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Star BUSINESS

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China to keep currency stable for another five years

AFP, Beijing

China will keep its currency stable for another five years as local market mechanisms are not yet sound enough to absorb the impact of a liberalised exchange rate, state media said Monday.

Too much haste in liberalising the exchange rate could cause sharp fluctuations in the currency and affect steady economic growth in the long term, the China Daily reported, citing Dai Genyou, head of the central bank's monetary policy department.

"It is necessary to keep the... exchange rate under a managed float," he said, referring to the current system, where regulators allow the rate to veer only marginally from a pre-set level around 8.28 yuan to the dollar. "The bank will continue to (make a stable yuan) the priority in its monetary policy for the next five years."

Dai's statement marks a sudden return to more cautious policy announcements, after several hints that China was about to loosen its tightly-controlled exchange rate regime.

Late last year, central bank researchers published an article in a state-run paper indicating the bank was considering allowing the currency to float within a 10 to 15 per cent range on either side of the official rate.

Another state newspaper last month said that China was planning to liberalise its foreign exchange rate to prepare for the expected entry this year into the World Trade Organisation.

HK jobless rate shrinks further

AFP, Hong Kong

Hong Kong's jobless rate fell to 4.3 per cent in the three months till January, from the 4.4 per cent in the quarter to December which had been revised from 4.5 per cent, the government said Monday.

However, the underemployment rate -- a measure of those with jobs who are not adequately compensated -- has stayed unchanged at 2.7 per cent recorded in the November-January period, the Census and Statistics Department said in a statement.

A government spokesman said that while the overall unemployment rate showed only a small change, the jobless rates for some sectors had relatively larger movements, reflecting variations in their business conditions.

In the November-January period, there were decreases in the jobless rate in construction, manufacturing and restaurants and hotels, more than offsetting the increases seen in the import-export trades.

The size of the total labour force grew from 3,405,600 in October-December to 3,421,000 in November-January.

Meanwhile, the number of employed people rose from 3,254 million to 3,277 million.

The number of unemployed dropped from 150,700 in October-December 2000 to 144,000 in November-January, while the number of the underemployed rose slightly from 90,800 to 92,000.

Russia to repay all debts despite economic setbacks

AFP, Moscow

Russia will repay its foreign debts despite current setbacks in its embattled economy, Russian Prime Minister Mikhail Kasyanov said in a television interview late Sunday.

However, Kasyanov said that Russia must continue talks on restructuring the massive Soviet-era debts, which are a particular burden on Russia's yet unstable economy.

"We have never refused and will not refuse to repay" the debts, Kasyanov told Russian state-owned RTR television, commenting Moscow's failure to get the massive loans further restructured.

However, Russia intends to focus on dealing with its struggling economy's "temporary difficulties", to restrain inflation and maintain last year's economic growth, Kasyanov said.

"If this is accomplished, we will automatically have an opportunity to repay debts," the prime minister said, adding however that if the economic growth was stalled, Russia would seek to restructure the debt.

CPD readies development policy briefs ahead of JS polls

STAR BUSINESS REPORT

An independent think-tank, the Centre for Policy Dialogue, has taken an initiative to mobilise national capacity to prepare a set of policy briefs for influencing the policy debate during the run-up to the national elections this year.

The first phase of the initiative to identify and prioritise issues important for the country's development has already been completed. In the second phase, taskforces will be formed on each issue to prepare documents.

The taskforces will assess the existing policies in the relevant fields, find out the current problems and suggest immediate and mid-term actions for the country.

"These policy briefs will be completed before the elections and our main targets are poli-

ticians, media persons, the voters and other civil society forces," said CPD Executive Director Dr Debari Bhattacharya at a press briefing yesterday. "Our aim is to produce a home-grown agenda for the next government which is socially legitimate and competently done."

He said the new initiative in fact has its roots in the 1991 taskforce reports which were prepared by renowned economists and professionals of the country.

"Such efforts need to be continued through a permanent institutional initiative. The taskforce report and CPD's Independent Review of the Bangladesh Development reports have shown that there are enough competence in the country to prepare policy reports," said Dr Bhattacharya.

The initiative has already identified 16 issues for the policy briefs. These issues are: budgetary discipline and fiscal programme, development and governance of the energy sector, financial sector, overcoming agricultural stagnation and revitalising the rural economy, trade and industrial policy, poverty eradication and employment generation, gender equality and women's empowerment, governance of the health sector, education policy, administrative reform and local government, urban governance, environmental policy, transport and communication, information and communication technology, governance and land administration.

These issues were identified through six consultations -- three in Dhaka and one each in Khulna, Rajshahi and Chittagong. Diverse stakeholders were invited to participate in the dialogues and particular emphasis was placed on ensuring participation of the private sector and professional groups so as to broaden the range of views.

The dialogues made it apparent that the majority of the people believed that for the average citizen of Bangladesh there is either little or no opportunity to participate in national development policy formulation process.

The respondents viewed that the most influential actors in policy-making are bureaucrats, ministers and members of the parliament. The least influential actors were the opposition party, local government, civil society and leaders and workers of the party in power.

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SEC clears Grameen Mutual Fund

M SHAMSUR RAHMAN

The Securities and Exchange Commission (SEC) yesterday cleared the application of the Grameen Mutual Fund One by accepting the four parties to the proposed fund -- the sponsor, the trustee, the custodian and the asset management company.

The Grameen Bank has been accepted as the sponsor of the fund, Grameen Fund as the Trustee, Standard Chartered Bank as the custodian and AIMS of Bangladesh as its asset management company.

The SEC decision has now paved the way for floatation of the mutual fund which would now be

registered with the sub-registered office. Following this, the fund will submit a prospectus to the SEC for raising capital through initial public offering (IPO).

The SEC decision came within just six days of applying for the acceptance for the fund, the second of its kind. Earlier, the SEC took six months to take a similar decision when the first mutual fund applied.

AIMS Managing Director Yawer Sayeed welcomed the prompt decision by the SEC, saying that the commission officials were working even on the weekends for expediting the fund.

"It took us a long time to clear the first private mutual fund as we

needed to understand the relevant laws," the SEC Chairman Maniruddin Ahmed said, adding that there would not be any unnecessary delays on part of the SEC in dealing with such cases.

The Grameen Mutual Fund has mainly been formed to mobilise part of the savings of the Grameen Bank micro-credit members into the stock market. The first scheme under the fund is expected to have a size of between Tk 12 to Tk15 crore with an assurance of a minimum 10 per cent return per year during its lifetime.

The fund will be invested in a number of selected companies and the yield would be distributed

among the poor micro-credit recipients who would be the prime investors.

The Grameen Bank is planning to enhance earning potentiality of the rural poor through augmenting and directing their savings towards the capital market in a structured way.

The move is expected to give significant boost to the capital market if the rural savings could be channelled to the industries, experts view.

The savings of the poor under the Grameen micro-credit programme has savings of over Tk 1000 crore under different Grameen projects.



Enamul Huq Chowdhury, Managing Director of Sonali Bank, hands over a cheque for Tk 20 crore to Fazle Hossain Abed, Managing Director of BRAC, at a function held at BRAC Centre at Mohakhali in the city on Monday. The money will be utilised to finance self-employment programme. Faruque Ahmed Chowdhury, Adviser of BRAC, Abul Mueyed Chowdhury, Executive Director of BRAC, Anisa Hamed, Deputy Managing Director of Sonali Bank, senior executives of the two organisations were also present.

Thailand to try for narrowing trade gap with Bangladesh

Three-day product show begins Feb 23

BSS, Dhaka

Ambassador of Thailand in Dhaka, Pithaya Pookaman, Monday assured that his country would try to reduce the current trade imbalance with Bangladesh.

"The current trade balance between Thailand and Bangladesh is in our favour and we are exploring possibilities to promote exports from Bangladesh to our country," he said, adding that his country is also looking forward to raise its investment to different sectors of their choice in Bangladesh.

The envoy was addressing a press conference here Monday in connection with inauguration of a three-day Thai Products Trade Exhibition in Dhaka from March 23 to 25.

The exhibition was earlier scheduled for February 25 to 27 but had to be shifted to March 23 to 25 due to the hartal programme declared by the four-party opposition alliance led by BNP.

The Minister Counsellor

(Commercial) of the Thai Embassy, Wairak Walairat, who is stationed in New Delhi, also addressed the press conference saying the total Thai exports to Bangladesh was US dollar 200 million and imports from Bangladesh was US dollar 60 million during the 1999-2000 fiscal year. "You should not be worried for this trade imbalance as we are well-aware to reduce it," he told the newsmen.

The Thai imports from Bangladesh include jute and jute goods, mineral products, rice and cement products while its exports to this country include agri-machinery, electrical products, hardware, synthetics and motor parts.

Pithaya Pookaman referred to the existing bilateral relations between Thailand and Bangladesh based on traditional, cultural and linguistic links and expressed his firm hope that this bond of friendship would grow strength to strength in future.

"The forthcoming Thai Trade Fair in Dhaka is possibly the largest exposition of our products in Bangladesh where we have already

put on display our products in a stall in the Dhaka International Trade Fair," he said and referred to a rising trend in his country's interest to invest in different sectors including construction, agri-based industries and fisheries in Bangladesh.

"The Thai envoy was utterly against cross border fishing in the Bay of Bengal but showed his country's special interest about joint fishing under a legal framework for mutual benefit of both the friendly countries. "This is an area where we can cooperate each other for our mutual interest and benefit," he said arguing that fish in the Bay of Bengal would die if they were not exploited in due time.

He was highly optimistic about the BIMSTEC saying this regional economic council comprising Bangladesh, India, Myanmar, Sri Lanka and Thailand would further help consolidate the cooperation among these five countries in all key sectors including trade and business.



Bate Shoe Company (Bangladesh) Ltd organised a sales competition among the members of its Dealers Club for the year 2000. In this competition, Kamrul Hasan of Messrs Shakil & Brothers, Dhaka, achieved the top position from the Dealers Support Programme group. SJ Davies, Managing Director of the company, handed over the championship award to Kamrul Hasan at a colourful ceremony held at a city hotel recently. JD Hearn, Deputy Managing Director, Ekramuzzaman, Dealers Club Manager, SQ Hasan, Wholesale Marketing Manager, and Habibur Rahman, Wholesale Services Manager, are also seen in the picture.

Air Afrique suspends job cut plan

Unions call off strike for 72 hours

AFP, Abidjan

Unions at Air Afrique have postponed for 72 hours a strike planned for Monday after management suspended its plans to lay off nearly half the airline's staff, a management spokesman said.

Mansour Diop told AFP early Monday: "In order to agree to together on conditions for a reduction in staff under restructuring, management has suspended for 72 hours the distribution of the lay-off letters and the unions have gone along by suspending the strike scheduled for Monday."

The decisions were taken following a three-way meeting grouping the Ivorian transport ministry, management and unions of Air Afrique.

However, the management decision did not affect nearly 1,000 staff who had already received their lay-off letters, Diop said.

The airline's trade unions had warned on Friday the staff would begin a 24-hour strike on Monday to protest against the lay-off of 2,000 employees by the new management.

Dialogue broke down between staff and management on February 5, when the new director, American Jeffrey Erickson, announced the lay-off of 1,000 employees for two months.

Management raised the figure to 2,000 employees, out of the airline's 4,000, on February 13.

The unions called the move "illegal" and put forward alternative plans.

The airline has gone through four rescue plans since 1993 and is currently facing a deep crisis.

Created in 1961, Air Afrique belongs to 11 African states (Benin, Burkina Faso, Central African Republic, Congo, Ivory Coast, Mali, Chad, Mauritania, Niger, Senegal and Togo), who hold 68.44 per cent of the airline. The remaining shares are held by Air France (11.84 per cent), the French development agency (8.87 per cent) and three smaller shareholders.

Erickson arrived at the helm of the company in late January with the mission to implement a financial and operational restructuring, with a view to privatizing the company within 14 months.

Police storm Daewoo Motor plant to end layoff protest

AFP, Incheon, South Korea

Thousands of riot police stormed the Daewoo Motor Co.'s main plant here Monday in a bid to end a protest by redundant workers who had become a symbol of labor resistance to government restructuring.

Some of the 400 dismissed workers inside the plant in the western city of Incheon threw fire bombs at police and fire engines were rushed into the factory after one assembly line was reported to be ablaze.

Police helicopters flew over-

head as the battle for control continued into the evening.

The protesters had been inside the Popyong plant since Saturday after the bankrupt carmaker sent out 1,750 dismissal notices.

Police used a mechanical digger to break down a brick wall before an estimated 4,000 police poured into the plant to search for 32 wanted union leaders, according to an account released by unions.

YTN cable television news said some union leaders had been detained.

The police invasion forced

protesters deep into the Popyong plant, which is the biggest run by bankrupt Daewoo Motor. Some protesters hurled tools and auto parts at police and set fire to tyres, reports said.

A housewife carrying a baby girl, who had been in the plant with the protesters, was seen being escorted to safety as tensions mounted.

Analysts had warned that the longer the Daewoo Motor unrest lasts, the less likely it would be able to tempt General Motors Corp into a takeover deal.

GP team building workshop held

GrameenPhone Limited has introduced in-house management workshop for developing the managerial skills and competencies of its employees.

The programmes are designed and facilitated by the internal training experts, says a press release.

GrameenPhone Managing Director, Ola Ree, inaugurated the Third Team Building Workshop at BRAC Centre Inn in the city recently.

Mehboob Chowdhury, Director of Sales & Marketing, Naila Chowdhury, Director of Customer Relations and Human Resources, Abdus Salam Bhuiyan, Manager of Human Resources Department, and other officials of GP were also present on the occasion.

A total of 20 GP employees participated in the workshop.



Picture shows GrameenPhone employees at the Third Team Building Workshop held at BRAC Centre Inn in the city recently.