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# Star BUSINESS

DHAKA SUNDAY FEBRUARY 18, 2001

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## British business team due in city Feb 24

UNB, Dhaka

A high profile British business team led by North Staffordshire Chamber of Commerce and Industry (NSCCI) will arrive in Dhaka on February 24 for a five-day visit to Bangladesh.

The mission, which is organised by the NSCCI and sponsored by Trade Partners UK, will include, among others, participants from the IT, agricultural equipment, ceramics, electrical measurement and water equipment sectors.

The main purpose of the mission is for the companies to familiarise themselves with the commercial environment in Bangladesh, paying particular attention to the economic, industrial and business climate, said a British High Commission press release here Saturday.

With a view to improving the already excellent business relationship between Bangladesh and Britain, the mission will also be looking for opportunities to establish new trading relationships.

Mission members will meet with ministers, senior government officials and business people to facilitate or support the development of new business opportunities.

The mission consist of representatives of the following companies: Peter Delaney of AGCO Ltd (Messey Ferguson), Kenneth Wright of Drayton Kilns Ltd, Adam Slater Jack Beaumont Kilns Ltd, Neil Blaney of Service (Engineers) Pte, S Mahen of Mac Alliance and Co/Trent Sanitary Ware, HB Rai Thankral SL Electrotech Ltd, Matin Chowdhury of Unitrade Enterprises Ltd and Tim Hiscock of North Staffordshire Chamber of Commerce and Industry (NSCCI).

The NSCCI has been in existence since 1813 and became an incorporated body in 1949. Staffordshire is home to some 28,000 companies covering diverse range of industry sector.

## DCCI course on computer-based financial analysis ends

The five-day training course on 'How to Do Financial Analysis in Computer' concluded at DCCI Business Institute (DBI) on Thursday.

The course, organised by the DCCI Business Institute (DBI) under DCCI-GTZ (German Technical Cooperation) cooperation programme, aimed at providing transparent knowledge about how to do financial analysis of a business enterprise, says a press release.

Senior Vice-President, DCCI Mahub-Uz-Zaman distributed certificates amongst the participants.

Vice president of DCCI Absar Karim Chowdhury, Secretary Mirza A Matin, DBI Incharge Md Emdadul Haque and Resource Person Mridul Kanti Biswas were also present on the occasion.

Speaking on the occasion, Mahub-Uz-Zaman underscored the need for training to face the challenge of free-market economy, adding that training can help develop strategies for attaining competitiveness thus widening the possibility of entering into overseas market.

## Buba sees no variation in strong US dollar policy

AFP, Palermo

Bundesbank President Ernst Welteke said Saturday he did not believe that comments made by new Treasury Secretary Paul O'Neill that appeared to back away from support of a strong dollar reflected any change in policy.

On the sidelines of a meeting of finance ministers and other economic officials from the Group of Seven nations here, Welteke said it would not be in US interest to allow a weak greenback.

"I do not believe so," Welteke told reporters when asked if he thought the Americans had distanced themselves from a strong dollar policy.

"It would be a surprise if they had changed their policy. The United States has to be interested in a strong dollar because otherwise they would not be able to finance their exterior debt," Welteke told Italian business news agency Radiocor.

He added that a strong dollar also gave the United States essential wiggle room to cut interest rates.

## Seminar on 'Rethinking Self-reliance' Speakers emphasise home-grown policy for development

STAR BUSINESS REPORT

Speakers at a seminar yesterday emphasised the need for having ownership in policy-making for the country's development.

Such a home-grown policy would give the country a wider development choice and reduce its economic vulnerability.

The Bangladesh Institute of Development Studies (BIDS) organised the seminar on 'Rethinking Self-reliance' in collaboration with The Daily Star and the Centre for Alternatives.

Dr Abu Abdullah, Director General of BIDS, chaired the first session which was moderated by Dr Omar Haider Chowdhury of BIDS, Finance Secretary Dr Akbar

Ali Khan moderated the second session that focussed on rethinking the intellectual and cultural self-reliance.

Editor of The Daily Star Mahfuz Anam, Industrialist Syed Manzur Elahi, Dr Imtiaz Ahmed of the Centre for Alternatives, Executive Director of the Centre for Policy Dialogue Dr Debapriyo Bhattacharya, Binayak Sen, DR Kazi Shahabuddin Ahmed, Rushidan Islam of BIDS also spoke on the occasion.

They said with increased food production, the need for food aid has already reduced.

Although this development has reduced the country's vulnerability, it may not be seen as an indi-

indicator of self-reliance as 50 per cent of the population are still living in a situation of high food deprivation and insecurity, the speakers opined.

Binayak Sen said that in recent years dependence on aid in terms of aid-GDP ratio has declined.

"But this may not be seen as an indicator of our growing self-reliance since the dependence on aid has been replaced by a reliance on domestic borrowing in financing the national budget. Such a reliance on domestic borrowing in budget financing might have adverse crowding-out effects on domestic private investment," Binayak Sen said.

To be self-reliant, Dr De-

bapriyo Bhattacharya of CPD emphasised the need for formulating a home-grown development policy without the interference of donors.

Dr Imtiaz Ahmed of the Centre for Alternatives said that self-reliance is not merely an economic issue, rather it has multi-dimensions that include culture, mind-set and autonomy of different institutions within and outside the government.

The discussants also pointed out the adverse impacts of globalisation on domestic production and exports and said the economy must meet the challenges of the withdrawal of protections, WTO regulations and volatility of various markets.

## Grameen Bank now ready to bang stock market with mutual fund Move dubbed old-age pension scheme for micro-credit recipients

M SHAMSUR RAHMAN

Stock market has so far been regarded as a place where brokers and people with high knowledge and skills operate.

Well, it's possibly time to say goodbye to this deep-rooted age-old notion, as the Grameen Bank is readying itself to launch its own mutual fund through which the poor micro-credit recipients will also have their money invested in the country's stock market.

Dr Mohammad Yunus, Managing Director of Grameen Bank, has termed the novel idea as 'an old-age pension scheme' for the poor rural borrowers, which would ensure a minimum return on investment.

Sources said that a part of the savings of the Grameen Bank micro-credit members would be mobilised into the stock market through the Grammen Mutual Funds and the yield would be distributed among the poor

women on the basis of their investment.

The Grameen Bank members now have over Tk 1000 crore in savings.

Grameen Bank will be the sponsor of the mutual fund. Standard Chartered Bank will provide the custodian services and Asset and Investment Management Services (AIMS) of Bangladesh, the country's lone asset management company, will be in charge of its management.

An application for registration of the fund is now awaiting approval of the Securities and Exchange Commission (SEC).

The first scheme under the fund will ensure a minimum 10 per cent return per year during its lifetime. The fund is expected to have a size of between Tk 12 to Tk15 crore.

A portion of the fund would be placed with the financial institutions and a part of it will be earmarked for the general public

through initial public offering (IPO).

Welcoming the application and the initiative, SEC Chairman Maniruddin Ahmed said that the fund would get its registration this week.

To expedite the process and increase institutional participation in revitalising the ailing stock market, the SEC officials are working for quick floatation of the fund.

"If there is no fault with the issue, we will release it by this week," SEC chairman said, adding that he has alerted his executive directors and departments concerned for quickly processing the issue. The chairman also hoped that such mutual funds would rope in retail investors and improve the market situation.

"Everywhere in advanced stock markets, the institutional investors dominate the market and the retail investors invest through the mutual funds," the SEC chairman



Chief Justice Latifur Rahman gives away the crest of BGA Award-2001 to A Quadir Chowdhury, Managing Director of Phoenix Leasing Company Ltd, for his special contribution to the leasing industry at a function held in the city recently. Khondoker Asaduzzaman MP, Advisor to the Prime Minister on Establishment and Freedom Fighters' Welfare Organisations, and Advocate ANM Gazulul Haque, Chairman of Bangladesh Press Institute, and others were also present on the occasion.

## US TDA offers opportunity for RMG in post-quota era Recent study sees threats mixed with chances

UNB, Dhaka

Amidst fears by garment manufacturers of shifting US export orders from Bangladesh, a recent study said the US Trade and Development Act (TDA) 2000 is a wake up call for the industry to turn threat into opportunity for the post-quota world beginning in 2005.

Without question, the study said, the US legislation provided

opportunities for Caribbean and sub-Saharan African countries to take markets away from Bangladesh, as the tariff advantage is substantial.

"It would be a mistake to shrug off this threat," the study said, but added, "we see opportunity, not threat" commenting on the possible impact of TDA 2000 on Bangladesh garment industry.

The study was conducted on behalf of the Bangladesh Garment

Manufacturers and Exporters Association (BGMEA).

Most sub-Saharan African countries were given duty-and quota-free access to the US market through TDA 2000 although there is a cap to the total amount of imports from these countries. Caribbean countries were also given the same privileges if they use US made fabrics.

The problem that confronts the Bangladesh RMG sector over the next three years before the quota regimes are terminated is increased competition from countries benefited under the TDA.

Duty-free access made a considerable difference - duties for most important categories are 15-20 per cent. If a Bangladesh exporter wants to compete against a Caribbean country then it must reduce costs (CIF) by 15-20 per cent to offset the tariff advantages available to its competitor.

The study said there is little to fear from the emergence of a large African RMG industry that would develop with leadership in technology and marketing from Asia when Bangladesh took almost ten years to develop a substantial volume of exports.

"There is no reason to believe that the African nations can go any faster," it said.

Of the African countries, the study said, Kenya and Mauritius would make serious efforts to supply the US market through establishing capacity substantially with marketing and financial support largely from Asia. There is less opportunity for other African countries.

By the time the African industry is built up the trade regime will pass through the December 2004 removal of quotas when the tariff is expected to come down to limit the advantage of Africa, it said.

The study said the impact of the Caribbean expansion in the US markets would be to halt any growth of exports and possibly reduce sales by 5-10 per cent. After 2002, it would decline substantially if the needed improvements were not made.

However, the study anticipated that Bangladesh would be able to shift production to European markets so long as duty-free access to the EU is allowed.

## China launches anti-dumping probe of Japan, Thailand, Korea

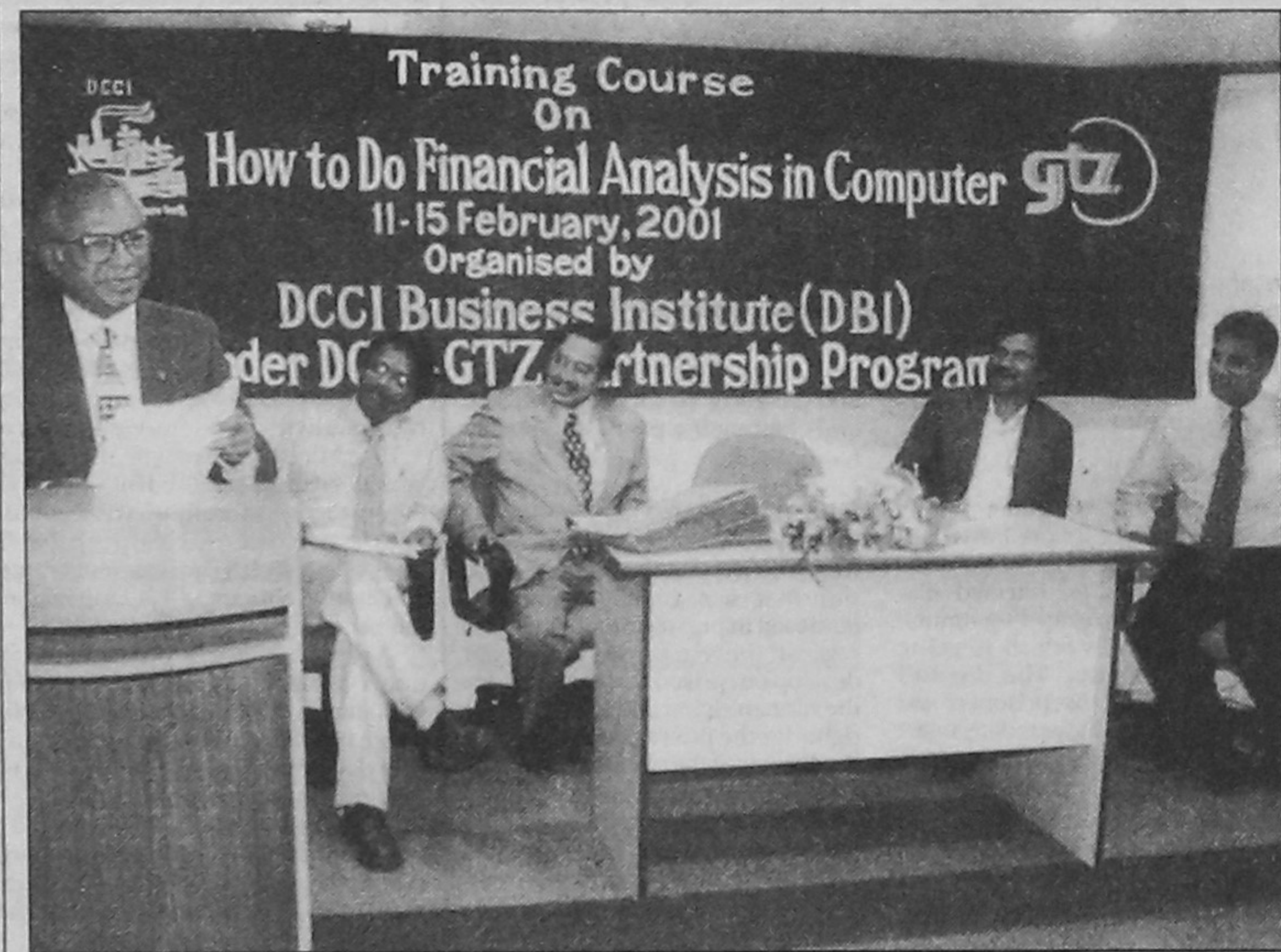
AP, Beijing

The Chinese government is investigating whether three Asian countries are selling polystyrene - a common plastic - in China at prices below production cost, the government-run Xinhua News Agency said Friday.

China's trade ministry launched the antidumping probe of companies from Japan, South Korea and Thailand on Friday, Xinhua said. It is expected to last a year "but may be extended to 18 months under special circumstances," the report said.

Separate agencies under the State Council, China's cabinet, will also examine whether unfair competition has hurt Chinese producers, the report said.

Polystyrene is used in making plastic containers, packaging and telecommunications equipment.



Mahub-Uz-Zaman, Senior Vice-president of DCCI, addresses the certificate-awarding ceremony of the training course on 'How to Do Financial Analysis in Computer' at the DCCI Business Institute (DBI) Thursday. Absar Karim Chowdhury, Vice-President, DCCI (R-2), Mirza A Matin, Secretary, DCCI (L-2), Mridul Kanti Biswas, Resource Person and Chief Executive, Entrepreneur Development Initiative (E-R), and Md Emdadul Haque, DBI Incharge (E-L), were also present on the occasion.

## S Arabian businessmen eye investment in Pakistan

AFP, Islamabad

A group of top Saudi Arabian businessmen on a visit to Pakistan on Friday met with military ruler General Pervez Musharraf.

An official statement issued after the meeting in Rawalpindi near here said the Saudi businessmen expressed interest in investing in information technology, Engineering, agriculture and chemicals in Pakistan.

Musharraf told the delegation his government was committed to make Pakistan business and investor friendly.

The Saudi businessmen, Khalid A. Juffali, Hamad S. Al-Sulaiman, Tarak Sindi, Hassan Othman, Amr

H. Enany and Alireza Yousuf have made substantial investments in many countries in various fields, the statement said.

Finance Minister Shaukat Aziz, Commerce Minister Abdul Razzak Dawood and Privatisation Minister Altaf M. Saleem also attended the meeting.

Musharraf was quoted as saying Pakistan and its people had "special regards for and relations with the Kingdom of Saudi Arabia."

He said the decade of the 90's was an era of economic downslide for Pakistan due to "political polarization," a reference to bitter rivalry between two former prime

ministers, Nawaz Sharif and Benazir Bhutto.

Both political leaders were ousted prime minister twice, but their tenures ended prematurely amid political confrontations and corruption scandals.

Sharif, who succeeded Bhutto after the dismissal of her second government in 1996, was overthrown by Musharraf in a coup in October 1999.

In December last Musharraf gave Sharif a pardon from lengthy sentences on charges of hijacking and corruption and exiled him to Saudi Arabia under an arrangement mediated by the Saudi royal family.

## State Bank of India cuts lending rate

AFP, New Delhi

India's largest bank, the State Bank of India, Saturday announced a cut in its prime lending rate by 0.5 per cent to 11.5 per cent in the wake of a similar reduction by the central bank.

State Bank said in a statement the rate cut would be effective Monday.

Most of the other banks in India are expected to follow the example of the State Bank of India in the week ahead.

India's central Reserve bank of India (RBI) cut the bank prime lending rate to 7.5 per cent from 8.0 per cent from close of business on Friday.

The RBI benchmark bank rate is the rate at which the central bank does most of its lending to commercial banks. It is used as a benchmark by these banks to set their own lending rates.

The RBI also said it would reduce the Cash Reserve Ratio to 8.25 per cent from the current 8.5 per cent on February 24, with a further cut to 8.0 per cent from 8.25 per cent on March 10.

## Indian tea trade seeks tax cuts to build on gains

REUTERS, Kolkata

Indian tea planters, just emerging from a punishing two-year price slump, say they want lower excise duties and higher tariffs in this month's federal budget to modernise and safeguard the industry.

Planters in India, the world's biggest consumer and producer of tea, fear further trade liberalisation could expose them to a flood of cheap imports from neighbouring Sri Lanka, the world's leading exporter, as well as from China and Indonesia.

"We're just coming out of a very difficult period. We want government support to help us invest more money in the business," Indian Tea Association (ITA) chairman RS Jhawar told Reuters.

The planters said they were hoping for broad tax concessions in the budget to be announced on February 28.

## Weekly ReadyCash prize winners

The latest draw of the fortunate prize winners took place last Thursday at the ReadyCash office in Dhanmondi with M E Islam, Corporate Secretary of American International (BD) Ltd choosing the winners. This is part of the commitment ReadyCash undertakes to reward valuable and loyal cardholders.

### Prizes for new cardholders

Prizes	Name of Winners	Card No
Federal Express Free Shipment	Md Zahed Hossain	504798000006860
Lunch for two at China Junction Rest	Mohammad Bashir	504798000006809
Hertz Free Rent-A-Car	Md Abul Hossain	504798000006843

New ReadyCash cardholders will become eligible for prizes as soon as they apply for a card and make a transaction. Winners can collect their prizes from the Public Relations Manager of ReadyCash within 30 days of this news circulation by producing their ReadyCash card transaction vouchers. ReadyCash encourage its cardholders to read The Daily Star on every Sunday for a new listing of prize winners and visit the Janata Bank ReadyCash stall at Dhaka International Trade Fair.

**Sunday Business Solutions**

Do you have business problems? Write to us at:

**Sunday Business Solutions**  
The Daily Star, 19, Kawran Bazar, Dhaka, Bangladesh, email: dstar@bangla.net

Sarwar Ahmed, MBA (sarwar@asia.com) hosts this column. He heads a multinational company in Bangladesh.

The Daily Star has introduced a new business solution column which appears on Sundays. While running your business, you come across problems and wish someone would help. This column will provide you with insights to solve your problems. While we await your questions, here are some Buzz Words and Phrases for the 21st Century.

ADMINISPHERE - the rarefied organizational layers beginning just above the rank and file. Decisions that fall from the adminisphere are often profoundly inappropriate or irrelevant to the problems they were designed to solve.

ANALYSIS PARALYSIS - caused by too much information.

ASSMOSIS - The process by which some people seem to absorb success and advancement by kissing the boss' you-know-what, rather than working hard.

BLAMESTORMING - sitting around in a group, discussing why a deadline was missed or a project failed, and who was responsible.

CLM - Career Limiting Move - used to describe ill-advised activity. Trashing your boss while he or she is within earshot is a serious CLM.

CUBE FARM - An office filled with cubicles.

FLEXECUTIVE - Multi-tasking executive.

GREENWASH - environmentally responsible company propaganda.

HERDING CATS - used to describe something difficult or impossible to achieve.

HURRY SICKNESS - caused by excessive work-related concerns.

INFO-DUMP - large, indigestible amount of information.

INFOHOLIC - person addicted to acquiring information.

IRRITAINMENT - Entertainment and media spectacles that are annoying but you find yourself unable to stop watching them. Kororpati programs are good examples.

MBWA - Management by walking about.

MBWAWP - Management by walking about without purpose.

PORTFOLIO CAREER - composed of successive short-term contracts.

PRESENTEEISM - reporting for work even when sick for fear of losing one's job.

SEAGULL MANAGER - A manager who flies in, makes a lot of noise, craps on everything, and then leaves.

TOURISTS - People who take training classes just to get a vacation from their jobs. "We had three serious students in the class; the rest were just tourists."

404 - Someone who's clueless. From the World Wide Web error message "404 Not Found," meaning that the requested document could not be located. "Don't bother asking him ... he's 404."