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Visa anomalies irk foreign investors

Multinationals lodge complaints with Foreign Chamber

By M Shamsur Rahman

Foreign companies operating in Bangladesh are facing serious problems due to the anomalies in issuing multiple visas.

A number of multinational companies have already notified the Foreign Investors Chamber of Commerce and Industry (FICCI) about the difficulties in obtaining visas for expatriates. The companies say that the authorities flout the government policy and create unnecessary hindrances.

FICCI has already taken up the issue with the Board of Investment (BOI) and Home Ministry.

The country's industrial policy says that an investor will be issued a three-year multiple entry visa while the expatriate workers will be given multiple entry visas to cover the tenure of his job. The Board of Investment (BOI) will, however, issue work permits to such persons.

"But we are not getting work permits in accordance with the government policy. When we approached for multiple entry visas for Bo-Sun Park, Chair-

man of Tachung Packaging (BD) Ltd, the authority said that it could only issue visa for one year with six entries," Ms. Ok-Kyung Oh, Tachung Packaging Managing Director said in a letter to FICCI.

"This has put us in a fix and we fail to understand whom to approach for getting the government policy implemented/executed in its true spirit," the complaint said.

It said that when they applied to BOI for work permits, the Board verbally asked for Tk 5,000 as fee, which was also a new introduction. "We are sure that being the foreign chamber you also have no knowledge of such BOI decision."

In a separate letter to the FICCI on April 6, 2000, Managing Director of Shell Bangladesh Andrew Vaughan complained about the existing visa issuing system of the government's Immigration Department.

The system is hitting business hard as one has to apply frequently for extension of entries and also needs to apply for

extension of the multiple entry visas in every six months or in a year, the Shell MD's letter said.

"Each of the applications has to be approved by the sponsoring authority and the concerned ministry, and every time security clearance is also required," he said.

The delay in giving approvals restricts the expatriates' movement to and from Bangladesh, he said.

"If the number of entries are exhausted or the visa expired and the expatriate needs to go outside Bangladesh, then the expatriate has to obtain an exit visa and again get another visa to enter into the country," the Shell Bangladesh MD pointed out.

"As the multiple entry visa depends on the work permit and the approval of the work permit takes a long time, the expatriates' movement to and from Bangladesh before obtaining the permit is also restricted," he said.

He said that arrangements should be made to issue multi-

ple entry visas without any restriction on the number of entries throughout the whole work permit period.

After getting such complaints, the FICCI wrote to the BOI last Sunday saying that "due to the irritating visa hitches, a good number of foreign investors are increasingly becoming discouraged to carry on with their investments in Bangladesh."

According to the government's industrial policy 1999, there shall be no hinges in issuing work permits to foreign experts based on the recommendations of foreign and joint venture companies. Three-year Multiple Entry Visas shall be issued to foreign experts for the entire length of their employment.

"Currently, the foreign investors and their expatriate employees are issued work permits valid for only two years and multiple entry visas having 1-2 years validity with the number of entries restricted to only six," the letter said, adding "this we understand is being

done in violation of the avowed government policy."

The FICCI in a letter to the Home Ministry in early January stated that the ministry had recently instructed various Bangladesh missions not to issue visas other than private investment (PI) visa to foreigners who will be working in the country.

"This has created a hell of a lot of problems for foreign companies doing business in Bangladesh," the FICCI said.

The foreign chamber letter also said that on one occasion, the Bangladesh mission in New Delhi issued a PI visa with a stamp saying "Employment in Bangladesh -- Paid or Unpaid prohibited", which made the visa 'meaningless'.

If foreign investors need to fulfill all these requirements in obtaining PI visas, many of them may start thinking of withdrawing from Bangladesh while others will think twice before coming to this country, the letter said.



Pre-season plenty

Though the real season for hilsa is yet to come, the city's retail and wholesale markets are witnessing plenty of it these days.

— Star photo

Italy to make debt relief move for LDCs, Bangladesh

HAVANA, Apr 13: Italy will take initiatives for debt relief of the least developing countries (LDCs), including Bangladesh, says UNB.

The Italian Development Cooperation Minister said this while talking to Bangladesh Foreign Minister Abdus Samad Azad on the sidelines of the South Summit in Havana Wednesday, according to a message received in Dhaka yesterday.

The Italian minister said his country would present a proposal for writing off of LDCs' debts in the coming D-8 summit in Tokyo in July next.

The Italian minister, who was attending the summit as a guest, informed the foreign minister that the Italian Parliament took the decision three months ago and would offer it to other D-8 members in Tokyo. Even if the other members do not join the initiatives, Italy will proceed unilaterally with their debt relief plan, he said.

Global trade grows 4.5 pc in '99

Poor nations show strong performance

GENEVA, Apr 13: Global goods trade grew by 4.5 per cent in 1999, well below the average for the last decade, but surged in the final months to set course for a solid advance this year, the World Trade Organisation (WTO) said today, reports Reuters.

In its spring survey, the body said developing countries had turned in a strong performance, boosting exports by over eight per cent and grabbing a 27.5 per cent share of global trade, their largest share of the world total in 15 years.

The annual report, based by WTO specialists on preliminary figures from some 190 countries, is widely seen as offering pointers to the state of international economic health.

It said that, with world economic output expected to climb to 3.5 per cent from three per cent last year, the growth of

trade in the year 2000 could spur to 6.5 per cent — and more if there is a pickup in demand in Western Europe and Japan.

But senior WTO economist Michael Finger told a news conference that a burgeoning US current account deficit cast a "small cloud of doubt" over this scenario in the medium term.

"The US deficit is not sustainable and this poses a major risk for the second half of this year and for 2001," he said.

Capital flows into the United States had until now helped cover the gap "but we do not know how long this will continue," said Finger. "We all know from experience that capital flows can turn round very quickly."

The report said continuing strong US demand had been one of the motors of last year's late recovery in global trade growth after nearly two years of decline

sparked by the Asian financial crisis.

The other was the recovery in Asia — and especially in the five worst hit countries and Japan — from the woes of 1997-98, according to the WTO.

The five — Indonesia, South Korea, Malaysia, Philippines and Thailand — increased imports by 17.5 per cent after a huge drop of 22.5 per cent in 1998, although their export growth slowed from 13 per cent to 11.5 per cent last year.

Across the world, Latin America overall turned in its worst annual economic performance for the past decade, and was only saved from decline by sparkling returns from Mexico which exported 13.5 per cent more goods and imported 15 per cent more than in 1998.

Finger said this was explained by the stimulus provided by Mexico's membership

of the North American Free Trade Agreement (NAFTA) alliance with the United States and Canada and by the dominance of manufactured goods in its exports.

North America — the United States and Canada together — increased exports by 4.5 per cent and imports by 10.5 per cent.

But the 15-nation European Union, the world's top exporting power, saw growth of sales of goods beyond its borders grow by only 3.5 per cent while its imports increased by the same figure.

In percentage terms, overall goods trade growth last year was identical to that in 1998 and well down on the 10.5 per cent of 1997 when the effects of the Asian financial turmoil had still to make their mark.

The average for the period 1990 to 1999 was 6.5 per cent.

Pakistan seeks new IMF loan to keep economy afloat

ISLAMABAD, Apr 13: Pakistan is seeking a new loan package from the International Monetary Fund after an earlier \$1.6 billion package was cancelled, a finance ministry official said Wednesday, reports AP.

The earlier loan package fell by the wayside after Pakistan failed to meet the economic reform conditions laid out by the IMF.

It's not known how much money Pakistan is seeking. Should Pakistan negotiate fresh loans from the IMF it will use the money to tackle its burgeoning debt and try to reduce the level of poverty, finance ministry officials Moen Afzal told a news conference.

A five-member IMF team has been in Pakistan for nearly two weeks reviewing Pakistan's economic performance. A decision about future funding for

Pakistan will be made by the IMF board following meetings later this month in Washington with Pakistan's Finance Minister Shaukat Aziz.

The IMF originally suspended its \$1.6 billion program in May 1999 when Nawaz Sharif was in power. He was thrown out in a military coup in October, 1999.

The IMF money was suspended because Sharif's government failed to implement promised reforms like broadening the tax base and speedy privatisation of state-owned companies. It has since been cancelled.

The State Bank of Pakistan governor Ishtar Hussain, who also addressed the news conference, said the ousted government was not committed to economic reform thus the failure of the IMF programmes. He said they were unable to mobi-

lizer resources and take tough and sometimes unpopular economic decisions.

Pakistan is struggling keep its battered economy afloat and pay of a \$32 billion foreign debt while enduring sanctions imposed following its nuclear test in May 1998.

Pakistan received some aid following the nuclear tests to avoid a default on its payments. As well Pakistan has been able to reschedule \$3.3 billion in debt.

The army-led government says economic reform is a priority.

Afzal said there are some signs of improvement. The deficit is on the decline, inflation is about four per cent so far this year compared to six per cent last year. The gross domestic product growth rate is about 4.4 per cent compared to 3.1 per cent.

BIA seminar on role of actuary held in city

A seminar on "Role of an Actuary" arranged by Bangladesh Insurance Academy was held at the Academy Bhaban in the city Wednesday.

The seminar, first of its type, proved very useful for the insurance executives, professionals, teachers and even students. David J Richardson, an eminent and internationally-recognized actuary and consultant of the Asian Development Bank (ADB), was the key-note speaker.

Shafat Ahmad Chowdhury, a noted Actuary and Advisor, Sandhani Life Insurance Co Ltd, was present as the chief guest. Dr Mohammad Sohrab Uddin, also an Actuary and Deputy Governor of Bangladesh Bank, attended the seminar as the session moderator.

Jafar Halim, Actuary and Managing Director of Progressive Life Insurance Co Ltd (proposed), and Shehadeh Ahmed, Actuary and Managing Director of Prograti Life Insurance Ltd (proposed), were present as panel discussants.

Sony to begin selling digital music online

NEW YORK, Apr 13: In the latest effort to combat music piracy on the Internet, Sony will begin offering commercial downloads of single songs later this month, says AP.

The songs will be offered in a secure, non-copyable format developed by Sony called ATRAC3. Users can play the songs back on a computer, but the only portable devices that support the format are made by Sony.

Makers of the popular Rio and Nomad players, which use the MP3 format that allows for copying, do not yet make devices that can use secure, non-copyable formats.

The initial lineup from Sony, which announced the plan Monday, will include 50 singles from Sony's roster of artists, including Pearl Jam and Jennifer Lopez. The singles will be priced at around the same level as for a regular CD single.

Sony and other major music studios have been concerned about the widespread piracy of music over the Internet and have been reluctant to offer commercial downloads for sale without assurances they won't be illegally copied.



A woman walks past a billboard advertising an Indian Internet portal April 11 in Calcutta. Indian entrepreneurs have embraced the Internet with a fervour which has more than matched more developed nations in the Asia-Pacific region, with the sub-continent nation having over 500 Internet-related start-ups launched in 1999.

—AFP photo

FDI in China rebounds, industrial output up

BEIJING, Apr 13: Reversing a steady decline that has slowed economic growth, China's actually used foreign direct investment grew 10.3 per cent in March, a senior trade official said Tuesday, reports AP.

Ma Xihong, assistant minister for Foreign Trade and Economic Cooperation, didn't provide a nominal figure for March, but she told a news conference that the one-month rise brought first quarter actual foreign direct investment to \$7.14 billion, a 2.7 per cent decline from the same period last year.

"The figures in the first quarter reflect a relatively clear recovery," Ma said.

Contracted foreign direct investment in March soared 50.3 per cent over the same month a year earlier, contributing to a 27.1 per cent on-year increase to \$11.08 billion in first quarter 2000, Ma said.

The jump in foreign investment mirrors a rebound in exports, which surged 41.2 per cent in January and February from the same period in 1999, according to the General Administration of Customs.

Khulna BSTI conducts spl drive against dishonest traders

KHULNA, Apr 13: Bangladesh Standard and Testing Institute (BSTI), Khulna, conducted a special drive against 294 dishonest traders who are using illegal weight and measurement in their transaction through 43 mobile courts, says BSS.

The mobile court realised about Tk two lakh as fine in different districts under Khulna and Barisal divisions during the last eight months, official source said.

One mobile court realised Tk 2750 by making moves against five persons in Khulna city in July '99.

Four mobile courts conducted drives in Khulna, Jessore and Jhenidha districts against 24 persons and realised Tk 17,660 in August '99.

Six mobile courts launched action in Barisal, Satkhira, Chuadanga and Magura districts against 42 persons and realised Tk 58,850 in September '99.

Nine such courts went for action in Magura, Pirozpur, Patuakhali, Vola and Jessore districts against 59 persons and realised Tk 51,000 in October

'99. In November 1999, five mobile courts conducted drives in Bagerhat, Kushtia, Barisal and Magura districts against 48 persons and realised Taka 15,000.

Eight mobile courts in Magura, Satkhira, Borguna, Barisal, Vola and Kushtia districts realised Taka 18 thousand and 3 hundred from 45 persons in December '99.

Putin for less oppressive tax system in Russia

MOSCOW, Apr 13: President Vladimir Putin on Thursday called for more transparency in Russia's complicated tax code, saying that small businesses must have greater financial freedom to operate, says AP.

Russia's tax code is seen as oppressive and archaic, and many businesses use numerous loopholes to avoid paying. In some instances, if a company were to pay all its taxes, it would have to pay out more than 100 per cent of its profits.

But now, they are climbing back to the top.

Gail Dudack, Warburg Dillon Read's chief investment strategist, has recently found her continuously cautious analysis leading the firm's daily package of research notes.

Dain Rauscher's technical analysts, Robert Dickey, also belts out his careful commentary, warning that another selling wave is in the works.

"The analysts tend to jump on board and that just exacerbates any move that is under way," Prime Charter's Bleier said. "Everybody's saving. Lighten up on technology, lighten up on technology, and except for very few, they're all just following the trading, not leading it."

Some market watchers blamed the dominance of bulling calls to lucrative in-

Technology bear has the floor ending hibernation

NEW YORK, Apr 13: Heads up. The hibernation is ending, and the technology bears are roaring out of the cave, into the daylight, says Reuters.

Wall Street's tech bears, deemed the losers not too long ago, are now claiming victory — and they're doing it loudly. After being muzzled last year and at the start of 2000, the market's pessimists have begun to pipe up, celebrating their foresight.

"Six months ago, anybody with a bearish tendency was un-American. Anybody with a bearish tendency was a loser," said Scott Bleier, chief investment strategist at Prime Charter Ltd.

But now it's safe for them to come in from the cold.

As US technology stocks drag the Nasdaq composite through multiple support levels in a month-long descent from the market's peak, more cautious analysts have taken the bullhorn. They are urging investors to pull even more

money out of yesterday's high fliers and jump back into more traditional, old economy stocks.

Since the Nasdaq composite IXIC peaked at 5,048.62 on March 10, the technology-laden index is down nearly 19 per cent, while the Dow Jones industrial average DJI, maligned as being too "old economy" during the tech run-up, has risen nearly 14 per cent.

"Certainly the bearish bandwagon is overflowing," said Charles Payne, head analyst at Wall Street Strategies, an independent market research firm. "It seems every single analyst on the street is on the old economy bandwagon and determined to drive the last nail in the coffin of high-flying techs and arrogant investors."

Merrill Lynch's chief technical analyst, Richard McCabe, grabbed the microphone on Monday, telling investors to use the rebounds in tech stock prices to sell some of those shares and move cash into de-

cidedly low-tech energy, basic industry, consumer cyclical and financial issues.

That just fanned the flames of a tech burn that started a month ago and has accelerated steadily for two weeks.

Abby Joseph Cohen, Goldman Sachs's investment policy chair and one of Wall Street's most influential strategists, started the trend in late March. Cohen, a long-time bull, trimmed the equity exposure in her model portfolio, creating a 5 per cent cash component.

The next day, another guru, Mark Mobius of the Templeton Fund, warned that recent volatility in Internet stock prices could herald the onset of a steep global selloff in the soaring sector.

Wall Street's response? The tech-driven Nasdaq composite index lost 124 points the day of Cohen's comments, 189 points after Mobius's warning and another 186 points the following session.

Once the bruising began, the precedent was set for more strategists and technical analysts to raise their voices, urging shifts into stocks whose valuations were tied to actual profits, not the hope of future earnings.

"Everyone is becoming a follower," said Larry Rice, chief investment officer at Josephthal Lyon & Ross. "Everyone is trying to call the (market) top and when they can't, they end up following the herd."

"I don't think anyone has become bearish long term, but they've become momentum players," Rice said. "Still, I just always wonder what happens when one of the major gurus comes out and says to sell all tech, 'A NEW LANDSCAPE?'"

At the end of last year, bafflement and amazement at the Nasdaq's astounding 86 per cent rise last year reached new heights, and investors had to dip deeply into Wall Street's well of wisdom to find a hint of caution.

The market sages and institutional traders were warned repeatedly by technical analysts and long-term bears about the danger signs evident all around, particularly about the market's climb on a narrow group of big high fliers.

But smaller investors, whose great cash infusions collectively are changing the nature of trading, saw and heard only the bulls on the airwaves.

The stock rally of 1999 pushed many bears to near extinction.

David Shulman, former chief equity strategist for Salomon Brothers, moved to a hedge fund after his firm merged with Smith Barney.

Michael Metz, formerly the chief stock market strategist for Oppenheimer, saw his duties reduced to portfolio manager. And Don Hayes retired from his spot as chief investment strategist for Wheat First Union.

Some market watchers blamed the dominance of bulling calls to lucrative in-

Canada envoy tells Mintoo Right environment needed for aid utilisation

Star Business Report
Canadian High Commissioner in Bangladesh, David Preston said the right environment is needed for utilisation of foreign aid.

He said this at a meeting with president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), Abdul Awal Mintoo in the city yesterday, says a press release.

During the meeting, they discussed matters relating to foreign aid, World Bank conditionalities, transparency, role of private sector and sub-regional cooperation.

The Canadian envoy said the level of commitment should, in fact, depend on the progress of reform programmes. He mentioned about the sub-regional cooperation between Bangladesh, the north-eastern region of India, Nepal and Bhutan.

The FBCCI president said that World Bank in consultation with the bureaucracy laid down conditionalities which undermined the interest of the private sector. These conditionalities were hardly discussed with the private sector. Civil society should be properly consulted in respect of such obligations. The views of private sector must be taken into account before finalising the lending programme of the World Bank, he added.

Salman F Rahman, past president of FBCCI, also took part in the discussions.

Oil price to stay above \$20 this yr: Shell

THE HAGUE, Apr 13: The price of oil is likely to remain above 20 dollars a barrel this year, the joint chairman of Royal Dutch/Shell, Pieter Maarten van den Bergh said today, reports AP.

Speaking outside a conference organised by the Institute of International Finance of Washington, he said that in the long term the price of oil would fall again because members of the Organisation of Petroleum Exporting Countries (OPEC) would have difficulty in maintaining a cohesive position.

An increase of production by some producer countries which did not belong to OPEC would also depress prices, he said. On Wednesday Shell announced reviewed financial targets.