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# The Daily Star BUSINESS

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## British business ambassador due in city today

The Ambassador for British business Lord Paul, a life peer in the British House of Lords and created Baron Paul of Marylebone in the City of Westminster in 1996, arrives in the city today on a two-day visit, says a press release.

Lord Paul went to Britain in 1966 from India to work in a family-owned business and from 1978 he has been the Chairman of the Caparo Group, which has interests in engineering, hotel and property development and investment.

He is part of a small group of very senior British businessmen invited by the UK Secretary of State for Foreign Affairs to work actively for wider British business interests when travelling overseas.

While here he will call on the Prime Minister Sheikh Hasina, President and members of FBCCI.

He will leave Dhaka for Calcutta tomorrow.

## IRRI develops anti-tungro kit

Scientists at the International Rice Research Institute (IRRI) have developed the Tungro Screen B Kit, a diagnostic kit capable of detecting the rice tungro bacilliform virus, one of the two viruses of tungro, the most destructive viral rice disease in South and Southeast Asia.

The kit will assist scientists and extension agents in evaluating and developing tungro-resistant rice varieties and controlling tungro through proper management decisions, respectively, says a press release.

The kit, developed by IRRI in collaboration with the Natural Resources Institute of the United Kingdom, will be released to rice breeders next year.

## T-bill auction results

The 16th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills was held here today (Sunday), reports UNB.

Fifty bids for a total of Tk 667.50 crore, eight bids for a total of Tk 47.05 crore, one bid of Tk 5.00 crore, six bids for a total of Tk 44.00 crore and 14 bids for a total of Tk 144.00 crore were offered respectively for 28-day, 91-day, 182-day, 364-day and 2-year bills.

Of these, 16 bids for a total of Tk 433.00 crore of the 28-day bill and five bids for a total of Tk 26.55 crore of the 91-day bill were accepted.

No bid was offered for the 5-year bill and the bids offered for the 182-day, 364-day and 2-year bills were not accepted.

The weighted average prices against the 28-day and 91-day bills were Tk 99.38 and Tk 97.81 per 100 Taka respectively. The corresponding yields are 8.16 per cent and 8.95 per cent per annum.

## New AIMS of Bangladesh chairman



The Board of Directors of AIMS of Bangladesh Limited (AIMS and Investment Management Services of Bangladesh Limited) elected Quazi K A K Rezaul Haq, Secretary of Bangladesh Chamber of Industries (BCI), the Chairman of the company, says a press release issued in city yesterday.

AIMS of Bangladesh is a newly-established asset management company specializing in mutual funds and investment products.

The company has been established by a group of Bangladesh practising professionals of different discipline, a majority of whom are residing in North America.

On completion of regulatory and other legal formalities, the company is poised to launch diversified investment products including mutual funds, suiting different income groups of Bangladesh and non-resident Bangladeshis.

Son of Quazi Kafiluddin Ahmed, a prominent lawyer of the Kushtia Bar and Member of the Provincial Assembly (1954) and founder president of the Kushtia District Awami League, Haq was DUCSU member and president of Dhaka City Chhatra League in 1958 as well as the president of the Inns of Court Pakistan Society, London, in 1965.

He is the founder general secretary and currently the president of the International Relations Alumni Association, University of Dhaka.

# Bank closing leads to fund crisis DSE index dips to 58-month low

By M Shamsur Rahman

The All Share Price Index of Dhaka Stock Exchange (DSE) took a nosedive, dipping to a shocking 58-month low yesterday.

The benchmark index of the bourse declined to 522.59 points beating the 533.65 points record of February 2, 1994.

But in 1994, the number of DSE-listed companies were only 153 with a total market capitalisation of Tk 2427.72 crores while some 230 companies are now listed with the DSE with a market capitalisation of Tk 4749.28 crore.

Brokers and traders attributed yesterday's fall to the upcoming bank closing day on December 31.

"Many brokers are adjusting their loan limits causing fund crisis in the market," a DSE councillor said.

"A large number of brokers had borrowed beyond their limits from banks. At the end of the year, they have to adjust

their loan limits with respective banks. This has caused a fund crisis leading to a depression in the market," he said.

"This is a normal year-end market behaviour, but this time this has coincided with the month of Ramadan. Investors usually encash their investments ahead of Eid festivities," he added.

Brokers are anticipating further erosion in the price index in coming weeks.

Other brokers also said that the market was now flooded with institutional investors' scrips, but there are few buyers. As a result, the demand and supply factor has influenced the prices.

Many institutional investors have sold their stakes in 'cheap scrips' after prices rose unexpectedly in recent days. This increased the number of shares in the market, and the small investors who bought

them are now-a-days finding few buyers. As a result, their funds have been stuck up for some time.

But new funds are not coming to the market and old funds are getting trimmed everyday in various ways, brokers said.

"Investors are paying commissions and hawla charges to brokers and these investors have to get a bigger returns on their investments, which should be long-term in nature. But investors these days are all short-term profit-taking customers and as a result, frequent trading are trimming funds after deducting commissions," said a broker.

The officials of the Securities and Exchange Commission (SEC) have also failed to identify institutional investors in the market.

"There is no institutional investor in the market and only the retail investors are active here," an SEC official said.



The committee members of Bangladesh Employers' Federation led by its president, Rokia A Rahman, met the Minister for Labour and Employment Abdul Mannan, MP, on Sunday at his office. Secretary, Ministry of Labour and Employment, Muhammad Ahsan Ali Sarker and other high officials of the ministry are also seen. — BEF photo

## New 5-star hotels, expansion of old ones in city underway

In view of big boarding needs to host next NAM Summit in Dhaka, expansion of the city's five-star hotels and building new ones are underway to accommodate some 5,000 guests, reports UNB.

At the directive of the Prime Minister the HIL (Hotel International Limited), the owning company of Pan Pacific Hotel Sonargaon, already had floated advertisement last month for its expansion.

Under the scheme, a separate new building will be constructed on its own land lying vacant beside the posh hotel. The new house will more than double the hotel capacity to 635 from 305.

Concerned authorities putting in their efforts to provide accommodation for such a huge number of guests to land in Dhaka for the early 2001 summit of the forum have identified guest houses in posh areas like

Gulshan, Banani, Baridhara and Uttara which have a total of about 1500 rooms.

Apart from the guest houses, Hotel Sonargaon, Sheraton, Purbani, Razmoni and Sundarban have accommodation facilities in another 1,000 rooms.

The last date for dropping tender for the construction of Hotel Sonargaon annex is December 21 (Monday) and after pre-qualification on December 23, the HIL will hold meeting for selecting builders on December 30, a source at the Civil Aviation Ministry told UNB today (Sunday).

According to the ad, successful bidders will be required to construct and ready the annex building for commissioning in 24 months at a cost of Tk 175 crore.

If foreign investors do not come forward, the HIL will take loan from local nationalised banks for the construction work, the source said.

The authorities are also negotiating with Dhaka Sheraton the expansion of the hotel. Already a proposal in this regard has been given to the hotel management.

For construction of a new five-star hotel, the government has signed an agreement with famous Indian hotel chain company Oberoi and the famous Fairly House on the Myemensingh Road has been chosen as its site.

"Few more hotels of international standards are under construction, and if three to four more medium-sized ones come up, then accommodating the huge guests will not be a problem," the ministry source said.

## Iraq's crude oil exports normal despite attacks

DUBAI, Dec 20: Iraq's crude oil exports under the oil for food programme would be held up, Mills said in an E Mail message received here.

"Oil exports are continuing normally, from both the Mina Bakr platform off southern Iraq and the Turkish port of Ceyhan said John Mills, chief of information at the office of the Iraq programme in New York.

But it was 'likely' that humanitarian supplies would be held up, Mills said in an E Mail message received here.

Lloyds independent inspection agents who certify and authenticate imports at border crossings from Syria and Jordan had withdrawn, he explained, but added that agents were still on duty at the Zakho border with Turkey.

"However there are stocks of food, medicine and other humanitarian supplies in Iraq," Mills said.

The oil for scheme enables sanctions hit Iraq to export limited quantities of crude in return for basic imports such as food and medicine.

Iraq hopes to export 1.8 million barrels per day under the scheme which runs until the end of May 1999.

The United Nations evacuated some 100 humanitarian workers from the Iraqi capital on Friday to ensure their safety, leaving behind only a skeleton team of 28 international staff, a UN source said.

He said the humanitarian programme was keeping a skeleton staff in Baghdad and will be ready to recommence operations as soon as the Friendly fire stops."



The fleet of taxi cabs introduced by the City Cab Company Ltd is parked beside a road in the city. — Star photo

## US firm to address rising trade deficit with China

WASHINGTON, Dec 20: The United States and China agreed Friday to pursue more opportunities for US industries to bid for big construction projects as a way of reducing a skyrocketing US trade deficit with China, says AP.

The two countries put forward a series of initiatives at the conclusion of two days of talks which the Clinton administration said it used to underscore growing American concerns about a US deficit with China that is running at a record annual rate of \$ 57 billion this year, second only to America's deficit with Japan which is running at an annual rate of \$ 62 billion this year.

"We had frank discussions with the Chinese and remain steadfastly committed to commercial engagement with China, to address the ballooning trade deficit and achieve greater market access for US goods and services," Daley told reporters at a news conference Friday.

He said that the two sides had agreed to sit down with US industry in the near future to talk about American companies' objections to trade barriers erected by the Chinese in the areas of power generation equipment, pharmaceuticals, telecommunications services and equipment and retailing.

Daley said he would lead a trade mission to China in March that would explore opportunities for American construction companies and others to bid on big infrastructure

projects in China and agreed to provide a more complete list before Daley's trip.

China also agreed to US request to place a finance officer from the US Export-Import

## Workshop on risk mitigation thru' insurance held

A day-long Bangladesh Insurance Academy workshop on "Catastrophic risk mitigation through insurance and re-insurance" was held at Hotel Purbani Saturday, said a press release issued yesterday.

Flood, hurricane, typhoon, drought, tidal wave, earthquake and a host of other natural calamities seem regular to hinder efforts of developing countries to overcome their many other human and financial obstacles. In this context, the workshop is important.

Dr Jamilur Reza Chaudhuri of BUET, Harun-ur-Rashid, Executive Director of United Insurance Co Ltd and AR Bhuiyan of Green Delta Insurance Co Ltd presented the keynote papers.

Hashmat Ali, Managing Director of Central Insurance Co Ltd, Aftab Uddin Shah, Managing Director, Prime Insurance Co Ltd and Dr Mehedi Ahmed Ansar of BUET, took part in the panel discussion.

In the opening session K M Mortuza Ali, Director, Bangladesh Insurance Academy gave a welcome speech.

Bank in Beijing, a move that Daley said would support increased loans for American companies seeking to break into the Chinese market.

The discussions this week between the administration were part of the 12th annual meeting of the US-China Joint Commission on trade, established to review economic problems between the two countries.

The Chinese delegation was led by Trade Minister Shi Guangsheng.

The talks took place at a time of particular strains in the economic relations between the two nations. In addition, to America's rising trade deficit with China, US companies have complained in recent months about a series of actions by the Chinese government has taken to protect its own industry from foreign competition as the Chinese economy is buffeted by the severe Asian economic crisis.

The Chinese government has pushed Chinese industries to buy more domestically-produced goods, has restricted US access to various telecommunications ventures and has provided increased tax breaks to Chinese exporters competing with American firms.

In remarks during the discussions, Daley warned the Chinese that there could be a public backlash in the United States if the Chinese government does not address the widening US deficit with China, which he said could hit \$70 billion next year if nothing is done.

## Sigma-KSB Pumps seminar held

A seminar jointly organised by Sigma Pumps Ltd and KSB Pumps Ltd was held at a local hotel Thursday, says a Sigma Pump press release.

A number of executives from different government and non-government organisations and also local consultants attended the seminar.

This seminar was based on KSB Group Products related to the field of water supply and sewer-handling system.

The seminar was chaired by Dr M H Khan, Ex-Vice Chancellor of BUET.

D Bajjal, General Manager of KSB Group, spoke on the occasion as a technical expert.

P Podder and O Kibria, KSB experts from India, also attended the seminar.

Chairman Engr Mizanur Rahman, Managing Director, Engr S A Reza, Director Engr Kamal of Sigma Pumps Ltd also participated in the Seminar.

## Workshop on Y2K held

The second workshop on Y2K organised by Rapport was held on Saturday at Dhaka Club. The workshop was conducted by IT Team of British American Tobacco, Bangladesh headed by its IT Manager Mr M A Matin.

Twenty senior and mid-level managers and executives representing Kamaheul Fertiliser Co Ltd, CARE International (Bangladesh) Limited, Gas Transmission Company Limited, Berger Paints Bangladesh Limited, Industrial Development Leasing Company of Bangladesh Limited, Bengal Fine Ceramics Ltd, Expeditors Bangladesh, TM International (Bangladesh) Limited, Dutta Bank Ltd, Dhaka Electric Supply Authority, Uttara Bank Limited and Independent University of Bangladesh participated in the workshop.

The certificate award ceremony of the workshop was held yesterday afternoon. Prof Nurur Rahman, Director, Institute of Business Administration, University of Dhaka was the chief guest of the certificate award ceremony and distributed certificates among the participants.

## Gulf Air wins duty free award

Gulf Air has won the 'Gulf Africa Duty Free Merit of Distinction Award' given by the 'Middle East Africa Duty Free Magazine' for the fourth time.

The airline was named the 'Most Distinctive Inflight Operator' at a reception held at the Heritage Village of the National Museum in Bahrain recently, says a press release.

According to the Award, Dr Shaikh Ahmed bin Saif Al Nahyan, President and Chief Executive of Gulf Air said it is gratifying that the airline has won the Award four times since its establishment five years ago.

Gulf Air was declared the top Inflight Duty Operator in survey conducted by the magazine which included all the carriers of the region.

Nominations for the award were based on four factors including contributions made to promote duty free in the region, the quality of training and service provided and innovation in marketing and merchandising products.

According to the publication, the award serves as an opportunity to recognise the distinctive contributions to the duty free and tax free industry.

The award ceremony was attended by more than 500 delegates including senior government officials, top executives of airlines, travel agencies, duty free operators, businessmen and others.



M Mosharruf Hossain (First row 4th from right), Managing Director, Rapport Bangladesh Limited, and M A Matin (2nd from left), IT Manager, British American Tobacco, Bangladesh, are seen with the participants of the second workshop on Y2K organized by Rapport Bangladesh Limited at Dhaka Club.

# Most Asian markets poised for a lacklustre week

HONG KONG, Dec 20: Hong Kong shares are expected to see-saw in a close range next week depending on overseas news after gaining 2.7 per cent in the week to Friday, dealers said, reports Reuters.

The key Hang Seng index gained 274.23 points over the week to close at 10,226.23 on Friday on average daily turnover of 4,086 billion Hong Kong dollars (\$28 US dollar).

Despite US-led air strikes on Iraq, the market gained 143.92 points on Thursday and a further 142.92 points on Friday on selective buying.

TOKYO: Tokyo shares are expected to be vulnerable to Wall Street's performance in the coming week amid air strikes against Iraq and impeachment proceeding against President Bill Clinton, brokers said.

During the week, Tokyo shares lost 211.35 points, or 1.5 per cent, to finish at 14,194.29. The Topix index of all first section issues was down 16.46 points at 1,101.70.

Daily turnover was 254.3 million shares worth of 281.8 billion yen (2.5 billion dollars) during the week just ended, down from 422.2 million shares worth of 342.2 billion yen the previous week.

SINGAPORE: Singapore stocks will be well sought the coming week if the Iraqi crisis and US political problem do not snowball, dealers said.

Singapore's benchmark Straits Times stock index fell 35.31 points or 0.4 per cent over the past week to end Friday at 1,405.96 while the broader all-Singapore index declined 0.91 points to 386.24.

The past week fell to 200.48 million shares worth 352.82 million US dollars (\$214.09 million US dollar) from 312.85 million shares worth 573.82 million US dollars the previous week.

BANGKOK: Thai stocks face another lacklustre week with funds after the demoralising failure of an auction of 10 billion dollars of loans from closed finance firm, dealers said.

The Stock Exchange of Thailand (SET) composite index fell 5.1 per cent over the week or 18.3 points to 341.92, wiping out most of a 6.7 per cent gain the week before.

MANILA: Investors taking positions in key issues are expected to lift Philippine share prices next week although continued anxiety over the Iraq situation could temper sentiment, analysts said on Friday.

Week-on-week, the Philippine stock exchange composite index closed 50.75 points, or 2.7 per cent, higher on Friday 1,886.36.

SEOUL: South Korea share prices are expected to rebound modestly in this week ahead, led by construction and securities firms which were hit hard in the past few days, analysts said on Friday.

Over the week to Friday, the index fell 6.1 per cent to 524.85 trillion won (2.15 billion dollars), down from 329.9 million shares a week ago.

TAIPEI: Taiwan share prices are expected to continue their downward trend in the week ahead after a 4.4 per cent drop over the current week, analysts said on Friday.

Over the week of Friday the Taiwan Stock Exchange

weighted price index fell 303.08 points, or 4.4 per cent, to settle at 6,636.66 after a 3.6 per cent decline in the previous.

Average daily turnover was 1.70 billion shares worth 59.61 billion Taiwan dollars (1.85 billion US dollars) compared to 2.4 billion shares worth 82.48 billion Taiwan dollars in the previous week.

SYDNEY: The Australian stock market will focus on developments in Iraq and the impeachment hearing against US President Bill Clinton in the coming week with little domestic data to distract attention, brokers said.

The Australian Stock Exchange's main indicator, the all ordinaries index closed the week 19.3 points higher, or 0.7 per cent at 2,749.3.

The all industrials index gained 10.2 points over the

week, or 0.92 per cent, to finish at 4,931 while the all resources index 31.9 points, or 3.4 per cent, higher at 965.6.

BOMBAY: Indian stock markets are expected to remain calm during the coming week ahead of the Christmas holidays, an analyst said yesterday.

The 30-share Bombay Stock Exchange (BSE) index was down 127.46 points to 2,875.09 points at close of trade on Friday over the previous weeks close.

RIYADH: Saudi stocks closed slightly lower in the week to Thursday after trading in a narrow range despite the overnight US missile strikes on Iraq.

Weekly trading volume reached 607 million riyals (162 million dollars), down sharply from last week's 988 million riyals (263 million dollars).