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# The Daily Star BUSINESS

DHAKA, SATURDAY, SEPTEMBER 2, 2000

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## Tk 120cr okayed for fisheries projects under ADP

The Fisheries and Livestock Ministry has sanctioned Tk 120 crore, including Tk 74 crore project assistance, for the current fiscal year to implement 18 projects under the Annual Development Programme, says UNB.

This was revealed at a review meeting Thursday on ADP chaired by Fisheries and Livestock Ministry ASM Rab.

Secretary of the ministry Sayed Margub Morshed, director generals and project directors of the organisations concerned were present.

After discussion on the projects, officials were directed to ensure preparing work plan and the highest possible supervision to implement the projects.

The minister also gave directives to the project directors to prevent misuse of fund, apart from ensuring highest application of fund and resources to implement the projects.

## EBL declares 10 pc cash dividend

Eastern Bank Limited (EBL) has declared a 10 per cent cash dividend for its shareholders for the year 1998.

The dividend was unanimously approved at the 7th Annual General Meeting of the bank held at a city hotel on Wednesday, says a press release.

The meeting presided over by Nurul Husain Khan, outgoing chairman of the bank, also okayed the audited accounts of the bank for the year 1998.

The shareholders expressed their profound satisfaction at the performance of the bank during the year under review.

It was disclosed in the meeting that EBL achieved considerable progress in all aspects of its operations during 1998. The bank emerged as one of the leading private sector banks in the country in terms of capital base, profitability, liquidity and loan provisioning.

During the year under review (1998) after making adequate loan loss provision profit before tax increased by 9 per cent to Tk 373 million compared to 1997.

Total assets of the bank also increased from Tk 10,186 million to Tk 10,973 million and foreign exchange business increased by 40.75 per cent than that of the preceding year.

The Board of Director of the bank was reconstituted with Khondaker Tajuddin Ahmed, Additional Secretary of Economic Relations Division, M. Enamul Huq Chowdhury, MD of Sonali Bank, Serajuddin Ahmed Chowdhury, MD of Janata Bank and M. Ghaziul Haque, AM Shaikat Ali, Mir Nasir Hossain, Md. Showkat Ali Chowdhury, Mohd. Noor Ali, Anis Ahmed and M. Khairul Alam, ex-officio.

## Filipino exports up by 12.8pc

MANILA, Sept 1: Philippine exports rose a respectable 12.8 per cent on year in July in the latest in a series of positive economic results that should help ease gloomier views of economic prospects for the year, says AP.

The government announced Friday that exports in July rose to \$3.216 billion from \$2.851 billion in the year-earlier month. While the 12.8 per cent growth was markedly lower than the previous month's surprisingly strong 19.4 per cent expansion, export growth is nevertheless firmly back in double-digit territory after rising a feeble 6.7 per cent in May.

Shipments of electronics and components, which accounted for 57.9 per cent of total exports, rose 5.8 per cent in July from the year-earlier month to \$1.863 billion. That growth was also way below the previous month's 25.3 per cent, but the trend in this sector has been choppy this year.

In the seven months to July, exports rose 11.7 per cent to \$20.833 billion from \$18.654 billion. The government has set an export target of \$40 billion for 2000.

"Overall, exports are still growing robustly," said ATR-Kim-Eng Securities research head Luz Lorenzo, adding that there is "no reason to raise the alarm bells" on the lower month-on-month rate of export growth.

July's relatively robust export performance follows the release earlier this week of far stronger-than-expected second quarter economic growth of 4.5 per cent on year. Inflation has also remained relatively low, despite the weak peso and several recent oil price hikes.

Lorenzo said buoyant exports over the rest of the year will help sustain the recent improvement in manufacturing production. This will be necessary for the government to attain its economic growth target of at least 4 per cent this year, she said.

The export data didn't provide a fillip for either the peso or the stock market, however.

## IT growth hinges on poor telecom services, unskilled manpower

### Committee on sector's investment promotion says

Poor telecommunications services, coupled with lack of skilled manpower, hinder the growth of information technology, particularly software industry, a government committee noted, reports UNB.

A very limited bandwidth, lack of nationwide connectivity slow dial-up lines, high and exorbitant tariff structures and fees, absence of Internet policy and related legal structure are the major barriers to developing the IT industry, the committee identified.

The committee on "Information Technology Investment Promotion," headed by Board of Investment (BOI) Executive Chairman M. Mokammel Haque, in a meeting on Thursday discussed Bangladesh's prospect of entering the global software market, identified the weaknesses and

decided to devise a pragmatic strategy.

The meeting observed that the services rendered by BTIB were not conducive to the much-needed IT industry growth in Bangladesh. It also stressed the importance of human resource development.

Another meeting of the committee on "Investment in textile garments and related sectors," also chaired by the BOI executive chief, noted that the whole garment industry is import-dependent with a few domestic linkages.

It emphasised development of backward-linkage industry for the RMG sector that shares 5 per cent of the GDP, around 40 per cent of the manufacturing value addition and more than 70 per cent of the total exports. It was also observed that

Bangladesh's access to textile and clothing trade is limited to garment export of few product categories.

In view of the changing scenario due to SAARC cumulation, possible shrinkage of GSP facilities and other related issues, the committee will formulate necessary suggestions and make recommendations to the government for a sustained growth the development of textile and garment industries.

The meeting revealed that Bangladesh has enormous investment potential in textile spinning, weaving, dyeing and printing industry.

The meeting of the IT committee was attended by Muhammad Fazlur Rahman, Secretary, Ministry of Science and Technology, Nazmul Ahsan Chowdhury, Secretary, Ministry of Post and

Telecommunications, Zakir Ahmed Khan, Chairman, National Board of Revenue, AB Chowdhury, Vice Chairman, Export Promotion Bureau, Aftabul Islam, President DCCI, Abdullah H. Kafi, President, Bangladesh Computer Society and Dr. Tahir Ahmed Chowdhury, Professor, BUET.

Vice President of BTMA Kazi Zafrullah, Secretary, Ministry of Industries, Al-Amin Chowdhury, Secretary, Ministry of Textile, Md. Helal Uddin Khan, Joint Secretary, Ministry of Commerce, MN Nahi, President of BSTMA, Md. Shahidul Miah and representatives from the Ministry of Finance, Planning Commission and BGMEA attended the meeting of the committee on textiles and garments.



Nurul Husain Khan (6th from left), Chairman of Eastern Bank Limited, addresses the company's seventh annual general meeting held at Pan Pacific Sonargaon Hotel on Wednesday. Picture also shows (from left), Khondaker Tajuddin Ahmed, Serajuddin Ahmed Chowdhury, Md. Showkat Ali Chowdhury, M. Ghaziul Haque, Directors, M. Khairul Alam, Managing Director, Mir Nasir Hossain, Mohd. Noor Ali, AM Shaikat Ali, Directors, Barrister Rokonuddin Mahmud, Legal Adviser, Kazi Aminul Huq, FCA, senior partner of Rahman Rahman Haque, chartered accountants and the bank's auditor at the AGM.

## IMF sees world growth at 4.7pc in 2000

PARIS, Sept 1: French daily Le Monde reported that the International Monetary Fund (IMF) annual report for this year forecast world growth at its highest rate in a decade, hitting 4.7 per cent from 3.4 per cent in 1999, says Reuters.

The IMF predicted the US economy would grow 4.9 per cent in 2000, while the Euro zone would grow 3.4 per cent and Japan 1.4 per cent, Le Monde said. The world economy was predicted to grow by 4.2 per cent in 2001.

The IMF report was due to be officially released in Prague on September 19. IMF spokesman David Hawley would not comment on the Le Monde report or the figures in it.

Le Monde said the IMF said the accelerating growth was driven by the vigour of the US economy and the quickening pace of economic recovery in Europe, as well as consolidation in Asia.

## Dhaka outlines its priorities ADB talks long-term strategic framework

NEW DELHI, Sept 1: Representatives from South-Asian countries including Bangladesh and the NGOs had a two-day brainstorming session here as part of the preparation for a long-term strategic framework for the Asian Development Bank (ADB), reports BSS.

Apart from South Asian countries, representatives from Central Asian countries also participated in the discussions which ended yesterday.

The representatives gave the perception of their respective countries with regard to the formulation of the strategic framework for the ADB, a development partner for Asian countries.

At the meeting the Bangladesh representative Dr SA Samad, Principal Secretary to the Prime Minister, gave an

outline of the priorities for the country which included poverty alleviation, targeted growth, sustainable development, environmental development and empowerment.

In this context, Dr Samad mentioned the prime minister's 'Asrayan' (housing for the poor) programme and many microcredit initiatives.

He said Bangladesh was getting benefit from the programmes in the social sector. Bangladesh also suggested that a donor should not impose conditions while granting financial assistance to a country.

The meeting organised by the Asian Development Bank, also discussed critical issues like, governance, empowerment, structural adjustment and globalisation.

## Vajpayee govt to accelerate reforms

NEW DELHI, Sept 1: Prime Minister Atal Bihari Vajpayee's government will speed up economic reforms, including divesting stake in state-run companies, despite criticism from its right-wing affiliates, the governing party's new chief said Thursday, reports AP.

"We are a coalition government with a well-defined agenda. We will carry on with the task of economic reforms," said Bangaru Laxman, who took over as the new Bharatiya Janata Party president last week.

The 21-member coalition government adopted a common national agenda for governance when it assumed office in October 1999, putting aside the controversial issues such as building a Hindu temple in place of a razed historic mosque in northern India, ending Kashmir's special status and economic nationalism.

The BJP's affiliates have unleashed strong criticism of the Vajpayee government's decision to attract foreign investment, sell off state-run airlines and privatise telecommunication and power sectors.

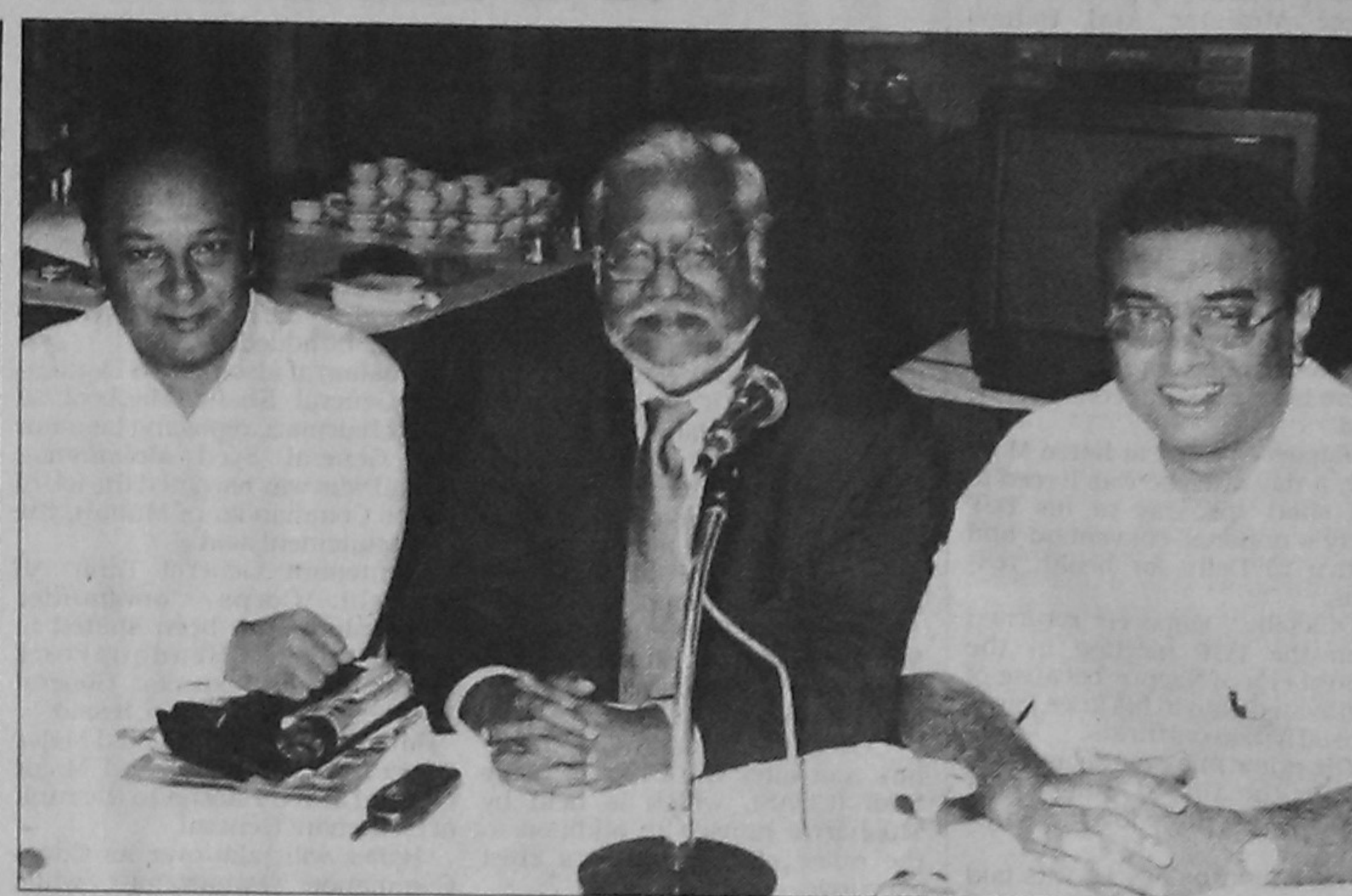
Last week, the Swadeshi Jagran Manch, or Self-Reliance Awakening Forum, a BJP ally, threatened to launch a protest against an unbridled entry of multinationals, which they feel will throttle the indigenous industry.

India began unshackling a socialist-patterned economy in 1991 after it suffered a serious balance of payment crisis.

The economy has been growing at a rate of 6 per cent annually since then.

"We want greater inflow of foreign direct investments in areas where it is necessary," the new party chief said.

He, however, cautioned the government against allowing foreign companies to acquire Indian companies, using money raised locally.



Nirj Deva, Deputy Chairman of Symphony Plastic Technologies Ltd and also a member of the European Parliament, speaks at a press conference of the company on its launching of SPI-TEK technology at a city hotel yesterday afternoon.

## New plastic dissolving technology awaits launching soon

Star Business Report

Symphony Plastic Technologies Ltd, a London-based plastic company, is going to market its plastic dissolving technology in Bangladesh. The use of this technology will entirely degrade plastics without any negative impact on the environment.

It was disclosed by Nirj Deva, Deputy Chairman of the company and also a member of the European Parliament, during a press conference at a city hotel yesterday afternoon.

Nirj Deva, also the former first Asian member of the British Parliament, said that the technology was first launched across England in 1998. Besides, Germany, Italy and the Scandinavian countries

are also using the system called SPI-TEK.

Drainage clogging and other environmental hazards created by non-degradable plastic is one of the major problems in the developing countries and a huge amount of money is spent for waste management, he said, adding that non-degradable plastic products are banned in most of the major cities of the world.

There are a few other technologies for dissolving plastics, but these are expensive and have side effects. But this technology is highly cost-effective and has no environmental impact.

The price of plastic bags will remain almost the same when the local plastic producing in-

dustries use SPI-TEK. The technology just dissolves plastic into water, carbon-dioxide and existing minerals in a safe and reliable manner, with minimal side effects, he claimed.

The use of SPI-TEK in different degree, while producing plastic goods, will determine the longevity of the products. The technology is able to totally dissolve plastic products even within three weeks.

The press conference was organised by Innovative Inc., which is going to launch the technology in the local market in a couple of months. Among others, Abdullah Kabir, Director of Innovative, and Zakaria Wassy Maqsood were present.



Latifur Rahman, President of Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), gave a lecture on "Management Approach to Face the New Millennium" at the head office of Arab Bangladesh Bank Limited and distributed prizes to a few outstanding performers of the bank recently. Picture shows CM Koyes Sami, the bank's President and Managing Director, presenting a crest of ABBL to the MCCI chief. Abu Haniff Khan, Joint Managing Director, ABBL, is also seen in the picture.

## S Korea leads Asia in economic reforms

KUALA LUMPUR, Sept 1: Structural economic reforms have been critical to Asia's rebound from the crippling 1997-98 financial crisis, with South Korea leading the way, a senior World Bank official said yesterday, reports Reuters.

"The reform process has been an inevitable component of the recovery," Ijaz Nabi, country manager/lead economist for South Korea, Malaysia, Thailand and Myanmar told Reuters in an interview.

South Korea has taken the biggest strides in implementing structural reforms, ahead of Malaysia and Thailand said Nabi, who was attending a re-

gional seminar in the Malaysian capital.

"South Korea has gone the furthest," Nabi said. It has improved disclosure standards for accounting and auditing.

South Korea has put in place laws to protect the rights of minority shareholders and framed rules on obligations of senior management of companies to usher in transparency and improve corporate governance.

Some experts on Asia's economies, including the Asian Development Bank, have argued that reform was losing momentum and that the biggest risk facing the region was complacency.

## Malaysia may issue \$850m bond this month

KUALA LUMPUR, Sept 1: Malaysia may issue a \$850 million five-year sovereign bond at the end of September, banking sources said today, reports Reuters.

The government is likely to enter the market in end-September with two issues—one of \$650 million and other \$200 million, said the head of forex trading at a foreign bank.

Malaysian finance ministry officials could not be reached immediately for confirmation of the market reports.

Market sources said the issues were likely to be managed by JP Morgan and Salomon Smith Barney.

"It is a possibility that we will be helping in one of the issues," an official at JP Morgan, who asked not to be identified, told Reuters.

Officials at Petronas, Malaysia's largest and most profitable company, confirmed earlier on Friday that the company was organising a roadshow this year as part of its annual investor meetings but did not plan to raise any funds overseas.

An official at the state oil firm said it had no plans tap the global market.

"I think Petronas is taking a backseat and allowing the sovereign to be marketed," said an economist.

A US-based investment firm, in an internally circulated report, said Malaysia had earlier planned to tap the market in the first quarter of 2001.

"The government has invited major investment banks in the region to submit their proposals. The proceeds will be used to refinance Malaysia's maturing issues," it said.

## European tax cuts may add 0.5pc to regional growth

FRANKFURT, Sept 1: European tax cuts will lift growth and aid productivity as the region plays catch-up with Japan and the United States, economists said yesterday after France unveiled a \$16 billion reform package, reports Reuters.

Germany, France, Italy, Belgium and Finland have all posted plans which analysts estimate could add 0.5 percentage points plus to euro zone GDP growth next year and start bringing Europe's tax burden back to levels last seen in 1970.

But the reforms will cut little mustard with financial markets, which have been disappointed at Europe's ability to

close the growth gap with the United States.

As a result they offer little prospect of swiftly restoring the euro's value against the dollar and yen, which remained mired near all-time lows in late Thursday European trade.

French moves were the latest concrete evidence of competition among the common currency zone's largest economies to lure investors and hang on to crucial factors of production like capital and skilled labour.

Paris acted after a bold German decision last month to hand \$24 billion back to taxpayers.

German Chancellor Gerhard Schroeder said at the time this

began the cure of a 'disease' of high taxes and high unemployment that has plagued Europe for decades.

The fiscal stimulus is expected to help counter the impact of tighter monetary policy — the European Central Bank earlier upped rates a quarter point to 4.50 per cent — and could make an even stronger contribution by encouraging investment and labour.

"The overall effect on the region will be to benefit gross domestic product growth by around 0.5 percentage points over the next three years," said CSFB economist Christel Aranda-Hassel.

Other economists agreed

that the stimulus would be substantial and would have the longer term impact of lifting the region's ability to grow without provoking inflation.

"We see the effect of tax cuts amounting to 0.7 per cent of GDP next year for the eurozone. This represents 60 billion euros (\$53.6 billion)," said Merrill Lynch economist Patrick Minge.

The US firm forecasts eurozone growth of 3.6 per cent for 2001 versus consensus estimates of 3.2 per cent, according to Reuters' latest poll of 35 economists.

France announced cuts worth 120 billion francs

(\$16.34 billion) over three years. Fellow European heavyweight Italy has also outlined cuts of \$23 billion by 2004.

Belgium, which has more modest plans to trim its tax burden by \$2.9 billion, made no bones that it was also being encouraged by the action of its neighbours.

The growing integration of European economies forces Belgium to pay attention to the change in the tax systems of our neighbouring countries," said Belgian Finance Minister Didier Reynders on Wednesday.

Such cuts will ease taxes as a proportion of Europe's GDP back from a historic peak of 44 per cent hit in 1999. This com-

pared dramatically with 30 per cent in the US and Japan's 28 per cent, according to CSFB.

It estimates that the pressure of tax competition released by Berlin will see European governments embark on sustained tax reductions.

**EU rejects new US export tax plan**

Another report from Brussels says: New US proposals to overhaul a multi-billion-dollar export tax breaks programme do not bring the scheme into line with global trade rules, the European Union said Friday.