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DHAKA MONDAY MARCH 19, 2001

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Wesfarmers Energy MD due today

David Robb, Managing Director of Wesfarmers Energy Limited, a subsidiary of Wesfarmers Limited and one of Australia's most successful public limited companies, which is also listed among the top 20 performers, will arrive in the city today on a week-long visit, says a press release.

During the visit, Robb is expected to meet with various government ministers and business leaders involved in the Energy Industry in Bangladesh.

Later in the week, he will be on a visit to Mongla to see the progress of the almost completed Tk 40 crore LP Gas import terminal under construction by the Joint Venture Company ELPJI Malaysia-Bangladesh Limited (EMBL). EMBL will distribute Kleenheat Gas—Australia's leading LP Gas—throughout Bangladesh from this facility. An informal get-together with high-ranking officials of the Mongla region is also planned in Khulna with Robb.

Pubali Bank signs EEF co-op deal with BB

Pubali Bank Limited signed a co-operation agreement with Bangladesh Bank (BB) on Equity and Entrepreneurship Fund (EEF) in the (BB) Board Room Wednesday, says a press release.

The Tk 100 crore fund has been created by government and it appointed Bangladesh Bank the agent to administer the EEF.

The fund will be managed by the scheduled commercial banks to invest in the probable software industry, food processing and agriculture-dependent industries.

Managing Director of Pubali Bank Khondkar Ibrahim Khaled and Executive Director of Bangladesh Bank Ziaul Hassan Siddiquei signed the agreement on behalf of their respective sides.

New Horizons holds Career Night Programme

New Horizons, a USA-based world leader in IT training, organised 4th career night programme at Dhaka Sheraton Hotel on Saturday, says a press release.

More than a thousand IT lovers of Dhaka attended the programme.

SM Kamal, President of BASIS, and Karan Ramnandanlall, Regional Sales Manager of VUE Inc, were the special guests.

Danis Ang, Vice President of Asia Pacific Region, New Horizons CLC Inc, was the key-note speaker. Dr Habibur Rahman, CEO of New Horizons CLC Bangladesh, was the convener of the programme.

Speaking on the occasion, Ang explained the growth of Internet economy throughout the world and need of qualified IT people by an interactive multimedia presentation.

SM Kamal spoke of the current trend of IT in Bangladesh.

Dr Habibur Rahman distributed the awards among the students and offered jobs to the best performers on the courses.

New Horizons has 251 centres in 44 countries and provides training to 2.4 million people every year.

New Horizons of Dhaka started its operations in August 1999 at Dhanmondi. It will open more centres in Chittagong and Barisal and few more at different locations in the city.

New Chairman of Central Ins

Md Nurun Newaz Salim was elected chairman of Central Insurance Company Ltd at a meeting of the Board of Directors of the company held at its Head Office recently, says a press release.

A renowned businessperson and industrialist of the country, Newaz is the sponsor Director of the National Credit and Commerce Bank Ltd., Chairman of Elecro Mart Ltd. and General Oil Mills Ltd., Managing Director of Newaz International Ltd, Proprietor of Royal Bengal Agencies and Royal International.

Quick trade liberalisation left industries unprepared to cope with situation

Report on Structural Adjustment Programme says

STAR BUSINESS REPORT

Rapid trade liberalisation within a short span of time adversely affected the country's manufacturing industries, particularly small and cottage ones, a field study on entrepreneurs said.

Many small enterprises including engineering and bakery in the rural areas were forced to close down due to huge inflow of foreign goods mainly because of a drastic tariff reduction, the report prepared through participatory discussion said, quoting businessmen.

Entrepreneurs, workers and traders participated in group discussions and they were also interviewed to prepare the report for the Second National Forum of Structural Adjustment Participatory Review Initiative (SAPRI) Bangladesh. Economist Dr Atiur Rahman authored the report.

Trade liberalisation has been an important component of structural reform measures since

mid-1980s. Under the programme, quantitative restrictions (QRs) were eliminated rapidly in the early 1990s and the top tariff rates were reduced drastically.

The maximum tariff rate was reduced from 350 per cent in 1990-91 to 37.5 per cent in 1999-2000 while the average tariff rate fell from 89 per cent to 17 per cent over the same period.

The discussants observed that import tariffs on finished goods are fairly low and as a result, local markets are being flooded with foreign goods, hurting the local manufacturing industries are being hurt.

"AB Biscuit and General Food of Tongi, rural textile industries of Shekher Char, Narshindi, and small engineering units of Tipu Soltan road in Old Dhaka are only a few among many of the enterprises which were forced to close down due to trade liberalisation," the report said.

The report said there was no

mechanism to regulate the market either, which led to the flight of domestic capital through informal trade.

According to the report, there were 100 workers at the AB Biscuit factory of which 80 were females. The factory has now been closed for the last eight years and about 80 per cent of the workers are still unemployed.

General Food of Tongi had 90 workers, including 80 females. The workers got paid regularly, but the factory was forced to close down due to easy import of food items. The workers are now mostly unemployed.

All participants of the focus group discussions, except the government officials, were unanimous that the country has liberalised its trade regime keeping the majority of its entrepreneurs—both large and small—unprepared to cope with the changed circumstances, the report added. It is vitally important to

prepare the economy before undertaking any reform measures and such preparations include creating a favourable social condition, good working culture, technological preparedness, skilled workforce, access to capital and availability of efficient technical experts.

Bangladesh has liberalised its trade regime without such preparations in a relatively faster rate and it is a classic example of liberalisation objectives remaining unfulfilled.

Citing examples of the neighbouring countries, participants pointed out that those countries have gone through a rigorous protective regime for a fairly longer time and opened their economy only after they had successfully been able to develop a strong industrial base.

"Moreover, they are still protecting their local industries through various non-tariff barriers," they mentioned.

Flora launches Virtual University Enterprise testing system

STAR BUSINESS REPORT

Flora Systems Limited (FSL) has launched Virtual University Enterprise (VUE) testing system for students seeking international degrees in information technology (IT) from Dhaka.

Under the system, students enrolled in internationally-reputed IT institutions, will appear at exams in Dhaka to get their certifications.

The VUE, a recognised system of holding examinations, would dissolve the necessity of appearing at exam centres abroad and also help develop human resources in the field of IT.

"Flora Systems has partnered with VUE (Australia) to bring global IT educational certifications at people's doorsteps," Md. Nurul Islam, chairman of FSL, told reporters at a press conference at the Jatiya Press Club yesterday.

Islam said the launching of the VUE testing centre will offer state-of-the-art facilities with highly-qualified and trained faculty members, making computer education and vendor certification an exciting and rewarding experience for students and professionals.

Flora, authorised to hold examinations for Microsoft, Novell, Cisco, Lucent, and Ericsson, would try to locally accumulate more internationally-recognised certificate examinations.

Says Mustafa Rafiqul Islam,

Managing Director of FSL: "VUE will enhance our strength to provide better client services."

He also said, "Flora-VUE would bring a revolutionary change in the quality of IT vendor certifications. After having training and certification from our training centres, students can also become MCP, MCSE, MCDBA, CCNA and CNE."

He said there is a huge demand for certified IT professionals in both domestic and foreign job markets.

The tests that FSL will arrange are Allaire, Avaya Communications, BROCADE Communications, Certified Internet Webmasters (CIW), Check Point Software Technologies, Cisco, CompTIA, Ericsson, IBM, iGeneration, Informix, Interstep, Linux Professional Institute, Lotus, Lucent Technologies, Microsoft, NASD (Regulation), NASD (Regulation) Continuing Education, Novell, PTC, RSA Security, Siebel System and Tiroliv.

The first VUE-Flora centre was also opened at Motijheel in the city yesterday.

Mustafa Shamsul Islam, and Hussein Shaheed Feroz, Directors, Dr. Karan, Regional Sales Manager (VUE), Tapan Kanti Sarkar, Executive Director of FSL, and M. Golam Mostofa, centre head, among others, addressed the conference.



Boeing's Pierce joins Emirates SkyCargo

David F. Pierce, until recently the Regional Director-Marketing of Boeing's SkyCargo, has joined Emirates SkyCargo to manage its cargo marketing and business development, says a press release.

During his 27 years with Boeing, Pierce initiated and developed the Boeing World Air Cargo Forecast, regarded today as the industry's key reference and trend indicator.

Pierce brings to Emirates more than 30 years of experience in the transportation and logistics industry, including airborne, rail, truck and sea-borne modes of transportation.

In addition to Boeing, Pierce has worked for North American Rockwell as a logistics engineer, and McDonnell Douglas as a Systems Engineer-Cargo. While with McDonnell Douglas, he designed and implemented the Air Freight Decision Tool (AFDT), which was used to communicate the benefits of air freight as a logistic tool.

Pierce has served as Chairman of the industry's Cargo Analysis Technology Symposium (CATS), a Board member of The International Air Cargo Association (TIACA) and past Chairman of TIACA's Technology and Economics Committees. He is an author and lecturer on air cargo industry.

In his new position, he will focus primarily on business development.

"Emirates is attractive because it is one of the few airlines in the world that has married various revenue possibilities so that cargo has a real say in fleet planning, schedules etc. I find that exciting," he said.

Ram Menen, the airline's Director Cargo, said: "I am delighted that David has joined us. He brings invaluable experience to Emirates. In the course of his career, he has become a highly-respected figure in the air cargo industry and I look forward to working with him."

UK begins culling innocent animals as EU toughens stand

AFP, London

Britain began culling apparently healthy animals on Sunday in a desperate bid to stop the foot-and-mouth outbreak in its tracks, while a nervous mainland Europe tightened up its anti-disease measures.

The tally of infected sites in Britain had reached 297 by Sunday morning with the agriculture ministry announcing 24 new cases, including one in Shropshire, central England, which had until now been free of the contagion.

Agriculture ministry officials announced that at two farms in Scotland they had already started their programme of slaughtering sheep even though they were showing no symptoms of foot-and-mouth.

Scientists say the pre-emptive cull is needed to create fire-breaks around infected sites in order to prevent secondary waves of infection, but furious farmers have reacted by threatening a "rural revolt."

The new wave of slaughter had been postponed until Monday so government vets could travel to

the affected areas, Cumbria in north-west England and the south-west corner of Scotland, to explain the policy to farmers.

However, a spokeswoman for the Scottish Executive, which has some autonomy from London, said they had decided to "crack on" with the cull north of the border as soon as possible.

Meanwhile in London, the agriculture ministry signalled that despite farmers' objections, it was standing firm on its plans for a pre-emptive cull in England.

"If we don't take some form of decisive action, there is a fear the disease, instead of being contained in sheep, will spread and become airborne," said deputy chief veterinary officer Richard Chiffworthe.

In all, the extended slaughter programme will involve about 300,000 animals, on top of the 241,000 livestock already either slaughtered or earmarked for slaughter.

Foot-and-mouth disease is not normally harmful to humans but induces influenza-like symptoms

in livestock, making them impossible to sell.

Radical lobby group Farmers For Action stepped up the rhetoric on Saturday, accusing the government of ordering the extra slaughter for short-term political gain.

"We still feel that this cull is basically a gimmick for the government for an election in May at all costs," said spokesman Andrew Spence. "This decision to kill healthy animals was made on political grounds."

Prime Minister Tony Blair is thought to want to hold an election on May 3, but there are fears that if the outbreak is not nipped in the bud, the vote will have to be postponed.

There is still only one confirmed case of foot-and-mouth outside the United Kingdom, on a farm in the Mayenne region of northwestern France. Northern Ireland has one case but the Irish Republic is free of the disease.

But European governments are taking no chances and on Saturday they cranked up already tough

measures in place to stop the advance of the livestock virus.

Germany's Agriculture Minister Renate Kuenast called for transit times for transporting livestock to be cut, saying that such a move would reduce the risk of spreading foot-and-mouth disease.

Kuenast told the online edition of German magazine Der Spiegel: "If transporting animals on long journeys across Europe wasn't allowed, we wouldn't have to worry about a possible spread of the disease."

Herbert Wahn, the head of the German veterinary authorities, told Bild newspaper: "There are signs that suggest that infected sheep have been illegally imported into Germany."

In Ireland, anti-disease measures meant that Saturday's St Patrick's day celebrations were a damp squib.

Traditional parades to commemorate the country's patron saint were cancelled and the centre of Dublin, in most years packed with 500,000 revellers, was quiet apart from the usual shoppers.



Managing Director of Pubali Bank Ltd Khondkar Ibrahim Khaled and Executive Director of Bangladesh Bank Ziaul Hassan Siddiquei shake hands after signing the EEF co-operation agreement. Among others, Deputy Managing Director of Pubali Bank Ansuruddin Ahmed was present.

BB T-bill auction held

The 132nd auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held yesterday, says a press release.

Tk 607 crore, Tk 3 crore, Tk 7.50 crore, Tk 27 crore, Tk 45 crore and Tk 20.30 crore were offered respectively for the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year bills. Of these, Tk 306 crore, Tk 7.50 crore, Tk 17 crore and Tk 45 crore (in total of Tk 375.50 crores) of 28-day, 182-day, 364-day and 2-year bills were accepted respectively, whose range of the implicit yields were 6.45-6.57 per cent, 7.13-7.25 per cent, 7.52-7.55 per cent and 8.46-8.50 per cent per annum respectively.

The bids offered for the 91-day and 5-year bills were not accepted.

WTO accession by July 3 gets uncertain China-US trade fight looms

AFP, Beijing

With Beijing still unwilling to name a date for its accession to the World Trade Organisation (WTO), US businesses are priming for another acrimonious debate on China's trade status on Capitol Hill.

A five-man delegation from the American Chamber of Commerce in China was in Washington last week laying the groundwork for an 18-strong lobbying trip which will visit the United States in April to persuade lawmakers to renew China's trade privileges for another year.

US businessmen thought they had seen the last of the annual round of divisive debate centred on China's human rights record last year with the vote to grant China permanent normal trading relations (PNTR).

However, PNTR status was conditional upon China being a WTO member by July 3 when the year-long extension in NTR granted by lawmakers expires. That now looks unlikely.

China's trade minister, Shi Guangsheng, said last week the country could not pinpoint a date for the conclusion of multilateral negotiations in Geneva, having previously said China would be unlikely to accede to the WTO before October or November this year.

The stage is set for another "familiar bombardment" of anti-China rhetoric from a diverse group of Congressmen, said Robert Kapp, president of the US-China Business Council in Washington.

"Members of Congress who sincerely wish to overturn US-China trade relations will join with (those) who believe the annual NTR debate offers the United States a golden opportunity to focus public attention on what

they consider to be China's miscreance," Kapp said.

Congressmen will likely raise the debate once again and call for another vote on China's trade status, he added.

While personal hostility towards former US president Clinton will no longer add fuel to the flames of the China trade debate, other factors will continue to weight against the country, analysts said.

China's ongoing crackdown on the Falungong religious sect in which human rights groups claim more than a 100 practitioners have been killed and many thou-

sands more jailed, will fuel tension.

The death of more than 40 school children this month in an explosion at a school in inland Jiangxi province where children were used to assemble fireworks will add further grist to the mill.

Although US firms in China are used to the annual ritual of political fireballs flying across Capitol Hill, the debate is a headache for those doing business on the ground in China.

"Although most of our customers are not necessarily immune to the debates they are at least professional.

Pact with India tumbles Sri Lanka turns to Pakistan for trade

AFP, Colombo

Sri Lanka is turning to Pakistan to boost exports after burning its fingers on a trade pact with India.

The misleadingly-titled "Free Trade Agreement (FTA) between India and Sri Lanka marks its full year of implementation this month with many Sri Lankan businesses bitter they had been taken for a ride.

The deal with New Delhi was to dismantle barriers, but instead it saw new obstacles in place.

Shortly after Sri Lanka President Chandrika Kumaratunga and Indian Premier Atal Behari Vajpayee signed the FTA in December 1998, academics and ruling party loyalists here hailed the deal as a model for free trade in South Asia.

But the main spin-off from the

trade pact for Sri Lanka was a lesson on how not to do business with other countries and Sri Lankan trade officials said they would apply the Indian experience in dealing with Pakistan.

"We have learnt a bitter lesson from the FTA with India," a local tea official said as they prepared for final negotiations with Pakistan on a FTA. "We are better equipped now not to repeat the same mistakes."

Sri Lanka is sending a delegation to Pakistan later this month to finalise the trade deal.

Unlike with India, which has a large domestic tea industry that competes with Sri Lanka in the international market, Pakistan is a tea consumer, with the potential to be the world's largest tea drinker this decade.