

SANYO
Japan
Colour TV
Transfin Trading Ltd.
Tel: 815307-10, Fax: 813062
Instalment Facility Available

The Daily Star BUSINESS

DHAKA, THURSDAY, FEBRUARY 17, 2000

Beauty & Barber Salon
SAVVY
10 am-7 pm for Ladies
10 am-8 pm for Gents
Tk. 200 for Lady's & Gent's Haircut
Beauty Packages • Bridal Make-up & Decoration • Skin Care Program
Manicure & Pedicure • Facial • Waxing & many more...
THE PAN PACIFIC SONARGAON
Dhaka Tel: 8111005 Ext: 4144 (Gents) 4143 (Ladies)

Cool buyer response leaves SOE divestment in limbo

By Shahriar Karim

Lukewarm response to sell-off of the state-owned enterprises (SOEs) has left the government's privatisation programme in the wilderness.

The Privatisation Board (PB) floated tenders for selling off seven SOEs last November, but received only two offers for one of the units.

The PB was forced to float fresh tenders for the rest five units in January which will close in March 2000. But officials fear the response may be the same again.

Earlier, the PB floated tenders for divesting 15 SOEs between November, 1998 and August, 1999. Only two of the bids saw the final stage, leaving no other option for the Board but to call fresh bids.

Huge long and short-term liabilities' separation of land from the factories, excessive delay in plant handover and excess manpower are some of the

factors which are keeping buyers at bay, officials said.

Most SOEs identified for privatisation have huge long-term liabilities, which the buyers have to bear. In many cases, the net worth of the units have become negative, rendering the SOEs unattractive to potential buyers.

To reverse the situation, the PB had floated a tender for a textile mill in Laxmipur in August, 1999 segregating its short and long-term liabilities. It was an experiment of the Board to see if such measures attract better response.

But the PB received only one offer for the unit which was again much below the expected price, sources said. As a result, the unit had to be put on sale again in January this year.

So far, the PB has been able to finally hand over only 18 units in six years since it

started work in 1993.

The government showed some interest in privatising the SOEs following the donor-slapped conditionalities since the '80s to stop hemorrhage of the national exchequer which run up to as much as Tk 2500 crore annually.

According to the World Bank, gross losses of the SOEs amounted to \$423 million in 1997, which is about one per cent of the GDP, 16 per cent of the Annual Development Programme (ADP) and 27 per cent of the disbursed aid.

The Bank also thought that it was too expensive to maintain the 259,000 employees of the SOEs since each of the jobs cost about Tk 175,000 per year. This is eleven times the country's per capita income and twelve times the wage of a rural off-farm labourer.

Only six units have so far been sold out and the shares of

nine off-loaded through the share market after a private-sector businessman, Kazi Zafrullah took over the Board's charge in 1997. Some others are in various stages of privatisation.

"In fact, it has become a regular practice for the Board to go through the tendering and re-tendering process due to inadequate response from the prospective buyers," said a high PB official.

The buyers now allege that superfluous manpower of the SOEs make the units unattractive as the government could not continue the 'golden handshake programme' due to fund constraints.

But PB officials say that the Board had acted as per the advice of the private sector to segregate the liabilities of the units before selling them, and yet, the result is not satisfactory.



The Sadarghat river port was empty yesterday as the launches and other goods-carrying vessels stayed away from regular sallies due to an opposition called hartal yesterday. — Star photo

FBCCI seeks appointment with Clinton during visit

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has sought an appointment with US President Bill Clinton during his visit in Dhaka late next month, reports UNB.

FBCCI officials said the appointment has been sought through the American Embassy in Dhaka.

Abdul Awal Mintoo, president of the apex body, in a letter to the US State Department sought the appointment on behalf of the business community of Bangladesh.

Earlier, during his visit to USA, Mintoo had approached the State Department for arranging an appointment with Clinton.

The private sector operators have also requested the US counterpart to pursue the Clinton administration for the appointment.

The business community has sought the appointment to gear up cooperation between the private sectors of the two countries, he added.

In the official talks during Clinton's visit, issues like the increase of garment quota, financial and technical assistance for infrastructure, agriculture, information technology and social sectors and debt relief are likely to come up.

USA is the single largest destination of Bangladesh's readymade garments that enjoy preferential access to its market.

3-day workshop begins at IUBAT tomorrow

A three-day workshop on economic management begins here tomorrow, reports UNB.

International University of Business, Agriculture and Technology (IUBAT) in collaboration with Canadian Consortium of Management Schools (CCMS) and Dalhousie University, Canada will organise the workshop at the IUBAT campus.

A good number of scholars and practitioners engaged in teaching and research programmes in economics, business administration and commerce at various universities, colleges, research and training institutions will take part in the workshop, according to a press release.

Purabi Insurance declares 10 pc dividend

Purabi General Insurance Company Limited has declared a 10 per cent dividend for its shareholders, says a press release.

The announcement was made at the company's 11th annual general meeting held in the city recently.

The meeting, presided over by company chairman Moeekbul Hossain, MP, was addressed by Directors Ahsanul Islam Titu, Mona Hossain and shareholders Waliul Bari Chowdhury, Sheikh Fazlul Karim and U. Akat Ali.

Riyadh defends recent rise in oil prices

TOKYO, Feb 16: Saudi Arabian Oil Minister Ali Naimi said Wednesday that the recent rise in oil prices was "reasonable in the light of price fluctuations over the past 50 years, reports AP.

"Today's oil price is not extreme," said Naimi, who arrived Tuesday for a two-day visit. Addressing an energy symposium in Tokyo, Naimi said that the average international price of crude oil during the last six months was "a reasonable one."

Workshop on Private-Public Partnership projects

Regulatory framework must for risk management

Star Business Report

Participants at a workshop in the city yesterday underscored the need for public-private partnership for rapid infrastructure development of the country.

They also sought a fool-proof policy for such partnership projects with a view to striking a balance between public benefit and profit-making by the private sector.

The three-day workshop on Public-Private Partnership (PPP) projects in Bangladesh was jointly organised by the Board of Investment (BOI), ES-CAP and ECE at the BIAM auditorium.

Chairing the session, Chairman of the National

Board of Revenue (NBR) Abdul Mueyed Chowdhury said the civil servants have an important role to play in the formulation of policies as politicians depend on them.

He brushed aside the criticism that the country went for a rapid liberalisation without properly studying its effects and said that nothing harsh had been done to free the market.

But he also cautioned that Bangladesh cannot afford to make mistakes and get entrapped like the Southeast Asian countries.

Talking about infrastructure development, he said that it was high time the policymakers seriously thought about bringing

commercial capital to this sector.

Based on his experiences, Michael Dymacek of the ECE-BOT Group said a PPP project needs to be prepared in such a way that the income generated by them can cover their construction and operation costs.

Graham Rowcroft of the British Trade International said that regulatory frameworks were essential for risk management of the partnership projects.

Barry Metzger of EEC-BOT Group said that liberalisation should take place with the support of proper legal reforms and strengthening of the regulatory institutions.



State Minister for Power, Energy and Mineral Resources Prof Rafiqul Islam speaks at the first national conference of the PDB Diploma Engineers' Association at the WAPDA auditorium in the city yesterday. Power Secretary Arabinda Kar, PDB chairman Qamrul Islam Siddiq and former DESA chairman S T S Mahmud were present. — PDB photo

FAO chief calls for debate on genetically modified organism

'Ethics committee would be set up to study the issue'

ROME, Feb 16. The head of the UN Food and Agriculture Organisation, Jacques Diouf, called for an international debate on genetically modified organisms (GMOs) and said the FAO would set up an ethics committee to study the issue, reports AFP.

"In order to know how to apply the 'precaution principle', we need an international debate on GMOs, which are also a problem for civilisation and society," Diouf told AFP in an interview.

He was referring to a part of the Biosafety Protocol adopted last month at a UN conference in Montreal allowing countries to block agricultural imports over which they had serious concerns.

"Between now and June the FAO will create an international committee on agricultural ethics," he said, adding that the issue was already being discussed by those responsible for the 'Codex Alimentarius'.

This is a collection of international standards concerning food quality and safety established by the FAO and the UN's World Health Organisation (WHO).

Diouf, who began a second three-year mandate in November

1999, wants the committee to include 'philosophers and religious representatives to consider the problem's human dimensions'.

The FAO chief stressed the need 'to analyse the problem in a scientific and ethical manner'.

"Today, with scientific advances, we have learned to isolate genes and to transfer them. We cannot therefore avoid asking ourselves what will happen if we put modified genes back into the environment," he said.

But with world population forecast to rise from six to eight billion people by around 2020, Diouf did not deny that GMOs represented hope for those who do not have enough to eat.

They are estimated at 790 million people, including 200 million children in developing countries.

The fight against hunger led to the creation of the FAO in 1945, and remains its priority, with Diouf confident that the number of people going hungry can be halved by 2015.

More than 8,000 agricultural technicians will be needed to bring the programme to full strength in about 100 countries, Diouf said.

On a partnership basis, 82 of the world's poorest countries have already exchanged experts in South-South cooperation typified by Vietnamese in Senegal, Moroccans in Burkina Faso, and Chinese in Ethiopia.

One tactic, he said, was the transfer of experience and know-how between developing countries, where 'Women account for 60 per cent of food production'.

On a partnership basis, 82 of the world's poorest countries have already exchanged experts in South-South cooperation typified by Vietnamese in Senegal, Moroccans in Burkina Faso, and Chinese in Ethiopia.

One tactic, he said, was the transfer of experience and know-how between developing countries, where 'Women account for 60 per cent of food production'.

On a partnership basis, 82 of the world's poorest countries have already exchanged experts in South-South cooperation typified by Vietnamese in Senegal, Moroccans in Burkina Faso, and Chinese in Ethiopia.

One tactic, he said, was the transfer of experience and know-how between developing countries, where 'Women account for 60 per cent of food production'.

KCITF-2000 begins on March 24

KHULNA, Feb 16: A 15-day international trade fair, the first of its kind in Khulna, will be held at the Circuit House maidan here from March 24 to April 7, reports BSS.

The fair, "KCITF-2000" (Khulna Chamber International Trade Fair-2000), will be organised by Khulna Chamber of Commerce and Industries (KCCI) in collaboration with ITPC (International Trade Promotion Centre) and GTZ of Germany. KCCI President S M Nazrul Islam said.

Thirty pavilions and 200 stalls will be set up in the trade fair by different organisations both from home and abroad.

Different companies from India, Pakistan, China, Iran, Taiwan and Sri Lanka have already confirmed their participation.

Prime Minister Sheikh Hasina is expected to inaugurate the fair while leader of the opposition in the Parliament Begum Khaleda Zia will attend the concluding day function.

Seamark wins Business in Europe Award

Seaford Marketing International (Seamark) has been named the first winner of the 1999 "Business in Europe" Award launched by Barclays Bank and the Financial Mail on Sunday newspaper in the United Kingdom, a press release of the British High Commission said yesterday, reports BSS.

The award was initiated to recognise the achievements of British companies exporting to Europe. In addition to the award itself, the Manchester-based Seamark won a prize of 20,000 for its outstanding contribution to doing business in Europe, the release added.

Seamark exports 85 per cent of its production of frozen seafood, mainly to other European countries. A significant percentage of its production is sourced from Bangladesh and then re-exported as value added products.

Apple unveils new product line

TOKYO, Feb 16: Apple Computer on Wednesday unveiled improved, faster models of its popular iBook and PowerBook laptop computers at the Tokyo MacWorld Expo show, reports AP.

Apple also announced it has increased the performance of its Power Mac G4 line, which runs professional applications. With its hot-selling Mac iBook and G4 computers drawing kudos from customers and envy from competitors Apple has been reaping the benefits of a remarkable financial turnaround under chief executive Steve Jobs.

Apple also said that its new Mac OS X, the next version of the software that runs the company's computers, will deliver high-quality Japanese lettering for p2int or on the screen.

Apple will be working under an agreement with Daiippon Screen Manufacturing Co, the leading font-developer in Japan, Apple said.

The new operating system, scheduled to be available later this year, is designed to make it easier to organize and work with computer programmes and files, according to Apple.

The improved version of the colourful iBook features double the memory and hard drive of the current model as well as a faster processor. The iBook sells at the unchanged price of 198,000 yen (\$1,800) in Japan and dlr \$1,599 in the United States.

A new "graphite" coloured iBook Special Edition, which has an even better processor, costs 218,000 yen (\$2,000) in Japan and \$1,799 in the United States, it said.

Minister says at confce in city Power output rises to sustainable level

State Minister for Power, Energy and Mineral Resources Prof Rafiqul Islam yesterday said the country's power generation capacity has increased to a sustainable level to meet the peak season demand, reports BSS.

"The power situation will improve further after the coming dry season," the minister said. He was speaking as the chief guest at the first national conference of Diploma Engineers' Association of Bangladesh Power Development Board in the WAPDA auditorium in the city.

The conference was also addressed, among others, by Secretary in Charge of the Power Division Arabinda Kar, Chairman of Power Development Board Qamrul Islam Siddiq, President of Jatiya Samik

League Abdus Salam Khan and Member-Secretary of the association Prodip Kumar Ghosal. Convenor of the association Sajjadur Rahman presided over the meeting.

Referring to the increased power demand during March to May, the minister laid emphasis on rational use of power in the peak season for avoiding load shedding. It is difficult to maintain the level of sustainable power generation due to the absence of adequate reserve margin, he added.

The minister hoped that the reserve margin of power generation would increase soon following implementation of the government steps to improve the power situation. The government of Sheikh Hasina has taken steps to ensure power for all by the year 2020, he added.

Bill Gates slapped with million dollar tax bill

SEATTLE (Washington), Feb 16. The home of the world's richest man boasts 84 kilometres (52 miles) of fiber optic cable, touch-sensitive pads controlling lighting, music, and climate, seven bedrooms, 24 bathrooms and a sauna, reports AFP.

It also boasts a whopping tax bill — more than one million dollars.

King County sent out annual property-tax bills Monday, and Microsoft founder Bill Gates and his wife Melinda were dinged for their home, which was valued at 109.5 million dollars.

The Gates' mansion and land on the eastern shore of Lake Washington have nearly doubled in value since their last assessment, driven by Seattle's hot real estate market.

Most of the appreciation is in the value of the mansion itself, which leaped from 49.2 million dollars to 97.6 million," King County assessor

Scott Noble told AFP. The value of the land went up comparatively little, from 10.1 million to 11.8 million dollars.

The estate has the highest value of any residence in Washington state, "and likely the nation," Noble said.

In 1997, the couple protested a 600,000 dollar-plus tax bill, but eventually paid the full amount.

The tax bill is not likely to make a dent in Gates' fortune — his net worth is estimated at more than 100 billion dollars, based on the value of his Microsoft shares.

A Microsoft spokesman declined to comment on the couple's reaction to the latest bill.

The massive Gates estate sits on two hectares (five acres) and took seven years to build. It features a 20-room main house and a man-made trout stream with its own salmon run.

Though most of the home is buried in the hillside, it has

Hartal destroys economy: BCI

President of Bangladesh Chamber of Industries (BCI) Khondoker Mosharraf Hossain yesterday urged all political parties to reach consensus to search for alternatives to hartal, reports BSS.

The BCI leader in a press statement expressed concern over continued strike enforced by the opposition and cautioned that hartal would gradually cripple the economy of the country.

"Our economic interests are hampered amid tough competitions in globalised world order and the backbone of our economy will be destroyed if the opposition continues frequent hartal calls," Mosharraf said.

He said the disappointing situation discourages the foreign investors and Bangladeshi products are losing grounds in the international markets as the local entrepreneurs often fail to meet shipment deadlines due to hartals.

Republicans promise vote for US-China WTO accord

WASHINGTON, Feb 16: Republican leaders in the US Congress said yesterday they were committed to passing a landmark trade agreement with China before August if President Bill Clinton can round up enough votes from wavering Democrats, reports Reuters.

Trade issues need to be on a bipartisan basis. We hope that we can count on the president on delivering the votes that we need," House Speaker Dennis Hastert, an Illinois Republican, told a news conference.

Republicans say Clinton must deliver as many as 100 Democratic votes in the House of Representatives in favour of the accord that would open Chinese markets and clear the way for Beijing to join the Geneva-based World Trade Organisation (WTO), which sets global trading rules.

Without Democratic support, the pact would not pass, House Republican Whip Tom DeLay of Texas said. A vote on the trade agreement was expected in June or July.

In the House, Republican outnumber Democrats by a slim margin of 222 to 211 with two independents. Some Republicans will oppose the pact, making Democratic support a necessity. The pact faces fewer hurdles in the Republican-led Senate.

"We plan to have this vote

completed by the first of August at the latest. But we want to have it as early as possible," said Representative David Dreier, a California Republican and member of the party's House leadership, who is leading the campaign for passage of the accord.

The timing of the vote is critical. The congressional session will be cut short by the November election, and some lawmakers may balk at the trade agreement as the campaign heats up. White House officials have warned.

The White House has already begun to lobby lawmakers, and Clinton was scheduled to meet with more than a dozen undecided Democrats later on Tuesday to increase the pressure.

But the trade agreement has been a hard sell.

Labour unions traditionally allied with Clinton's Democratic Party, have singled out the agreement for attack and have put congressional Democrats on notice that they will pay at the polls in November if they support it.

Union leaders and their allies in Congress have demanded that China improve labour standards before joining the WTO.

convince the Republican-led Congress to grant Beijing favourable access to US markets — so-called permanent normal trade relations status.

Permanent NTR would guarantee Chinese goods the same low-tariff access to US markets as products from nearly every other nation. China currently benefits from this status on a year-by-year basis.

House Republican Leader Dick Armey of Texas said he hoped Congress would vote on permanent NTR before July, but only after the European Union completed its WTO pact with China, and other negotiations were concluded.

"We will extend permanent normal trade relations to the Chinese people," Armey told reporters. "We will bring this bill to the House floor at the earliest possible moment after the administration presents a responsible package."

Study sees uncertainty in Chinese reform

Another report adds: A US congressional report released on Tuesday said a landmark trade agreement with China would benefit US exporters across-the-board, but warned that Beijing may not live up to its market-opening commitments and could be forced to devalue its currency if growth slowed.