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The Daily Star BUSINESS

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3-day confce on productivity begins in city

A regional conference on productivity improvement, competitiveness and quality jobs began here at a local hotel yesterday, says BSS.

Industries Secretary Al-Ameen Chowdhury inaugurated the three-day conference, which has been jointly organised by Japan-based Asian Productivity Organisation (APO) and National Productivity Organisation (NPO) of Bangladesh.

The conference is being attended by 16 national experts from APO member countries of Asia and the Pacific region.

APO programme officer Lee Kia Yoke and Director of NPO M Shahidul Hoque also addressed the inaugural function.

Industries secretary said quality and productivity were results of intelligent efforts and a will to produce superior products and services.

He said continuous and systematic research is imperative to improve the quality and productivity.

He said this improvement is the only way to survive in the competitive world. National experts would be able to give the guidelines for quality and productivity improvement, he hoped.

Rare BIFT gift for its debuting batch

Students get jobs with salaries ranging from Tk 4000-20000

By Rafiq Hasan

It is unique indeed for an institution to offer jobs to students even before they complete their education. But this is exactly what the BGMEA Institute of Fashion and Technology (BIFT) is awarding its debuting batch of 163 students.

We have already provided jobs to all the 163 students of our first batch who will get their course completion certificates later this month, said M Harun Rashid, Chairman of the Institute, adding, "Not only that, employment of the successful students studying in different BIFT disciplines is almost certain for the next two years."

BIFT was set up in January this year with a view to churning out RMG industry-specific qualified manpower who would add value to the country's apparel. The institute will, however, be formally inaugurated on October 29 by Prime Minister Sheikh Hasina. It will also

be a red-letter day for the 163 students who will receive certificates along with their appointment letters.

Industries Minister Tofail Ahmed, Commerce Minister Abdul Jalil and Vice-Chancellor of Dhaka University A K Azad Chowdhury will be the special guests at the function.

The first BIFT batch got six months' training in varied areas like merchandising, quality control and mid-level management and they are going to get jobs with salaries ranging from Tk 4,000 to Tk 20,000 per month, said an official of the institute.

The demand for trained people in merchandising is very high and the garment owners are ready to pay them a starting salary of Tk 7,000 per month, he said.

Referring to a recent BIFT survey on the job environment in the RMG sector, Harun Rashid said as many as 1000

technical persons are urgently needed in 300 garment factories in the country.

"Another 90 students who are doing three-year honours course in garment manufacturing technology, pattern cutting and design will also get immediate jobs because of high demand in the respective areas," said Harun Rashid who is also the managing director of East West Industrial Park.

He said many foreign technicians get around Tk 50,000 per month as salary only because they have formal education in the subjects.

Harun said there is no alternative to developing human resource to survive in a quota-free regime and fashion institutes are instrumental in achieving this.

He said there are six fashion institutes in Sri Lanka although it exports almost half of what Bangladesh RMG sector does.

French Trade Show 2000 begins in city Oct 13

20 companies to showcase products

Star Business Report

The French Trade Show 2000 will begin in the city on October 13 with hopes to further boost the existing bilateral trade between the two countries.

France Bangladesh Chamber of Commerce and Industry (CCIFB) is organising the two-day show at Dhaka Sheraton Hotel which will be inaugurated by Commerce Minister Abdul Jalil. French Charge d'Affaires Jean Guy de Wargny will also be present as special guest.

"CCIFB is organising the show with a view to cementing trade and investment relations between the two friendly countries," Francis Dubus, President of CCIFB told a press conference in the city yesterday.

Former President of the Chamber Zillurain Jaigirdar and Director Reefat Rashid were also present at the brief-

ing. Twenty companies representing cement, telecommunications, power, pharmaceutical, electrical goods and accessories, cosmetics and services will participate in the event to showcase French fineness in real sector, the organisers said.

Companies like Lafarge Surina Cement Ltd, Rhoene Poulenc Rorer, Alcatel, Electro Mechanical Services, Bureau Veritas (Bival) Bangladesh Ltd, Excelsior Home Appliances, Fransiab Ltd, Texas Resources Ltd, Transcom Distribution Co. Ltd - the distributor of French brand cosmetics - are expected to exhibit their products and services at the exhibition.

In addition to the trade show, two French dancers will perform ballet on the opening day at 8 pm.

About trade promotion, Dubus said the Chamber is now trying to help the Bangladesh Furniture Association export its

products, especially garden furniture, to France and is also aiding plastic bag-makers to enter the European market with French technical assistance.

While talking on bilateral trade, he mentioned that Bangladesh enjoys trade surplus with France.

Bilateral trade between the two countries is tilted towards Bangladesh with a surplus of US\$ 226 million in 1999. Bangladesh exported goods worth US\$ 398 million to France in 1999 and imported US\$ 172 million worth of products from the latter, according to latest chamber directory.

The bulk of Bangladesh exports to France consists of readymade garments (RMG) with around 90 per cent of the total export. On the other hand, half of Bangladesh's imports from France are agricultural products like edible oil and wheat.

Indian software export to US may hit \$3.7b next year

NEW DELHI, Oct 9: India's software industry said Sunday that it expected exports to the US to reach 3.7 billion dollars in 2001 on the back of a US proposal to allow more Indian IT exports to work there, reports AFP.

"If the US proposal to hike H-1B work permits to nearly 600,000 people over the next three years comes through, Indian software exports to the US will touch 3.7 billion dollars in 2000-2001," Dewang Mehta, president of the National Association of Software and Service Companies (NASSCOM) told a conference here.

The US proposal would see an increase in the annual number of H-1B work permits - allowing Indian software engineers to work for three years in the United States - from 115,000 to 195,000.

Indian exports to the US of IT software and services stood at 103 billion rupees (2.3 billion dollars) at the end of the 2000 financial year.

NASSCOM also called for greater flexibility in the work permits to allow engineers to work anywhere in the United States.

Mehta said the demands were valid given that the United States was facing a shortfall of 300,000 software professionals.

He had said earlier that the changes were crucial to improving Indo-US cooperation in the IT sector.

The Indian government is constantly reducing import duties. It is now the turn of the United States to remove non-tariff measures to keep up the parity in IT trade between the two countries," Mehta said.

The proposal to allow work permits for 600,000 IT professionals over has gone before the Senate.

EC chief not worried by weak euro

FRANKFURT, Oct 9: European Commission President Romano Prodi said in a newspaper interview published on Monday he was not worried by weakness of the euro and that the only concern for the single currency area could be high oil prices, reports AFP.

"The euro's decline doesn't worry me. Our economy is stable and growing faster than the US economy," Prodi told the mass-circulation daily Bild.

"Euro (investment) funds and bonds are overtaking the American ones. We have a far smaller foreign debt. The only problem could be oil prices," Prodi said.

BNP-Paribas wins mandate to privatise Saudi Airlines

RIYADH, Oct 9: A consortium led by French banking group BNP-Paribas has been chosen as the sole financial adviser for the privatisation and restructuring of Saudi Arabian Airlines, reports AFP.

Defence Minister and Saudi Airlines chairman Prince Sultan bin Abdul Aziz signed the agreement in Riyadh with Michel Peberreau, chairman of BNP-Paribas.

"BNP-Paribas will be the sole financial adviser to Saudi Airlines on its restructuring and privatisation," a joint statement said.

The consortium also includes Sh. and E. a US-based airline industry consultancy, GIC-GIB, a pan-Gulf investment banking group, and KPMG.

With 13.3 million passengers carried in 1999, the state-run Saudi Arabian Airlines is the largest operator in the Middle East, Africa and South Asia area.

Revenues were estimated at more than three billion dollars last year and the company operates a modern fleet of 126 aircraft.

ROK premier to seal trade deals in Moscow

SEOUL, Oct 9: South Korean Prime Minister Lee Han-dong left Monday for a four-day visit to Moscow for talks on trade cooperation with his Russian counterpart Mikhail Kasyanov, reports AFP.

Among topics to be discussed are the construction of an industrial complex and the development of gas fields in the Russian Far East.

Lee and Kasyanov will sign a resources cooperation agreement that will pave the way for the nation to secure a stable source of natural resources, officials said.

The South Korean PM will also meet President Vladimir Putin on Thursday to discuss a proposed visit to Seoul and developments on the divided Korean peninsula.

PRAN tomato paste cooking demonstration held

PRAN tomato paste cooking demonstration was held at Eden Girls' College in the city recently, says a press release.

Prominent nutritionist and recipe writer Siddika Kabir, conducted the demonstration.

A good number of students and teachers of the college saw the demonstration.

Ms Kabir prepared various delicious items using PRAN tomato paste.

In Bangladesh, PRAN is the first-ever company to produce this tomato paste from ripe and fresh Bangladesh tomato in a hygienic way through fully automatic machine.

PRAN tomato paste can be used as the substitute of fresh tomato all the year round.

PRAN tomato paste is now available in the retail outlets all over the country at a reasonable price. The quality of this paste is better than that of any foreign brand.

The demonstration of PRAN tomato paste will be held at different places of the city throughout this month.

Indonesia slates IMF but says ties improve

JAKARTA, Oct 9: Indonesia's chief economics minister Rizal Ramli today said ties with the IMF had improved in recent days because the Fund had softened its stance on a controversial debt restructuring deal, reports Reuters.

But Ramli accused the International Monetary Fund, which is helping keep the country's economy afloat, of leaking to the media letters that had been sent to him over the debt restructuring. He threatened to do the same.

The IMF has already slammed Indonesia over a separate delay in selling stakes in two major commercial banks, saying the move had breached a major policy commitment agreed with the Fund.

"Relations with the IMF have improved," Ramli told reporters at the presidential palace.

They have softened their stance. They don't want to see (debt restructuring deals) case-by-case so they are not seen as being 'discriminative'.

SingTel looks to region for mobile business boost

SINGAPORE, Oct 9: Singapore Telecommunications Ltd. (SingTel) will embark on a regional expansion to ramp up its mobile phone business over the next few years, according to a report in Monday's Straits Times, reports AFP.

The dominant telecom carrier is looking for business partners in Hong Kong, Malaysia, Taiwan, China and Indonesia, according to the report.

In Hong Kong, the carrier is looking to partner "a good incumbent" to get a next generation mobile phone licence (3G). Lucas Chow, chief executive of SingTel Mobile, the mobile unit of the carrier told the paper.

"We have identified a couple of players and are talking to them," he added.

Given the high costs of securing a 3G license and rolling out 3G-type services, Chow indicated it would be economical to look beyond the tiny domestic market.

"SingTel should have an ambition to go out there and do a 3G and mobile business on a regional scale because at the end of the day, size is everything," he said.

Chow said the group was prepared to invest whatever is required to cement a leading position in the region.

Small factories seek govt step for free RMG access to US

Star Business Report

Small and medium-level garment factory owners on Saturday demanded immediate initiative by the government for duty and quota-free access of Bangladeshi apparels to the US market.

They said the sub-Saharan Africa and Caribbean states have already got such free access, but Bangladesh was deprived of it due to lack of initiative by the government.

They observed that many garment factories would face closure after withdrawal of all

kinds of barriers and introduction of free trade regime from the year 2004.

The garment factory owners raised their concerns at a gathering under the banner of "Movement for quota-free and duty-free export of garments to USA".

A S Azam, Sarwarjan Chowdhury, Nazrul Hossain and Gazi Ashraf Hossain Lipu addressed the meeting held at the Ladies Club auditorium.

They also demanded special attention of the prime minister

so that she could discuss the matter with the US officials during her upcoming visit to Washington.

Sarwarjan Chowdhury criticised the government's quota policy and said that many factories here closed down following the current quota policy adopted by the government in 1991.

The garment factory owners would submit a memorandum to the prime minister soon, highlighting their demand.



Siddika Kabir, prominent nutritionist and recipe writer, conducts a PRAN tomato paste cooking demonstration at Eden Girls' College in the city recently. -PRAN photo

Japanese cos eye Chinese PM's visit this week

Hopes for end to operational hurdles

TOKYO, Oct 9: Japanese companies lumbering up for China's entry to the World Trade Organisation (WTO) hope Premier Zhu Rongji's visit to Tokyo this week will help the scrapping of major handicaps to their operations, says AFP.

Japanese firms' investment in China fell sharply from 1997 to last year, partly because of the Asian financial crisis but also owing to disillusionment with the obstacles they found in the world's most populous country.

Investment has picked up again this year with a raft of household names such as Sony Corp and Toyota Motor Corp stepping up their presence in the communist nation, hopeful of the benefits that WTO membership will bring.

"And China is a huge market, which alone makes the country an attractive investment destination," said Yutaka Okagaki, an official covering China in Japan's ministry of international trade and industry.

Zhu arrives on Thursday for his first visit to Japan as Chi-

nese premier.

He will leave on October 17 after summit talks with Prime Minister Yoshiro Mori and meetings with business leaders, including a visit to the world's biggest maker of industrial robots, Fanuc Ltd.

Japanese firms in China in comparison have remained relatively low-tech, concentrating for the most part on televisions, textiles and light bulbs.

"But after WTO, China will have to open up its service industry, such as supermarkets and convenience stores, and intellectual property," said Okagaki.

The same opening of industries will have to take place for semiconductors, auto manufacturers and others such as telecommunications," he said.

Japan's biggest automaker, a relative newcomer to China, is hoping the Zhu visit will help clear some frustrating hurdles.

Toyota waited until May before announcing it would launch full auto production in China, through a 100-million-dollar investment with joint-

venture partner Tainin Automobile Xiali Co Ltd to make small cars.

Toyota was invited in by the Chinese government in the early 1990s, but was busy entrenching its position in North America and Europe, said spokesman Nobura Eto.

"The second reason why we waited is that we didn't and still don't have a sales network in China," he said.

In the United States, Europe and elsewhere, we first established a sales network and only then established plant capacity. So to establish a presence in China has been very risky for us," Eto said.

"After entering WTO, the Chinese central government may allow us to establish sales ventures, but we don't know."

For Sony, the major headache is that as an electronics maker it is banned from importing finished articles to China.

"No Sony goods can be sold in China unless they're made in China," said Sony (China) Ltd spokesman Takehito Soeda.



A worker installs a neon advertisement of a foreign brand beverage in downtown Shanghai yesterday. Chinese leaders began party meetings on the day in Beijing that aims to prepare economic agenda for the next five-years and set the stage for changes at the top when party boss Jiang Zemin gives up his post. At the end of the three-day meeting, the party will issue a "plenum communiqué" that will set out the 10th-five-year plan on economic development, which is expected to engender key financial, banking, and state-enterprise reforms as China enters the World Trade Organisation (WTO). -AFP photo

China banks brace for internal shake-up as WTO looms

SHANGHAI, Oct 9: China's banks must undertake major internal reforms before the country joins the World Trade Organisation and throws the financial sector open to foreign competition, state media reported Monday, reports AFP.

Time is running out as the banking sector braces itself for the country's accession to WTO. China Construction Bank chairman Wang Xuebing told the China Daily newspaper.

The reforms will span the banks' organisational framework, planning management, credit policy, information and

technology systems, internal controls, human resources and payment systems, the paper reported.

Wang said China's four largest state-owned banks were not yet fit to change their ownership structure and listing on the stock market was still a distant prospect.

The Industrial and Commercial Bank of China, the China Construction Bank, the Bank of China and the Agricultural Bank of China, have operated as channels for government-directed lending for so many years they have little concept of

modern risk assessment or customer service.

"They have a weak sense of responsibility to their creditors," Wang said explaining that banks ought to regard their deposits as liabilities and treat their depositors as creditors.

Wang said the challenge posed by foreign competition would breathe new life into China's financial sector.

"Foreign banks are not our enemies...they will bring competition, new business ideas, financial innovation, new products and management techniques," he noted.

Ensure better use of loan or lose it, ADB warns Hanoi

HANOI, Oct 9: The Asian Development Bank will cut its large lending programme to Vietnam if the authorities here do not move swiftly to ensure that loans are better used, bank president Tadao Chino warned top officials Monday, reports AFP.

One of the biggest recipients of soft loans from the bank, Vietnam is also one of the least efficient in using them with disbursement running at just 16 per cent last year against a bank average of 22 per cent, according to ADB figures.

"It's still below bank average, it has to improve," said the bank's deputy programme director Rajat Nag, who accompanied Chino in his meetings.

"Performance is going to be key now we are moving into performance-based lending and the government knows that."

"Our annual programme, we are hoping, will be in the range of 200 to 300 million (dollars). It depends on performance where in that range it will be," he said.

One key performance indicator will be the progress communist Vietnam makes in implementing market reforms and Chino pressed Vietnamese

leaders to maintain their momentum.

"The momentum of the reforms has to be continued both

Iraq willing to do business with Kuwaiti firms

BAGHDAD, Oct 8: Iraq is willing to sign contracts with Kuwaiti companies as part of the UN-sponsored programme that lets Iraq sell oil to purchase basic necessities, Iraqi Trade Minister Mohammed Mehdi Saleh said Monday, reports AFP.

"We affirm that we have no reservations about commercial transactions with Kuwaiti companies, if they asked to supply goods for Iraq as part of the 'oil-for-food' programme," Saleh told the Iraqi parliament.

Iraq has commercial ties with most Arab countries, which account for 45 per cent of Iraq's trade, he said.

"This shows Iraq puts the priority on its brother Arab countries," Saleh said, as cited by the official Iraqi News Agency.

on the economic side and the governance side," Nag said.

The ADB president stressed the importance of accelerating privatisation of Vietnam's large state sector as well as reform of the ailing banking system which is heavily exposed to bad debts from state-owned enterprises.

He also urged Vietnamese officials to do more to improve the quality of public administration, which donors complain is still riddled with red tape and corruption. "Good governance is a prerequisite for sustainable growth," Nag said.

Chino joined central bank governor Le Duc Thuy in formally opening new offices in Hanoi to raise the bank's profile here.

Thuy acknowledged that there were "weaknesses" in Vietnam's take-up of ADB loans but insisted that the government was tackling the problem by streamlining its administrative procedures and making local authorities more accountable.

The ADB has supported several programmes to boost good governance in Vietnam, including strengthening the auditor general's office.