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The Daily Star BUSINESS

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ICCB team goes to Budapest today

A 5-member delegation of International Chamber of Commerce (ICC) Bangladesh will leave for the ICC World Congress in the Hungarian capital of Budapest today, reports UNB.

The three-day congress will begin on Wednesday.

ICC Bangladesh president Mahbubur Rahman will lead the delegation that includes Latifur Rahman, Samson H Chowdhury, Barrister Rokun-uddin Mahmud and Barrister Tanja Amer.

The congress, expected to be inaugurated by Hungarian president Arpad Goncz, will be participated by more than 300 top business leaders as well as government functionaries and academics from around the world.

He said the Congress, held every two years, is one of the biggest gathering of the business people to discuss and decide on various challenges facing the global trade.

The last ICC World Congress was held in Shanghai, China, in April, 1997.

Rahman said recent developments in the world economy and the outlook for the coming years, impact of globalisation of trade, child labour, safe workplace, impact of internet on business and society, electronic commerce, lessons from the Asian financial crisis to avoid future upheavals are likely to feature the 3-day deliberations.

At the end of the congress, ICC President Adnan Kassas will present the Budapest Business Declaration 2000 highlighting the key conclusions of the Congress, Rahman said.

Plan to form holding co Grey Global's ad unit to become Grey Worldwide

Driven by the rapid growth and a broad range of its diversified marketing companies worldwide, Grey Advertising Inc. recently announced it would establish a holding firm to serve as the parent company of Grey's all communications properties, says a press release issued from New York.

To accomplish this, subject to stockholder approval, Grey Advertising Inc. will change its name to Grey Global Group Inc. and the core-advertising agency will become Grey Worldwide.

As part of the change, a new management has been promoted to run Grey Worldwide. The announcements were made by Edward H Meyer, Chairman, President and CEO of Grey Global Group.

The new structure and management promotions recognise the company's shift in focus over the last decade from an advertising agency-dominated company to a full communications company with a global advertising agency and large-scale, rapidly-growing global companies specialising in public relations/public affairs, direct marketing, Internet communications, healthcare marketing, and on-line and off-line media services.

New chairman of Reckitt & Colman Bangladesh



The Board meeting of Reckitt and Colman Bangladesh Limited has made Abdul Haque, Managing Director of the Company, also its Chairman, says a press release.

Previous Chairman of the company Pranab Barua will continue as non-executive director of the Board. Pranab Barua is the Regional Director South Asia of Reckitt and Colman.

The recently-held Board meeting was attended by K N Bhattacharya, Regional Finance Director-South Asia of Reckitt & Colman, Rashid-ul-Hasan, Chairman, Uttara Finance and Investment Limited, Shahid Uddin Ahmed, Joint Secretary, Ministry of Industries, Mirza Tasadduq Hussain Beg, Joint Secretary of the Ministry of Defence.

Abdul Haque joined Reckitt and Colman Bangladesh in July 1999 as Head of Marketing. He was in charge of the marketing function until January 1995.

In January 1987, he was appointed Managing Director of the company in Bangladesh. Prior to joining Reckitt & Colman, he held different positions in marketing and sales in Lever Brothers Bangladesh Limited.

FICCI concerned at US push to allow trade union in EPZs

Luncheon meet says move may drive away investors

Star Business Report

The Foreign Investors' Chamber of Commerce and Industry (FICCI) has expressed its concern at the US pressure on Bangladesh to allow trade union activities in the country's Export Processing Zones (EPZs) at the behest of the American Federation of Labour and Congress of Industrial Organisation (AFL-CIO).

The EPZs were created as special economic zones through an Act of the Parliament prohibiting trade unionism for obvious reasons. This specific incentive helped the zones attract considerable foreign investments," said Wali Bhuiyan, President of FICCI, at the Chamber's monthly luncheon meeting held at a city hotel yesterday.

"If this incentive is withdrawn, the existing investors of these zones would shy away and foreign funds may go to other locations, thereby depriving Bangladesh of the much-needed foreign direct investment (FDI).

As a result, the fate of the private EPZs will be imperiled," he added.

John C. Holzman, US Ambassador in Bangladesh, attended the meeting as the guest of honour.

The FICCI president said many of the existing foreign investors in these zones have expressed their concerns at this development. "While we appreciate the view that EPZ workers must have the right to freedom of association, a mid ground could be a better solution."

According to experts, Bangladesh needs to ensure double-digit growth over the next few years with a view to getting out of the poverty trap, he stated.

"Domestic savings alone cannot achieve this," Wali Bhuiyan said, adding that the country now needs an enabling environment for luring more and more FDI. This calls for reforms in the financial, fiscal, legal and law and order sectors.

"The balance of trade between the two countries is heavily tilted in favour of Bangladesh. Exportable like leather goods, jewellery, computer software and data processing have tremendous prospect in the US market."

With 129 million people, Bangladesh is a substantially big market to attract prospective US investors, the FICCI president mentioned.

Responding to these issues, Holzman said as US is the large market for Bangladeshi products, US consumers would love to see that workers here at the EPZs enjoy freedom of association.

Trade unions in the EPZs are important for Bangladesh's future export, he said, adding that "workers can have freedom of association and investors' interest can also be protected."

Hoping that Bangladesh would be a leading middle-income country, the US ambassador said that the country had

a good future but it needed to have a good strategy.

Holzman said, "To increase export, Bangladesh requires investment and for attracting more foreign investment, the country should come up with a long-term strategy."

The country needs to ensure successful augmentation of FDI for creating job opportunities as its population will reach around 200 million in 50 years, Holzman stated.

He mentioned that Bangladesh had achieved success in addressing different issues including poverty alleviation, population control and female education.

Mahbub Jamil, former Chamber president and Chairman and Managing Director of Singer Bangladesh Ltd, observed that different trade unions in the public sector were creating problems. But in general, the workers of the country are well-behaved and disciplined, he said.



John C. Holzman, the US Ambassador in Bangladesh, speaks at the monthly luncheon meeting of the Foreign Investors' Chamber of Commerce and Industry held at the Pan Pacific Sonargaon Hotel in the city yesterday. Seated on his left are Chamber President Waliur Rahman Bhuiyan and Secretary Jahangir Bin Alam and on his right is Vice-President Terry Budden.

Uzbek region calls for MOU on investment from Bangladesh

BUKHARA, Apr 30: The Deputy Governor of Bukhara region of Uzbekistan, Hameed B Ravshanov, today stressed the need for a memorandum of understanding between Bangladesh businessmen and the Bukhara Chamber for promoting trade and business relations between the two countries along with opening ways for joint ventures in this central Asian republic, reports BSS.

"If we reach a memorandum of understanding, we may attain our desired goal in enhancing our business relations and also setting up joint venture industries in Uzbekistan with the investment from Bangladesh businessmen," he told a high-powered business delegation of FBCCI from Bangladesh.

The 36-member delegation led by FBCCI President Abdul Awal Mintoo arrived at the

Uzbek capital Tashkent on April 28 as part of its three-nation visit to Uzbekistan, Iran and Qatar to discuss ways and means to promote business between Bangladesh and these countries.

Welcoming the Bangladesh business delegation at an international hotel in this historic city, Hameed B Ravshanov said they would welcome FDI in the agriculture sector for food, fruit and vegetable processing with installation of new technologies.

He expressed his firm hope that the Bukhara Chamber would extend its whole-hearted cooperation towards Bangladesh businessmen to promote the trade and business relations between the two brotherly countries.

Hameed said the industries in the Bukhara belt are now

producing goods worth 100 million US dollars while the Bukhara oil refinery is producing pure oil worth 500 million US dollars annually.

He said handicrafts and traditional type of industries are other areas of activities here and expressed his firm confidence that this visit would further cement the bonds of friendship between Uzbekistan and Bangladesh.

Chairman of the Bukhara Chamber MA Sahibzad highly appreciated the efforts of Bangladesh over the last 28 years after its independence to reach the country's economy to a praiseworthy level by now.

He especially referred to the garment sector saying it had raised Bangladesh's export income from 200 million US dollars to six billion US dollars,

UK mobile phones to have health warnings

LONDON, Apr 30: Mobile telephones will carry health warnings after a government committee found that public concern about using the phones was reasonable, the Observer newspaper said today, reports Reuters.

The 12-strong committee, chaired by William Stewart — former chief scientist to the Cabinet Office — is expected to publish its findings next week.

Although there is no scientific proof that mobile phones can make users ill, the warnings would tell people to be careful about where and how long they use them, the Observer said, quoting a source close to the committee.

"The public must be in a position of choice. At the moment they tell in the dark," the source said.

The report would also ask for national guidelines to be drawn up on the construction of phone masts and their positioning, the newspaper added.

Earlier this month, consumer magazine Which? reported that hands-free kits designed to protect mobile phone users from radiation actually channelled three times more of it to their brains.

China Development Bank offers \$2.42b bonds

BEIJING, Apr 30: The China Development Bank said today it would launch 20 billion yuan (\$2.42 billion) in bond issues on May 10, says Reuters.

The issues would be split between a 10 billion yuan issue of seven-year floating rate bonds, and a six-month 10 billion yuan issue at an unspecified interest rate, the banks said in a statement carried in the Financial News.

The bonds would be issued to Chinese commercial banks, insurers, municipal banks and rural credit cooperatives, the statement said.

The bank is one of China's three policy-oriented banks which lends largely at government direction.



Picture shows the launching ceremony of Ovaltine by Novartis (Bangladesh) Ltd at CIRDAP conference room, Chameli House, in the city yesterday.

Novartis resumes marketing of Ovaltine

Star Business Report

Novartis (Bangladesh) Limited resumed marketing of Ovaltine — the complete malt food drink — in Bangladesh last month.

To mark the occasion, Novartis arranged a launching meeting at CIRDAP conference room in the city yesterday.

The ceremony was graced by the presence of invited guests including nutritionists, business partners, schoolteachers, bankers, newsmen and housewives.

Welcoming the guests, Managing Director of Novartis (Bangladesh) Limited, Gerhard G Doege, dwelt upon the importance of Ovaltine marketing by Novartis Bangladesh.

He expressed his optimism that with the marketing of Ovaltine, the company would strengthen its business in Bangladesh.

Secretary of the National Nutrition Council, Abdul Mannan, who attended the function as special guest, gave detailed information on the dietary requirements of child nutrition. He emphasised the importance of nutrition for the physical and mental development of children and the use of health drink to supplement such needs of the growing children as well as adults.

Khairul Anam, Business Development Manager, and Sharif Islam, Brand Manager of Novartis Bangladesh, discussed the different features of Ovaltine.

They said the product is a combination of natural malt and cocoa-based milks and water supplements.

Launched in 1903, Ovaltine is the world's first milk fortifier based on malt extract and was in the market long before vitamins were commercially available.

It provides core nutrients for

all ages of people, and has maintained relentless R&D efforts and modernisation of all marketing mix to satisfy changing consumer tastes. Ovaltine contains 13 vital vitamins and 15 vital minerals that help keep up good health by protecting the immune system.

By origin Ovaltine was a product of WANDER, which in 70s became a 100 per cent Sandoz affiliate. Today Ovaltine is available in 100 countries with a Tk 105-billion global annual sale.

In Bangladesh, this product will be available in multiple packages and weights, catering to the needs and buying capacity of different income groups.

A special advantage of the small packs will be to the countrywide small tea stalls, especially in bazaars and hats where Ovaltine Cha — mixing Ovaltine with regular tea — is a special delicatessen.

The sole country distributor of Ovaltine is Danish Distribution Network Ltd., a sister concern of Partex Group.

A Kaiser Tito, Vice Chairman of Partex Group, spoke of the food value of the product.

In the immediate future, Novartis Bangladesh plans to introduce other functional food range of international brands and Gerber — infant diet range — in the local market.

Novartis was formed with the merger of Ciba-Geigy and Sandoz in 1996. Operating in 140 countries, the company is a world leader in healthcare, with core business in pharmaceuticals, consumer health, generics, eye-care, animal health and agriculture.

The launching ceremony concluded with a vote of thanks by Ashfaqur Rahman, Executive Director of Novartis (Bangladesh) Limited.

Japanese cos turn to part-timers to cut costs

TOKYO, Apr 30: With Japan's economy stuck in its deepest rut in decades, employers who used to guarantee jobs for life are now turning more to part-time workers to cut costs, a report said Sunday, reports AP.

During the fiscal year that ended March 31, companies surveyed by the Labour Ministry said they employed 1 per cent fewer full-time workers but 3 per cent more part-time workers than they did the previous year, quasi-public broadcaster NHK reported.

It was the second straight year for the number of full-timers on the payrolls of Japanese companies to fall, and the ninth year for the number of part-timers to rise, NHK said.

Recession has put pressure on employers in the world's second-largest economy to trim their payrolls and give up the custom of guaranteeing workers a job for life.

The Labour Ministry compiled the data by surveying 33,000 enterprises with five or more employees, it said.

NHK did not give a margin of error or other details about the survey. No one was available at the Labour Ministry to comment on Sunday.

ASA MD to take part in New York seminar on microcredit

Md Shafiqul Haque Choudhury, Managing Director of the Association for Social Advancement (ASA), has left Dhaka for the US to attend a seminar on "The Future of Microcredit Programme" which will begin in New York on May 2, says a press release.

The Asia Society, the US-based Canadian Consulate Office invited Choudhury to attend as a panelist of the programme. He will return home on May 5.

Dispute over Meghnaghat power project

AES seeks ministry intervention to end conflict with PDB

AES Corporation has sought Energy Ministry's intervention to end a raging conflict between the US power giant and the Bangladesh Power Development Board over a major project, reports UNB.

Meanwhile, the Power Development Board is yet to execute its final notice to the AES to take over the site for setting up the Meghnaghat Power Plant or face termination of the contract.

On April 26, AES in a letter to the Secretary, Power Division of the Ministry of Energy and Mineral Resources, urged ministry help for ending the prolonged fight between the PDB and the company over takeover of the project site developed by a Chinese firm.

"AES is becoming increasingly concerned about the negative impact this prolonged disagreement is having on completion of an electricity-generating facility that Bangladesh urgently needs," said the letter. "We request urgent assistance of the ministry to bring this matter to a speedy and amicable conclusion," said the American firm, adding that it would be available at any time to resolve all outstanding issues relating to handover of the site.

When contacted, a PDB official acknowledged the AES move and said they were ready to face the allegations made by the company.

But, the official declined to comment on why it did not take any action till date although the notice period was over on April 24.

Official sources said the PDB held back for its strong position because the contract-termination notice was faulty.

There has been disagreement between the implementing company and the PDB regarding handing over of the project site.

The American energy giant repeatedly declined to take over the project site complaining that it was so poorly-prepared

that installation of machinery would be impossible. It also complained that the site was not shielded against quake risks.

PDB dismissed AES allegations of poor site development and again asked the US company to take it over and start installation works of the plant, scheduled to be completed by February 2, 2002.

Earlier last week, without prior approval of the PDB board, project consultant Mott MacDonald issued the takeover certificate to the developers, CWHEC. Thereafter, PDB issued the final notice on April 17 asking the AES to immediately undertake project work.

But AES refused and informed PDB on April 21 about substandard site preparation. The US firm blamed PDB for delaying the takeover beyond the time specified in the deal.

Referring to the AES letter, the power board in the final notice on April 23 asked them to

take over the site by April 24 failing which the contract would be done away with.

In its last and final notice the Board said: "We further repeat that your allegation of material breach on the part of BPDB is false and baseless which is only alleged by you to achieve some illegal gains."

"For your information, please take note that the BPDB is not responsible for any delays in the implementation of the project, rather the project company will be liable for not taking delivery of the Demised Premise and the access road.... causing delay in implementing the project."

Earlier, PDB chairman Qumrul Islam Siddique squarely blamed the Americans for dilly-dallying in implementing the project on schedule.

"AES resorted to dilly-dallying tactics only to gain some more advantages out of the contract,"

Lankan business needs peace to ensure healthy growth

ADB calls for structural reforms

COLOMBO, Apr 30: Sri Lankan business leaders hope the military's latest defeat at the hands of Tamil Tiger rebels will drive home the futility of the country's long ethnic war and its damaging impact on the economy, reports Reuters.

"Our only hope is that the recent military losses will rejuvenate the initiative for peace. It is the number one requirement if healthy (economic) growth levels are to be achieved," Chandra Jayaratne, vice-chairman of the Ceylon Chamber of Commerce, told Reuters today.

On Saturday, the Liberation Tigers of Tamil Eelam (LTTE) rebels captured the sprawling army base of Elephant Pass, which straddles the isthmus route to the northern Jaffna peninsula, in the military's most spectacular defeat in 17 years of ethnic war.

Analysts said the upsurge in fighting jeopardised the country's economic growth outlook in the longer term as foreign investment was likely to evaporate if fighting continued.

It would not hamper this

year's gross domestic product growth, seen at around five per cent because of improved world trade and a recovery in industrial output.

"The threat is to medium-to-long-term growth as the investment side could be affected," said Rajiv Caschietti, head of research at CT Smith Stock Brokers.

The Central Bank of Sri Lanka has said the economy could grow at twice its current rate if the prolonged war against the LTTE ended and peace was restored.

The biggest casualty from an escalation of hostilities will be Sri Lanka's budget deficit with the country spending around 5.5 per cent of its GDP on the war.

Sri Lanka has projected a 2000 budget deficit of 7.6 per cent of GDP. The fiscal deficit in 1999 was 8.0 per cent of GDP, lower than 9.2 per cent the year before.

Meanwhile, an AP report from Bangkok says: The Asian Development Bank wants Sri Lanka's government must pursue structural reforms to sustain higher growth.

In its regional survey, Asian Development Outlook 2000, released in Bangkok Wednesday, the Manila-based bank said higher growth this year will be supported by a modest rise in industrial production on the back of an overall recovery in world trade.

The report blamed the Tamil conflict in the northeast and declining industrial output for the slowdown in growth in 1999 and urged cuts in defense spending. Militants among Sri Lanka's 3.2 million Tamils are leading a bloody campaign for an independent homeland.

Sri Lanka's defense outlay is expected to rise to 52.4 billion rupees (US\$ 717 million) in 2000, compared with an estimated 48.1 billion rupees (\$658 million) last year.

The report said the government should continue structural reforms in public administration and the financial sector to maintain high growth.

The report said the role of the domestic capital market must be expanded to raise capital formation.