

## Pakistan forex reserves rise

REUTERS, Karachi

Pakistan's foreign exchange reserves rose to \$7.192 billion in the week ending August 10, up \$145 million from the previous week's \$7.047 billion, the central bank said Friday.

The State Bank of Pakistan gave no reason for the rise, but bankers attribute recent increases in foreign exchange reserves to higher inflows from Pakistanis working abroad.

The central bank's direct holdings were \$5.029 billion, while other commercial banks held \$2.163 billion.

The bank changed its method of calculating foreign reserves last year and now monitors total liquid foreign reserves by including previously undisclosed foreign exchange deposits held by other banks.

Pakistan's Finance Minister Shaikat Aziz said in July the country had revised its foreign exchange reserves target for the 2002/03 fiscal year (July-June) to \$8 billion from \$7 billion.

Pakistan's backing of the US-led campaign in Afghanistan has been followed by aid inflows from the United States and other Western countries as well as debt rescheduling.

Higher remittances from overseas Pakistanis through official banking channels prompted by international probes of illegal money transfers have also hoped boost foreign exchange reserves.

The state bank said last month foreign exchange inflows through official banking channels soared 120 per cent to \$2.389 billion in the fiscal year 2001/02 (July/June), compared with \$1.087 billion the previous year.

## Russian police shut down Vietnamese sweatshops

AFP, Moscow

Russian police and special agents shut down clothing sweatshops operated by illegal Vietnamese immigrants in the Moscow region, the FSB (former KGB) intelligence services said Friday.

The sweatshops raided Wednesday were located at a former communist pioneer (scout) camp near Pushkino, northeast of Moscow, converted last year into a reception centre for Vietnamese immigrants, the ITAR-TASS news agency quoted the FSB as saying.

Investigators discovered between 150 and 200 people who were living in Russia without being registered, several of them without identity papers.

They also discovered sewing machines and stocks of new hats, dresses and rucksacks bearing foreign trade-marks, the FSB said.

The sweatshops had been operating for more than a year and the good produced there were sold at open-air markets around the region, it said.

Last weekend Moscow police seized large quantities of goods, including sports products labelled Adidas, during a raid on a Vietnamese market in Moscow, saying that the goods were fake.

## Mahathir starts business trip to Myanmar Sunday

AFP, Kuala Lumpur

Malaysian Prime Minister Mahathir Mohamad leaves Sunday on a high-profile business trip to Myanmar but is unlikely to meet opposition leader Aung San Suu Kyi, a minister said Friday.

Foreign Minister Syed Hamid Albar said Mahathir would push Yangon's military junta to accelerate the national reconciliation process in talks with Senior General Than Shwe during his two-day visit there.

But no plans have been made to meet Suu Kyi, he said, adding that any such meeting must be arranged by the junta and Malaysia would leave it to UN special envoy to Myanmar, Razali Ismail, to follow-up.

"At present, there is no such plan. Of course we follow very closely on the work that is done by Razali. We are very happy with the development in Myanmar," he told a news conference.

"We have not received any request officially by Aung San Suu Kyi to see the prime minister but... we will only do whatever is considered necessary and acceptable to the host government."

He also declined to comment on the possibility of Suu Kyi visiting Malaysia following reports that she plans to tour Southeast Asian nations, saying this was up to the junta to decide.

# Govt targets \$3b in remittance in FY03

RAFIQ HASAN

The government eyes at least three billion US dollars in remittance in the current fiscal.

Given the current flow, it is expected the remittance earning will top three billion US dollars during this fiscal, Bangladesh Bank Governor Dr Fakhruddin Ahmed told The Daily Star.

If the remittance earning target is achieved it will help improve the balance of payment situation and stabilise the foreign exchange reserve, said the central bank governor.

The BB governor also said all

commercial banks have been given asked to launch hectic drive to collect remittance.

The unofficial restriction on setting of branches by private banks in foreign lands having outlets of the nationalised commercial banks has also been withdrawn, Ahmed said.

Now any private bank can open a branch anywhere it wants after getting permission from the country concerned, he added.

In the just concluded fiscal year, 2001-2002, the country received 2.5 billion US dollars in remittance, 38 per cent up from the previous fiscal.

The earning in the previous 2000-2001 fiscal was 1.81 billion US

dollars.

However, State Minister for Expatriate Welfare and Overseas Employment Quamrul Islam expects at least 50 per cent rise in remittance earning in the current fiscal year following the government's active initiative to expand overseas employment markets and encourage expatriates to send money through official channels.

The government has already explored new markets and made arrangements for sending expatriates' earning through official channels, the state minister said.

As part of the expanding official channels for remittance two money-

exchange companies will be set up in Italy and Greece soon for smooth transaction of earning of Bangladeshi people working there.

Supporting the government's expectation, officials at the Sonali Bank's Remittance Earning Cell said it is possible because Sonali Bank alone expects one billion US dollars in remittance in the current fiscal.

As the flow of remittance reached 514.86 million US dollars in the last six months of the last fiscal it is not unlikely that the figure will cross one billion US dollars in the current fiscal, said a high official of the bank.

# NBR to limit bidding for appointing PSI firms to 6

UNB, Dhaka

The revenue authorities are again going to confine the bidding for appointing pre-shipment inspection agencies for imports to only six companies, thus limiting the scope for a good choice, competent sources said.

These are the same companies that were announced qualified for participation in the bidding for this import-inspection business when the country for the first time opted for appointing PSI agents for private imports in 1999, sources concerned told the news agency.

The National Board of Revenue in "Pre-Shipment Inspection Adesh, 1999" had set a criterion that only those companies who are members of PSI committee of the International Federation of Inspection Agencies (IFIA) are qualified for the bargain.

Like clause 4(4)Ga of the Adesh, the NBR in its drafted "Appointment of Inspection Agencies and their Activities Control Order 2002" has made it a condition in clause 8(3)Kha that only members of the IFIA committee are entitled to participate in the competition for the PSI deals.

While leafing through the draft—a copy of which was made available to the news agency—eyebrows of many in the business circles were raised. They came to the conclusion that perhaps certain quarters in 1999 could convince the NBR to keep the bidding limited within a few companies as it at that time had no experience of appointing PSI agents for determining the volume

and value of private imports before shipments.

"After having experiences in the past years, now the NBR should have enough maturity in appointing PSI agents. Why is it keeping the competition within only six companies?" questioned an industry source, preferring anonymity.

He said the PSI committee is only among the 10 committees of IFIA, which is a federation of 30-35 companies, all engaged in inspection.

"Being a member of the PSI committee does not necessarily bring any extra qualification as also not being a member of the committee doesn't mean that the IFIA-member organization lacks any quality," the source said.

He argued that there are many PSI companies, including world's most renowned Lloyds, who are not members of IFIA. So, the question of becoming its PSI-committee member doesn't come at all in qualifying for the business.

Apart from the UK-based IFIA, there are more apex-bodies of PSI agents. The US-based National Association of Marine Surveyors (NAMS) and Society of Accredited Marine Surveyors (SAMS) are two of them.

Only SGS Geneva and its subsidiary Cotecna Inspection SA, ITS Brentwood, BIVAC International, Inspectorate Griffith, OMIC Japan and Control Union are members of the PSI committee of IFIA.

And of them, in the 1999 bidding, BIVAC International, Inspectorate Griffith and ITS Brentwood were awarded three blocks for PSI for

private imports for February 2000-February 2003 period.

However, the block awarded to ITS was reportedly given at the instance of the top office at that time, which has got a mention in the white paper published after the present government had come to power.

The Revenue Board's experience with the companies is also not very good. Only in first 19 months of PSI exercise by them, the NBR found 548 inconsistent CRF documents from ITS while 897 from Inspectorate and 1,017 from BIVAC.

For bungling the CRFs, the Revenue Board fined Inspectorate Tk 50,229,899, ITS Tk 26,753,444 and BIVAC Tk 21,404,071, sources at the NBR said.

Although the PSI system was introduced following WTO recommendations to check under-invoicing, such duty evasion was said to be rampant. Recently, such under-invoicing tricks were detected in the import of automotive batteries.

Earlier, the PSI used to take place for government imports mainly for quality specifications.

In 1999, the NBR had floated tender for three blocks. This time, the number of blocks will be raised to at least five and the highest six, the NBR sources said.

And, if the revenue authorities continued the condition of being member of the PSI committee of IFIA for participation in the next bidding the number of competitors will be only six for the blocks.

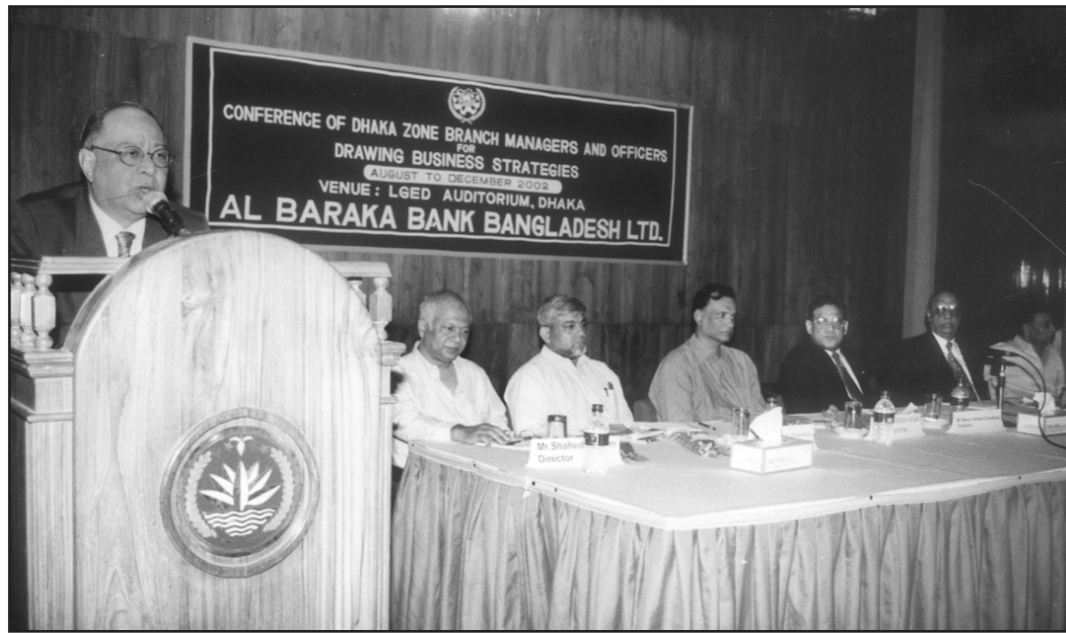


PHOTO: AL BARAKA BANK

Masum A Chowdhury, chairman of the Board of Directors of Al Baraka Bank, speaks at the inauguration of a conference the bank's Dhaka zone managers and officers held in the city yesterday.

## Al Baraka Bank holds managers' conference

A day-long Dhaka zone managers and officers conference of Al Baraka Bank Bangladesh Ltd was held in the auditorium of LGED Bhaban at Agargaon in the city yesterday, says a press release.

Masum A Chowdhury, chairman of the Board of Directors of the bank, inaugurated the conference as chief guest while the Executive President C.M.Koyes Sami presided over it.

The conference was participated by all officials of the head office and branch managers of Dhaka zone.

Speaking on the occasions, the chairman advised the executives, managers and officers of the bank to maintain high quality of service in all respects.

S S Nasim Afaz Chowdhury, director, and Syed Nurul Amin, additional executive president, also spoke on the occasion.

# Khasru vows to export unconventional items

BSS, Comilla

Commerce Minister Amir Khasru Mahmud Chowdhury has said the government would give all-out cooperation to private entrepreneurs for exporting unconventional items to boost foreign exchange earning and generate employment facilities as well.

The minister, however, lamented that bureaucratic tangle had been bottlenecks in expediting export process in some cases.

"We are trying. And I hope the problem will be overcome soon," he told BSS after visiting an export-oriented condensed milk plant in Laksham upazila here on Thursday.

Established on a three-acre plot at Barol, about 10 kilometers off the upazila headquarters, the Meghna Condensed Milk factory is a high-tech industrial unit having a daily production capacity of 180 metric tons.

F M Kamal, managing director of the Meghna Condensed Milk Ltd, said the plant incurred a loss of Tk

18 crore in the previous year as they could not export their product, an unconventional export item, due to bureaucratic bottlenecks.

The Tk 54-core Meghna factory is capable of producing both sweetened and non-sweetened condensed milk of international standard.

It is the only factory in the SAARC countries that can produce non-sweetened condensed milk, which has a big market in the US and European countries, said the managing director of the Meghna Condensed Milk, a sister concern of the Meghna Group of Industries.

Kamal said they could export condensed milk worth 40 million (four crore) US dollars annually, if they got cooperation of the government. Earning from the value addition of the total export would be more than 10 million (one crore) US dollars, he added.

The Commerce Minister said that condensed milk would be included in the export basket soon and that would help the Meghna

Group export their commodity.

He lauded the efforts of the Meghna Group and said: "I am very pleased that they (Meghna) are producing international standard condensed milk in a hygienic atmosphere."

Established with the financial assistance of the Sonali Bank and technical support from Denmark, the Meghna Condensed Milk unit has created job opportunity for about 250 people.

Business delegations from different western countries have already visited the plant and expressed their willingness to import its product, said the entrepreneur.

A memorandum of understanding (MOU) between the Meghna Condensed Milk and a US company is under process to be signed.

Under the MOU, condensed milk worth 40 million US dollars would be exported in the next two years, according to the entrepreneurs.

## Russia's WTO entry unlikely until 2007

AFP, Moscow

A top economy official said Friday that negotiations over Russia's accession to the World Trade Organization had hit snags that could delay membership until 2007, well past the 2003 target that Russia has set itself.

Russia's Deputy Economy, Trade and Development Minister Maxim Medvedkov said the two sides disagreed on "about five per cent" of the outstanding trade issues and had made only limited progress in negotiations over the past year.

He added that several Russian business leaders -- led by aluminum, auto and timber magnate Oleg Deripaska -- were mounting furious campaigns to protect their industries from direct global competition.

"We have reached a point where all of our negotiating resources, established by the government, have been used up. And any serious movements forward are no longer possible," Medvedkov told the Gazeta daily.

"The government will not be moving toward the set goal of 2003 membership like a tank. If we are not able to agree favorable terms, we will conduct negotiations for as long as they take," he added.

## Manufacturing sales down in Malaysia

AFP, Kuala Lumpur

Malaysia's manufacturing sales in June fell 1.2 per cent to 25.5 billion ringgit (6.7 billion dollars) from a year earlier, the government said Friday.

For the first half of the year, manufacturing sales shrank seven per cent from the same period a year earlier to 147.1 billion ringgit, the Statistics Department said in a statement.

The total number of employees engaged in the manufacturing sector at the end of June was down 3.8 per cent year-on-year to 974,923 people.

A total of 1.50 billion ringgit was paid out as salaries and wages in June, up 2.7 per cent from a year earlier.

After rising by an anaemic 0.4 per cent in 2001, the government has predicted the economy would recover to grow between three and five per cent this year amid a pick-up in external demand, domestic consumption and investment.

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### Career Planning

There was once a young man who, in his youth, professed his desire to become a great writer. When asked to define great, he said, "I want to write stuff that the whole world will read, stuff that people will react to on a truly emotional level, stuff that will make them scream, cry, howl in pain and anger!"

He now works for Microsoft writing error messages. Is that what you have thought of your career? More often than not, there is a mis-match between the needs of the market in terms of knowledge and skills, and what job profiles require. A friend of mine recently did a head-hunting consultancy for a company. For one junior accounts position, he tells me there were ninety applicants. More pertinent was his comment, "Most applicants even do not know why and what they apply for." Talk about quality!

There is no dearth of people in Bangladesh. But unfortunately, there is a dearth of people who fill in the minimum needs of functioning in a job situation. One of the big issues is the decline in quality of education and work ethics. The overall work environment is laddackadish no motivation to perform compounded with bureaucracy thwarting decision making.

A CEO of an IT company in Bangladesh was so frustrated and fed up with the technical know-how of local applicants and this lacklustre attitude that he has now hired people from India. How very unfortunate! And it is not that he is paying them millions. It tells us how poorly we are equipped in knowledge, skills and attitude, even in this growing sector of information technology.

So how do we get out of this rut? One option is career counselling. We need to have more professional approach to career counselling where career aspirants would know from writing a proper CV to handling an interview and to take care of their personal grooming. I for one have disqualified candidates because of long and dirty nails!

What I also find missing is internship or on the job training programmes for aspiring candidates. Business organizations in Bangladesh should come forward in providing on the job training experience to fresh graduates, not necessarily paying big stipends, as is currently expected by business school internees. Such on the job experience will add value to the candidate's profile and in getting a job, as most organisations prefer some or the other kind of experience. It will also help in creating confidence in the person as well as be a valuable springboard in adapting to the real life of a corporate world.

This internship can also benefit the host organisation as they can make use of fresh talents at a low cost and get their work done without any permanent employment liabilities. Additionally they create goodwill in society by providing such an opportunity. Who knows, it can so happen that an internee may even be absorbed in the organization as management may find a rare talent and create a position which they had not thought of initially. There are win-win possibilities in such programmes.

## Bankruptcies soar in HK

AFP, Hong Kong

Personal bankruptcies in Hong Kong have jumped to record highs, as the territory continues to sag under the weight of a weak economy and record unemployment, government figures showed Friday.

According to the latest figures, 12,407 bankruptcy orders were issued in the first seven months of 2002 compared to 4,340 in the same period last year, a rise of more than 185 per cent.

Some 2,234 people were declared bankrupt in July, more than double the number in the same month a year earlier.

Bad loan provisions to cover bad or doubtful debts, many for credit cards, caused many Hong Kong banks to recently announce a fall in profits.

## Taiwan economy grows 3.98pc in second quarter

AFP, Taipei

Taiwan's economy grew a higher than expected 3.98 per cent in the second quarter from a year earlier, official data showed Friday.

The strong showing prompted the Directorate General of Budget, Accounting and Statistics (DGBAS) to raise its full year gross domestic product (GDP) growth forecast to 3.14 per cent from an earlier estimate of 2.55 per cent.

The DGBAS had earlier forecast a rise in GDP of 1.53 per cent in the second quarter.

It predicted GDP would grow 4.06 per cent in the third quarter and 3.34 per cent in the last three months of this year. Economic growth in the first quarter was a revised 1.2 per cent.

The economy is expected to grow 3.46 per cent next year, while GDP last year was revised to a 2.18 per cent fall from the previous estimate of a 1.91 per cent decline.



PHOTO: BRDB

AFM Matiur Rahman, director-general of Bangladesh Rural Development Board, and Dr Mojibur Rahman Khan, managing director of Rajshahi Krishi Unnayan Bank, sign a memorandum of understanding on Tk 31 crore credit programme of Palli Progati Prokalpa in the city on Thursday. Dhiraj Kumar Nath, secretary of Rural Development and Co-operatives Division, and other officials of the ministry concerned, division, bank and BRDB were also present on the occasion.