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The Daily Star BUSINESS

DHAKA, MONDAY, FEBRUARY 28, 2000

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UK consultants' team arrives March 4

A team of British consultants arrives in the city on March 4 on a four-day visit to Bangladesh to demonstrate to the business community the high quality and value of British consulting services, reports BCB.

The mission, comprising delegates of nine British companies involved in agriculture, engineering, healthcare and other supply and electricity, will meet ministers, senior government officials and the business community in Dhaka.

An announcement yesterday said that they would run a series of seminars on the services of British consultants at a local hotel on March 5.

The British Consultants Bureau (BCB) members work in liaison with local companies to develop joint ventures. They also assist major funding institutions.

The BCB-organised visit is sponsored by British Trade International.

Emirates running competition on Dubai Shopping festival

Emirates passengers flying the airline between now and March 31, stand a chance to win holiday for four to Dubai, says press release.

During this period, Emirates of the Le Meridien Dubai are running a worldwide competition on the Dubai Shopping Festival (DSF) on board all its flights across the network.

The airline is giving away 10 Dubai holiday prizes, each for four persons, inclusive of return economy class tickets to Dubai and accommodation in the Le Meridien Dubai.

Emirates will arrange entry to Dubai arrival meet-and-greet services at the airport and complimentary tours of Arabian Adventures.

The DSF inflight competition is another of Emirates' efforts to raise awareness for the festival. Emirates is a major sponsor of the DSF, which takes place from March 1 to 31, a month of fantastic retail discounts, family entertainment and cultural events.

Entry forms for the competition are placed in seat pockets on board all Emirates aircraft. Passengers may submit the completed forms to the cabin crew.

Other privileges enjoyed by Emirates passengers are assistance with entry visa processing and excess baggage allowance of 10 kg on exit from Dubai (valid only during the DSF).

BRAC signs seed supply accord with Druk Seed

BRAC and Druk Seed Corporation of Bhutan signed an agreement on production and supply of seeds in the city yesterday.

Managing Director of Druk Seed Jambe Dorjee and Deputy Executive Director of BRAC Md Abdul Alam signed the deal on behalf of their respective organisations at the BRAC Centre, says a press release issued yesterday.

Under the agreement, the Bhutanese government-owned Druk Seed Corporation will produce and supply seeds of onion and 10 tons of radish to BRAC during the forthcoming crop season of April-May this year.

In addition to ensuring quality, Druk Seed will send samples and also provide technical assistance to the seed growers, ensure periodical inspections at various stages, and collect data on sowing, crop condition and estimated yield.

Al-Arafah Bank probationary officers' course ends

A comprehensive training course for the Probationary Officers of Al-Arafah Islamic Bank concluded at its training institute, says a press release.

AZM Shamsul Alam, Chairman of the Board of Directors, Managing Director, Abdul Alek Molla, Member of Board of Directors, Shiraj-U-Daula, Member of the Board of Directors, MA Matin, Vice President and Course Director, Kazi Md Masud and Mamunur Rashid, Course Co-ordinator, were present in the closing session.

The overall quality of banking service in the country is poor. Efficiency of the junior officers can be raised through well-conceived and planned training programmes. Many senior officers are unfortunately indifferent towards the training programme and efficiency improvement of their juniors. The unfortunate part of our banking system is that we are not courageous enough to realise and correct our lapses," he said.

Forged items keep taking toll on multinationals

Companies feel their goodwill is at stake

By Shahriar Karim

Unabated selling of counterfeit products has become a major cause for concern for the multinational companies (MNCs) here as they find it quite tough to face up to the situation.

In the last few years, a number of companies had lodged complaints with the police and even escorted the forces to the factories engaged in producing spurious items. And yet, the practice is on despite the knowledge of the law-enforcing agencies, industry sources complained.

The law-enforcers seldom nab the 'culprits' and seize the counterfeit products, but ultimately the forgers come out on bail and even threaten us for turning them to the police," said an MNC official.

In one such case, the officials of Lever Brothers Bangladesh Ltd detected a spurious product-making factory on the outskirts of Dhaka city last October. The factory was engaged in making fake Lux soaps. After the company officials informed the police about it, they clamped down on the factory and some workers were arrested.

But the culprits got bail from the court and are now intimidating the company officials.

"Such events make our business even more difficult because fake products hurt the goodwill of the company concerned," said a high official of Lever Brothers who is based in Dhaka.

Last year, the Foreign Investors' Chamber of Commerce and Industry (FICCI) and Bangladesh Oushadhi Shilpa Shamity also appealed to the Home Ministry for a crack down on fake drug-producing factories. However, this hasn't happened yet, sources said.

Officials of British American Tobacco, Bangladesh (BATB) also said that the forgers were still active despite some police actions against counterfeit cigarette-makers in different districts.

Cement is another sector where the forgers are actively involved and a number of cement factories have brought the matter to the knowledge of the Home Ministry, sources said. But no action was taken against the politically influential forgers.

The MNCs now say the country's age-old patent law has to be changed to deal with the counterfeiting problem.

Recently, some MNCs met the Speaker of the Jatiya Sangsad to apprise him about the matter and urged him to take initiatives to have a new patent law or upgrade the existing one.

The country's legal experts partly share the views of the MNCs, but they think that the victims themselves are not that much serious about the issue.

They say that the legal and regulatory frameworks are there, but the concerned departments have to implement them. Any company can always go to the court if they think that they are not getting proper protection from the government.

"If they (MNCs) are serious, they can always file writ petitions with the High Court saying that the concerned government departments aren't performing their duties causing damage to their businesses. And such moves will play an instrumental role in creating public awareness and making the authorities play their due roles," said Barrister Azharul Haque of Legal Remedy, a law firm.

Finance Minister SAMS Kibria speaks at the monthly luncheon meeting of the Foreign Investors' Chamber of Commerce and Industry (FICCI) yesterday. Seen on his left are Chamber President Waliur Rahman Bhuiyan and Secretary Jahangir Bin Alam and on his right is FICCI Committee Member James Ashworth.



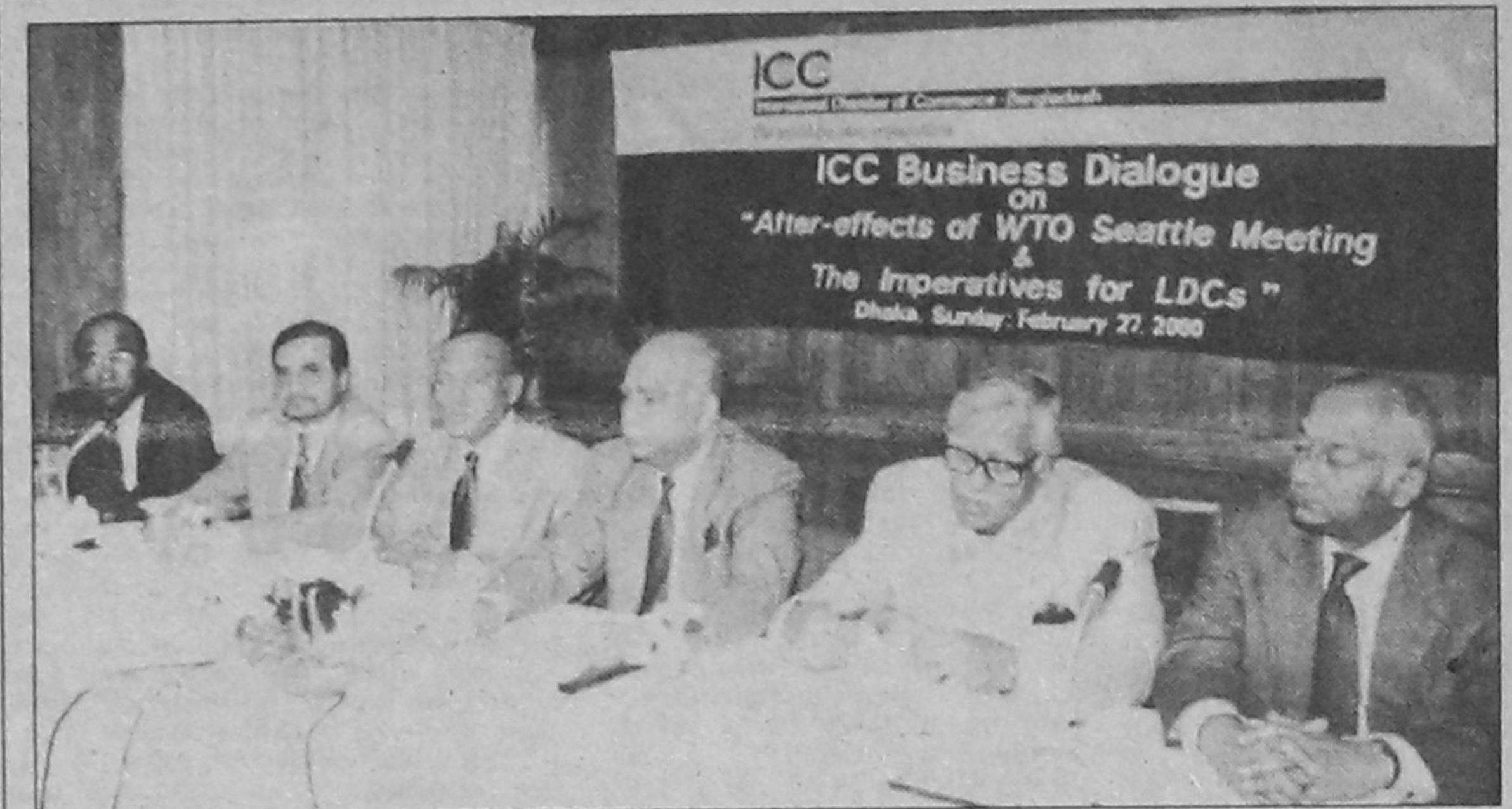
Finance Minister SAMS Kibria speaks at the monthly luncheon meeting of the Foreign Investors' Chamber of Commerce and Industry (FICCI) yesterday. Seen on his left are Chamber President Waliur Rahman Bhuiyan and Secretary Jahangir Bin Alam and on his right is FICCI Committee Member James Ashworth.

— FICCI photo

LDCs should demand equal rights

ICC-Bangladesh dialogue finds opportunity in WTO's Seattle failure

Star Business Report



Tofail Ahmed, Minister for Industries, speaks at the ICC business dialogue on "After-effects of WTO Seattle Meeting and the Imperatives for LDCs" at a local hotel yesterday. Mahbubur Rahman, President, ICC-Bangladesh, Abdul Jalil, Minister for Commerce, and ICCB Vice President and MCCCI President Latifur Rahman are seen on his left while M Mokammel Haque, Executive Chairman, BOI, and A Rob Chowdhury, Vice President, ICC Bangladesh, are on his right.

— ICC-Bangladesh photo

Bangladesh and all other Least Developed Countries (LDCs) should consider the failure of the WTO meeting held in Seattle late last year as an opportunity to spearhead their demands for enabling them with equal rights and facilities to integrate themselves with global trading and economy.

This was summed up at a business dialogue on "After-effects of WTO Seattle Meeting and the Imperatives for LDCs" organised by the International Chamber of Commerce (ICC)-Bangladesh at a local hotel in Dhaka yesterday.

Industries Minister Tofail Ahmed, Commerce Minister Abdul Jalil and Executive Chairman of the Board of Investment M Mokammel Haque attended the dialogue arranged to review the aborted WTO ministerial meeting in Seattle and what should LDCs do now to impress upon their demands.

Presided over by president of ICC-Bangladesh Mahbubur Rahman, the dialogue was also participated by vice-chairman of EPB Anwarul Bari Chowdhury, MCC president and ICC vice-president Latifur Rahman, ICCB vice-president A Rob Chowdhury, DCCI president Aftabul Islam, MCCCI president Wallur Rahman Bhuiyan, executive director of CPD Dr Debapriya Bhattacharya, NSU pro-vice chancellor Dr Hafiz G A Siddiqi, president of Bangladesh Employers' Federation A S M Quasem, former DCCI president M H Rahman, former ambassador Masum A Chowdhury, former secretary Inam Ahmed Chowdhury and Nazem A Chowdhury, former FICCI president A K M Shamsuddin, eminent journalist Sayed Kamaluddin, editor of Financial Express A H M Moazzem Hossain, MCCCI secretary general C K Hyder and

counsellor of European Commission delegation to Bangladesh Jorg Volker Ketselson, among others.

Speaking on the occasion, Industries Minister Tofail Ahmed said that the intended second round of multilateral trade negotiations dubbed "Millennium Round" would have brought more bad effects for the developing countries and the LDCs. He said it would make the LDCs more marginalised and added that the foremost need was the full implementation of the previous round or the stipulations of the Marrakesh Agreement.

Strongly supporting the viewpoints of Industries Minister Tofail Ahmed, Commerce Minister Abdul Jalil said the WTO must make a review of the implementation of previous round of multilateral negotiations before entering into any new phase of such talks.

In his key note speech, president of ICC Bangladesh Mahbubur Rahman said priority must be accorded to ensure that the developing world reaps the promised benefits of the previous Uruguay Round of trade negotiations before initiating any further round of such talks.

Earlier, Executive Chairman of Board of Investment M Mokammel Haque said that Bangladesh has a double responsibility as it itself is a least developed country and added to that it has to represent other LDCs. Therefore, he stressed, it must be very vocal against the unfair trends of global trade regime.

ICC Bangladesh vice-president and MCCCI president Latifur Rahman mentioned strict regulatory measures should be implemented to see that deception and exploitation are not carried out taking advantage of the norms of globalisation.

Call for cash incentives to help horticulture goods exporters

Export zone to facilitate post-harvest treatment sought

By Monjur Mahmud, back from Chandina, Comilla

A workshop on horticulture has recommended an exclusive export zone within 60 kilometres of Dhaka city to facilitate post-harvest treatment and establish a link between the farmers and entrepreneurs to export fresh produce.

It also underscored the need for providing cash incentives for exporting horticulture products which have a vast market in the US, Europe and other countries.

"There is a huge demand of fresh farm produce worth several billion dollars in Europe and US and if Bangladesh can win 10 per cent of the orders, it will exceed the earnings of the garment sector," observed the participants of the workshop on "Linkage Development of

Fresh Produce Exporters, Contract Farmers, DAE, NGOs and Hortex Foundation.

Organised by the Horticulture Export Development Foundation (Hortex Foundation), it was held at the BRAC export centre at Chandina in Comilla Saturday.

Chaired by Dr. A Quasem, Managing Director of the Foundation, the workshop was attended, among others, by M. Enamul Hoque, Director General of the Directorate of Agricultural Extension (DAE), as chief guest and Khaledur Rahman, Vice-President of Bangladesh Fruits, Vegetables and Allied Products Exporters' Association (BFVAPEA), as special guest.

DAE DG M Enamul Hoque

termed horticulture 'a gold mine for Bangladesh' and said that this promising sector was still untapped. He also emphasised value addition of the agricultural products.

Dr. A Quasem, Managing Director of the Hortex Foundation, said that his organisation was providing technical assistance to the growers and exporters to capture foreign markets.

"We have already established the demand of our products, including French bean, okra, green chili and baby pineapple in the international markets to some extent, and we want the entrepreneurs to come forward with a view to exploring the latent potential of the sector," he said.

"We hope that we would be able to market frozen vegetables to the EU and US markets within three to four years," Quasem said.

Dr. Semunegus Haile Marium, the Production and Packaging Specialist of Hortex Foundation, said that priority should be given to establishing an exclusive export zone for exploring the potential of the sector.

Khaledur Rahman, Vice-President of BFVAPEA, said the current air freight charges are very high, which reduce the exporters' profit margins.

He demanded a 25 per cent cash subsidy to allow farmers get more value for their produce side by side encouraging the exporters.



Trond Moe, Managing Director of GrameenPhone, and Soeren Rendal, Managing Director of Siemens Bangladesh Ltd, inaugurates the Sylhet branch of Siemens Friday. Mehboob Chowdhury, Director, Sales & Marketing, GrameenPhone, and Syed Feroze Ahmed, General Manager of Siemens Bangladesh Ltd, and high officials of both companies were also present on the occasion. Besides providing after-sales service of Mobile phones, the branch will deal with the whole range of activities of Siemens, covering the fields of telecommunications, power and medical engineering.

— Adcomm photo

Weekly Currency Roundup

Yen hits record low, other Asian units slightly weaken

HONG KONG, Feb 27: The yen hit its lowest level since August during the week as investors grew nervous about the Tokyo city government's refusal to compromise over its plan for a special tax on major banks, reports AFP.

The tax plan has prompted negative views about Japan's financial system.

The Aussie fell on a negative short term outlook for the unit. A sustained recovery is not seen as likely unless commodity prices rally or expectations are raised of tighter monetary policy.

Elsewhere in the region, currencies were generally slightly weaker.

See Yen: The yen edged down during the week as investors grew nervous about the Tokyo city government's refusal to compromise over its plan for a special tax on major banks, dealers said.

The Japanese unit traded at 110.83-86 against the dollar, compared with 110.73-76 a week earlier.

On Tuesday, the yen hit a low of 111.73 to the dollar, its lowest level since August 25, when it reached 112.40.

Tokyo's tax plan has been

pressuring the yen as it is triggering negative views about Japan's financial system," a dealer said.

Tokyo governor Shintaro Ishihara wants to levy a special surcharge of three per cent on the gross profits of major banks based in the Japanese capital, despite hostility from the banks and the central government.

The yen recovered moderately toward the end of the week as the dollar was hit by profit-taking, dealers said.

Australian dollar: While a firmer Aussie is seen in the long run, there is little to attract buyers in short-term dealers said after the domestic unit plunged more than 1.5 US cents over the week.

"Hedge funds and investment banks through the exit doors in January and have had no compelling reason to return," said Craig James, Colonial State Bank chief economist.

"It will take a sustained rally in commodity prices or the expectation of tighter domestic monetary policy for buyers to return to the Aussie," he said.

New Zealand dollar: The New Zealand dollar closed Friday at 48.85 US cents down from 49.22 a week earlier.

The Kiwi weakened partly in response to the lower Aussie but Bank of New Zealand (BNZ) chief dealer Mike Symonds added there was good buying interest in the Kiwi as US funds switched out of the Australian dollar.

"Some of these fund managers have been in Australia for a period of time so this is not just speculative selling... we're seeing real money leaving Australia," he said.

Hong Kong dollar: The Hong Kong dollar stood at 7.7821-7.7831 on Friday, down slightly from 7.7807-7.7809 the previous week.

Taiwan dollar: The Taiwan dollar eased slightly to 30.764 against the greenback over the week from 30.715 due to falling share prices, dealers said.

The currency is expected to remain stable in the coming week, they said.

Singapore dollar: The Singapore dollar eased a little to 1.7080 from 1.7038 the previous week on expectations that higher US interest rates without inflation will make the greenback attractive, dealers said.

Philippine peso: The Philippine peso closed barely changed at 40.87 pesos to the dollar compared to 40.67 pesos a week earlier.

South Korean won: The won weakened from 1,130.20 won per dollar a week earlier to 1,136.60 won Friday after the government issued bonds worth 700 billion won (617 million dollars) to curb the currency's appreciation.

The dollar-won exchange rate is likely to move, between 1,130 won and 1,140 won per dollar in the week ahead, dealers said.

Indonesian rupiah: The rupiah weakened marginally to 7,408 to the dollar at the close Friday as compared with 7,405 a week earlier with late offshore buying Friday taking it off mid-week lows.

Thai baht: The Thai baht strengthened slightly to 37.96-99 to the US dollar on Friday compared to 38.03/05 in late trade the week before.

The unit weakened a little the week after stocks fell seven per cent on Tuesday and foreign funds left the market.

Indian govt playing with budget anxieties

NEW DELHI, Feb 27: A lot of fingers could get burned by what is widely expected to be an austere, deficit cutting Indian budget on Tuesday, but few will be able to complain they were given no advance warning, reports AFP.

"Rough medicine," "tough measures," "sacrifices," "hard options" — For weeks now, top government officials have been vying with each other to place the next warning flare on the path to the budget announcement in parliament.

Sceptics say the government is deliberately exaggerating its intentions so that when Finance Minister Yashwant Sinha finally unveils his policies, the reality, while still harsh, will have been stripped of any shock value.

"They are saying it will be very harsh and so on, but I don't think the budget will go beyond trying to cut public spending and rationalisation of taxes," said venture capitalist Pradip Shah.

"This is a coalition government and so it will be wary of any overly unpopular measures," Shah said.

Sinha has made it clear that his main concern is the country's widening fiscal deficit, currently running at more than six per cent of gross domestic product (GDP).

A critical factor in narrowing the deficit will be the government's willingness to cut state subsidies — still considered something of a political sacred cow in India, especially in rural communities.

In various pre-budget speeches, Sinha has been adamant that the subsidies issue must be tackled head on, no matter how sensitive.

"We must not duck these challenges, failing which we will continue to trundle along like we have done in the past decade," Sinha said.

"No nation can go ahead and prosper if it avoids taking difficult decisions. If we want to get our due place in international community we must address the problems."

Trade bodies estimate that roughly nine billion dollars have been spent over the past five years by various governments on subsidies to farmers and the weaker sections of society.

The Indian government subsidises the purchase of fertilisers, seeds and pesticides for farmers. They also pay next to

nothing for electricity and water.

But when Sharad Joshi, leader of India's main agricultural lobby, went to see Sinha for pre-budget consultations last month, he insisted that the subsidy levels were "paltry" and needed to be increased rather than reduced.

Prime Minister Atal Behari Vajpayee, meanwhile, chimed in with surgical precision on Friday when he likened the Indian economy to an ailing hospital patient in need of urgent attention.

"When a patient suffering from a serious illness is to be cured, the doctor sometimes has to administer strong medicine," Vajpayee said.

"If the medicine is right, it will have the desired effect of bringing the patient back to health. But if the medicine is not right, or if the treatment is postponed for too long, the doctor will be guilty of worsening the condition of the patient."

India's fiscal deficit is being financed by borrowings, which on average amount to more than 2.2 billion rupees (51 million dollars) every day. The government pays nearly half of every rupee it earns as interest.

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