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Star BUSINESS

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PBTL launches mobile service in Cox's Bazar today

Pacific Bangladesh Telecom Ltd (PBTL) will launch its CityCell Digital brand of mobile services in Cox's Bazar today, says a press release.

Faisal Morshed Khan, Chief Operating Officer of PBTL, would inaugurate the service at a ceremony to be held at Motel Shaibal in Cox's Bazar.

PBTL launched the country's first mobile service in 1993. It is also the first operator, launching cellular mobile service in the sea resort city of Cox's Bazar.

Southeast Bank to extend term loan to IDLC

Southeast Bank Limited, a leading private sector commercial bank, will extend term loan facility to Industrial Development Leasing Company of Bangladesh Limited (IDLC), says a press release.

Shah Md Nurul Alam, Managing Director of Southeast Bank Limited, and M Aminul Islam, Managing Director of IDLC sign a deal to this effect on behalf of their respective organisations at a simple ceremony held at IDLC boardroom recently.

The credit line will be utilised in lease financing of capital machinery of various sectors.

Senior executives and officials of both the organisations were present on the occasion.

BanEx introduces 24-hour pick-up programme

Bangladesh Express Co Ltd (BanEx), licensee of Federal Express Co Ltd, recently introduced a 24-hour pick-up programme.

The programme has been introduced with a view to making its service available to its profiled clients who depend highly on FedEx service.

FedEx promises to deliver uncompromising reliability and service which stand as its hallmark.

This programme offers pick-up service between 2300 hrs to 0800 (next morning) that will be available to profiled clients and to clients in major international hotels.

However, the service will be limited to Dhaka city only (Except Old Dhaka, DEPZ and Narayanganj).

This new arrangement will no doubt benefit those valued clients who would like to have their shipment picked-up even after normal closing hours of its World Service Centres.

UK productivity growth hits 2-year low

REUTERS, London

Both productivity growth and confidence among small and medium-sized manufacturers in Britain have fallen to two-year lows, surveys released yesterday showed.

NTC Research said its private sector productivity index slipped to 51.9 last month from 52.8 in March, its lowest level since March 1999 and well below its peak of 56.9 in September of that year, when economic output was recovering sharply from a slowdown in 1998.

A number above 50 indicates expansion, below 50 a contraction. NTC, which produces its report with the Institute of Management Services, said manufacturing productivity growth remained ahead of that of the much bigger services sector because of job cutting by manufacturers.

"Last Thursday's quarter point reduction in interest rates will undoubtedly be welcome but will have a limited impact on productivity," said IMS head Harry Downes.

"The level of demand is insufficient to encourage the private sector to undertake significant capital or revenue investment," he added.

Official data shows whole economy productivity grew 2.3 per cent year-on-year in the fourth quarter of last year.

Separately, the Confederation of British Industry released a quarterly survey of small and medium-sized businesses showing a negative confidence balance of -30 between optimistic and pessimistic respondents, down from +7 the quarter before. The new level is the worst since January 1999.

The survey, which was similar to the CBI's recent report on manufacturing, overall, showed output among SMEs fell at the fastest rate since October 1999.

ILO coming up with labour projects for garments, EPZs

UNB, Dhaka

ILO is formulating projects focusing on two important sectors - export-oriented garment industry and EPZ - for labour welfare ensuring recognised rights of the workers.

Officer-in-Charge of the International Labour Organisation Shengjie Li made the disclosure at a meeting held here Monday to promote action on enforcing the ILO conventions.

In the garment industry, he said, "unionisation is low and there is considerable discrimination between male and female workers".

And in the export-processing zones (EPZ), ILO convention would concentrate on issues related to freedom of association and collective bargaining.

Despite the fact that 'a happy worker is a good worker', participants of the workshop found in different situation in implementing the worker rights against the number of ratification of ILO conventions by governments.

"Bangladesh has so far ratified seven out of eight ILO conventions to ensure fundamental rights of the workers, but still it is not commendable position even after passing many years since independence," the meet noted.

Government, employees and workers sat together at a local hotel and said the rights of association is guaranteed in the country's constitution, but it is totally absent from informal sectors, including garments, for a lack of rights of collective bargaining which is the right to voice.

The International Labour Organisation in collaboration with the Labour and Employment Ministry has organised the two-day workshop on ILO Declaration on Fundamental Principles and Rights at Work to promote action on it.

Labour and Employment Minister MA Mannan inaugurated the

workshop as chief guest where, among others, ILO Officer-in-Charge Shengjie Li, President of the Bangladesh Employers' Federation ASM Quasem and Member Secretary of NCCWE Mesbahuddin Ahmed also spoke.

Labour and Employment Secretary Sirajul Islam presided over the inaugural session.

The workshop was informed that the convention that is not ratified is C138 on Minimum Age.

In his speech, the chief guest admitted that collective bargaining and freedom of association help better business climate, minimise industrial disputes and ensure improved safety at workplace.

He said collective bargaining through the trade unions gives the legitimacy to the measure taken since workers representatives participate in decision-making.

"The ability to adjust in a situation of globalisation has endowed collective bargaining with the virtues of an increasingly valuable instrument for introducing changes to enterprise and organisation," said the minister.

He, however, admitted failure in ensuring gender equity but said this is not for lack of proper mechanisms and institutional arrangement. There are many socio-cultural factors.

In the working session, ILO Senior Specialist on International Labour Standards ILO/SAAT New Delhi Coen Kompiet and Dr Borhanuddin Khan of Law Department of Dhaka University presented two papers.

About 40 representatives from the government, workers and employees organisations are participating in it.

The speakers observed conflict between globalisation and ensuring labour rights in developing countries for which many countries do not ratify more than one ILO conventions.

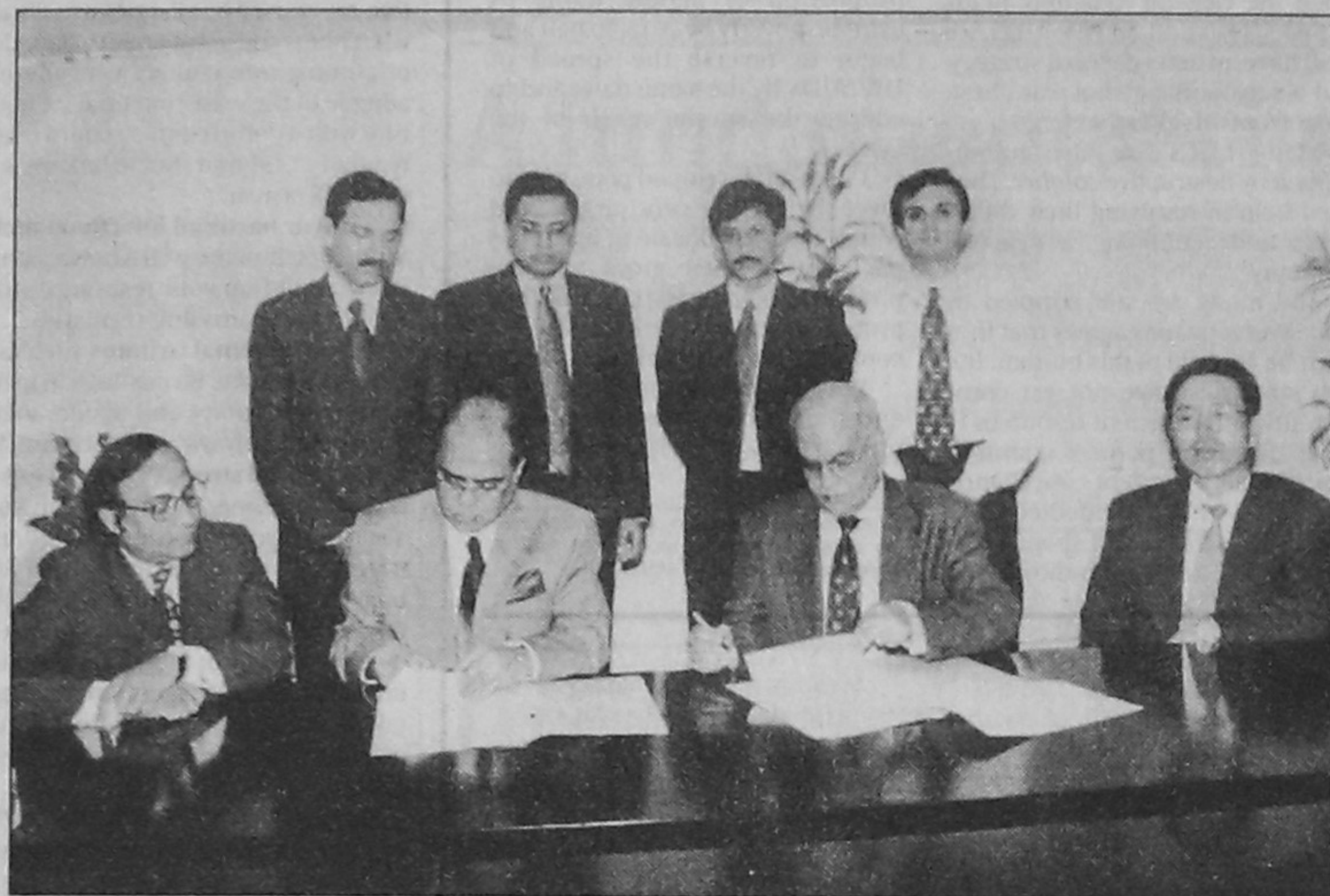


PHOTO: IDLC

Shah Md Nurul Alam, Managing Director of Southeast Bank Limited, and M Aminul Islam, Managing Director of IDLC, sign a credit deal on behalf of their respective sides at a function held at the Boardroom of IDLC recently.

India to build largest rail track in Malaysia

Two countries sign 7 cooperation deals

UNI, Kuala Lumpur

India and Malaysia signed seven agreements, including five memoranda of understanding (MOU) - for cooperation in various fields, including the largest-ever contract for construction of a railway line in Malaysia.

The agreements, covering areas of information technology, seaports, civil services and avoidance of double taxation, were signed in the presence of Prime Minister Atal Bihari Vajpayee and his Malaysian counterpart Mahathir Mohammad.

The MOU signed on the 1.8 billion dollar railway project envisages its execution by the Indian Railway Construction Company

(IRCON) on counter-trade basis by utilising the proceeds of palm oil exported to India.

The railway project would correct the balance of trade between the two countries which was heavily tilted in favour of Malaysia, its Foreign Minister Syed Hamid Albar told reporters.

The project involves double tracking and electrification of the 350-km Ipoh-Fadang Besar Section of the Malaysian railway.

The MOU was signed by IRCON Managing Director Arun Prasada and the Secretary General in the Malaysian Ministry of Transport.

The two countries signed an agreement to exempt the visa requirement for holders of diplomatic and official passports. This will enable the citizens of both countries, who are in possession of valid diplomatic or official passport, to enter into, exit from and transit through each other's country without visas.

The agreement signed by Information Technology Minister Pramod Mahajan and Malaysian Foreign Minister Syed Hamid Albar facilitates a stay for a period of 90 days which can be extended by the relevant authorities.

Another agreement signed by the two Ministers facilitates avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income. A similar arrangement was made in 1976 based on the income tax laws that existed then.

Meghna Life earns Tk 20cr premium in 2000

Meghna Life Insurance Company Limited has earned a premium income of Tk 20 crore in 2000, a 60 per cent increase of the previous year, says a press release.

This was disclosed at the divisional executive conference 2000 of the company held at its head office in the city on Friday.

Nizam Uddin Ahmed, Chairman of Meghna Life Insurance Co Ltd and Karmaphuli Insurance Co Ltd, was the chief guest while the company Advisor, MA Mojib, presided over the function.

The special guests at the function were Director Hasina Nizam, Director Col (Retd) Shamsuddin Ahmed and Director Nasiruddin Ahmed.

Executive Director M Solaiman Hossain, Executive Director MA Wadud, GM Md Mohibur Rahman Khan, GM Serajul Islam, GM Aminul Islam, GM DS Tifil Islam, Khondaker Moklesur Rahman GM Khorsed Alam, GM Sadequur Rahman, GM Md Akhteruzzaman, DGM MA Hossain, Project Director Md Hamatullah, DGM Abdur Rahman, Akhteruzzaman, Sultan Uddin and Mossarat Hossain also spoke at the meeting.

Beijing planning world's tallest hi-tech building

AFP, Hong Kong

Beijing is planning to build a 120-storey hi-tech building, which will be the world's tallest standing 520 metres (1,716 feet), it was reported here Monday.

The one-billion-dollar building was part of the many deals signed at the start of Beijing international high-tech industries week over the weekend, the China-backed Wen Wei Po said.

Nearly 100 hi-tech companies will be housed in the building, which will also become the symbol of Beijing, when completed, it said.

The report did not say when construction of the "intelligent" building would begin in Beijing's first economic development zone.

Malaysia's Petronas twin towers are currently the world's tallest office building at 452 metres (1,486 feet) followed by Sears Tower in Chicago, at 443 metres (1,461.9 feet), and Shanghai's foreign trade building complex at 420 metres (1,386 feet).

SEC clearance now a must for setting up PLCs

M SHAMSUDDIN RAHMAN

Entrepreneurs in the country will henceforth need clearance of the Securities and Exchange Commission (SEC) for setting up any public limited company (PLC) with over Taka one crore capital.

A company applying to become PLC will also require to pay Tk 5,000 non-refundable fee and another 0.1 per cent charge on the amount of its total capital after it gets SEC approval.

The new rule has come into effect from April 29 following a SEC gazette notification. Through the notification, the Commission also ended an exemption of clearance requirement for PLCs under a 1969 ordinance.

The latest gazette notification however relieved the PLCs having less than Tk one crore capital and private companies of mandatory clearance of the Commission.

The 1969 ordinance says that without SEC's consent, no company will be allowed to make an issue of capital in Bangladesh or be allowed to make public offer of securities.

Until now, this provision of the ordinance was subject to exemptions following a number of notifications by the SEC to liberalise the economy.

Only those companies vying to float initial public offerings (IPO) were required to get SEC permission.

SEC officials said that the new

decision was taken to regulate the activities of the PLCs. This will help easy transition of the PLCs into publicly traded companies.

One senior Commission official said companies which seek to raise money from the market often have weakness in their financial statements. "These companies often submit false documents to impress the investors. But once they go public, they fail to achieve their promised results, leaving the investors out in the cold," the official said.

He said the new policy would help the SEC keep track of the companies, as they will need to submit audited balance sheets along with other documents to the it.

US slump to last long with heavy impact on Asia

Credit Lyonnais Asia chief economist says

AFP, Hong Kong

The United States economic downturn will last longer than expected, leading to an extended period of job losses and bankruptcies in Asia, a leading economic analyst said here Monday.

Credit Lyonnais Securities Asia chief economist Jim Walker said the US-led global slowdown will see economic growth in Asia fall from eight per cent last year to four per cent this year.

Walker said the US economy had only entered the first phase of a prolonged economic downturn and it would not rebound until the beginning of next year.

"The US will take much longer to get back up and running than the consensus forecast is right

now," Walker told a media conference at the start of a GLSA investors forum in Hong Kong.

"There are more problems to come for the US,"

Walker said the economic downturn would last four to six quarters.

"We are now only in the first quarter of the downturn," he said.

Walker predicted the US Federal Reserve would Tuesday announce a 0.5 per cent cut in official interest rates, which currently stand at 4.5 per cent.

In a bid to spark the US domestic economy, Walker predicted further cuts would see US official interest rates slashed to 2.5 per cent by early next year.

Despite the cuts, unemployment in the US would rise from 4.5

per cent to 6 per cent by early next year with flow-on effects in Asia, Walker said.

The slowing global economy would hit Asia particularly hard because of the huge levels of debt in the region, he said.

"As economies in Asia slow down from eight per cent to four per cent, the ability to service this amount of debt is going to be very difficult," Walker said.

"We are going to see a lot of companies going out of business over the next couple of years."

Walker said the "silver lining in the Asian economic cloud" was that companies and governments would be forced to restructure in the manner they should have following the 1997 economic crisis.



PHOTO: MEGHNA LIFE

Nizam Uddin Ahmed, Chairman of Meghna Life Insurance Company Ltd, speaks at the company's Divisional Executive Conference 2000 held at the head office Friday. Directors Hasina Nizam, Mohd Shamsuddin Ahmed and Nasiruddin Ahmed and Adviser MA Mojib FCA, are also seen.

Japan oil firms to start online trading

REUTERS, Tokyo

A group of Japanese oil companies, trading houses and foreign firms will launch an Internet-based futures market to trade oil products starting as early as July, participating companies said yesterday.

A joint venture to run the new market, to be called J-Oil Exchange (JOX), will be set up in Singapore as early as June and will be capitalised at about 400 million yen (\$3.26 million), a Mitsubishi Corp spokesman said.

The exchange will provide risk hedging opportunities for companies trading in oil products, and trading will initially be limited to member companies that have real demand for oil products, oil industry sources said.

The Mitsubishi spokesman said the venture will aim for turnover of 200 billion yen in the first year.

Futures trading in kerosene and gasoline contracts have been available on the Tokyo Commodity Exchange (TOCOM) since July 1999, but much of the trading has been dominated by private investors and liquidity has often been

limited. Industry sources say trading on TOCOM is often shaped by speculation rather than real demand and supply for the respective oil product.

The new exchange will handle trading of futures contracts with maturities of up to six months, with positions to be settled in cash rather than through the actual delivery of underlying products.

Industry sources said the company will be based offshore to be free from Japanese regulations related to commodity exchanges.

A total of 17 companies are expected to take part in the venture, sources said, although the full list could not immediately be confirmed.

The spokesman at trading house Mitsubishi said that five other trading firms, comprising Mitsui & Co Ltd, Sumitomo Corp, Itochu Corp, Marubeni Corp and Nissin Iwaid Corp, will take part.

Spokesmen at Shouwa Shell Sekiyu KK and Idemitsu Kosan Co Ltd also said they would participate, while Cosmo Oil Co Ltd said it was also planning to join the venture.

Thailand unveils economic stimulus plans

AFP, Bangkok

Thailand's government on Monday announced plans for two short-term stimulus measures including an investment fund worth more than two billion dollars and "people's bonds" to hasten economic recovery.

Deputy Prime Minister Pitak Intravithayanon announced the proposals after a meeting of economic ministers chaired by Prime Minister Thaksin Shinawatra aimed at brainstorming ways to further boost the economy still suffering a hangover from the 1997 crisis.

A "matching fund" will be set up to invest in domestic stocks and the real sector, with initial capital of 100 billion baht (2.2 billion dollars). It will be 75 per cent financed by foreign funds, with the remaining 25 per cent from government coffers.

The stimulus measures will supplement measures already announced by the government, including the setting up of Thai Asset Management Corporation to take over the bad debts of banks.

He said the meeting requested Finance Minister Somkid Jatusripitak to conduct a feasibility study on the new fund.