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Star BUSINESS

DHAKA WEDNESDAY APRIL 4, 2001

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13-member Pak trade team due in city today

A 13-member Pakistani trade delegation is due to arrive in the city today on an eight-day visit to Bangladesh, says a press release.

The delegation is being led by Nawaz Ahmed, former president of Gujranwala Chamber of Commerce and Industry (GCCCI).

The delegations which comprises mostly members of GCCCI are mainly dealing in workshop machinery, sanitary and ceramics wares, room coolers, electric motors, washing machines, electric fans, agricultural implements, sugar mills machinery, soap manufacturing plants, carpets, furniture and other items having potential in Bangladesh market.

During its stay, the team will hold meetings with the members of Important Chambers of Commerce and Industry and trade associations of Dhaka, Chittagong, Khulna, Rajshahi and Sylhet. It will also visit Dhaka Export Processing Zone and attend Chittagong International Trade Fair.

The visit of the delegation is aimed to promote the existing trade links with the Bangladeshi traders and importers in their respective fields of activity.

Gujranwala - a big industrial city of Pakistan has developed into a hub of small and medium industries producing a wide range of products for domestic as well as export markets.

The delegation will also be interested in identifying areas of investment and joint ventures for the purpose of promoting economic cooperation between the two countries.

Besides meetings with trade bodies and public sector organisations, Pakistan High Commission, Dhaka, is also coordinating business meetings with individual importers and commission agents.

Indian Reliance announces textile business restructuring

AP, Ahmedabad

Reliance Industries Limited has announced a restructuring of its textile business, phasing out women's wear and retiring 20 per cent of its work force in western Gujarat state.

Reliance, one of India's top industrial houses, is the largest investor and one of the largest employers in Gujarat, with assets of more than 500 billion rupees (\$11 billion).

The states was hit by a 7.7 magnitude earthquake on Jan 26 and Reliance has taken over rebuilding of one town, Anjar.

The textile business contributes less than 1 per cent of Reliance Industries' total revenues, which also come from petrochemical plants, gas pipelines and oil refineries in Gujarat, which produced 5.5 per cent of India's gross domestic product before the quake.

A day after the Indian government announced the end of quota restrictions on textiles and ready-made wear - the last step in meeting World Trade Organisation requirements, Reliance announced its textile restructuring.

Kenyan tea prices weaken

REUTERS, Nairobi

Kenyan tea prices weakened at this week's auction amid expectations of comfortable supply owing to favourable weather, traders said Tuesday.

"Prices in virtually all categories went down apart from some primary broken grades," said broker Norman Wilson.

"There is a lot of tea available in the world - Sri Lanka has had the biggest February crop in history, and the rains now appear to be on time in East Africa and this will push up the crop."

Brokers said the international buying community had become confident there would be no shortage in coming months and the general perception was supply would comfortably exceed demand.

"Pakistan blenders were again active, but at lower levels, with a little more interest from the ((Pakistan) bazaar and Afghanistan," said leading brokers Africa Tea Brokers (ATB) said of Monday's auction.

"ATB said it saw more demand from Egypt with steady level of interest from Yemen, other Middle East countries and Sudan."

There was unspectacular demand from the United Kingdom, while Somalia and Ethiopia provided good support for traditional fibrous Fannings.

The United Kingdom, Pakistan and Egypt are the three biggest buyers of Kenya tea.

SEC plans series of talks to bring govt PLCs to bourses

Discussions with three gas companies this month

M SHAMSUR RAHMAN

The Securities and Exchange Commission (SEC) is planning a series of meetings with state-owned public limited companies (PLCs) with a view to listing their shares on the bourses.

The first of the meetings is expected to be held on Sunday with the Bangladesh Gas Fields Company Limited which has a paid-up capital of Tk 245 crore.

It is also planning to meet Titas Gas Transmission and Distribution Company Ltd, having Tk 104 crore paid-up capital on April 14 and Sylhet Gas Field Company Ltd, having Tk 52 crore paid up capital on April 15.

The SEC officials say the commission has the authority to ask the stock exchanges to enlist the PLCs with the bourses.

Section 20 (A) of the SEC Ordinance also empowers the SEC to direct the PLCs to get listed.

"As an initial step to get these

companies listed, we want to know their views on the issue," SEC Chairman Maniruddin Ahmad said.

Others say that in early 1994, a "Off-loading of Share Co-ordination Committee" was formed to develop the capital market by supplying adequate number of profitable securities to the market.

The committee in its first meeting decided that five to 10 per cent shares of the state-owned public limited companies with good fundamentals can be off-loaded in the stock market.

It also agreed that the ministries owning the PLCs can take necessary steps for divestiture of government shares by informing the Finance Ministry.

The committee decided that the Ministry of Power, Energy and Mineral Resources would expedite share offloading of Titas Gas and Bangladesh Gas Fields Ltd.

The Investment Corporation of

Bangladesh (ICB) was also given the responsibility of working out the valuation, capital structure and related aspects of the SOEs prior to issuing their shares.

To review the implementation progress of the committee decisions, another meeting was held on October 6, 1996 under the chairmanship of Power, Energy and Mineral Resources secretary.

In the meeting, the ICB MD suggested offloading of 25 per cent shares of the two gas field companies - Titas Gas and Bangladesh Gas Fields Ltd. It was also suggested that 15 per cent of the total shares of the PLCs be offloaded through the ICB, five per cent be kept reserved for employees, another five per cent for the non-resident Bangladeshis (NRBs) while the rest 75 per cent be offered for direct public subscription.

"Although there were different opinions regarding the modus

operandi of the share offloading, there was no disagreement that 25 per cent shares of the PLCs be sold off," the SEC has reminded the Finance Ministry last year.

Following the SEC reminder, the Power Wing of the Energy Ministry formed a committee in February this year comprising representatives of the Power Development Board and SEC for offloading the shares of the Power Grid Company of Bangladesh (PGCB), Dhaka Electric Supply Company (DESCO) and Rural Power Company (RPC) and other power companies which are in the process of formation.

The SEC chairman said there is a dearth of good shares in the stock market while the state-owned energy and power companies look lucrative to the investor.

"The government has already decided to partly privatise these for which it is necessary to enlist them with the stock exchanges," he said.



PHOTO: MERCANTILE BANK

Commerce Minister Mohammad Abdul Jalil inaugurates the web site www.mbbd.com of Mercantile Bank Limited at its head office recently.

ESCAP sees little risk of new Asian crisis

REUTERS, Bangkok

Asia's developing economies face a chillier economic environment this year as growth falters in the United States and Japan, but the risk of a second regional economic crisis is remote, a UN agency said Tuesday.

The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) said in its annual survey that the slower world economy would reduce growth in the region by one to two percentage points this year compared with 2000.

ESCAP Executive Secretary Kim Hak-Su told a news conference the south and southwest Asia region would grow 5.8 per cent in 2001, while southeast Asia would grow

4.0 to 4.5 per cent and east and north Asia 5.6 to 6.4 per cent.

The forecasts were revised down earlier this year due to the unexpectedly harsh global slowdown.

"Growth will almost certainly slow down on account of slower demand for exports," Kim said.

"But the region, and more particularly the crisis economies, are far less vulnerable to a crisis in 2001."

Many Asian economies particularly Indonesia, the Philippines and Thailand, are still struggling to recover from the financial crisis that hit the region in 1997.

Kim said short-term debt across the region was now significantly below 1997 levels, while their foreign reserves were com-

fortable, making another crisis unlikely.

He said the main challenge faced by Asia-Pacific's developing countries was maintaining a healthy pace of growth in the face of a less favourable external environment.

Another major problem facing the region's economies was attracting the aid they needed to develop, ESCAP said.

"It is no secret that donors are now fatigued," Kim said.

The report said there was a declining trend in aid payments as a proportion of GDP of donor countries, and the "present level of per capita contributions is a minuscule proportion of per capita income in most donor countries."

New director of BSCIC

Rezaul Karim joined BSCIC as Director-Project (Current-charge) on Monday, says a press release.

He will perform his duties as a member of the Board of Directors of BSCIC.

Prior to his new assignment, he was the Regional Director of BSCIC, Dhaka division.

He started his service in BSCIC as Assistant Counsellor in the year of 1967.

He participated in various training courses abroad (Sri Lanka, Philippines and Britain) related to industrial development. Besides, he also took part in different local training courses.

Asian growth to slow in 2001, recover in 2002, says ADB

REUTERS, Manila

Average economic growth among Asia's developing countries was expected to slow to around five per cent in 2001 before recovering to nearly six per cent in 2002, Asian Development Bank president Tadao Chino said.

In 2000, the region's economic growth was over seven per cent, Chino said in an interview yesterday. His comments were embargoed until Tuesday.

The ADB defines developing Asia as all countries in the Asia Pacific region, including four central Asian nations but excluding Japan, Australia, New Zealand, Afghanistan and North Korea.

He said the slowdown would be most apparent in Hong Kong, Singapore, South Korea and Taiwan, where on average GDP growth would be four per cent in 2001 against 8.4 per cent last year. However, growth should recover to six per cent in 2002.

Euro zone economic sentiment slows again

REUTERS, Brussels

Euro zone economic sentiment slowed for the third month in a row in March, but beat economists' forecasts, data released by the European Commission showed yesterday.

The data follow Monday's slide in the Reuters Eurozone Purchasing Managers' Index for March which some analysts said was signalling euro zone growth was dwindling and putting pressure on the European central bank to cut interest rates.

The closely-watched headline index for economic confidence in the 12 nation euro area fell to 102.2 in March, down from a revised 102.8 a month earlier. But this was above the 102.1 which had been forecast by analysts polled by Reuters.

Other indicators showed a fall. The euro zone industrial confidence indicator fell by 2 points to -1 in March after a deterioration in production expectations, the Commission said.

The retail trade confidence indicator for the 12-nation euro area lost four points to -4 in March.

EPB bows to protest, cuts visa fee for RMG exports

New charges still effective

STAR BUSINESS REPORT

Following backlash from the industry, the Export Promotion Bureau (EPB) has revised its recent decision to raise visa fee for readymade garment (RMG) exports.

The EPB through an office order recently raised the visa fee for RMG exports by about 200 per cent and fixed it at a flat rate of Tk 1500. It also slapped new fees on different services rendered by the bureau to the RMG units.

The aggrieved apparel exporters led by the Bangladesh Garment Manufacturers and Exporters As-

sociation (BGMEA) President Kutubuddin Ahmed met with Commerce Minister Abdul Jalil twice, yesterday afternoon and on Tuesday night, and succeeded to persuade the minister to revert the decision.

However, the apparel exporters had to agree to a new rate which is still higher than the earlier one while the other new charges on RMG exporters would remain the same, meeting sources said.

According to the decision of the meeting held at the commerce ministry, the new rate for visa fee would be Tk 650 for quota items in

case of 24-hour delivery and Tk 550 for 72-hour delivery. For non-quota items, the new rates are Tk 200 and Tk 150 respectively.

Earlier, there were different rates of visa for different markets. The visa fees for quota items in case of 24-hour delivery were Tk 500 and Tk 400 in case of 72-hour delivery. For non-quota items, the fees were Tk 150 and Tk 100 respectively.

EPB Vice Chairman AB Chowdhury, Joint Secretary of commerce ministry MN Nabi and office bearers of BGMEA were present at the meeting.

Govt trying to secure free access to US markets: PM

BSS, Dhaka

Prime Minister Sheikh Hasina yesterday told Jatiya Sangsad that efforts are being made to secure quota and tariff free entry of Bangladeshi goods to the US markets.

Replying to a question from Haji Mohammad Selim (Dhaka-8) and subsequent supplementaries from ABM Abul Kashem Master and Helal Uddin Talukder, the Prime Minister informed the House that following her government's timely and appropriate action, Bangladesh had already got zero tariff and quota free export facilities to European countries.

She told the House that during US President Bill Clinton's visit to Bangladesh and her subsequent visit to the USA, fruitful discussions were held over export of Bangladeshi commodities to the USA markets without quota and tariff restrictions.

She informed the house that during the last D-8 summit, she held bilateral talks with the Egyptian President Hosne Mubarak on various issues including further

expansion of trade and commercial relations between the two countries. She said that following her talks with Mubarak, Bangladesh received additional facilities for exporting its tea and jute to Egypt with tariff concessions.

The Prime Minister told the House that due to corruption and other mismanagements of the previous government, the European countries stopped GSP facilities and import of Bangladeshi Shrimps which created an adverse effects on the country's export trade. But after formation of her government, various concrete steps were taken and fruitful discussions were held with European Commission and subsequently the restrictions were withdrawn, she said.

While speaking about the outcome of the D-8 summit, the Prime Minister told the Sangsad that the Cairo Declaration envisaged rational distribution of facilities of globalisation among the developed and developing countries. The declaration also suggested ways and means to face the challenges of the new millennium.

WB chief cautious on further debt relief

REUTERS, Berlin

World Bank President James Wolfensohn said Monday he was sceptical about calls for debt relief for more developing countries, saying such a policy, if adopted, could force international lenders to close.

"There's now a debate to extend debt relief to ... up to 64 countries and as a further initiative to make the debt relief complete, saying what we have done to reduce it to sustainable levels is not enough," Wolfensohn told a hearing in Germany's parliament.

"The hysteria that's going on about this needs to be looked at very carefully because if you advance the notion that you have complete debt relief you will of course wipe out the World Bank ... severely limit the (International

Monetary) Fund, and in the end it will come back on your governments," Wolfensohn said.

Wolfensohn said offering 100 per cent debt forgiveness to 64 countries would mean writing off some \$460 billion in loans compared with \$190 billion potentially covered by the World Bank and IMF's highly indebted poor countries (HIPC) initiative.

The cost of such forgiveness to multilateral lenders alone would be \$175 billion, up from \$70 billion at present. He noted the World Bank only had \$29 billion in capital.

The five-year-old HIPC initiative covers 41, mainly African, countries of which half have received or been promised debt relief. Critics have said HIPC is not doing enough to help the poor.

CURRENCY

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to major currencies.

Currency	Selling TT & OD	Selling BC	Buying TT Clean	Buying OD Sight Export Bill	Buying OD Transfer
US Dollar	54.2800	54.3100	53.8150	53.6970	53.6250
Pound Sig	77.3870	77.4298	76.1590	75.9920	75.991
Deutsche Mar	24.9193	24.9331	23.8667	23.8143	23.7824
Swiss Franc	31.5490	31.5664	30.9104	30.8426	30.8013
Japanese Yen	0.4320	0.4323	0.4246	0.4237	0.4231
Dutch Guilder	22.1163	22.1286	21.1821	21.1356	21.1073
Danish Krona	6.4612	6.4648	6.3255	6.3126	6.3042
Australian \$	26.7383	26.7531	25.4061	25.3504	25.3164
Belgian Franc	1.2082	1.2089	1.1571	1.1546	1.1531
Canadian \$	34.7392	34.7584	33.7716	33.6975	33.6523
French Franc	6.9740	7.4342	7.1162	7.1006	7.0911
Hong Kong \$	6.9740	6.9778	6.8868	6.8717	6.8625
Italian Lira	0.0252	0.0252	0.0241	0.0241	0.0240
Singapore \$	30.2953	30.3120	29.3638	29.2994	29.2601
Euro	48.7380	48.7649	46.6791	46.5788	46.5143
Saudi Rial	14.5122	14.5202	14.3105	14.2792	14.2601

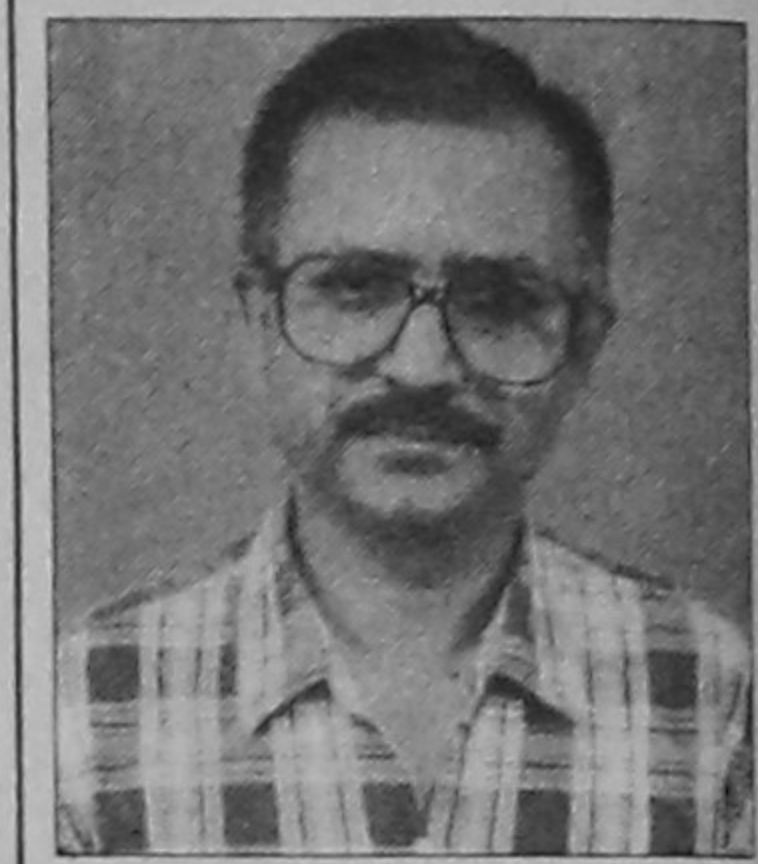
Bill buying rates
TT Doc 30 Days 60 Days 90 Days 120 Days 180 Days
53.7512 53.3665 52.9181 52.4698 52.0212 51.1243

US Dollar London Inter Bank Offered Rate (LIBOR)
Buying(\$) Selling(\$) Currency 1 Month 3 Months 6 Months 9 Months 12 Months
53.6250 54.2800 USD 5.05625 4.84000 5.6425 4.58625 4.58625
75.7989 77.3110 GBP 5.6625 5.5000 5.32984 5.27281 5.2425

Cash/TC Cash/TC EURO 4.72000 4.5675 4.2875 4.34625 4.315

Exchange rates of some Asian currencies against US dollar
Indian Rupee Pak Rupee Thai Baht Malaysian Ringgit Indonesian Rupiah Korean Won
46.63/46.64 61.47/61.57 45.25/45.29 3.7999/3.8001 10440/10455 1342/1346

New executive director of CDF



The Governing Body of Credit and Development Forum (CDF) has appointed Md Abdur Rouf Bhuiyan its new Executive Director with effect from April 1, 2001, says a press release.

He succeeds Khandker Zakir Hossain.

In his long career, Rouf has worked for NAF-Nayan Action Foundation as Executive Director, UNICEF, UNDP and OXFAM as consultant, International Voluntary Services-Bangladesh, Enfants du Monde (EDM) as Deputy Chief Coordinator and International Union for Child Welfare (IUCW)-Bangladesh as Research Coordinator.

He has written about fifteen research reports and articles on various development issues. He visited many countries including United Kingdom, Germany and India.

Credit and Development Forum (CDF) is a network for promotion of microfinance sector with a mission "Efficient Microfinance Industry Through Balancing Outreach and Sustainability".

Its broad objectives are twofold like institution building of the microfinance organisations (MFOs) and facilitating enabling environment for the microfinance practices.

Currently it has 921 microfinance NGOs (MF-NGOs) as member at home and abroad.

Japan coalition nears deal on economic package

REUTERS, Tokyo

Japanese policymakers drew closer today to an agreement on measures to remove two long-standing obstacles to an economic recovery - banks' mountainous bad loans and stock market weakness.

The ruling coalition government is expected to finalise by Wednesday a package centering on steps to help banks dispose of their non-performing loans and a special fund to absorb sales of shares held by banks.

While the deadline was self-imposed and officials have been reluctant to guarantee it would be met, at stake is the credibility of political and financial leaders who have been unable to pull the nation out of economic doldrums for a decade.

One key point of contention has been whether taxpayer money should be used by a proposed fund to buy shares from banks.

The Financial Services Agency (FSA), Japan's financial regulator, had been reluctant to channel public funds into the body, saying government intervention in the market should be as limited as possible. But a member of the coalition panel studying the issue said the gap was narrowing.

"The FSA seemed to have leaned closer toward us, although there are still some differences," he told reporters.