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Indian rupee hits low on oil rise

NEW DELHI, Sept 20: Concerns about rising oil prices in petroleum dependent India sent the rupee to a record low of 46.38 against the US dollar for the second day in a row on Tuesday, reports AP.

Panicky banks and corporations rushed to cover their dollar positions as Finance Minister Yashwant Sinha acknowledged that high oil prices are a problem for the Indian economy.

"I personally see no cause for panic," Sinha said, to no avail. The rupee has fallen about 6 per cent against the dollar over the past year, but the cost of living has risen by the same amount.

An increase in global oil prices put extra pressure on the rupee this week, however, resulting in a record low close of 46 to the dollar on Monday.

When markets opened Tuesday the rupee continued to decline, falling to 46.38 during the day. Dealers said a state bank sold dollars to try to boost the rupee. Still, the currency closed lower than on Monday, at 46.36 to the dollar.

Sinha described the high oil prices as "a difficult situation, but manageable. We have large reserves which will take care of all requirement."

A Reserve Bank of India official told Dow Jones Newswires that the central bank would meet any increased dollar demand by the state-owned oil companies.

On Saturday, the Reserve Bank said India's foreign exchange reserves, including gold, fell by \$264 million, reaching \$35,355 billion in the week ending Sept 8.

Taiwan not ready for new China ties under WTO

TAIPEI, Sept 20: Taiwan may follow China very quickly into the World Trade Organisation, but analysts doubt it is ready to dive into a cross-Straits trade relationship that is likely to accompany that membership, reports Reuters.

Membership of the WTO, imminent now that the US Senate has granted permanent normal trade relations status to China, is likely to force Taiwan to rethink its on direct trade, transport and postal services with the mainland.

Taiwan has banned the so-called "three links" with China since Chairman Mao Zedong's Communists won a civil war and drove the defeated Nationalists into exile on the island in 1949.

Beijing believes the bans are illegal under WTO rules and will have to be scrapped once Taiwan joins, but officials and academics in Taiwan say the island could refuse on the grounds of national security.

The risk is that such a refusal could leave Taiwan economically isolated and inflicting damage only on itself, analysts say.

And eventually be swamped by it.

Mid-term confce of Green Delta Insurance held

The mid-term conference 2000 of the zonal, regional and branch managers of Green Delta Insurance Co Ltd was held at a hotel in Chittagong recently, says a press release.

The managers of all the underwriting offices spoke on the occasion. Their deliberations revealed that very unethical and unhealthy competition were prevailing in the insurance market of the country as a large number of new insurance companies recently entered the market.

However, the underwriting offices of Green Delta Insurance Co Ltd are abiding by the relevant insurance act and rules and sustaining their market share with hardship.

Chairman of the company Azam J. Chowdhury addressed the conference and expressed his satisfaction over the performance of the branches. He advised the branch managers to follow the country's regulations relating to insurance and work hard with utmost sincerity.

He also thanked the branch managers who achieved their half-yearly targets and declared awards for their performance.

Managing Director Nasir A. Chowdhury discussed the activities of the branches and appreciated the growth achieved during the first half of the year 2000 in spite of the hard and unethical competition prevailing in the market.

He stressed the compliance of the insurance act and rules to uphold the image of the company. He gave suggestions and guidelines for achieving the target for the year 2000.

Other senior officers including M. Mowla, Additional Managing Director, Chittagong, spoke on the occasion and advised the branch managers for improving their performance.

BB should control micro-credit activities of NGOs

WB-UNDP study suggests
Star Business Report

The NGOs involved in micro-credit activities should be brought under the control of the central bank, a World Bank-UNDP study said.

A national monitoring authority should be created for overseeing and guiding micro-credit programmes in the country.

An independent 'one stop' authority, namely Company Law Board, should be set up for quick disposal of company matters and better running of the firms, the study, 'Review of Accountancy and Education in Bangladesh', said.

It is authored by ABM Azizuddin and Iftekhar Hossain as the background paper for the Country Financial Accountability Assessment (CFAA) being jointly conducted by the World Bank and

UNDP.

At present, there is no single principal agency that is concerned with the administration of the Companies Act. The Act specifies three separate regulatory authorities namely the Registrar of the Joint Stock Companies, the government and the court.

The involvement of different authorities for disposal of issues means unnecessary delays and harassment for the public, the study stated.

Both the regulatory and professional bodies lack the technical competence and the institutional strength to monitor the compliance of laws, rules and regulations, it said.

These bodies also lack concerted and coordinated efforts for securing a high standard of

accountability in the country.

It said the legal and regulatory environment, particularly corporate laws, should be congenial to promote business growth in Bangladesh.

The Companies Act 1994 and Securities and Exchange Rules 1987 should be amended to incorporate group accounts provisions requiring consolidation of subsidiary and associated companies.

Moreover, mandatory audit committees should be introduced for all listed companies to ensure good corporate governance, it said.

The Companies Act, 1994 should be amended to enforce compliance of Bangladesh Accounting Standards (BAS) for non-listed public limited compa-

nies, it further said. The Act may also be further modified to bring certain 'Private Limited Companies', enjoying distinctly identified thresholds (turnover, paid-up capital) to fall under the ambit of BAS.

The office of the Registrar of Joint Stock Companies should be upgraded and strengthened. The Registrar has virtually no power to enforce submission of returns and documents.

The SEC should be adequately strengthened through engagement of qualified competent professionals (chartered accountants) to ensure appropriate implementation and monitoring of adopted accounting and auditing standards.



Mustafa Kamalul Alam, General Manager of Pragoti Industries Ltd, and Bill Jennings, President of Olympia Industries Inc, sign a deal on manufacturing low-cost passenger vehicles in Bangladesh. BSEC Chairman Sultan A Sikder, Director (Production and Engineering) Kh. A R M Nurannabi, Director (Finance) Mohammed Shahjahan, Director (Commercial) ATL Kabir, other senior BSEC officers and Dr Zia U Ahmed, Managing Partner, Delphos-SYF Group, are also seen at the ceremony held Tuesday.

Pragoti signs deal on low-cost vehicle production with US company

Pragoti Industries Ltd, an enterprise of Bangladesh Steel and Engineering Corporation, signed an agreement with M/S Olympia Industries Inc, USA, for local production of low-cost 12-seat passenger vehicles in Bangladesh on Tuesday, says a press release.

The body of the vehicles will be made of fibre glass/jute plastic. The vehicles with environment-friendly, fuel efficient, and 4-stroke engines will offer the option to run either by petrol or CNG.

50 such vehicles will be manufactured and marketed in Bangladesh on trial basis. On the basis of market response, Pragoti and Olympia Industries will go for long-term collaboration.

Haroon formally declared FBCCI president

Star Business Report

Yussuf Abdullah Haroon was formally declared unopposed president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) yesterday for the next two years.

The FBCCI election board also declared election of 15 executive committee (EC) members of the 30-member committee.

As part of a negotiation initiated by some influential business leaders, 20 of the 35 contestants for the member posts from the chamber group withdrew their candidacies yesterday. This left a select 15-member group to be naturally declared EC members.

The withdrawal of candidature of the 20 was submitted at 2.30 pm although the last time was 1 pm, sources said.

However, the election for the post of vice president and 15 other EC members to be chosen from the association group will be held on the October 12. Three contenders are vying for the vice president post and 41 for the member post.

Incumbent FBCCI President Abdul Awal Mintoo, Vice President MA Mumin, President elect Yussuf Abdullah Haroon and an influential businessman Mir Nasir chose the lucky 15 from among the 35 contestants.

Yussuf Abdullah Haroon's election to the FBCCI top post was a matter of formality as none of the top contenders submitted their nominations due to reported government interference. His lone contender, Aminul Haq of Natore Chamber, was declared disqualified due to flaws in nomination paper filing.

However, Aminul Haq has been chosen an executive committee member on consensus along with 14 others.

The business community elect the 30-member FBCCI executive committee along with a president and vice president for a two-year term. The president and vice president alternately come from the chamber and association groups. From each group 15 EC members are also elected.

Agrani Insurance Local Office opened

The opening ceremony of the Local Office of Agrani Insurance Co Ltd at Moon Mansion, Dilkusha C/A, was held recently, says a press release.

Mir Nasir Hossain, Chief Advisor of the company, opened the office while Mustafizur Rahman, Chairman, Razul Karim, Managing Director, along with other members of the Board of Directors were present.

Japan readies \$37b package to boost economy

TOKYO, Sept 20: Japan is priming the pump again. Top policymakers on Wednesday agreed on a government spending package of about an extra 4 trillion yen (US\$ 37.4 billion) this fiscal year to keep the fragile economy moving toward recovery, reports AP.

US farm sales to China may get a boost

WASHINGTON, Sept 20: US farm sales to China could return to record levels and help boost the sagging US farm economy over the next few years after Senate approval of permanent normal trade relations on Tuesday, US agriculture officials said, reports Reuters.

American farm groups lined up firmly in favour of normalising trade relations with China, which must import vast amounts of food and commodities for its growing population.

"We estimate... an additional \$2 billion in sales by 2005," said Patrick Steele, assistant administrator of US Agriculture Department's Foreign Agricultural Service. "And that number continues to grow over the ensuing years."

US farm groups are anxious for China to become a more reliable market after the whipsaw years of the past decade.

The drop in US farm exports to China from a record \$2.41 billion in fiscal year 1995 to only \$1.0 billion in fiscal 1999 was matched by sharp declines in world commodity prices.

No one felt the pain more than US cotton farmers, who saw a record \$813 million in sales to China in fiscal 1995 dwindle to just \$21 million by fiscal 1999. But US wheat and corn farmers also saw exports to China plummet from around \$500 million over the past half decade.

One bright spot in US farm sales to China has been soybeans. In just the first nine months of fiscal 2000, the United States exported a record \$637 million of soybeans to China, compared to zero in fiscal 1995.

Even that success has come at a cost. US soybean oil sales to China have plunged from record levels over the past five years as demand has shifted to the raw commodity.

Average Chinese tariff levels for all farm producers will decline from 22 per cent to 17 per cent by 2004, while tariffs for certain US priority items like beef, pork, poultry, ice cream and cheese will fall even further.

China will also establish tariff-rate quotas to increase access for wheat, cotton, corn, rice and soyoil. It has pledged to allocate a portion of each quota to private sector traders and stop its use of agricultural export subsidies.

Buoyed by the sharp increase in soybean shipments, the US Agriculture Department now forecasts US farm exports to China to total \$1.5 billion in fiscal 2000, which ends Sept. 30, up about 50 per cent from last year.



Finance Minister SAMS Kibria addresses the inaugural function of Padma Life Insurance Company Ltd at a city hotel on Tuesday. Industries Minister Tofail Ahmed is also seen. --Padma Ins photo

US Senate passes historic China trade bill

WASHINGTON, Sept 20: Congress has come down solidly in favour of trade and engagement with China in historic legislation that President Bill Clinton says will promote prosperity in America and freedom in China, reports AP.

In a decisive 83-15 vote, the Senate on Tuesday approved permanent normal trade status for China, laying the framework for a new trade arrangement under which China is to open its doors to American businesses and investors.

The legislation, which Clinton and others have praised as the most positive development in US-China relations since President Richard Nixon's visit to Beijing in 1972, now goes to the White House for the president's signature.

The granting of permanent trade status will end the annual review of US-China trade relations that has been a source of contention between the two countries. Approval also sets the stage for China's entry into the World Trade Organisation. With WTO entry later this year or early next year, China is committed to opening its markets and drastically cutting tariffs on American and other imports.

"In return for normal trade relations," Clinton said, "China will open its markets to American products, from wheat to cars to consulting services, and we will be far more

able to sell goods in China without moving our factories there."

He added that new trade status and WTO membership could affect the Chinese far more profoundly. "Our high-tech companies will help to speed the information revolution there. Outside competition will speed the demise of China's huge state industries and spur the enterprise of private sector involvement. They will diminish the role of government in people's daily lives."

But detractors, led by labour, human rights and conservative groups, said it was wrong to sacrifice trade as a policy tool that could help force China to stop proliferating weapons and start improving its human rights record.

"The signal we send by granting PNTR (permanent normal trade relations) now is a signal of abject weakness. It is a signal of greed. It is a signal of ambivalence on the issue of nonproliferation," said Sen. Robert Byrd, a West Virginia Democrat.

Roger W. Chastain, president of the American Textile Manufacturers Institute, said China's entry in the WTO could cost 150,000 US textile-related jobs but "will do nothing to change China's outlaw behavior."

The legislation calls for a congressional-executive commission to monitor human rights in China and creates a so-called surge

mechanism to help American industries and workers hurt by an increase in Chinese imports.

China welcomed the Senate vote as a boon to economic and political relations with the United States but objected to the creation of a commission to monitor Chinese human rights practices.

The legislation contains "certain clauses that are irrelevant to trade and are intended for interfering in the internal affairs of China and harming China's interests," Hu Chusheno, a Trade Ministry spokesman, said in remarks carried by the government news agency Xinhua.

Japan halts PNTR status

Meanwhile, in AFP report from Tokyo says: Japan's government today halted the US Senate's passage of a landmark bill granting permanent normal trade relations (PNTR) status to China.

"The trade ministry welcomes the decision, which is very gratifying," said Junko Takahashi, the planning division chief in the ministry of International Trade and Industry. "This will further boost ongoing talks by working groups in Geneva which are drawing up a protocol for China to join the WTO," she told AFP entry.



Nasir A Chowdhury, Managing Director of Green Delta Insurance Co Ltd (4th from left), speaks at the mid-term conference 2000 of the company's zonal, regional and branch managers at a hotel in Chittagong recently. Azam J Chowdhury, chairman, Farid A Chowdhury, Deputy Managing Director, Mominul Haque, Executive Director, Mozibul Mowla, Addl. Managing Director, and Sultanuddin Chowdhury, Executive Director of the company, were also present. --Green Delta photo

Fuel protests launched from North Sea to Mediterranean

EU ministers shift crisis meet from Brussels

LONDON, Sept 20: Truckers, farmers and fishermen launched fuel price protests from the North Sea to the Mediterranean yesterday as divisions deepened among European governments on how to deal with the continuing unrest, reports Reuters.

Traffic disruptions or outright blockades erupted in Spain, Germany, Sweden and Israel. In Ireland, most of the country's fishermen tethered their boats in a 24 hour work stoppage.

EU transport ministers moved the venue of a crisis meeting planned for Wednesday from Brussels to Luxembourg amid fears truckers could repeat protests that brought the Belgian capital to a standstill last week.

Ministers will discuss measures to ease the hardship caused by high fuel prices on agriculture, trucking and fisheries. Germany launched a broad-

side against other European governments for caving in to demands for fuel tax cuts from truck drivers and farmers angered by oil prices hovering near 10-year highs.

"It is not very sensible to react with tax cuts in such a situation," Bundesbank president Ernst Welteke, head of the German central bank, told foreign correspondents in Berlin.

A senior official in Chancellor Gerhard Schroeder's Social Democrat Green coalition which has resisted calls to abandon plans to raise so-called "ecology taxes" also lambasted the giveaways.

France cut taxes on diesel fuel by 15 per cent after a week of protests by hauliers and farmers. Italy averted protests by temporarily cutting fuel taxes and speeding up rebates on earlier fuel tax reductions.

Spain appeared hardest hit by Tuesday's protests.

An estimated 100,000 farmers drove tractors through Madrid and dozens of other Spanish cities, warning of more aggressive action if there were no agreement to compensate them for higher fuel costs by October.

"We are the first ants of the swarm... in October we'll cut off roads wherever we have to in order to reach our objective," farmers' leader Manuel Carlon, told a rally in Madrid.

One of the biggest demonstrations was in Seville, where about 4,000 tractors blocked all the main access routes to the southern city.

In Barcelona, fishermen who staged a port blockade warned of more protests if talks stalled, state radio reported.

German truckers and farmers held up traffic but there was little sign the governments was about to yield to demands to slash fuel taxes.