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Global Beverage launches Cheers mango drink

STAR BUSINESS REPORT

Global Beverage Co Ltd has launched its canned mango drink named Cheers.

"After one and a half years of successful marketing of Virgin drinks, we have taken the initiative to give the consumers the real taste of mango throughout year," Abul Kashem Haider, Chairman of Global Beverage, told a press conference yesterday while launching the new product.

Director of the company Afzalur Rahman, General Manager Tariquzzaman, and Business Manager Kamrul Hasan also spoke on the occasion held at the National Press Club in the city.

A can of 250 ml Cheers will cost Tk 15. The company has set a target of selling 72 lakh cans or 300,000 cases of Cheers mango drink by December. Global's production capacity is 432,000 cans per day, company officials said.

Global Beverage imports all the ingredients used in Cheers and prepares the drink at its plant at Gazipur through a 'post pasteurised Nitrogen fill' system.

Abul Kashem Haider said the mango pulp is imported from India, sugar from Brazil and other ingredients from Denmark.

Strong IT sales push Casio profit up

AFP, Tokyo

Japanese electronics company Casio Computer Co. Ltd. Tuesday posted a 6.1 per cent rise in annual net profit to 6.54 billion yen (52.8 million dollars) on the past year's global information-technology boom.

But Casio warned of tougher times ahead as the slowdown in the United States leads to a slump in the IT market.

Surging demand for digital products and computer networking in the year to March helped sales increase 8.2 per cent to 443 billion yen, Casio said in a statement.

Pre-tax profit, however, fell 16.4 per cent to 11.89 billion yen.

The company said its operating environment was becoming "more difficult due to a downturn in personal computer sales, mainly in the United States".

This had led to "subsequent price drops for electronics devices and (general) price drops amid global business competition".

In the current fiscal year, the worldwide economic slowdown and intensifying competition were "expected to have a severe impact on the company's IT-related business", said Casio.

Sales were predicted to inch up 1.4 per cent to 450 billion yen, pre-tax profit by 9.4 per cent to 13 billion yen and net profit was seen rising to 7.0 billion yen, a 6.9 per cent gain.

Casio said it would "push ahead with structural reform for higher efficiency and results" under a mid-term management plan, which includes cuts in raw material prices and fixed costs.

Tea prices mixed at Kenya auction

REUTERS, Mombasa, Kenya

Prices at Kenya's weekly auction were mixed Monday with good quality teas holding up well but plainer lots suffering, brokers said.

Brokers said strong demand from Pakistan Blenders and exporters to Afghanistan again lent support to the market.

"There was good but less general demand which eased as the sale progressed," Africa Tea Brokers (ATB) said in a market report.

Brighter and medium pekoe ones (BPs) were irregular but on balance firm to dealer, while lower mediums and plainer sorts were up to \$0.12 easier with some lines difficult to sell near the close, ATB said.

Brighter PFIs were firm to \$0.07 easier, with colour mediums firm to \$0.11 dealer, but lighter sorts were up to \$0.08 easier and plainer lots down by up to \$0.11.

"There was strong interest from Pakistan Blenders and Afghanistan," ATB said. "But the (Pakistan) Bazaar lent less support."

ATB also noted less interest from Egypt, Sudan, Yemen and other Middle East markets, while Britain was more selective. But it said Somalia and Ethiopia remained active.

Best BPs were posted at between \$2.25 and \$2.35 per kg from \$2.23 and \$2.50 last week.

US envoy suggests gas export to India for 'maximum return'

STAR BUSINESS REPORT

US Ambassador in Bangladesh Mary Ann Peters has suggested that the political parties may think of including gas export in their election manifestoes.

She believed that gas export to India would bring Bangladesh the 'maximum return'. "If the new government approves of gas exports soon after coming to power, the country would earn hundreds of millions dollars a year before the next general elections," Peters said.

She suggested that the political parties could make gas exports an election pledge and highlight that the export earnings could be used to finance roads, education and other unmet needs.

The US ambassador was speaking at a monthly luncheon meeting of the American Chamber of Commerce in Bangladesh (Am-

Cham) organised at a city hotel yesterday. AmCham President Forrest E Cookson was also present at the meeting.

She suggested a five-point economic action plan in the areas of port, power, garments, gas and telecommunication that the next government should take during the first 100 days of its power.

She said the first 100 days of any government is crucial since most of the unpopular decisions need to be taken during this period.

She said the government urgently needs to solve the Chittagong Port problems, get itself ready for the post multi-fibre agreement (MFA) challenge, improve power generation, export gas and open up the telecommunication sector.

Terming Chittagong Port as Bangladesh's lifeline, the ambas-

sador said the port was already functioning at twice its capacity and it was the second most expensive one in the world.

Peters said the country's container trade is growing by 20 per cent a year for which a new efficient facility is needed.

She also pointed out that the government and the Stevedoring Services of America (SSA) have agreed on a nearly \$450 million project to build, own and operate a container terminal at Patenga.

"If the present government does not implement the agreement with SSA, then the next government should do it quickly so that Bangladesh can reap benefits from the terminal sooner than later," the ambassador said.

Underlining the contribution of the garment sector to the country's total export, Peters hoped that a realistic and achievable

action plan would be chalked out to compete in the post-MFA period.

Stressing the importance of uninterrupted power supply, Peters said with its huge natural gas, Bangladesh should have surplus power.

She however said that the situation is quite different now with 900 hours of load shedding last year, resulting in hundreds of millions of dollars in lost revenues. She said the fifth area of focus should be the telecommunications sector.

"Teledensity in Bangladesh is the second lowest in Asia. Domestic and international long-distance charges are extremely high," she added.

She said it was surprising that Bangladesh is the only country in the world which has a cellular phone system without full interconnectivity to land lines.

LC opening increases by 24pc in 9 months

UNB, Dhaka

Despite Bangladesh Bank having slapped 50 per cent LC margins to restrict "unnecessary" import, imports continued to climb upward registering an increase of about 24 per cent during the first nine months of the current fiscal.

Authorised dealer banks have opened import LCs worth over Tk 36,428 crore (US\$ 6,804 million) during July-March period of 2000-2001, showing an increase of 23.82 per cent in terms of Taka and 15.89 per cent in terms of the US dollar, said a central bank statement Monday.

It said import LCs for consumer goods increased about 20 per cent during the period compared to same period of last fiscal while LCs for import of industrial raw materials, petroleum and petroleum products, capital machinery and machinery for miscellaneous industries increased 23.55 per cent.

"Spending in consumer goods, barring some essentials items, is not a good sign for the economy," said a senior central bank official explaining the trend of imports.

However, he observed, increasing imports for industrial inputs and capital machinery would bring a good result for the economy in the long run.

According to the statement, major imports included textile fabrics and accessories Tk 9,023 crore, machinery Tk 2,483 crore, chemical and chemical products Tk 2,656 crore, POL Tk 3,672 crore, raw cotton and fibre Tk 1,561 crore and yarn Tk 787 crore.

Despite reaping bumper harvests in the country, LCs also opened for import of rice (Tk 53 crore) and wheat (Tk 536 crore) during the period.

Import LCs also opened for all sorts of pulses worth Tk 258 crore, sugar Tk 230 crore, edible oil Tk 814 crore and milk foods Tk 269 crore.

Daewoo Motor workers split over GM takeover

AFP, Seoul

Daewoo Motor Co. workers have split over a foreign takeover as U9 giant General Motors reportedly prepares for new talks on a bid for the bankrupt South Korean car-maker.

A group of union activists, including several former leaders, has split from the company's labour union which opposes a foreign sale. The breakaway group has launched a "normalisation committee" to campaign for Daewoo Motor's survival at any cost.

"If there is any way in the future for Daewoo Motor to return to normal, we will not oppose it," the committee said in a statement released Tuesday.

"Workers will actively take part in efforts to rescue Daewoo Motor," the committee said.

The move was a blow to the labour union, whose influence with Daewoo Motor workers has been waning since its executive members went into hiding to avoid arrest for leading violent protests.

But union spokesman Choi Jong-Hak dismissed the statement as a manoeuvre inspired by the company.

"The normalisation committee is a company-sponsored organisation and it does not have any rights to represent workers," he said.

"We will send a ready-to-die squad to the GM headquarters to register our opposition to GM's acquisition of Daewoo Motor," he said.

Shell Oil profit surges 85 pc

UNB, Dhaka

In a year of high oil prices, Shell Oil company in 2000 earned a profit of US\$13.1 billion, up by 85 per cent over 1999, against an investment of \$8.5 billion.

The exceptionally high profits were attributed to higher oil and gas prices, higher refining margins and cost improvements partly offset by the effects of lower chemicals and marketing margins.

"Exceptionally high oil prices together with cost improvements helped deliver strong financial results," said Sir Mark Moody-Stuart, Chairman of Shell group of companies, in a report on "People, Planet & Profits" made available to UNB.

He said Shell companies invested \$8.5 billion in 2000 and continued to contribute to economies in over 135 countries—meeting needs, providing and supporting employment, generating taxes.

According to the document, underlying oil and gas production growth for 2000 was five per cent and seven per cent respectively. The combined production between 2000 and 2005 is expected to grow at an average annual rate of five per cent.

It says, taxes generated by Shell companies in 2000 were more than \$51 billion.

Shell's cash and other readily accessible funds were \$11.4 billion at the end of 2000, up \$7.4 billion on 1999. Net assets increased by \$0.9 billion to \$57.1 billion during the year.

Thai cabinet okays expanded budget deficit

AFP, Bangkok

Thailand's cabinet approved Tuesday an expanded deficit for Thailand's budget in the year to September 2002 to stimulate economic growth by increasing domestic spending, officials said.

The increased deficit from 2.7 to 4.2 per cent of gross domestic product (GDP) was also aimed at cushioning the impact of an economic slowdown in the United States and Japan, Thailand's main trading partners.

"The increase of 50 billion baht (1.1 billion dollars) in the deficit is in line with many economists' suggestions that spending was not enough to stimulate the economy," Prime Minister Thaksin Shinawatra said after a weekly cabinet meeting.

The extra spending will mean the total budget deficit will be 200 billion baht.

Thaksin said that the expanded deficit was "suitable" and would be funded through issuing bonds.

"The International Monetary Fund (IMF) has also advised we can handle a deficit of five per cent (of GDP)," he said.

Thaksin's administration must submit its first draft budget for 2002 to parliament in August.



US Ambassador in Dhaka Mary Ann Peters (2nd from left) speaks at the monthly AmCham meeting held at Dhaka Sheraton Hotel yesterday. Others seen in the picture are (from right) A Gafur, Executive Director, Forrest Cookson, President, and M Nurul Islam, Vice President of AmCham.

Industrial output grows 11.5pc in China

AFP, Beijing

Chinese factories increased their output by 11.5 per cent in April from one year earlier, helped by local enterprises' purchases of machinery and equipment, according to official data published on Tuesday.

The growth rate was slightly down from 12.1 per cent in March, although it helped push up the figure for the first four months of the year to 11.3 per cent, the national bureau of statistics said.

Heavy industry, the supplier of machinery to local companies, increased its output by almost 14 per cent in April, while light industrial enterprises, which produce consumer items, registered an expansion in output of just nine per cent in the same month.

China, Nepal sign 6 co-op agreements

AFP, Kathmandu

Chinese Prime Minister Zhu Rongji held talks with his Nepalese counterpart Girija Koirala here Monday, and witnessed the signing of six economic and technical agreements, the foreign ministry said.

Zhu arrived in the kingdom earlier in the day for a three-day visit expected to boost trade and cooperation between the countries.

"We agreed to reinforce our bilateral relations by expanding the areas of cooperation in economic and technical fields," Koirala, who also witnessed the signings, told a press conference.

"The agreements signed today were for the construction of a civil service hospital in Kathmandu, a polytechnic institute,

agricultural cooperation on science and technology, agro-productions, processing and marketing," he said.

Koirala said that China had also agreed to a 10 million dollar economic and technical cooperation assistance grant for Nepal.

He added that he hoped a proposed railway running through Nepal between Tibet and Lhasa, India, would boost their trade.

Zhu was asked whether he had discussed security issues with Koirala, particularly concerning India, which has traditionally jockeyed with Beijing for influence in the region.

"Nepal and China have 1,400 kilometres (875 miles) of border but we don't have any border problem therefore there was no reference regarding the security issues," he answered.

India to offer \$50m credit line to boost trade with Malaysia

AFP, Kuala Lumpur

India is to offer a 50 million dollar credit line to encourage Malaysian imports of its industrial goods and projects as part of efforts to double trade within three years, Indian Prime Minister Atal Behari Vajpayee announced Tuesday.

Vajpayee told a business forum the increase was achievable "if we diversify and deepen our trade basket."

"To give an impetus to these efforts my government has decided to offer a line of credit of 50 million dollars for imports of projects and industrial goods into Malaysia from India."

The premier also promised to review India's high import duty on crude palm oil, the subject of several complaints during his four-day visit here which began Sunday.

Malaysia is the world's largest palm oil producer and India is its leading market.

Vajpayee said the review would be conducted in a way "which would safeguard the interests of our farmers and yet facilitate import of Malaysia's palm crude for our underutilised refineries."

The Indian leader, who is accompanied by 75 corporate leaders, is asking Malaysia in return to narrow its trade surplus with his country and boost investment.

India last year exported goods to Malaysia worth 434 million dollars and imported products, mainly palm oil, worth two billion dollars.

"Malaysia is India's gateway to ASEAN's population of half a

billion, just as India offers to ASEAN a fast-growing market of a billion people," Vajpayee told the forum, which was attended by Prime Minister Mahathir Mohamad.

He said Malaysia is India's largest trading partner in the 10-member Association of Southeast Asian Nations.

Malaysia was also the eighth largest investor in India in terms of approvals. But actual investment totalled only about 50 million dollars or less than four per cent of approvals.

Vajpayee urged Malaysian businessmen to seize opportunities in road building and in the upgrading of all major Indian airports.

Indian businessmen, Vajpayee said, had major opportuni-

ties in Malaysia in information technology and other knowledge-based enterprises, as well as in more traditional areas like railways.

The Indian premier said 14 Indian companies were already operating in Malaysia's Multimedia Super Corridor, a zone designated for information technology firms, and many more were keen to locate development centres here.

Vajpayee also foresaw expanded partnerships between the two national oil firms, including third-country ventures.

He said India was willing to share its expertise in space research and urged Malaysia's health minister to ease the registration of traditional ayurvedic medicinal products from India.

Second day of UN confce on LDCs Mayors meet to seal city-to-city cooperation agreements

AFP, Brussels

Mayors from around the world met here on Tuesday to discuss concrete, city-to-city cooperation plans to help residents of the globe's 49 poorest nations.

"Just throwing money at a problem is the wrong response," said Barcelona Mayor Joan Clos.

"We know that now."

Between 200 and 300 delegates filled a meeting room at the European Parliament buildings, on the second day of an international conference focused on 49 nations the UN has deemed the world's least developed countries (LDCs).

Representatives of 181 LDC municipalities and 35 cities in industrialised nations were present, as well as officials from city networks and civic associations.

John Cuddy, executive secretary of the UN's Third Conference on LDCs which opened on Monday, said mayors need "tangible cooperation, not just signposts at the entrance to your cities".

Clos, also the chairman of the World Association of Cities and Local Authorities Coordination, said "knowledge, not money" was the most vital commodity cities could exchange.

The Barcelona mayor said he hoped an international charter could be drafted that would grant municipalities the political and financial autonomy they need to face their problems.

"Given local problems, you need to find local solutions," he said.

Mayors and municipal officials presented as models for study partnerships uniting such cities as the Togolese capital Lome and the French city of Lyon, or Burkina Faso's capital Ouagadougou and Quebec City in Canada.

Speakers cited technology transfers, training of municipal workers, inspection of sanitation systems and cultural exchanges as the diverse components of their agreements.

Ouagadougou Mayor Simon Campaore described his city's link with Quebec City as a "shared contribution to citizenship."

"Each city is facing similar problems," he said. "We need to work overtime."

All emphasized the importance of the strengthening of local government in LDCs and the need for transparency, especially in budgetary matters, in the fight to alleviate poverty.

"Municipalities cannot be left facing their problems without the appropriate means," said Bruce Jenks, UNDP director for strategic partnerships.

Personal relations, not just blank checks, are key to successful city-to-city agreements, said Guy Demanet, mayor of the 20,000-strong Belgian town of Ganshoren, near Brussels, which is paired with a rural town in Rwanda.

"It's a twinning between populations," he said. Delegates were to participate in

a cooperation fair on Wednesday, offering them the opportunity to consider some 120 requests for assistance filed by LDC municipalities or to sign agreements already under discussion.

A final meeting report was to be issued at midday on Wednesday.

"Our hopes are so high," said Brussels Mayor Freddy Thielemans, who was presiding over the meeting. "It is remarkable that we can dare to organize a meeting of this kind."

The mayors' conference was organised jointly by the UN Conference on Trade and Development, the UN Development Programme and Habitat, with the World Alliance of Cities against Poverty, formed by the UNDP.

A similar meeting of mayors was to take place during the first week of June in New York at the UN headquarters, after an invitation from UN Secretary General Kofi Annan, according to Barcelona's mayor.



Majid Al Maulla, Manager-Bangladesh of Emirates Airline (Left), hands over the best employee certificate for the month of March, 2001 to Akhtar Hamid, Assistant Manager (Admin) of ABC Air Limited, at Emirates office in Dhaka. Alexander Lee, Chairman and Managing Director of ABC Air Limited-GSA of Emirates, is also seen in picture.

IMF urges Lanka to maintain tight monetary policy

AFP, Washington

The International Monetary Fund urged war-torn Sri Lanka to maintain tight monetary policy and continue structural reforms to strengthen the economy.

"Looking forward, directors noted that for Sri Lanka's medium-term viability, the authorities would need to press ahead with an ambitious structural reform agenda," said the IMF's executive board after consultations with Sri Lankan officials.

The board urged the island nation to design and implement a program to foster sustainable growth and poverty reduction and to establish an economic environment conducive to a higher growth path.

It noted that the structural reform agenda should be supported by medium-term fiscal consolidation, which would help release resources for more productive private sector activities. The IMF also endorsed the Sri

Lankan government's objective of reducing the overall budget deficit to below five per cent of gross domestic product.

Current budget deficits in Sri Lanka exceed nine per cent of GDP, according to the IMF.

Expressing concern about last year's inflation increase to over 10 per cent, the IMF board urged Sri Lankan authorities to maintain tight monetary policy, at least until inflation declines and monetary reserves start to increase.

"In this context, several directors cautioned against any premature easing of interest rates," the board said in a statement.

The IMF said it expected the Sri Lankan economy to grow between four and 4.5 per cent in 2001.

"Early indications are that agricultural output will remain sluggish, affected by delayed and poor monsoon rains," the board said.