DHAKA SATURDAY JULY 27, 2002

### Pakistan, Lanka talk proposed free trade

AFP, Islamabad

Sri Lanka's Trade Minister Ravi Karunanayake ended two days of trade negotiations with Pakisan Thursday ahead of a visit to the island by President Pervez Musharraf, diplomats said.

Karunanayake had extensive talks with his counterpart Abdul Razak Dawood on a proposed trade pact which will be Pakistan's first Free Trade Agreement (FTA) with any country, diplomats said.

They said the two countries will sign a framework treaty when Musharraf visits Sri Lanka at the end of this month. The FTA is expected to go into effect later this year.

Karunanayake also held talks with President Musharraf and Finance Minister Shaukat Aziz before leaving here Thursday, officials said.

"The two ministers discussed possibilities of increasing economic cooperation between the two countries," the government here said in a statement after Karunanayake met with Aziz.

The statement said Pakistan could benefit from Sri Lanka's expertise in tourism, gems, the jewellery industry and tea while the island could increase imports of food, electronic goods and textiles from Pakistan, the statement said.

The Sri Lankan trade minister was in Pakistan's commercial capital of Karachi Tuesday for meetings with officials and industry leaders before arriving in the capital Wednesday.

### Bush might have played role in Harken deals

REUTERS, Washington

President George W Bush played an active role in Harken Energy Corp's business decisions and consulted with the head of the company shortly before a controversial 1989 transaction which drew scrutiny from the Securities and Exchange Commission, documents released Thursday show.

The information raised fresh questions about the extent of Bush's role as a director at Harken HEC.A more than a decade ago. Democrats have seized on the Harken transactions and Vice President Dick Chenev's tenure at Halliburton Co. HAL.N to paint the Republican administration as compromised by insider deals and close business connections.

Given public outrage over stock market losses triggered by a wave of corporate scandals, the scrutiny could undercut Bush's public standing and hurt Republicans in the November congressional election. polls show.

White House officials said Democratic attacks were politically motivated and without merit. "The career staff of the SEC reviewed all of the documents in this matter and concluded that there was no case, that the president had acted appropriately," White House spokeswoman Claire Buchan said.

### US farm subsidy goes against WTO commitments: EU, Japan

AFP, Nara, Japan

The European Union and Japan said Friday that recently introduced US aid for its farmers contravenes World Trade Organisation commitments by failing to cut government export subsidies, an official said.

EU Agriculture Commissioner Franz Fischler and Japanese Farm Minister Tsutomu Takebe held 30minute talks on the sidelines of the fifth Quint Agricultural Ministerial Meeting in Nara, Japan's ancient capital, 400 kilometers (250 miles)

west of Tokyo. Takebe criticised the US farm bill, which was enacted in May and gives 180 billion dollars in subsidies to American farmers over 10 years, and Fischler agreed, the Japanese farm ministry official said.

The United States "is not taking appropriate measures that are in line with the Doha Declaration,' Takebe was quoted by the official as telling Fischler.

WTO ministers agreed in November last year in Doha, Qatar, to negotiations aimed at reducing export subsidies with the aim of eventually phasing them out along with substantial reductions in trade

distorting domestic support. The US farm bill "lacks consistency and does not take substantial measures to cut export subsidies," Takebe said.

# Traffic jam, extortion exact toll on Old Dhaka business

STAR BUSINESS REPORT

Growing traffic congestion, extortion and deterioration of law and order are taking hefty toll on Old Dhaka, the country's traditional business hub, different business association leaders said.

Referring to the traffic jam, they said it takes more than one hour to reach Chawkbazar from Gulistan, a two-kilometre distance.

The association leaders were speaking at discussion at Hotel Purbani in the city Thursday. The meeting urged the leaders of the Federation of Bangladesh Chamber of Commerce and Industry (FBCCI)

With former FBCCI president Akram Hossain in the chair, the meeting was addressed, among others, by Mohammad Yunus, president Bangladesh Bread, Biscuit and Confectionery Manufacturers Association, Md Alauddin, general secretary of Paduka Manufacturers Association, Abul Kashem Khan, general secretary of Bangladesh Monihar Banik Samity, and Ibrahim Bidyut of Hardware Traders Association, Abul Hasnat, Plastic Traders Association

There are two main entrances to the old part of the capital but these

There is no initiative for improving the traffic management in old Dhaka. Tempo drivers and hawkers are occupying both sides of roads. Besides, vehicles are parked haphazardly, intensifying traffic congestion, he added.

Md Alauddin, general secretary of Paduka Manufacturers Association, said development of Old Dhaka has always been neglected. Even rickshaw puller often refuse to go to the old part, he

"Extortion and violence are some of other problems we are facing today. The cost of our business is

Abul Kashem Khan, general secretary of Bangladesh Monihar Banik Samity, said an initiative was taken to remove the central jail from the old part in a bid to improve the traffic but it is yet to be implemented.

Some association leaders criticised the successive presidents of the country's apex trade body --Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) -- for not looking into their problems

"Only when the FBCCI election nears, they come and commit to solve the problem. But nothing has been done. We want some positive changes,' Khan added.

Siemens selling

7 subsidiaries



A delegation of Real Estate & Housing Association of Bangladesh (REHAB) led by its President Dr Toufique M Serai presents a souvenir to State Minister for Energy AKM Mosharraf Hossain during a meeting with him in the city on Thursday, Energy secretary, managing director of Titas Gas Distribution and members of the executive committee of REHAB were also present on the occasion. The minister assured the delegation of providing speedy gas connection

## Govt to refix recruiting agency charges

The government is going to fix a new rate of maximum charge by any recruiting agency for sending a person for overseas employment.

Last time the rate was fixed in 1993. The government had fixed Tk 50,000 highest charge for sending people to Middle Eastern countries and Tk 35.000 for Malaysia. And the amount was \$14,38 for South

But these rates were never implemented and most recruiters charged three to five times higher rates for sending workers to those

After fixing the new rate govern-

none can charge higher amounts, State Minister for Expatriate Welfare and Overseas Employment Quamrul Islam told The Daily Star Wednesday

However, the Bangladesh Association of International Recruiting Agencies (BAIRA) in a recent meeting with the government proposed Tk 70,000 for Middle Eastern countries and Malaysia.

But the government does not find the proposed rates reasonable. "I think the rates proposed by BAIRA are still high for sending a worker to Middle Eastern countries

and Malaysia," said the state minis-

DCCI Business Institute (DBI)

under DCCI-GTZ Par arship? ram

The final decision in this regard will be taken after discussing every pros and cons of the proposal, he

The government, however, is yet to discuss the new rate for South Korea and other countries.

The meeting with BAIRA was presided over by the state minister for Expatriate Welfare and Overseas Employment. BAIRA President MAH Salim MP, General Secretary Gholam Mostafa, Joint Secretary General Abdul Alim, Expatriate Welfare Ministry secretary Dalil Uddin Mondal and Director General of Bangladesh Bureau of Manpower Export and Training Shahadul Hague attended the meeting.

### Diageo to sell **Burger King** for \$2.26b AFP, London

Diageo of Britain said Thursday it had agreed to sell the Burger King fast-food chain for 2.26 billion dollars (euros) in cash to a consortium of investors including US investment bank Goldman Sachs.

"Diageo PLC today announces that it has agreed to the sale of Burger King Corporation to a group composed of Texas Pacific Group (TPG), Bain Capital and Goldman Sachs Capital Partners." the group said in a statement. Diageo said it expected to rein-

vest the proceeds in its premium drinks business and return some to shareholders. The Burger King Corporation.

which had over 11,000 restaurants worldwide as of June 2001, would retain a minimum level of working capital including 15 million dollars of

### UK growth picks up to 0.9pc in 2nd quarter

AFP, London

British economic growth picked up to 0.9 per cent in the second quarter of the year from the previous threemonth period, giving a rate of 1.5 per cent over 12-months, preliminary official estimates showed Friday.

That marked a better performance than the first quarter of 2002, when gross domestic product had inched up 0.1 per cent on a quarterly basis and by 1.1 per cent over 12 months, the slowest rate for a decade, according to the National

AFP, Munich, Germany

to US group

German electronics and engineering giant Siemens said on Friday it was selling seven subsidiaries to US investment group Kohlberg Kravis Roberts and Co (KKR) for 1.69 billion euros (dollars).

The seven units will be grouped together in a holding company which will be owned 81 per cent by KKR and 19 per cent by Siemens.

The subsidiaries being sold are Mannesmann Plastics Machinery, Stabilus, Demag Crane and Components, Gottwald, Network Systems, plus Siemens' Ceramics

# AFP, Beijing

men and analysts said Thursday.

be a whole lot different from China's because these are two very different countries," Maxim Kozlov, a Beijingmarket analyst for Korea Business Consultants told AFP.

that beginnings are similar in that the agricultural reforms are coming

A top South Korean official announced earlier Thursday that the Stalinist state is carrying out sweeping economic reforms, including the end of rationing, installing managers at businesses and slashing the won's exchange rate to the US dollar.

Pilot projects for such reforms have existed since 1999, he added.

North Korea's reclusive leader Kim Jong-II has seen China's booming fortunes for himself during a sixday visit in January 2001.

During the trip he visited the

### Weekly Currency Roundup

July 22-25, 2002

Local foreign exchange market operated in full swing. Demand for dollar was

In the weekly Treasury bill auction held on Sunday, Bangladesh Bank accepted treasury bills worth of BDT 3.4585 billion. The Government accepted BDT 33495 million at 5.26 per cent for 28-day t-bills, BDT 50 million at 5.69 per cent for 91-day t-bills. BDT 120 million at 6.08 per cent for 364-day t-bills. BDT 150 million at 6.95 per cent for 2-year t-bill and BDT 770 million at 8.60 per cent for 5-year t-bills. Demand for BDT for overnight borrowing at call was steady throughout the week and the call money ranged between 4.25 and 5.0 per cent.

In the beginning of the week, dollar traded in a thin range against the euro and yen despite the massive fall in Wall Street stock prices on Friday. The failure of the single European currency to sustain the 1.02 level led the traders to sell euro. Japanese finance minister threatened to intervene in favour of a

In the middle of the week, dollar staged a minor comeback against most of the currencies on despite the continuing slide in the stock of Wall Street. Greenback pushed the euro below the parity for the first time in a week and rose above the 117 level against the yen. Analysts pointed natural correction as the major force behind the comeback. But the market expects the dollar to come under pressure once the repatriation is complete

Dollar lost its steam and had a minor slide against major currencies in the weekend despite the huge surge in the Wall Street. Euro crawled back to parity against the dollar. Yen briefly reached below 116 level. Market is still pointing to urther weakening of the greenback. Senior Japanese Finance Ministry official

sterling at 1.5754/57 and yen traded at 116.39/43 against US dollar.

-- Standard Chartered Bank

## Ctg to have industrial park, IT village: Khosru

An IT village and industrial park would be set up in the port city of Chittagong soon under public and

Disclosing this, Commerce Minister Amir Khasru Mahmud Chowdhury yesterday said the Chittagong Chamber of Commerce and Industry would have to locate the site and conduct feasibility study tors of Chittagong Chamber of Commerce and Industry when they called on him in the port city. The newly elected CCCI presi-

dent Amir Humayon Mahmood Chowdhury appraised the minister that various countries, including the Netherlands and Switzerland, recently assured the CCCI of extending cooperation in the fields of entrepreneurship and training.

He said the Dutch government is

nel/hang bridge in the river Karnaphuli

The Commerce Minister told the directors that CCCI has been included in the National Council for Industrial Development Committee

He advised the CCCI leaders to establish links with the foreign chambers and agencies for getting financial and technical assistance

famines and natural disasters

early Chinese reform

Kozlov, whose firm has worked in

North Korea since 1998 and boasts

close relations with Pyongyang's

government, said North Korea's

abandoning of its draconian ration-

ing system drew clear parallels with

## North Korea likely to model economic reforms on China

approach.

visited foriegn-funded joint ventures

and the stock market and gave the

thumbs-up to China's new

expected that Pyongyang would

soon announce a similiar reform

plan for his desperately poor nation,

whose economy has virtually

ground to a halt after a succession of

At the time, it was widely

North Korea may well use neighbouring ally China's two decades of economic change as a model for its own market-based reforms but the results are bound to be hugely different, China-based business-

"North Korea's reform is going to

"That being said, you have to say

Pyongyang had already

announced new farming arrange ments this month which could lead to greater diversity in local markets through higher government purchasing prices, free markets for surplus goods and local decisions on what to grow, Kozlov told AFP.

The reforms are similar to those mplemented by China in the late 1970s and early 1980s when it began to overhaul its economy.

eastern commercial city of Shanghai, China's main showcase for economic change, where he

### The Daily Star, 19 Karwan Bazar, Dhaka, Bangladesh, E-mail: dsbusins@gononet.com The Daily Star runs a business solution column which appears on Saturdays. While running your business, you come across problems and wish someone would help. This column will provide you with insights to solve your problems. Write to us or to Sarwar Ahmed, MBA (sarwar@asia.com) who hosts Human resources management Q: I'll be doing my BBA major in Human Resource Management as I find

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this subject very much to my choice. Please reflect upon career prospects for HRM majors in Bangladesh. Other than academic qualifications, what skills and abilities are required to build a successful career in HRM. M. Naved F. A: What are your career goals? A good starting point of any career is Human Resources Management. Why? It gives you an exposure to the total

organisation and develops you to handle people. An organisation is people

and if you learn early how to handle them, what more can you ask? And of course you are privy to a lot of sensitive information that makes you a trusted associate, at once placing you in an enviable and admirable position. Due to the poor professionalism in Bangladesh especially in the HR arena, most organisations equate HR with administration. Administration is only one part of the big picture. HR is much more and if senior management recognises this fact, the better for the organisation. To address this poverty in

HR professionalism, I am particularly appreciative of the fact that an HR

association has been formed in Bangladesh comprising of HR people from

various organisations. We hear today of virtual organisations from paper-less to people-less organisations. As long as there are two persons, an organisation with real people. HR needs an approach that has to be honest and emphatic. The best way to get people motivated to give their best is to be honest with them. This is especially so during bad times. That is the first and foremost quality required of an HR person honesty. And don't ever forgot, dishonesty and

deceit eventually surface. An HR person has to be a good listener. You just have to listen. People will come and let off their emotional steam. They need a shoulder to cry on. You have to be listening post for all these outbursts. But be careful not to promise the moon to solve people's problems because you can't. Just listening leads to people feeling a lot of relief. And if you do have the capacity to

solve the problem, by all means do so. An HR person also needs to do a balancing act between the long term needs of the organisation and the immediate needs of the associates. The best policy I have found is again to be honest and tell the truth up front. Don't hide anything, just state the facts. People in most cases accept the reality

and the truth. You don't need to explain much if you are honest. Patience is a virtue which you need to cultivate as you progress in your career. The easiest I find people doing that is playing the card game on the computer! However, the real test is how you handle people you have to be patient with people. You have to give time to listen, to solve problems. So when it comes to people management, remember to keep enough time for meetings beyond the 30-minute slot as this can eventually be a 3-hour

meeting. Many a times I have been caught in this trap. You cannot rush

through issues of people management. You have to have patience, tons of it, to ensure an appropriate decision. And finally, remember there is no ideal world. Humans are humans. More often than not, you will be disappointed with how you are treated inspite of all the best that you do. Don't let that flag your spirits down. After all you are the one responsible to keep the flag of spirits flying high and up in the organisa-

weaker ven. The combined effect of these two events steadied the dollar.

again reminded Japan's preference of a weak yen At 1500 hours on Thursday, euro traded at 1.0002/04 against dollar, pound

## DCCI-GTZ Project Manager Md. Emdadul Haque (extreme right), Deputy Secretary (Training) & Course Co-ordinator Hasanur Rahman Chowdhury (2nd from right), Managing Director of the Centre for Management Development and resource person Syed Masud Hasan (extreme left), were also present on the occasion. US proposes WTO rules cutting farm subsidies

Director of National Productivity Organization (NPO) Zamirul Akhtar speaks at the certificate awarding ceremony of

a training course on "Production Planning & Improvement of Productivity" held at DCCI Business Institute in the city

on Wednesday. DCCI Secretary Mirza A Matin (3rd from right), DBI Executive Director Dr Ahmad Neaz (2nd from left),

The United States on Thursday proposed new global trade rules that would cut "trade-distorting" agricultural subsidies, drawing a lukewarm response from the

European Union. A key element of the US plan would limit so-called "tradedistorting" agricultural subsidies at five per cent of the value of agricultural production, which Washington said would cut global subsidies by

100 billion dollars. Certain "non-trade-distorting" subsidies would still be permitted as long as certain criteria are met, US officials said in announcing the plan,

to be submitted to the World Trade

The move came in the wake of US legislation enacted in May, harshly criticized as protectionist, that would give some 180 billion dollars (euros) in subsidies to US farmers over 10 years.

The new proposal would require Washington to halve its new subsidies in the latest farm bill. But it would likely require steeper cuts in EU farm subsidies under the socalled Common Agricultural Policy.

The five per cent cap would have a bigger impact on the European Union and Japan -- which according to Washington provides subsidies of some 25 per cent and 40 per cent, respectively, of the value of their production, compared with 10 per A spokesman for the EU's execu-

tive commission described the new US plan as "inconsistent" with the latest US legislation. The EU will unveil its own agricul-

ture proposals at the WTO in January 2003, an EU spokesman

Describing in broad terms the upcoming proposals, the spokesman said the EU is prepared to give more favorable treatment to developing countries and "is willing to reduce agricultural subsidies that

create trade distortions." "We are also ready to reduce export subsidies under the condition that others do the same thing," he said, particularly referring to the

## Mixed data raise questions on strength of US recovery

AFP, Washington

A surprising drop in a key economic report Thursday was part of a mixed set of data that analysts said raised questions about the strength of the

The government said orders for big-ticket durable goods fell 3.8 per cent in June from the previous month in the largest decline since November, in a report that took some of the luster off the US eco-

"The sharp falloff in orders raises some questions about the strength of the industrial recovery, but let's wait for some confirming data before panicking," said Joel Naroff of Naroff Economic Advisors.

outlook for jobs, the Labor Department said claims for unemployment benefits fell 21,000 to a seasonally adjusted 362,000 for the week ended July 20. This is the lowest level of initial claims in over a

Other data painted a mixed picture for the housing market: sales new homes rose 0.5 per cent in June from the previous month, to a record level, but a separate report by an industry group said resales or existing home sales -- fell 11.7 per

Analysts said the data showed the US economy may be losing some steam, though it was not running out of gas.

durable goods orders, which showed a pretty steep decline in June after posting a number of positive months," said Dick Rippe of Prudential Securities.

"While this is a very volatile series of data, today's results will lead people to question the sustainability of the industrial recovery. I still believe the recovery will continue, but this report will raise questions ' "Although durable goods orders

are a notoriously volatile report on a monthly basis, the weakness in June calls into question the degree of improvement in recent months, added Anthony Karydakis of Band One Capital Markets