

# Star BUSINESS

DHAKA MONDAY SEPTEMBER 16, 2002

## New superstore in city

STAR BUSINESS REPORT

A new superstore, Mina Bazar, is expected to start its operation at Dhanmondi in the city next month. This was announced yesterday at a press conference in the city. The conference was addressed, among others, by Gemcon Food and Agricultural Products Ltd directors Kazi Nabil Ahmed and Sheikh Abdul Rahman and herbal product expert Dr Iqbal Kabir. Kazi Nabil Ahmed said branches of the superstore will gradually be set up in various places in the city and all divisional headquarters. Products like rice processed by traditional 'dheki', mustard oil extracted by traditional oil mill, pickles, vegetables and spices under Mina brand will also be found in the four-storey store. Farm products in the store will be produced in Gemcon Food lands where by cow-dung and other manure will be used instead of chemical fertilizer. 'Organic tea' from Gemcon Food can also be found in the 16,000-squire-foot store. Besides, common brand products will be found.

# Govt plans 18 more BSCIC estates: PM

## Six-day SME fair kicks off in city

STAR BUSINESS REPORT

With a view to providing entrepreneurs with more facilities, the government is contemplating to set up 18 more Bangladesh Small and Cottage Industries Corporation (BSCIC) industrial estates in different parts of the city. Prime Minister Khaleda Zia disclosed this yesterday while speaking at the inauguration ceremony of the six-day Small and Medium Enterprises (SME) Fair 2002 at the Bangladesh-China Friendship Conference Centre at Sher-e-Bangla Nagar. The fair has been organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

The Prime Minister, who formally inaugurated the fair, said her government wants to encourage educated youths and entrepreneurs in setting up labour-intensive industries, with special thrust on electrical, electronics and IT industries for expanding the country's export basket. She urged the entrepreneurs to improve quality of their products in order to compete in the global market. Among others, Finance and Planning Minister M Saifur Rahman, Commerce Minister Amir Khosru Mahmud Chowdhury, Industries Minister MK Anwar and FBCCI

President Yussuf Abdullah Harun spoke on the occasion. A total of one hundred and thirty six small and medium enterprises of the country are showcasing their products in the exhibition. The organisers are expecting around 500 foreign buyers at the fair. Finance and Planning Minister M Saifur Rahman told the function that the government has earmarked Tk 300 crore credit for the development of SMEs. And the fund can be raised to Tk 500 crore provided the programme shows sign of success at the initial stage, he said inviting entrepreneurs to come forward to avail of facilities the government offers. The minister said it requires little investment and hassle in setting up of an SME compared to a large-scale industry, he maintained. Saifur said it is better to finance 200 small industries with Taka one crore each rather than investing the same amount in a single industry. Speaking on the occasion, Commerce Minister Amir Khosru Mahmud Chowdhury observed the SMEs could take the lead in the country's economic development. The commerce minister also told the function a permanent fair venue on 35 acres of land would be ready within a year.

## Trade fair begins in Rangpur

UNB, Rangpur

A 25-day industry and trade fair began in the district stadium premises here Friday. State Minister for Housing and Public Works Alamgir Kabir inaugurated the fair as chief guest. A total of 90 stalls, including two stalls from Iran and Pakistan, and eight pavilions have been set up in the fair jointly organised by Rangpur Chamber of Commerce and Industries and MIDAS. In his address, the state minister said the government has been providing assistance to local entrepreneurs alongside attracting foreign investors for development of the country's industrial sector. Among others, GM Siraj MP, Managing Director of BSS Amanullah Kabir, district BNP president Rahimuddin Bharasha, Chairman of Nitol Group Abdul Matlub Ahmed and Deputy Commissioner Manirul Islam were present in the opening ceremony.



PHOTO: GEMCON FOOD

Gemcon Food and Agricultural Products Ltd Director Kazi Nabil Ahmed speaks at a press conference in the city yesterday, where he announced that Mina Bazar, a superstore, would start its operation at Dhanmondi next month.

# Soaring rice price poses threat to Myanmar junta

AFP, Yangon

Soaring rice prices in Myanmar have put the staple out of reach of millions of poor citizens, posing a major problem for the ruling junta which is trying to stop the spiralling out of control. Experts in the capital Yangon say there is no shortage of rice, but that there are severe problems with the supply of the commodity and that hoarders are worsening the problem by seizing the opportunity to make huge profits. "We have enough rice to go around and enough to meet international commitments," said one independent rice expert. "You can get it if you can pay for it." (But obtaining rice) has become a huge problem, especially for the impoverished as it is now priced well beyond their means. Myanmar-watchers observe that the military, which currently enjoys an iron grip on power, could be felled

by just two things -- splits within the ranks and a rice shortage severe enough to spark a mass uprising. To head off this dangerous "desperation factor", the junta is trying to ensure that rationed quantities of low-grade rice are available at subsidised prices, particularly in urban centres. In recent months, long queues have been seen at government stalls set up in Yangon as people wait for hours for a few tins of the staple. On the open market, rice prices have risen 30 per cent in the past week alone to around 50 cents a kilogram -- four times the official rate. A senior government worker earns a salary of just 15,000 kyat (14 dollars) per month. Annual inflation in Myanmar is estimated at more than 40 per cent, and the kyat is languishing near an all-time low after bottoming out at 1,200 to the dollar last month. The alarming figures are symp-

tom of Myanmar's creaking economy, which has virtually ceased to function due to decades of mismanagement and harsh international sanctions aimed at forcing the regime to undertake political reform. Now the rice market is also being assailed by traders who have identified the grain as an item for profitable speculation -- alongside gold, hard currency, real estate, luxury cars and edible oil. Serious ongoing floods in some parts of Myanmar and neighbouring countries have fuelled the belief that prices will rise further. "With the huge gap in the government's fixed price and that prevailing in the open market, rice has attracted speculators who see its potential for profit-making," one analyst said. "Hordes of speculators have emerged to take advantage of the government's penchant for fixing commodity prices."

## Janata Bank training course ends

A 4-day training course on "Small and Micro Enterprise Development and Financing" organised by MIDAS concluded at MIDAS head office in the city on Wednesday, says a press release. The course was sponsored by Janata Bank. Lalun Nahar Ekram, chairperson of MIDAS Board of Directors, attended the closing ceremony as chief guest and gave away certificates among the participants. Sixteen mid-level officers of the bank attended the course to familiarise them with the process of developing and financing small and micro enterprises. Syed Abdul Hamid, general manager of Janata Bank, Abdul Karim, managing director, and Md Shafiqur Rahman, senior general manager of MIDAS were also present on the occasion.

## Japan mulls trade insurance for deals with North Korea

AFP, Tokyo

Japan's government is considering providing trade insurance to companies doing business with North Korea after a 27-year suspension, a newspaper said Sunday. The resumption of trade insurance would be on condition that North Korea pays off some 30 billion yen (246 million dollars) in overdue payments for Japanese imports as well as interest on the sum, the Nihon Keizai Shimbun said. The government will work out terms on offering insurance coverage urgently in view of a historic bilateral summit in Pyongyang on Tuesday, the economic daily said. Boosting bilateral trade is likely to emerge as a major issue if Prime Minister Junichiro Koizumi and North Korean leader Kim Jong-il decide on Tuesday to restart talks on normalising diplomatic ties, it said.



PHOTO: STAR

Syed Manzur Elahi, chairman of Bangladesh Bankers Association and Mutual Trust Bank, speaks at a seminar and training workshop titled 'Reconstruction of Financial Statements and Credit Scoring of SMEs', organised by SouthAsia Enterprise Development Facility (SEDF), at a city hotel yesterday.

# Indians, Iranians vie for business in Afghanistan

AFP, Islamabad

Indian and Iranian delegations have visited the northern Afghan city of Mazar-i-Sharif to seek business opportunities, an Afghan news agency reported Sunday. A four-member Indian private-sector delegation at a weekend meeting invited Afghan business leaders to an industrial exhibition which New Delhi is holding in Kabul from Tuesday, the Pakistan-based Afghan Islamic Press said. The exhibition will display Indian goods including medicines, electronic items and agricultural machinery. The Indian delegation's talks coincided with a visit by a two-member Iranian delegation to Mazar-i-Sharif for talks on trade and commercial cooperation, the agency said.

The Iranian team invited the Afghan businessmen to an industrial exhibition being held in Mazar-i-Sharif. Afghanistan, which is slowly rebuilding after 23 years of war, is eager to attract foreign investors. This month the government announced it is scrapping heavy duties on overseas interests and permitting wholesale foreign ownership of enterprises.

# Iran to ease state monopoly to boost port facilities

AFP, Tehran

Iran's government announced Sunday it would ease its overall monopoly on Gulf and Caspian shipping and port facilities and seek private-sector and foreign investment. "We hope to give a greater role to the Iranian private sector and above all attract foreign investment from the west or Asia," Deputy Transport Minister Ahmad Donia-Mali told reporters.

The official, who is also in overall charge of Iran's ports and maritime shipping, said Iran's position was key to exploiting a "north-south corridor" deal signed in 2000 between Iran, India and Russia. Some 20 other countries are seeking to sign up to the accord. "We can carry up to 50 million tonnes of goods to countries to the north, in Central Asia and the Caucasus, if we reinforce our facilities," he said, lamenting Iran's "lack of success" so far in attracting foreign cash. Donia-Mali said the expansion and modernisation of the Gulf port of Bandar Abbas was already underway, with its capacity set to expand to more than one million tonnes of goods. Iran's other main ports are Bushehr and Khorramshahr on the Gulf, and Anzali and Amirabad on the Caspian.

## HK hotel sector sees 5,000 jobs

AFP, Hong Kong

Hong Kong's hotel industry forecast Sunday that up to 5,000 jobs could be created in the next three years as tourist numbers rise, giving a much needed boost to the territory as it battles to revive its stagnant economy. The Federation of Hong Kong Hotel Owners said 1,200 new jobs were created in the first half of 2002 and estimated more than 800 vacancies would be available in the second half. Federation executive director Michael Li told reporters that a rise in the number of visitors to the territory was behind the improvement in the hotel sector.



PHOTO: STAR

BRTC (Bangladesh Road Transport Corporation) Chairman Taimur Alam Khandaker hands over a crest to Communications Minister Nazmul Huda at the closing ceremony of '50 Volvo Double Deck Bus Project' at Sheraton hotel on Saturday. Under the project, 50 more Volvo double-decker buses are added to the BRTC fleet.

## Weekly Roundup

# Iraq war fears, Sept 11 anniversary subdue Asian currencies

AFP, Hong Kong

War fears over Iraq and the September 11 anniversary subdued Asian currencies this week, with the yen losing out to the dollar in nervous trading. JAPANESE YEN: The yen lost ground against the dollar in nervous trading ahead of the September 11 anniversary of terror attacks on the United States. It regained some lost ground toward the weekend following the release of worrying US unemployment and current account data. The Japanese unit fetched 119.88-91 to the dollar late Friday, down from 118.27-31 to the dollar a week earlier. Dollar-buying due to relief after the anniversary, which passed without incident, was losing steam, while the US unit was also depressed by downbeat comments by Federal Reserve chairman Alan Greenspan, dealers said.

AUSTRALIAN DOLLAR: The Australian dollar is expected to remain sluggish next week as investors shy away from the currency due to rising tensions over Iraq, analysts said Friday. The currency ended the week at 55.14 US cents, almost a cent up on last week's 54.36 US cents. National Australia Bank head of research Peter Jolly said the Australian dollar was not a market favourite in times of international crisis. NEW ZEALAND DOLLAR: New Zealand's dollar closed Friday worth 47.50 US cents against 46.65 cents a week earlier. The kiwi broke through a key technical resistance of 47.30 cents Thursday and smashed through the 47.50 cents resistance overnight, but lost its steam in the local session. "The kiwi sort of drifted up and

then stayed around 47.50c," one local dealer said. SINGAPORE DOLLAR: In late Singapore trade Friday, the US dollar was at 1.7644 Singapore dollars, up from 1.7498 Singapore dollars the previous week. HONG KONG DOLLAR: The Hong Kong dollar remained unchanged at 7.9999-7.8 from a week earlier. INDONESIA RUPIAH: The rupiah closed the week at 8,960-8,970 to the dollar, slightly lower than the previous week's close of 8,865-8,870. PHILIPPINE PESO: The Philippine peso closed at 52.23 to the dollar on Friday from 51.86 to the dollar on September 6. SOUTH KOREAN WON: The won weakened to 1,203.80 won to the dollar on Friday, compared with 1,196.80 won a week earlier. Dealers said the dollar was likely to drop against the won in the com-

ing week ahead of South Korea's fall harvest holidays because of increased demand for the won. TAIWAN DOLLAR: The Taiwan dollar lost 0.8 per cent against the greenback over the week to close at 34.410 on Friday on the back of uncertainties in the Japanese yen, dealers said. The currency closed at 34.254 on Monday and ended at 34.303 on Tuesday. It finished at 34.395 on Wednesday and closed at 34.410 on Thursday. THAI BAHT: The Thai baht fell sharply against the dollar over the past week as market jitters over possible US military action against Iraq grew, dealers said. The baht's weakening was in line with regional currencies, particularly the yen and Singaporean dollar. The Thai unit closed Friday at 42.68-71 baht to one dollar compared to the previous week's close of 42.26-30.

# BOJ may not ease monetary policy despite pressure

AFP, Tokyo

It is doubtful the Bank of Japan (BoJ) will adopt new monetary easing measures, orthodox or otherwise, to boost the economy at a meeting this week despite growing political pressure to act, analysts said. The central bank will not want to undermine its credibility by giving in to demands for increased purchases of government bonds following a two-day policy board meeting from Tuesday, while BoJ governor Masaru Hayami will likely never agree to more radical measures, they added. Hayami said earlier that it was "impossible" for the BoJ to buy exchange-traded funds (ETFs), that invest in top Japanese shares, to help stabilise the stockmarket -- which hit a 19-year low last week -- as proposed by members of the ruling parties. "This is a rather political question, because from an economic perspective there is not much reason left for the BoJ to ease right

now," said Masaaki Kanno, chief economist at JP Morgan and a former central banker. A decision to raise liquidity levels in the bank's current account last February was due to the weak economy and financial risk, analysts said. "Now the economy seems all right in contrast," noted Kanno, with stock prices down but no major crisis likely to unfold and bond prices firm. "If the BoJ buys more JGBs (Japanese government bonds) from the market, actually it would overheat... It doesn't make sense to do that." The central bank would risk its independence and credibility by giving in to political demands right now, said Kanno. "If the BoJ gives in to pressure from the government or politicians it would be very bad for the bank's long history I think." On Friday, finance minister Masajuro Shiokawa said the government would ask the Bank of Japan to find new ways of raising

liquidity rather than purchasing more government bonds. But Kanno said it was more likely the central bank would suggest strategies to help increase disposals of bad loans at Japanese banks. "One plausible scheme is for the BoJ to give money to the RCC (Resolution and Collection Corp.) so that it could buy more bad loans from banks," he said. "The RCC is part of the Deposit Insurance Corp. So the BoJ can lend money to the deposit insurance companies and the RCC can use it." UBS Warburg chief economist Hiroimichi Shirakawa, who also once worked for the Bank of Japan, put the chance of a rise in government bond purchases at the next meeting as low as 30 per cent, while unorthodox measures would not be taken under the current governor. The hurdles to such action include "inconsistency with (the bank's) economic assessment, the recent weaker demand for reserves by banks and declining long-term interest rates," Shirakawa said.