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# Star BUSINESS

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## IPDC signs co-op deal with BB

BSS, Dhaka

Industrial Promotion and Development Company of Bangladesh Limited (IPDC) has signed a Co-operation Agreement with the Bangladesh Bank to participate in BB's Equity and Entrepreneurship Fund (EEF) programme, according to an IPDC press release.

IPDC, a private sector development financial institution, is the only non-banking financial institution participating in the programme, the release added.

It said earlier Tk 100 crore was designated in the national budget for FY 2000-2001 to set up an Equity Development Fund, subsequently renamed as the Equity and Entrepreneurship Fund (EEF) in Bangladesh Bank with a view to encouraging investors to invest in the two sectors of software and food-processing and agro-based industries.

Subsequently, the government authorised the Bangladesh Bank to set up and manage the EEF unit to be administered by BB (EEF Unit). The Co-operation Agreement between IPDC and the Bangladesh Bank allows IPDC to extend equity support from the EEF to private green field projects belonging to either of the two sectors.

This will enable IPDC to design and participate in larger projects in the agro-based industry. IPDC may now include innovative corporate finance services, such as equity syndication, to its already diverse services package.

## AGMs of three Aventis Pharma cos held

The Annual General Meetings (AGMs) of Rhone-Poulenc Rorer Bangladesh Limited (RPR), Hoechst Marion Roussel Ltd (HMR) and Fisons (Bangladesh) Limited (FBL) — the three companies of Aventis Pharma group in Bangladesh — were held in the city yesterday, says a press release.

Chairman of Bangladesh Chemical Industries Corporation (BCIC) M Anwarul Hoque presided over the AGM of RPR while Chairman of the Board and Head of Strategic and Restructuring Projects, Commercial Operations, South Asia of Aventis Pharma International Michel R Lienard presided over the AGMs of HMR and FBL.

Jacques Perez, Director Finance South-Asia, and Charles A Allen, HR Director for North and South Asia of Aventis Pharma, were present in the AGMs. Sheikh Nurul Islam, joint secretary, and Maksudul Haque, joint secretary, represented the Ministry of Industries.

The shareholders approved the recommendations of the boards of directors to declare 10 per cent dividend for Rhone-Poulenc Rorer Bangladesh Limited and 50 per cent for Fisons (Bangladesh) Limited.

Managing Director of the joint venture companies A K M Shamsuddin along with Director Finance & IT HW Imam apprised the shareholders of the results of 2000.

The companies expressed optimism to bring new products for the benefit of patients in Bangladesh.

Anticancer drugs Taxotere and Campo and antithrombotic drug Cleaxane of Aventis Pharma brought breakthroughs in oncology care and thrombosis management in Bangladesh, the AGMs were told.

## New Horizons to open centre at Uttara

New Horizons Computer Learning Centre, a US-based IT training company, is going to open a centre at Uttara in the city shortly, says a press release.

To this effect, an agreement was signed between Millennium Information Technology Center Ltd (MITC) and IS Pros Limited (IPL) at a function yesterday.

Dr Habibur Rahman, Chairman of New Horizons CLC Bangladesh, and Faizun Nabi Chowdhury, Chairman of IPL, signed the agreement. Denis Ang, Vice President of New Horizons-Asia Pacific Region, was present.

Millennium Information Technology is the master franchisee of New Horizons CLC for Bangladesh.

New Horizons Computer Learning Centre started its operations in August 1999 with MITC by opening a centre at Dhanmondi. During the last two years of operations, Dhanmondi centre achieved a remarkable growth. It won the Rokie Location of the Year-2000 award in the Asia-Pacific region.

## RMG exports fall by 15 pc in March as global recession hits country

STAR BUSINESS REPORT

In the face of global recession and still international competition, the country's export earnings from apparel sector declined by more than 15 per cent in March.

Export earnings from the readymade garments (RMG) sector dropped to US\$ 315 million in March this year, a slide of US\$ 56 million from US\$ 371 million in February. Bangladesh Garment Manufacturers and Exporters Association (BGMEA) attributed the slide to global recession and impact of different bilateral trade pacts, which give duty and quota-free RMG access from Sub-Saharan African, Caribbean and other developing countries to the developed world especially the US market.

"As different developing and least developed countries (LDCs) are fortifying themselves through different unilateral and bilateral trade agreements with the developed countries in the run up to the

MFA-phase out in 2004, Bangladesh's apparel export is now at threat," Kutubuddin Ahmed, President of BGMEA, told a press conference yesterday.

Last year, USA granted duty and quota-free RMG access from 72 Sub-Saharan and Caribbean countries under the USTDA-2000 and also offered the same facility to some developing countries like Mexico and Jordan.

BGMEA feels that these developments in the international trade arena have already left a negative impact on the country's RMG exports. Kutubuddin said Mexico's apparel exports to the US market is now on the rise, causing order dearth for Bangladesh.

On the other hand, the European Union's (EU) all-but-arms offer would hardly benefit Bangladesh RMG exports because of strict rules of origin.

According to EU rules of origin, Bangladesh will get the benefit of duty and quota-free access if it follows two-stage derogation under which it has to use home-

made fabric for apparels. But the country's RMG sector is heavily dependent on imported fabrics — 80 per cent of its raw materials in case of woven-RMG, and 30 per cent in case of knitwear are imported.

In this context, the BGMEA president feels that it is now necessary to pursue the EU into relaxing rules of origin for RMG exports, and most importantly, to get duty and quota-free access to USA.

"We have already initiated a process to get duty and quota-free access to the US market, the Bangladesh caucus in the US congress comprising 10 congressmen has already been formed to pave the passage of a bill granting duty and quota-free access of Bangladeshi products," Kutub said. He also said a BGMEA delegation would leave for the USA soon to appoint a professional lobbyist for formulation and passage of the bill in the US Congress.

To get the bill passed, it would need a huge expense and an all-

out effort. In this context, he sought government cooperation.

But only this effort will not help the country's RMG sector to prepare itself face the challenges of quota free competition after 2004.

BGMEA thinks the government has to pursue an aggressive policy to develop backward linkage industry to face the challenges. As the first step, the government should offer some kind of an incentive package and policy guidelines in the new budget to be placed in the parliament on June 7.

BGMEA also suggested development of a textile village where entrepreneurs will be given land at cheap rates. Its suggestions also include soft-term loans for the backward linkage industry, allocation of Tk 2000 crore in the budget each year for the development of composite textile mills, 15-year tax holiday, and instruction to the banks to investment 30 per cent of their funds in this sector.

## Sonali Exchange may lose market share to pvt banks

BB probe into remittance repatriation reveals

M SHAMSUR RAHMAN

Facing competition from private banks, the Sonali Exchange Companies Inc. (SECI), a subsidiary of Sonali Bank in the USA, is likely to lose its market share in remittance repatriation, warned a Bangladesh Bank report.

The central bank said the establishment of SECI in late 1994 had a positive impact on the overall flow of remittance from the USA to Bangladesh.

"But the flow of remittances has of late slowed down in the face of competition from some private banks like NBL, Uttara, Al-Baraka and Prime Bank," the inspection report said.

A team from the central bank inspected the three branches of SECI in New York, Los Angeles and Atlanta in January this year and submitted the final report in April. The inspection was the first since SECI began its operation.

The team suggested that SECI should increase its marketing efforts and improve efficiency to

retain its present market share in the coming years.

It also said SECI should try to increase business volume to cope with increasing expenditure and decreasing revenue situation not to become a losing concern.

The team pointed out that SECI Manhattan booth earned a huge profit in 2000 and it crossed its target in sales commission against remittances by 72 per cent. This was due to sales commission for the remittance of UN compensation fund for the Iraq-Kuwait war affected Bangladeshi workers.

"The amount of remittance will be dried up and consequently SECI's income is likely to reduce substantially in the coming years," the report said.

The team also found that the study to decide where to open branches was also incorrect. SECI banked on Bangladeshi population concentration to justify new branches.

"But it was found that the concentration estimates prepared for

the purpose were wrong and unrealistic in most cases, which in turn made the subsequent estimates, calculation and analysis wrong and unrealistic," the report said.

The team physically verified and made personal contacts with community leaders. It found that Bangladesh population in Atlanta in no way would exceed 8000 against a SECI estimation of 20,000.

The report said that the Atlanta branch was opened 28 months after the Los Angeles branch was set up. "So, Sonali Bank authorities opened this branch knowing fully that the Los Angeles branch was performing extremely bad.

"It appeared to the inspection team that before opening the Atlanta branch, Sonali Bank authorities did not examine carefully all the relevant information and statistics. Had they done so, they would have found that opening a branch at Atlanta was not viable," the report said.



Picture shows one of the annual general meetings (AGMs) of Aventis Pharma group in the city yesterday. The three companies were Rhone-Poulenc Rorer Bangladesh Limited (RPR), Hoechst Marion Roussel Ltd (HMR) and Fisons (Bangladesh) Limited (FBL).

## Prime Bank introduces ATM service

Prime Bank Limited's local MasterCard credit cardholders can now withdraw cash from any ATM in Bangladesh bearing the logo of MasterCard, says a press release.

Standard Chartered Grindlays Bank has already installed 11 ATMs bearing MasterCard logo in different places of Bangladesh.

This ATM facility is the first time in Bangladesh given by any local private bank, said the release.

Prime Bank will also provide PIN to its international cardholders within a very short time to facilitate their access to any ATM bearing MasterCard logo around the world.

The bank will also issue VISA Credit Card soon.

## Dutch envoy hails Dhaka's investment policy

UNB, Dhaka

Dutch Ambassador Sjeff Ijzermans said the opening of key sectors, like telephone and other infra-structures, would encourage entrepreneurs from his country to take investment projects in Bangladesh.

The envoy of the Netherlands appreciated Bangladesh's liberal investment policy and huge human resources, which offer "good prospects" for investment from abroad.

He made the observations while speaking at the first anniversary of Dutch-Bangla Chamber of Commerce and Industry (DBCCI) at Hotel Sheraton Monday.

The diplomat welcomed the birth of the Chamber and said the cooperation between the two private sectors would further cement the bilateral economic relations.

Dutch support, that began right from the recognition of the newborn Bangladesh, would amount to 3 billion euro over the years. Exports from the Netherlands last year were worth 60 million euro, which is more or less at the same level in last 4-5 years, the Dutch envoy said.

Bangladesh's exports to the Netherlands, on the other hand, kept increasing fetching about 250-million euro last year, he said appreciating the expanding trend of bilateral trade between the two countries.

## New world trade round to top tomorrow's APEC meet agenda

AFP, Shenzhen

The call for a new round of global trade talks later this year will top the agenda of the APEC trade ministers' meeting in Shanghai this week, APEC delegates said.

New Zealand foreign ministry official George Troup said efforts were underway to ensure the new round could be successfully launched at the World Trade Organisation (WTO) meeting in Qatar capital Doha in November.

Speaking at an Asia Pacific Economic Cooperation (APEC) meeting in the southern Chinese city of Shenzhen over the weekend, Troup said the APEC ministers would also examine the forum's future role at the two-day Shanghai forum which opens Wednesday.

"We have to look at keeping up with what happens in the real world. The international economy is a moving target," he said.

APEC, which was set up in 1989 as an informal talking group for a dozen Asia-Pacific economies, is now a powerful engine for global and regional free trade. The forum is to hold an informal summit in Shanghai in October.

Alan Oxley, chairman of the

Australian APEC Study Centre at Melbourne's Monash University, said host China would be an enthusiastic supporter of new trade talks at this week's meeting.

"While China is not a member of the WTO yet, it's very keen as a proto-member to lend support to the launch of a new round," Oxley said.

He said APEC member countries were instrumental in bringing about the completion of the Uruguay round in the 1990s.

However, the real grunt work of hammering out trade disputes between APEC members is likely to happen ahead of the official meeting and on the sidelines of the main discussions.

One of the important by-products of APEC is that high-level officials get a chance for corridor talks when they attend APEC meetings.

China wants to join the global trading body as a developing economy which would entitle the Chinese to give farm subsidies of 10 per cent of agricultural output, while the United States wants China to join as a developed nation which would limit subsidies to five per cent.

Access to China's insurance market is also thought to be a thorny point in US-China trade negotiations.

Director of Mexico's Secretariat of Trade and Industrial Development Gerardo Traslosleros will also attend the meeting giving China and Mexico a chance to iron out their differences and sign a bilateral WTO agreement.

Mexico is the only one of China's trade partners yet to complete a bilateral trade agreement necessary for Beijing's membership of the WTO.

However Traslosleros insisted the Mexico agreement was not the major obstacle on China's path to WTO entry.

"We are too small to block China's entry. Our economy is very small and China's is very large," he said.

China and Japan will also meet ahead of the meeting to discuss Japan's imposition of temporary curbs on cheap Chinese vegetable imports.

The restrictions under the WTO's "safeguard" mechanism targeted cheap imports of spring onions, mushrooms and tatami mat rushes, mainly from China.



A reception was accorded at Sonargon Hotel recently to delegates from Wan Hai Lines of Taiwan and the local shippers, exporters and elite of the city by Columbia Enterprise Ltd, the agent for Wan Hai Lines.



Kh Mokarram Hossain, President of Dutch-Bangla Chamber of Commerce & Industry (DBCCI), presents a crest to Dutch Ambassador to Bangladesh Sjeff Ijzermans at a function organised on the occasion of the first anniversary of DBCCI and its annual general meeting held in the city yesterday.

## Baghdad stops oil exports OPEC downplays Iraqi move

AP, Baghdad

Iraq followed up on its threat to halt most oil exports, stopping the flow early Monday to all but neighboring Turkey and Jordan.

The indefinite halt was meant to protest a UN Security Council decision to extend by one month instead of the usual six months the programme under which Iraq can sell oil. Baghdad has chafed at UN controls over its oil exports — its sole foreign exchange earner — that stem from sanctions imposed for Iraq's 1990 invasion of Kuwait.

War and sanctions have crippled the Iraqi economy, leaving many Iraqis dependent on government rations financed by the UN-supervised oil exports. Iraq has cash reserves, but it was unclear how long it could survive without further sales. It had been

pumping about 3 million barrels a day.

Sources close to the Iraqi Oil Ministry, speaking on condition of anonymity Monday, said pumping oil through an Iraqi-Turkish pipeline to Turkey's Mediterranean port terminal at Ceyhan stopped at 8:00 am local time (04:00 GMT). Exports through Iraq's southern al-Bakr oil terminal were also shut off, the sources said.

The sources said oil exports by road tankers to Turkey and Jordan were not affected. Iraqi Oil Minister Amer Mohammed Rashid had said Sunday that exports to Iraq's neighbours would not be affected by the protest.

Saudi Arabian Oil Minister Ali Naimi said Saturday the Organisation of the Petroleum Exporting Countries was ready to cover any shortfall in world oil production

following Iraq's halt. Other OPEC nations are pumping at top capacity, but Naimi said Saudi Arabia alone is capable of covering any shortage.

AFP says from Vienna: OPEC Monday downplayed Iraq's suspension of oil exports under UN control, taken to protest a UN Security Council one-month extension of its regime, as oil prices in Asia spiked sharply.

Iranian oil minister Bijan Namdar Zangeneh said he was unconcerned about any shortfall in oil production due to Iraq's decision to halt crude exports.

"I think that this OPEC (meeting) will manage the market and I am not concerned about any shortage in the market," he said on his arrival in Vienna for a meeting Tuesday of OPEC, which produces 40 per cent of the world's oil.



Prasenjeet Chatterjee, Regional Sales and Marketing Executive of Johnson & Johnson, poses with different shop owners and others on the occasion of launching of Johnson & Johnson Clean & Clear facial wash and moisturizer in the city on Sunday.

## CURRENCY

American Express Bank Ltd foreign exchange rates (indicative) against Taka to major clients.					
Currency	Selling TT & OD	Selling BC	Buying TT Clean	Buying OD Sight	Buying OD Transfer
US Dollar	57.6400	57.6800	56.4500	56.2970	56.2250
Pound Stg	82.0403	82.1115	79.8711	79.6546	79.5520
Deutsche Mark	25.4334	25.4555	24.0626	23.9974	23.9667
Swiss Franc	32.3044	32.3325	31.3194	31.2345	31.1945
Japanese Yen	0.4878	0.4883	0.4701	0.4688	0.4682
Dutch Guilder	22.5727	22.5922	21.3561	21.2981	21.2708
Danish Krona	6.5891	6.5949	6.3857	6.3684	6.3602
Australian \$	29.8333	29.8593	28.1009	28.0246	27.9098
Belgian Franc	1.2331	1.2342	1.1666	1.1635	1.1620
Canadian \$	37.8535	37.8864	36.3912	36.2925	36.2161
French Franc	7.5833	7.5899	7.1746	7.1552	7.1480
Hong Kong \$	7.3945	7.4009	7.2231	7.2035	7.1941
Italian Lira	0.0257	0.0243	0.0242	0.0242	0.0242
Singapore \$	32.1170	32.1448	30.7931	30.7097	30.6704
Euro	49.7434	49.7866	47.0624	46.9348	46.8748
Saudi Rial	15.3900	15.4033	15.0109	14.9202	14.9511

  

Bill buying rates					
TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
56.1512	55.9796	55.5092	55.0388	54.5683	53.6275

  

US dollar London Interbank Offered Rate (LIBOR)							
TC Buying (USD)	TC Selling (USD)	Currency	1 Month	3 Months	6 Months	9 Months	12 Months
56.2250	57.6300	USD	4.03625	3.94250	3.93000	4.04000	4.16750
Cash Buying (USD)	Cash Selling (USD)	GBP	5.24250	5.24250	5.25000	5.30250	5.34344

  

Exchange rates of some Asian currencies against US dollars					
Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
47.00/47.01	64.20/64.30	45.37/45.39	3.8000/3.80	11400/11500	1285.8/1286.2

## Oil prices up

Meanwhile in Asia, oil prices rose sharply Monday in the first trading session since Iraq's threat.

Before Baghdad's confirmation it had halted exports, the light sweet crude July contract was trading at 28.37 US dollars a barrel in Singapore around 06:00 GMT, up 44 cents on last week's close.

## Johnson & Johnson launches two new products

Johnson & Johnson on Sunday formally launched its two new products in Bangladesh, says a press release.

Prasenjeet Chatterjee, Regional Sales and Marketing Executive of Johnson & Johnson, M M Siddiqui, Deputy General Manager of IMF Consumers Ltd, and advertising firm Adcomin representatives visited some exclusive department stores in the city on the occasion of launching of the two products — Clean & Clear facial wash and Clean & Clear moisturizer. They also exchanged pleasantries and discussed common business interests with the shop owners during the visit.

The officials expressed the hope that the two products would go a long way in contributing the needs of many beauty conscious people in Bangladesh, especially the teenagers.

Clean & Clear foaming facial wash removes oil, dirt and prevents pimples. Its oil-free formula keeps skin fresh without making it oily. And Clean & Clear moisturizer helps retain skin moisture, making it smooth and spotless.

## Pak rupee hits new low

AP, Islamabad

The battered Pakistani rupee plunged for a sixth day on Monday to hit a new low against the dollar because of high demand for the US currency by importers, dealers said.

The dollar opened at 64.25 rupees in the inter-bank money market compared to Saturday's close of 63.85 rupees. In the open market, which is run by money changers, the dollar jumped to an all-time high of 76.20 rupees toward the end of the trading compared to the previous close of 66.40.