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The Daily Star BUSINESS

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Outstanding bank loans stand at Tk 58,567.29cr

Finance Minister Shah A M S Kibria told the parliament yesterday that the total amount of outstanding bank loan in the country stood at Tk 58,567.29 crore till March 31, 2000, reports BSS.

Replying to a question from Ziaul Haq Zia (Laxmipur-1), the minister said the government has taken a number of steps to recover the outstanding loans including formation of a task force, legal steps through Artho Rin Ain Adalat and amendments to Bank Company Act and Bankruptcy Act.

ECNEC okays Tk 2004.61cr projects

The Executive Committee of National Economic Council (ECNEC) on Tuesday approved nine projects worth Tk 2004 crore 61 lakh 47 thousand, reports BSS.

The projects were approved at an ECNEC meeting at NEC auditorium with Prime Minister and ECNEC Chairperson Sheikh Hasina in the chair.

This is the 88th ECNEC meeting of the present government. The projects would be implemented from the government's own resources, an official release said.

The projects are: Construction of government offices and residences in 54 district headquarters, construction of bridge/culvert (40 feet) under food for work programme, river bank preservation, development and town protection project (third phase, 86 sub-projects), Khola river project (first amended), construction, repair and rehabilitation of food godown, construction of five Upazila Parishad complexes (Mujibnagar, Dumki, Meghna, Ashuganj and Phulchari) project, NAM village and NAM Villa construction project, rehabilitation of the BSCIC industrial estates damaged during the 1998 floods and modernisation project of Bangladesh Standards and Testing Institution (BSTI).

BEPZA okays 1st project for Ishwardi EPZ

Bangladesh Export Processing Zones Authority (BEPZA) has sanctioned the first industrial project for the Ishwardi EPZ, reports UNB.

Musk Apparels Ltd will invest US\$ 6 lakh (equivalent to about Tk 3.6 crore) in the project with 100 per cent local ownership.

The enterprise will produce jackets and trousers and is expected to create employment opportunities for about 400 Bangladeshis workers.

In the first year of production, the company will export goods worth about US\$ 20.5 lakh. The production capacity will increase to US\$ 27.3 lakh in the 5th year of its operation, said a press release yesterday.

The development work of Ishwardi EPZ is now in the final stage and is expected to come into operation by the end of this year.

For the first project, a lease agreement of the land was signed here yesterday. BEPZA member M Abdul Aziz Sarkar and Managing Director of Musk Apparels Ltd M Akram Ali Khan signed the deal.

New WB report urges broader approach to poverty reduction

WASHINGTON, Sept 13: Major reduction in poverty is possible, but it will require a more comprehensive approach that directly addresses the needs of poor people in three important areas: opportunity, empowerment, and security, according to the World Bank's latest World Development Report 2000/2001: Attacking Poverty, says a press release.

The new study the World Bank's most detailed-ever investigation of global poverty adds that economic growth is crucial but often not sufficient to create conditions in which the world's poorest people can improve their lives.

This reports seeks to expand the understanding of poverty and its causes and sets out actions to create a world free of poverty in all its dimensions." World Bank President James D Wolfensohn writes in the foreword to the report.

The report builds on the view that poverty means not only low incomes and low consumption but also lack of education and poor nutrition and health. Based on the testimony of the poor people themselves, and changes in thinking about poverty, the report goes further and expands the definition of poverty to include powerlessness, "voicelessness", vulnerability, and fear.

Plan to salvage sick leather industries still in limbo

Ministry asks BB to send implementation report

By Monjur Mahmud

Despite a government decision to solve classified loan problems of the sick leather units seven months ago, the industry has not received any response from the banks.

Meanwhile, the finance ministry asked the Bangladesh Bank on Sunday to prepare a report on the progress of the rehabilitation programme for these ailing industries.

The government on February 6 this year decided to extend support to the sick leather industrial units, allowing them interest waivers and transfer of loans to block accounts.

According to the government decision, the sick leather units were supposed to submit their rehabilitation plans to respective banks within a month and the banks were asked to take decisions on the proposals in another two months.

A total of 94 sick leather units

submitted rehabilitation plans to different banks, but there has not been any progress since then to implement the decision and solve the problems.

"The banks are not interested in implementing the decision," said a member of Bangladesh Finished Leather, Leather Goods and Footwear Exporters' Association. "Finding no other ways, we once again requested the prime minister on June 16 this year to implement the decision," he stated.

On July 11, the prime minister advised the finance minister to take necessary steps in this regard.

Finance Minister SAMS Kibria discussed the issue with central bank Governor Dr M Farashuddin. Following this, the Bangladesh Bank asked different banks to implement the decision.

The government earlier decided that the defaulting

leather industries without the potential to repay their classified loans should look for a solution either through the Bankruptcy Court or interest waiver arrangements with banks.

Following an appeal from the sick leather industries, the Finance Ministry formed a seven-member committee headed by Khondokar Ibrahim Khaled, BB Deputy Governor, to chalk out a possible way out of the situation.

Bangladesh Bank sent a set of recommendations to the Finance Ministry following a move by the government to find a solution to the existing classified loan problem of the leather sector.

The central bank recommended that sick units may go to the Bankruptcy Court with plans showing how much it is capable to repay and then get rid of its liabilities by making payments. It can, otherwise, appeal to its concerned bank for loan resched-

uling upon which the bank may approve the proposal by giving the borrower a reasonable concession including interest waiver.

But if these exit systems prove unacceptable to any of the parties, the bank may resolve the issue by taking resort to legal measures.

The central bank divided the leather units in three categories. In the first category, it excluded those which performed well and did not request loan rescheduling or interest waivers.

Industries which did well in the past five years, but are now facing problems due to price fall in the international market fall under the roof of the second category. Units which have no hopes for rehabilitation fall in the third category, and the central bank suggested exit way for such units.

At its February 6 meeting, the Finance Ministry accepted all these recommendations.



Picture shows Shafiqul Islam Kamal, Chairman, Navana Real Estate Ltd, and QM Shariful Ala, Managing Director, Delta Brac Housing Finance Corporation Ltd, exchanging papers of a memorandum of understanding. Sarwar Ahmed, General Manager, Navana Real Estate, KO Chacko, Consultant, DBH, and Istiaq H. Chowdhury, Head of Operation, DBH, were also present at the ceremony. --DBH photo

UAE firm offers to promote exports from Bangladesh

An international marketing company is going to set up a business-cum-service centre in Dubai to facilitate easy access of Bangladeshi products and businessmen to this hub of international trade, reports BSS.

The proposed business house will offer Bangladeshi businessmen a 'Management Information System'.

This was disclosed at a seminar on 'Promotion of exports of Bangladesh to United Arab Emirates' jointly organised by Federation of Commerce and Industry (FCCI) and Inscope Middle East LLC, the company which is going to establish the service centre in the UAE, at the Federation auditorium yesterday.

FCCI President Abdul Awal Minto chaired the seminar which was addressed, among others by leader of the delegation from Inscope Syeed Fyaz Husyn,

Commercial Counsellor of Bangladesh mission in Dubai Shahjahan Siddiqui Bir Bikram and Inscope representatives Khwaja Rehan Bukht and Lincoln Kim.

Addressing the seminar, Minto said UAE financial and management assets using the human resources of Bangladesh could be combined together for bringing profit to both the friendly countries.

"We firmly believe investors from UAE can fully take advantage of the congenial environment and liberal investment facilities and incentives available to foreign investors in Bangladesh," he told the visiting entrepreneurs of UAE.

He observed the government of Bangladesh has rigorously undertaken extensive liberalisation of the economy to accelerate sustainable growth and pursue a strategy of private

sector-led growth in a liberalised market economy.

Pointing out the trade imbalance between Bangladesh and UAE, the FBCCI President said in 1998-99 financial year, Bangladesh export to UAE was only 19.77 million US dollars against import of 60.61 million dollars.

Commercial Counsellor of Bangladesh in Dubai Siddiqui said the successful launching of the proposed centre in Dubai, strategically located midway between the Far East and Europe, would bring about very positive results in promoting trade and business of Bangladesh.

He, however, said Bangladesh could not be benefited from the possibilities of Dubai although export earning in 1999-2000 was raised to 38.32 million US dollars with a growth rate of 93.85 per cent.

Chinese EXIM bank to give \$25m for DAP plant in Ctg

The Export-Import (EXIM) Bank of China will provide a loan of 25 million US dollars for setting up a Di-Ammonium Phosphate (DAP) Plant in Chittagong, reports UNB.

An agreement to this effect was signed at the Economic Relations Division (ERD) yesterday.

ERD Secretary Dr A K M Masihur Rahman and Vice-President of the EXIM Bank Zhao Wenzhang signed the agreement on behalf of their respective sides, said a press release of ERD.

Upon completion, the plant will produce 800 MT of Di-Ammonium Phosphate daily, which will help meet the local demand of phosphatic fertiliser.

Grameen Star Edn Centre to be set up at Jatrabari

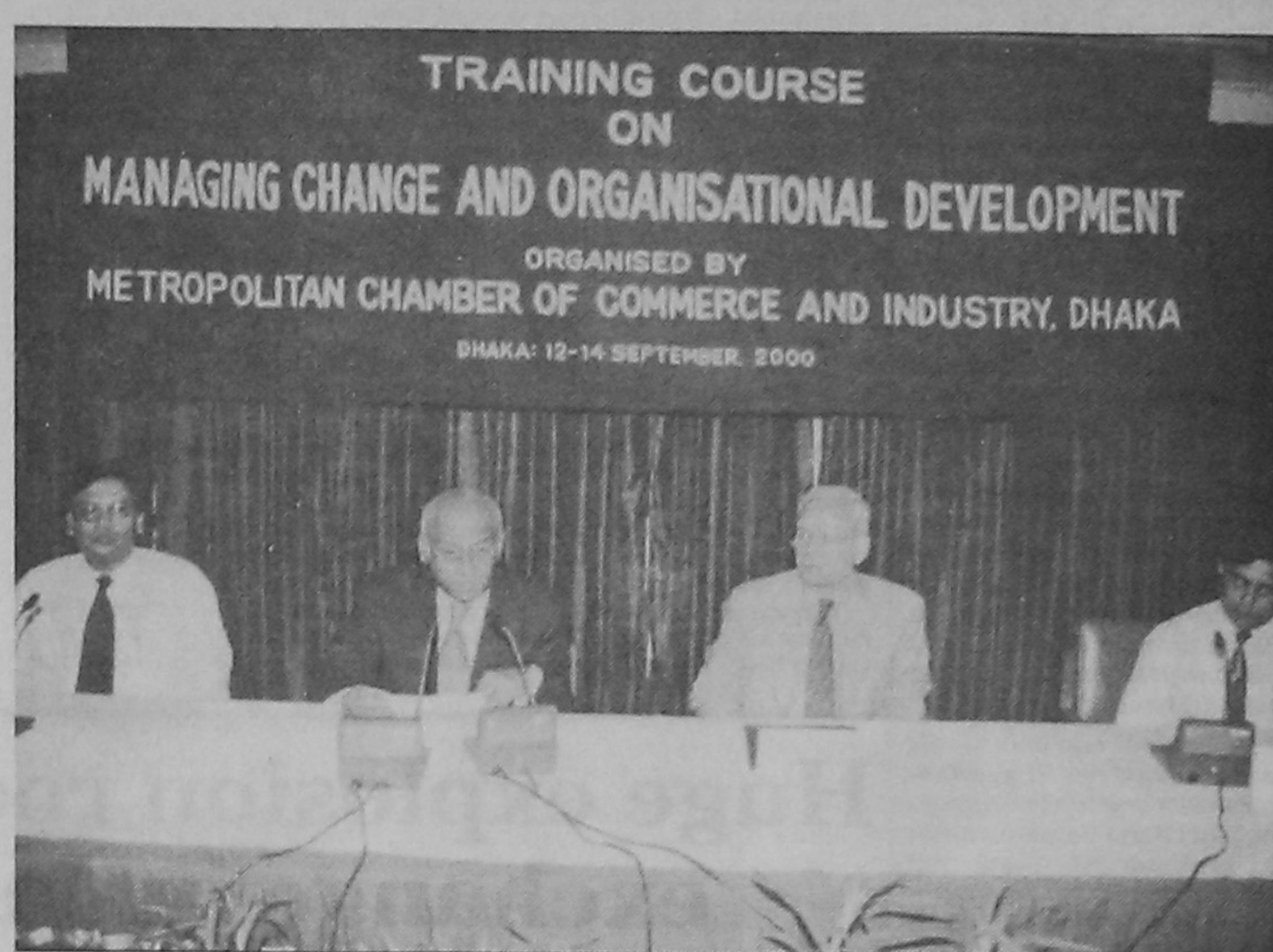
Grameen Software Ltd. (GSL), master franchisee of Grameen Star Education Programme with its head office at Grameen Bank Complex, Mirpur, has nominated Falcon Tex Ltd. as Grameen Star Education Centre (GSEC), Jatrabari, franchise.

As of date, Falcon Tex will carry the license to commence IT education at Jatrabari, says a press release.

As a GSEC franchisee, Falcon will provide competent computer education in software, network and e-technology programme.

Major (ret) Manzurul Haque, Franchise Chief Operating Officer of GSL, and Md Abul Basir, Managing Director, Falcon Tex Ltd, signed the contract on behalf of the parties.

Both GSL and Falcon Tex are firmly committed to provide cost-effective and top-quality programmes, ensuring the development of professional IT personnel in Bangladesh.



Latifur Rahman, President of the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), delivers the inaugural address at the three-day training course on 'Managing Change and Organisational Development' for 20 senior managers of member firms organised by MCCI under its Management Development Programme at its Conference Hall Tuesday. C K Hyder, Secretary-General, MCCI, and Dr A N M Meshquat Uddin, one of the resource persons, are also seen in the picture. --MCCI photo

New bonded warehouse rule irks carton makers

Star Business Report

Corrugated carton manufacturers yesterday said the new National Board of Revenue (NBR) rule regarding bonded warehouse facilities has pitched them against an uncertain future.

In March this year, NBR issued an office order in respect to the operation of bonded warehouses for the hundred per cent export-oriented industries excepting readymade garment (RMG) to tighten leakage of imported raw materials.

However, Bangladesh Corrugated Carton and Accessories

Manufacturers and Exporters Association (BCCAMEA) in a press conference yesterday in the city said the order created problems for honest businesspeople instead of solving the leakage problem.

"We hope that the prime minister and the finance minister will intervene to solve the complexities created by the NBR order. Otherwise the entrepreneurs will have to close their units from September 30," said President of the association, Safiullah Chowdhury.

BCCAMEA General Secretary Asifur Huq, Vice-presidents Iqbal Hossain and Mir Mohammad Ali and member Abul Kashem Haider, who is also the Vice-president of Bangladesh Textile Mills Association (BTMA), also spoke on the occasion.

According to the new rule, NBR officials will ascertain the production capacity of any individual industry by inspecting the plant and studying the catalogues of the machines. The customs officials will also determine the amount of raw materials to be imported by an entrepreneur on the basis of his average production in the previous two years.

The entrepreneur will then get bonded warehouse facility only on this pre-determined quantity of raw materials.

But according to the previous rule, an entrepreneur could import raw materials depending on the capacity of his warehouse and nothing beyond that. Customs officials were entrusted with the job to check leakage from the store.

The association leaders said that the new rule would not allow any industry to utilise its full capacity. The customs officials are harassing industries by mis-using the new system, they added.

The leaders said they have suggested the NBR to make certain changes in the NBR order after thorough discussion with relevant associations including BGMEA, BTMA, BKMEA, Sewing Thread Exporters' Association, Plastic Goods Manufacturers Association and Finished Leather Association.

The industry earns about Tk 2500 to Tk 3000 crore each year from exports with a value addition of around 40 per cent, BCCAMEA said. Some 700 corrugated carton and accessories industries have been set up in the country, it said.

Protests against WEF confce wind down

MELBOURNE, Sept 13: Police in riot gear easily cleared a path Wednesday through a protest blockade at an economic conference, as demonstrator numbers dwindled after two days of sporadic and violent clashes, reports AP.

Helmeted officers carrying batons and shields outnumbered hundreds of protesters outside Melbourne's Crown Casino and hotel and formed a three-deep cordon to allow six buses carrying conference delegates into the complex.

There were some minor scuffles, but no repeat of violent scenes from the first two days of the conference on Monday and Tuesday, when police staged baton charges into protesters who had surrounded the complex.

Dozens of protesters and police were injured during the three-day protest, which aimed to disrupt the Asia Pacific Economic Summit hosted by WEF.

Protests began winding down after it became clear that most delegates had been able to enter the conference venue in this southern city.

Oil dips lower, European blockade on Clinton watching market reaction to OPEC deal

LONDON, Sept 13: Oil prices turned lower yesterday following an OPEC deal to hike output that failed to calm protests across Europe or stop panic buying in Britain that left petrol pumps dry, reports Reuters.

Benchmark Brent crude oil on London's International Petroleum Exchange ended down \$1.12 a barrel at \$32.50 having hit a decade high of \$34.60 last week and \$34.37 earlier on Tuesday.

On New York's Mercantile Exchange benchmark crude was down 94 cents at \$34.20 per barrel.

Truckers protesting against diesel prices blockaded highways across western Europe.

On Sunday OPEC agreed to increase supplies now and act again if necessary.

Dutch truckers staged wildcat blockades to stop traffic on motorways around Amsterdam and Rotterdam. About 60 taxi drivers forced a traffic slowdown on motorways around Amsterdam.

In London, petrol pumps ran dry after panic buying swept Britain. In the worst hit areas, rubbish went uncollected and hospitals cancelled non-

emergency services, efforts by OPEC producers to cool this year's rally as too little to late.

Another report from Washington says: President Bill Clinton said yesterday he was keeping a watchful eye on oil prices following OPEC's move to ramp up production and was considering emergency options to tackle high heating oil and fuel costs this winter.

One of those options includes releasing oil from the nation's vast emergency stockpile of crude an extraordinary action rarely taken by the US government.

"We're watching very closely

what the market will do on prices as a result of the recent OPEC initiative and we're also examining what other options we might have in the event we have a tough winter," Clinton told reporters.

"We need to make sure we do everything we can to get through this winter," he added.

Clinton has said he thinks oil prices are too high and that they should drop to around \$25 a barrel. But in the current tight oil market, some traders have speculated prices might climb as high as \$40 a barrel.

US-China trade pact hangs in balance

WASHINGTON, Sept 13: President Bill Clinton's landmark trade pact with China hung in the balance yesterday, as the Senate neared a do-or-die vote on a plan to impose sanctions on Beijing for its alleged role in weapons proliferation, reports Reuters.

Clinton's allies in the trade fight said they should have enough votes to defeat the amendment, proposed by Republican Sen. Fred Thompson of Tennessee and backed by Majority Leader Trent Lott of Missis-

sippi. But they said it would be close.

Vehemently opposed by the White House and pro-trade business groups, the amendment calls for Washington to impose sanctions on Chinese firms that proliferate nuclear, biological or chemical weapons.

Lawmakers said it was the biggest hurdle facing the trade bill, which would grant permanent normal trade relations (PNTR) to China.

Thompson has insisted on an up-or-down vote on the amend-

ment, rebuffing suggestions that he withdraw it. "I know it's the right thing to do," he told reporters. "I'm on the right side of history."

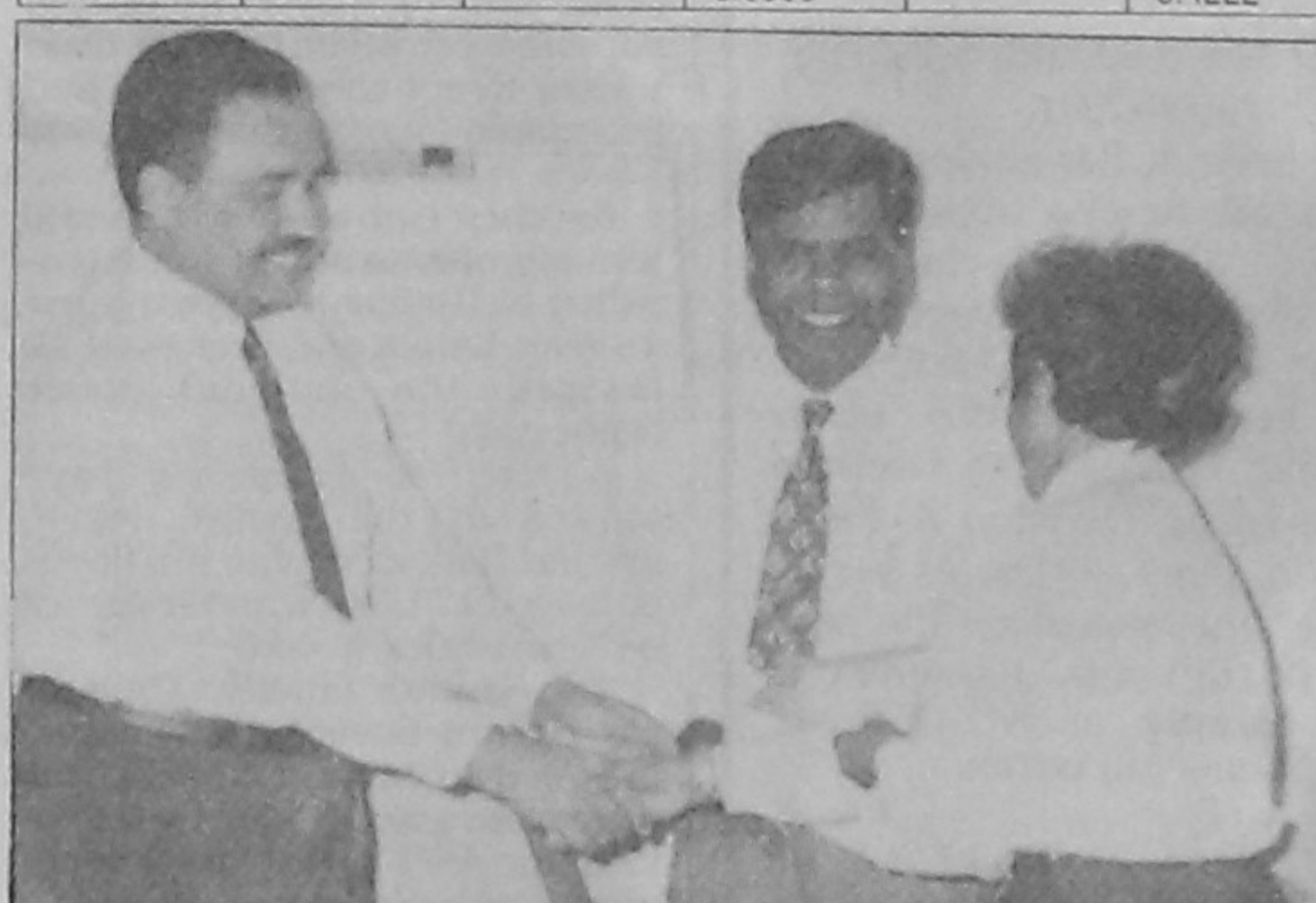
If any amendment is adopted by the Senate, PNTR would have to be sent back to a bitterly divided House of representatives. The House approved the measure in May, but is unlikely to do so again so close to the November election, lawmakers said.

Hoping to shore up votes, Clinton administration officials and business leaders stepped up

their lobbying campaign against Thompson's amendment.

US Chamber of Commerce president Thomas Donohue even suggested that senators who support Thompson would face a backlash from business in the November election.

"Should this vote get tangled up in the politics of nuclear proliferation and other amendments to the extent that it might not be passed, I think that would have a very serious political implication for those who were a party to that action," Donohue told reporters.



Helen Polanco of Occidental of Bangladesh Ltd, UNOCAL, receives a certificate from Desmond Quiah, Country Manager of DHL World Wide Express, at the concluding ceremony of Supervisory Management Part I training.



Picture shows (from left) Saber Hossain Chowdhury, Deputy Minister for Local Government and Rural Development, Junior Chamber Bangladesh (JCB) President Nessar M Khan and international trainers R Sunil Kumar and G Balachandran at a conference of the chamber held at Dhaka Sheraton Hotel recently. --JCB photo