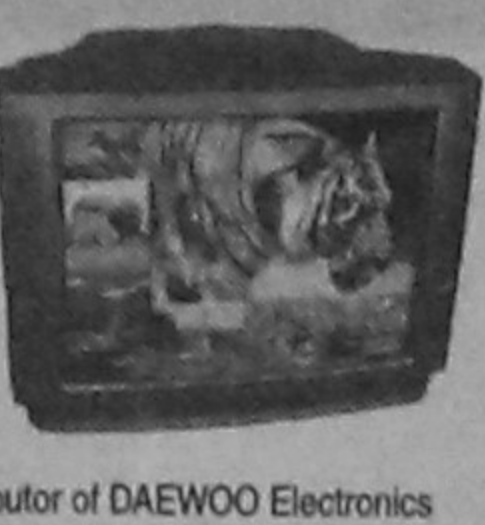


DAEWOO ELECTRONICS

29" Colour TV with
8 Picture in Picture &
Nicom Stereo Sound
Also Available 14", 20", 21"

TRINCO LIMITED—Authorized Distributor of DAEWOO Electronics
Dhaka: 8115307-10 CTG: 716353, 723578 Khulna: 720304 Bogra: 6215



The Daily Star BUSINESS

DHAKA, FRIDAY, DECEMBER 15, 2000

Let us finance the home of your dreams

We can help you:

- Build your own home
- Purchase a home or an apartment
- Buy a housing plot in approved land developments

NATIONAL HOUSING LENDER

Renovate or extend your existing home

National Housing Finance And Investments Limited

Chamber Building (4th Floor), 122-124 Mahipal, Dhaka-1000. Tel: 955 9311 Faxing: 011 899132
Mobile: 017 662812, 017 662833, 019 357434 Fax: 880-2-956987 E-mail: housing@tdonline.com

Employers, unionists lock horn over minimum wage payment

Star Business Report

Employers and workers yesterday vehemently opposed each other on the question of having a minimum national wage structure.

Trade union leaders at a seminar yesterday demanded declaration of minimum national wages, saying this would protect them from exploitation by employers.

On the other hand, the Bangladesh Employers Federation opposed the idea and suggested a flexible wage structure for maintaining competitiveness in the industrial sector.

The seminar on 'Minimum wages in Bangladesh' was organised by the American Chamber of Commerce in Bangladesh (AmCham) at a city hotel.

The trade union leaders alleged that although minimum wages are applicable to some sectors, many small and me-

dium-size industries like garments, bid, re-rolling mills and chemical factories do not go by the rules.

Nazrul Islam Khan, General Secretary of Bangladesh Jatiyatabadi Sramik Dal, said the employers often argue that they are unable to pay proper wages although they themselves lead affluent lifestyles and own straws of industries.

He further alleged that the owners of the privatised jute and textile mills did not increase wages of their workers in the last 15 years or so pleading their inability.

AmCham President Forrest E Cookson and Executive Director of the Centre for Policy Dialogue Dr Debapriya Bhattacharya, President of the Trade Union Centre (TUC) Nazrul Islam Khan and Secretary General of the Metropolitan Cham-

ber of Commerce and Industry (MCCI) C K Haider also spoke on the occasion.

Nazrul Islam also criticised the Employers Federation for failing to influence the non-complying employers to fulfil their lawful obligations regarding minimum wages.

TUC leader Nazrul Islam said that the national minimum wage was necessary to protect the rights of the employees.

President of Bangladesh Employers Federation A S M Quasem opposed the idea of minimum wages, saying that it would not benefit the large section of the labour force.

"The minimum wage policy would also act as a disincentive for workers to acquire and develop skills. It is a disincentive to attract investment and will create a scope for corruption and distortion," he said.

Instead of minimum wages,

he advocated a flexible wage policy for maintaining internal and external competitiveness in the face of globalisation and liberalisation.

Contradicting the view that fixing minimum wage could reduce industrial competitiveness and thus reduce employment, Nazrul Islam said the countries which are now more competitive pay higher fixed minimum wages.

Islam said it is a well-known fact that the multinational companies and industries in the EPZ are more competitive and profitable than most of the remaining industries in the country despite paying higher wages.

"It is the quality of management, workforce, work organisation and working condition which matter more than anything else," he added.



General secretaries of the trade unions' workers commissions Jose Maria Fidalgo (2r) and Candido Mendez (3r) and the secretaries of both trade unions in the Basque Country Josu Naindi (R) and Carlos Trevilla (L) head a labour protest in Bilbao Wednesday. Thousands of workers took to the streets in demonstrations and rallies in some 40 towns and cities across Spain on the day to protest government labour reform plans, especially to reduce compensation for dismissal. The main labour unions UGT and CCOO have called for "decent and secure employment, adequate wages and better social protection."

Ericsson workshop for Aktel dealers held in Ctg

Ericsson organised a workshop on its mobile phones for the dealers of Aktel at a hotel in Chittagong on November 20, says a press release.

Engr Anwar Hossain, General-Manager, Consumer Products, Ericsson Bangladesh, conducted the workshop. Mohd Huzai Bin Md Noor, GM (Marketing) of Aktel gave his speech at the opening ceremony of the workshop.

The presence of all the dealers and officials of Aktel made the workshop more eventful. Among others NM Jahangir Chowdhury, Aktel Chittagong Area Manager, Nazrul Islam Salim, Manager Marketing of AK Khan Telecom and Iftekhar Matin, Channel Marketing Coordinator, Consumer Products, Ericsson Radio Systems AB, were also present.

The workshop ended with gifts distribution and dinner.

Union Insurance launched

If the current pace of reform and guidance from the government continue, country's financial sector will attain international standards by the year 2003, said Finance Minister SAMS Kibria, reports UNB.

"Discipline has started returning to the banking and insurance sectors. We hope the financial sector will reach international levels within the next two or three years," Shali AMS Kibria told the inaugural ceremony of Union Insurance company.

He elaborated government steps taken and being implemented in the last four and a half years for economic reform and the successes, specially in the agriculture and industrial sectors. "This year we need not import food grain."

Giving macroeconomic data that show 14.5 per cent rise in industrial production, 27 per cent rise in exports and the lowest level of inflation, the Finance Minister said all the economic indicators were on upward.

As Kibria said the price of daily essentials in Ramadan remained stable. Tofail Ahmed elaborated his experiences that there is huge rush on the Eid market this year. The rush proves the economic condition of the country is good," said the Industries Minister.

Commerce Minister Abdul Jalil had a caution to the entrepreneurs of the new insurance company. "For some people, the entire sector got a bad impression. If you help us, we will find out the unscrupulous people and take action."

India heads for 2nd year of slower economic growth

First generation reform effects wear off

BOMBAY, Dec 14: India is headed for a second straight year of slower economic growth, undermined by sluggish industrial output, and needs a new thrust to its reform programmes to get back on a faster track, analysts say, reports Reuters.

The effects of the first generation of reforms, which liberalised the capital markets and banking system and drove growth in the early and mid-1990s, have worn off and the country can no longer delay second generation reforms dealing with inadequacies in structural and social infrastructure, they said.

Issues such as the lack of quality transport systems, state ownership of core sectors, the government's heavy subsidies on key food and fuel items and rigid labour laws have to be addressed, and with an urgency lacking so far.

"India has exhausted all the previous stimuli for growth. We'll be lucky if we have six per cent growth this year," said Pradeep Srivastava, chief economist at think tank National Council for Applied Eco-

nomics Research.

Both analysts and the government have scaled down forecasts for 2000/01 (April-March) gross domestic product growth to around six per cent from estimates close to seven per cent at the start of the year, which matched the government target.

GDP growth slowed to 6.4 per cent last year after hitting an average of over seven per cent for three years in the mid-1990s.

"It is appropriate to put in place a stimulative environment now. Ultimately, in order to see a renewed burst of growth, initiatives on five to six sources of reform are required," said P.K. Basu, chief economist at CSFB, Singapore.

Without such boosts, India's economy — one of the world's fastest growing over the past decade — could end up among the slowest growing in Asia while neighbours clock impressive recoveries from recession.

Patchy monsoon rains affected agricultural output early this year and the services sector, despite robust exports, is lagging behind last year's 8.6

per cent growth.

Industrial production rose just 5.7 per cent year-on-year in April-October against eight per cent growth in the whole of 1999-2000, as the manufacturing sector was hit by high global oil prices, a weak rupee and gradual easing of import restrictions.

Consumption, spurred by high rural incomes and substantial wage revisions in 1998/99, has run out of steam and investment is low despite an encouraging monetary policy.

"India's monsoon-dependent agriculture forms a quarter of its GDP but influences over 70 per cent of domestic demand."

More activity in the infrastructure sector and the infra-export base could create the jobs that will keep that demand constant.

The investment the country's infrastructure projects require is huge, but the government has to spend first, analysts said.

Only 48 per cent of India's villages, estimated to number nearly 600,000 are linked by

road. The country's railway network has barely expanded this decade and its 11 major ports are heavily congested.

The country has only 22 telephone lines per 1,000 people and 38 per cent of its adults are illiterate.

Budgetary constraints mean the government has to either attract foreign funding or reallocate resources for priorities like building roads and improving health and education.

And it has to speed up plans to divest stakes in state-owned firms, where only 40 per cent of the targeted 100 billion rupees may be raised this year.

On the plus side Prime Minister Atal Behari Vajpayee, faced with a failure to meet a targeted seven per cent growth, has promised tough reforms and a 'forward-looking' annual budget in February.

Parliament is expected to take up legislation in the coming months to reduce the risk for private investors in the power sector, and Vajpayee has said 10 private power projects will finalise funding by March 2001.

KAFCO plant back on track

Granular urea production at the Karnaphuli Fertiliser Company (KAFCO) plant is now fully back on line after it suffered a shutdown on November, says a press release.

Both the ammonia and urea plants had to be shut down on November 6 due to technical problems with one of the heat exchangers in the on-site utility plant.

Engineers from KAFCO's pool of highly-qualified technical personnel as well as overseas technicians were at hand to solve the problem.

During the shutdown, the company also took the opportunity to make further improvements of the plant.

KAFCO normally produces high-grade ammonia as a precursor to granular urea and can sell both products on the international market. At this time of year, there is a high demand for urea fertiliser in Bangladesh and KAFCO is particularly conscious of the need to have granular urea available to help meet this local demand as it has done in previous years.

KAFCO's ammonia plant was up and running by November 24 and subsequently the urea plant began production on December 11.

Prior to this shutdown, the plant had been virtually in continuous operation for the last two years, having been closed only once in between the plant's pre-scheduled turnaround and modification project.

Since the turnaround, however, the urea plant has demonstrated unprecedented efficiency and has recorded production figures well beyond the plant's rated capacity, enjoying an average production of 1870 MT per day against a capacity of 1725 MT/D.

In fact, it was reported that prior to November's stoppage, granular urea production had peaked to 1984 MT, or 115 per cent of the plant's capacity, on 12 October 2000.

Russia blocks UN panel attack on Iraq oil surcharge

UNITED NATIONS, Dec 14: Russia blocked a UN committee yesterday from telling buyers of Iraq oil not to pay a surcharge. Baghdad is demanding for its crude exports, participants at the meeting reported, says Reuters.

US officials had proposed the Security Council's Iraq sanctions committee ask oil companies "not to pay a surcharge" of any kind to Iraq, Baghdad, oil industry sources reported, has asked for a special payment of 40 cents a barrel.

The surcharge would go to an account Iraq controls rather than to the United Nations, which most members say is a clear violation of the 10-year-old sanctions imposed on Baghdad after its troops invaded Kuwait in August 1990.

Russia's envoy was the sole committee member to object to the proposed US statement. Western diplomats said, Russia argued that the timing would further provoke Iraq, which has been openly challenging all aspects of the sanctions for the past few months.

An Arab diplomat said Wednesday that Iraq is standing by its position that it has not asked crude oil buyers to pay the surcharge.

Iraq has not formally submitted a request to the UN on the issue — part of a pricing row that stopped Iraqi exports for 10 days before they resumed on Wednesday — and UN envoy Saad Hasan has said talk of surcharges was only rumours.

Large-scale candy plant launched

Star Business Report

A new candy factory was launched yesterday to produce large-scale high-quality candies.

Globe Biscuit and Dairy Milk Ltd, a subsidiary of Globe Pharmaceutical Ltd, will eventually produce biscuit, chocolate and other confectionery products.

The plant, costing Tk 35 crore, has the capacity of producing 30 million pieces of candies, 600 metric tons of biscuits, 200 metric tons of chocolate and chocolate biscuits and 100 tons of chips per month.

"We have procured a state-of-the-art Centre Filtration System from Germany to produce international standard candies," Md Harunur Rashid,

Managing Director of the company, said at a press conference at the National Press Club in the city yesterday.

At the initial stage, the company is going to market only two items—Monchery Milk and Coffee Kep candies, he said, adding that it has already completed installing plants for producing biscuit, chocolate, chocolate bar and chips.

The country presently imports candies and confectionery products worth Tk six to Tk seven crore annually. "Our products will help reduce imports and save foreign currency," Rashid added.

He said the company will also export confectionery items after meeting local demand.

Weekly Ctg Tea Sale Buyer dearth lowers prices

CHITTAGONG, Dec 14: The weekly tea sale held here on Tuesday witnessed mostly lower prices as export buyers, notably from Pakistan and Afghanistan, were not to be active, reports UNB.

There was some interest from blenders and fair support from the Loose Tea Trade while the CIS lent a fairly good support, according to a market report of National Brokers Ltd.

CTC Leaf: 7,123 chests, 13,392 g/s, 200, 1,510 c/s, 30 g/s of old season) on offer met with good demand at lower rates.

Broken: Prices were easier by Tk 1 to Tk 2 and sometimes more for all small and medium broken following quality. Large Broken met with more interest at around last levels. The cleaner types tended dearer.

Fannings: All fannings were also a lower market by Tk 1 to Tk 2 and sometimes more except for select lines of good cleaner types which were firm following competition.

Green Tea: 50 chests of offer were withdrawn owing to low bids.

CTC Dust: 673 c/s, 2,293 g/s and 110 g/s of old season)

on offer once again met with fairly good demand at mostly easier rates. A select well-made CD5 were a dearer market whilst all others eased by up to Tk 2 following quality. Internal buyers lent a fairly good support.

BOJ to keep its policy steady

TOKYO, Dec 14: The Bank of Japan (BOJ) will hold its last policy meeting of the year on Friday following a string of disappointing economic indicators that have financial markets whispering about the need for easier interest rates, says Reuters.

Virtually no one expects the bank's nine-member board to sanction a cut only a few months after it forced through an end to zero rates in the teeth of bitter government opposition.

But after its own survey of business sentiment this week raised concerns about the health of the recovery, it is braced for growing criticism and pressure to reverse its hike especially if results of the next "tankan" in March turn out weaker.

Argentina-IMF deal details Dec 18

FLORIANOPOLIS, Brazil, Dec 14: Argentina sought to soothe investors nerves on Wednesday, promising a long-awaited IMF rescue package will be announced Dec 18 and that the funds will be more than enough to meet the country's dues, says Reuters.

Economy Minister Jose Luis Machinea said details of the IMF deal, estimated at between \$20-\$30 billion, will "definitely" be announced Dec 18. But at the same time Argentina announced yet another downgrade to its 2000 growth forecast and a \$200 million rise in this year's estimated fiscal deficit.

The deal with the IMF will definitely be known on Monday," Machinea said. "On Monday we will announce the amount and some of the special characteristics of the deal."

readied by the Inter-American Development Bank (IADB), the World Bank, the International Monetary Fund (IMF) and other international lenders.

The money is intended to help Argentina meet an estimated \$21.5 billion in debt financing obligations due next year.

"We will have sufficient money and there will be no doubt about Argentina's capacity to meet its obligations," Machinea told reporters in this resort town on eve of a meeting of the presidents of the Mercosur customs union.

Argentina's Congress approved Tuesday the 2001 budget but with some modifications which markets feared may not mesh with the IMF's approval and thus delay the rescue loan announcement.

15th AGM held PRAN declares 20pc dividend

AMCL-Pran has declared a 20 per cent dividend for its shareholders for the year 1999-2000.

The dividend was announced at the 15th Annual General Meeting of Agricultural Marketing Co Ltd held at the Officers Club in the city yesterday.

The Chairman of the Board of Directors of the Company, Lt Col (Retd) Mahabuddin Ahmed, presided over the meeting.

It was revealed in the meeting that pre-tax net profit of the company increased from Tk 33.08 million in 1998-99 to Tk 33.76 million in 1999-00 while gross sales have gone up from Tk 402 million to Tk 503 million, respectively registering an increase of 25 per cent.

Gross profit increased to Tk 134.52 million in 1999-00 as against Tk 121.85 million last year.

The Chief Executive of the company highlighted its growth including future plans, growth in exports and human resources development.

Maj Gen (Retd) Amjad Khan Chowdhury, Chief Executive, Ahsan Khan Chowdhury, Deputy Managing Director and Sabiha Amjad, Director, were present in the meeting.

Thai Nov auto sales up 9.2 pc

BANGKOK, Dec 14: Thai automobile sales totalled 23,214 units in November, up 9.2 per cent year-on-year. Toyota Motor Corp's 7203.T Thai unit said today, reports Reuters.

It said vehicle sales over the first 11 months rose 26.4 per cent year-on-year to 228,863 units.

Toyota maintained its Thai market leadership, topping the November auto sales list with a 22.5 per cent share of the combined passenger car and truck market.

It sold 5,221 vehicles during the month down 34.1 per cent from the same month last year.



Picture shows (from left) Executive Director (PRAN) Eleas Mridha, Director Sabiha Amjad, Managing Director Maj Gen Amjad Khan Chowdhury (Retd), Chairman Lt Col Mahabuddin Ahmed (Retd), Deputy Managing Director Ahsan Khan Chowdhury and Director (Business Development) Gas Uddin at the 15th AGM of AMCL-PRAN held in the city yesterday. — AMCL-PRAN photo

US sets guidelines to assess future trade agreements

WASHINGTON, Dec 14: In a bid to clean up the image of free trade, the Clinton administration yesterday issued final guidelines for assessing the impact future trade agreements could have on the environment, says Reuters.

US Trade Representative Charlene Barshefsky said the initiative would help trade officials identify potential environmental concerns early in the negotiation process.

The key is public involvement to ensure that pertinent environmental issues are identified and explored as trade agreement negotiations move forward," she told reporters.

Major environmental groups welcomed the guidelines, which stem from an executive order President Bill Clinton issued last year just prior to the protectionist World Trade Organization ministerial meeting

in Seattle.

Environmental activists concerned that trade pacts pose a threat to the air, water, land and wildlife were among the throngs that clogged the streets of Seattle and nearly shut down the meeting.

This decision adopts the common sense approach to look before we leap into future trade deals," said Paul Joffe, associate director for federal and international affairs at the National Wildlife Federation Association.

Barshefsky said the new guidelines require officials to consider not just the negative impact that trade agreements have on the environment, but also the positive.

That drew mild praise from the National Association of Manufacturers, an industry group that is one of the biggest supporters of trade agreements

to expand foreign markets.

By and large, we think that any environmental assessment worth its salt will show that trade creates wealth," said Marino Marchi, NAM assistant vice president for international trade. As incomes grow, countries have more resources to spend on environmental problems, he said.

But NAM is uncomfortable with other aspects of the guidelines, including a provision that appears to single out natural resource sectors for mandatory review, he said.

Barshefsky voiced confidence the new guidelines would survive the Clinton administration, which has just a little more than one month left.

The policy, I believe, is here to stay," Barshefsky said. "That's because the policy makes sense and fits a real need."