monitored; they are the organisations of the developed countries. These same organisations are the followers of equal opportunity, non-discrimination, labour welfare policies and so on. The US can control these enterprises more effectively and efficiently than allowing the workers of the LDCs to establish their own rights. This is a more rational prescription unless the US has temptation to increase its economic hegemony over the LDCs. In that event, the world gets free from communist 'iron-curtain' but is getting captive into 'capitalist iron-curtain'.

The development algorithm for Bangladesh is very simple. The more consistent production centers like EPZs increase, the more employment, money circulation and savings will be; more foreign investors will come. This will increase the purchasing power in the economy. There will also be more opportunities for backward and forward integrations, which in return, will create more jobs and production centres and markets.

This, of course, does not ensure that there will be no labour exploitation, because they arise naturally. There will be labour exploitation and wealth polarisation to some extent. Yet again, proper monitoring can minimise the side effects. However, continuous increase in purchase capacity will make people more aware of the benefits of production-oriented employment. As the learning of the economy continues, the economy will become more literate, socially and politically stable. Gradual establishment of labour unions can be provided.

There is always a cost for development. How many lives did the US people sacrifice in establishing the Black's rights? Can we even say today that US is completely able to establish non-discrimination and equal opportunities for every people living there? What was the situation of labour union in the US fifty years back? Readers, this is a process and not a miracle.

The present US economy is a step by step development which started some two hundred years ago. How can Bangladesh achieve it overnight, do the developed countries produce such medicines? The answer is simply 'No'. Even if they can, they will not. This is simply because of national interest.

Dear readers, think about the reason why the US reduced its contribution to the UN? Why does it impose trade embargo on Iraq when people are dying there? Why did the US show its eagerness to settle the Bosnian issue when they never try to solve the 40-year-old Palestinian issue? Why doesn't they solve the Serbian issue when hundreds of people are being murdered there? Why can't the US impose ban on China when

it refuses to abide by its regulations? Why does the US support monarchism in the Middle East when it preaches democracy? Why didn't the US support our liberation movement in 1971 as we fought for our rights? These are all strategic issues, not the issue of human rights or democracy. Readers, these are the questions we should mull over.

Anyway, in absence of a disciplined production centre like EPZ, the only consequence is chaos and disruption in production. As a result investors look for new stable locations, withdrawing from EPZ premises for allowing us to establish 'workers' right'. I admire Commerce Minister Tofail Ahmed for identifying correctly the effect of trade union in EPZs.

No, this is not a problem or issue of the US government. The US only seeks to safeguard her own interest, a pure capitalist motive. We are responsible for our development; no doubt, in reality we are allowing foreign agencies to dictate our growth and to establish a sustainable growth, which I prefer to call as 'sustainable poverty with Cellular Phone'. Because, this only allows us to breathe in a minimum air. If poverty does not continue, donors will lose their ground. Through sustainable growth, they are kneeling us down to continue our humble begging to them.

This economy needs scopes to increase employment, industrialisation and establishing appropriate political, legal and judiciary institutions. Ironically, the developed nations

will not help the least-developed countries to do so. They will help us only in building an economy that can only consume their goods, especially services. More than 80 per cent of the grants and donations of the developed nations return to their own economies as 'consultancy fees'. This increases their money circulation and creates employment for them. Yes, this is the true nature of capitalism and market economy.

There is no doubt that the US has been helping us in different ways. By pushing Bangladesh to form labour unions in the EPZs can only create unemployment and gradual withdrawal of foreign investment. At the same time, it is true that the US is the most powerful nation and can stop GSP facility. However, if we succumb to their demand, this will put thousands of people in poverty and make them unemployed. Dear the US Government, is this not a violation of human rights? The nation, which is considered as the protector of mankind, becomes the destroyer of humanity and creator of poverty. But I still believe that with good intention the US can help a nation like Bangladesh with more positive visions. There are prescriptions to avoid labour unions in the EPZs. The US authorities and our government should exploit them.

(The writer, who worked in EPZ and has a firsthand knowledge of how it works, is a lecturer at the North South University, Dhaka)