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The Daily Star BUSINESS

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Hossain Garments penalised for non-payment of dividend

The Securities and Exchange Commission (SEC) has penalised M Hossain Garments Washing and Dyeing Ltd, a public-listed company, Tk one lakh for its default in making payment of the declared dividend within the given time under the securities law and also for its false report to the Commission in this respect, says a press release issued by the SEC yesterday.

The company has also been directed to pay in full the outstanding declared dividend to the public shareholders including the institutional investors immediately.

The SEC has also slapped a penalty of Tk 10,000 upon the company for each day of continuing default after issuance of the penalty order on the 10th of this month. Until the outstanding declared dividends are fully paid off by the company as per the aforesaid SEC directives, the penalty will remain effective.

M Hossain Garments Washing and Dyeing Ltd declared cash final dividend of 15 per cent share of Tk 100 each on December 24, 1996, for its shareholders which was meant to be paid off by the February 22, 1997.

Japan to inject \$64.6b into 15 major banks

TOKYO, Feb 11: Tokyo will inject a total of 7,450 billion yen (64.6 billion dollars), into 15 major banks to shore up their capital and encourage further disposals of their bad loans, a report said yesterday, reports AFP.

The financial reconstruction commission has decided to inject taxpayers' money into the 15 top banks except the largest bank of Tokyo-Mitsubishi Ltd (JMI) press reported. The commission will tell the banks about its decision Friday, the report said.

Among the 15 banks, the government will inject one trillion yen into Fuji Bank Ltd, 900 billion yen into Dai-ichi Kangyo Bank Ltd and 800 billion yen into Sakura Bank Ltd, it said.

Bank of Tokyo-Mitsubishi said earlier it planned to raise capital on its own by issuing securities.

The largest regional bank, Bank of Yokohama Ltd, will get 200 billion yen, it said.

US co to go for gold in Egyptian desert

CAIRO, Feb 11: A US firm has struck a deal with Egypt to prospect for gold in the eastern desert over the next four years as part of a 3.25 million dollar investment scheme, the Industry Ministry said yesterday, reports AFP.

Under the terms of the contract signed here on Tuesday Egypt will reap 51 per cent of the revenues and earn three per cent in sales receipts. The company, Cresset International Ltd, will search for gold over the next four years in an area of 3,618 square kilometre (1,447 sq miles) sector of the eastern desert.

Cresset will get a 30-year concession over the area if the search proves viable, the ministry said in a statement received here. Experts tapping the eastern desert for minerals found important gold and platinum deposits two years ago prompting the Egyptian authorities to sign several deals with foreign firms to prospect for gold.

Several Canadian firms have won contracts for gold prospecting in Egypt, including the company Energies, which signed an eight million dollar deal to search for oil in the eastern desert for a period of five years.

Gaz de France profits surge 66.6 pc in '98

PARIS, Feb 11: State-owned gas utility Gaz de France said on yesterday its net profit rose by 66.6 per cent in 1998, putting it in a good position to face the opening of the EU energy market to competition next year, reports AFP.

Net profit in 1998 came to 2.5 billion francs (381 million euros) from 1.5 billion francs in 1997.

Sales edged up 6.3 per cent to 58.7 billion francs (8.95 billion euros) from 55.2 billion francs (8.49 billion euros).

Sales in volume terms rose 7.5 per cent but the value rose less sharply because of several tariff cuts during the year.

This very strong growth gives as average growth rate of 3.8 per cent over three years compared with our target of three per cent growth which was considered by many to be ambitious, said GDF President Pierre Gadonneix.

The 1998 results prepare GDF for the opening up of the market, he said, adding he was completely confident that the gas utility could meet the challenge.

US Trade Show '99 begins in city today

Star Business Report

The three-day US Trade Show '99 begins in the city today aiming to expand economic activities between the two countries.

Finance Minister Shah AMS Kibria will inaugurate as chief guest the gala exposition jointly sponsored by American Chamber of Commerce (AmCham) and the US Embassy in Dhaka at the Dhaka Sheraton Hotel.

A total of 70 exhibitors are participating in the 8th annual event this year.

Speaking at a press conference, AmCham officials told reporters that the opening of the trade show was delayed by one day because of a halt.

Forrest E Cookson, President of AmCham, could not attend the conference, but his written message was distributed among the reporters.

"Economic relations between the two countries remain mutually beneficial, but its very favourable for Bangladesh. The current account surplus with the United States is very large, about 4.5 per cent of GDP and accounts for 60 per cent of Bangladesh's current account surplus with the rest of the world," Cookson said in his message.

He noted that greater efforts were needed to increase US exports to Bangladesh.

The AmCham president said exports from Bangladesh to the US increased by \$321 million, while imports went up by \$5 million.

Bangladesh exported goods worth US \$1,929 million to the United States while its imports from US stood at \$ 310 million in 1997-98 fiscal.

"The Bangladesh government and business community are distressed about the trade deficit with India. We are distressed about the lack of progress in increasing procurement of US goods and services."

This is not a matter to be taken lightly. The best way to continue with the expansion of Bangladesh exports to the US is to increase imports from there, Cookson said.

The AmCham president also called for greater transparency in business deals between the government and business houses.

"The greater the imports from the US, the bigger will be the support for opening up Bangladesh's export markets there" he added.

Executive Director of AmCham A. Gafur said that they were expecting a lot of US-based companies at the Dhaka show.

"But due to a halt, this has been a bit upset," he said. "If the US executives fail to arrive, they will be represented by their local agents."

Two years ago, investment by US companies in Bangladesh was only US \$25 million, but it has increased much now, Gafur said, adding "our guess is that till date, the US investment here stands at around US \$500 million dollar."

Moreover, Stevedoring Services of America (SSA) is planning to invest another \$500 million.

San Amalan, Executive of AmCham and General Manager of Hotel Sheraton, said that the US trade show had been experiencing a growing number of participants every year.

The organisers said that on the very opening day, the show would remain open exclusively for business people from 10 am to 5 pm. After that, it will be open for the public till 8 pm. The entry fee to the show is Tk 20.

Having a dig at the CPI (M) led left front governments protest at the increase in LPG price by the ruling coalition,

Ramamurthy pointed out that that party kept silence when the previous United Front government effect a rise of Rs 53 per LPG cylinder.

Shell's profits crash

THE HAGUE, Feb 11: The oil giant Royal Dutch/Shell on Thursday reported a 95.5 per cent drop in net profits, caused mainly by the fall of crude oil prices and financial crisis in Asia, reports AFP.

Net profit amounted to 350 million dollars (309.7 million euros) from 7,753 billion dollars in 1997.

Operating profit at the Anglo-Dutch group slumped by 80.5 per cent from 15,942 billion dollars in 1997 to 3,104 million dollars (2.78 million euros) last year.

Net profit was hit by special charges totalling 4.245 billion dollars owing mainly to restructuring and redundancy charges, and the writing down of assets.

Net profit on the basis of the current cost of supplies (replacement-cost calculation) amounted to 9.01 million dollars, a drop of 88.9 per cent from 8,125 billion dollars earned in 1997.

The large crowd responded loudly as the union minister announced resumption of oil exploration in the state which was stalled about a decade ago due to withdrawal of the ONGC.

Alleging that the Jyoti Basu's government did not reduce the bus fare even after the centre dropped 10 per cent rise in diesel price Ramamurthy said it is amazing that the left parties including CPI (M) were so vocal against the rise in LPG price.

Describing the left front government as a 'hypocrite' he said the reduction in subsidy on the LPG and prompted the left parties to call protest day without recalling their support to the United Front government on the same issue. He said the centre expected that the Basu's government would appreciate the diesel price reduction.

He said the centre would have to bear financial burden of Rs 6,000 crore for reducing diesel price by 10 per cent.

But our government did not seek to realise the amount by imposing border on the people, he added.

Ramamurthy who is President of Tamil Rajiv Congress, announced his party's contribution of Rs one lakh to the Trinamool Congress for rehabilitation of its workers.

Oil, gas search in W Bengal to resume after 10 yrs

CALCUTTA, Feb 11: Search for oil and gas will be resumed in West Bengal after a gap of about 10 years with the Oil and Natural Gas Corporation (ONGC) identifying eight oil fields in the state for exploration, reports PTI.

Announcing this at a Trinamool Congress rally in city's Brigade Parade Ground, the Union Petroleum and Natural Gas Minister K Ramamurthy said yesterday that the ONGC had been asked to commence such exploratory activities within three months.

We have instructed the ONGC to stable its activities in 48 oil fields all over the country.

In what was termed as a fresh bid to assuage Trinamool Congress leader Mamata Banerjee, the minister said, the centre had also decided to expand the Haldia refinery and increase the capacity of the existing LPG refilling in the state.

He said LPG would be available at the asking after June next in West Bengal and the Vajpayee government had decided to meet the LPG requirement in the north eastern states by the stipulated time.

Having a dig at the CPI (M) led left front governments protest at the increase in LPG price by the ruling coalition,

Ramamurthy pointed out that that party kept silence when the previous United Front government effect a rise of Rs 53 per LPG cylinder.

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British economy seen slowing sharply

LONDON Feb 11: Storm clouds blown in from the troubled world economy darkened over Britain on Wednesday when the central bank slashed its economic growth forecast and warned that the economy would probably stagnate in the first half of 1999, says AFP.

The Bank of England predicted that the economy would expand by just 0.5 per cent to 1.0 per cent in 1999, which was well below official forecasts made late last year.

However, the bank said that the likelihood of Britain sinking into recession this year remained a one in four shot.

The bank's latest quarterly inflation report said that the prospects for the world economy had worsened since its last study was published in November.

At that time, the bank had endorsed government forecasts that the British economy would grow by 1.0 to 1.5 per cent this year.

However, the weaker international outlook coupled with crushed business sentiment at home had now blighted prospects for anything other than a sharp slowdown here. This would see growth slump close to zero in the first half year.

The Deputy Governor of the Bank, Mervyn King, told journalists that Britain would be hit by further deterioration of the global economy, slowing of the economy in the Euro-zone, ongoing crisis in Asia plus the Brazilian devaluation.

In particular, the bank said that the recession in Japan would be more protracted than had previously been feared.

The prospects for economic activity inside the euro-zone for 1999 had weakened and the bank even identified downside risks to the "remarkable" growth of the US powerhouse economy.

Rampant growth rates in the United States have provided a lifeline for the world economy in the wake of the Asian, Russian and Latin American crises.

"Output growth in the whole of the world will slow plus we have evidence of a marked slowdown in domestic demand," said King.

The bank predicted that the slow down would bite hard in the first half of this year, when growth was likely to stagnate close to zero.

As evidence, it identified weak household spending, thought likely to remain subdued in the coming months.

Bhutan exports hit record in 1997

THIMPHU, Feb 11: Bhutan's exports touched a record Nu 4,274 million in 1997 with goods and services provided to India. The Himalayan kingdom's largest trading partner, registering a 25 per cent increase to peak at Nu 4,042 million (One US dollar is equivalent to about 42 Nu).

The latest issue of Bhutan's national newspaper Kuensel, quoting the foreign trade figures released by the Central Statistical Organisation (CSO), said the export figure for 1997 marked a 20 per cent increase over that for the previous year.

Imports also increased by 10 per cent during the same period and stood at Nu 4,977 million. Overall, the kingdom's balance of trade position improved by about Nu 270 million, Kuensel said.

Bhutan's trade surplus with India grew by 78 per cent, up from Nu 331 million to Nu 568 million, but decreased marginally against other countries.

Electricity sale to India, which rose by more than 72 per cent, accounted for Nu 1,287 million, while rice and diesel imports increased by about 3.5 per cent and 18 per cent respectively.

Among others, the export of cement and calcium carbide increased by about 47 per cent and particle board by 15 per cent while that of rum and ferro-silicon exports dropped slightly.

However, Bhutan's exports to third countries fell by more than 28 per cent to Nu 232 million, largely due to the drop in apple exports from Nu 71 million in 1996 to Nu 34 million in 1997 and quartzite from Nu 47 million to Nu 2 million. However, exports of orange and fresh mushroom increased.

The country's import from third countries was also down from Nu 2,896 million to Nu 1,524 million during the same period.

— (India Abroad News Service)

Europe moves toward ban on aging planes

STRASBOURG, Feb 11: Aging planes equipped with US-made "hush-kits" that lower their noise levels could be banned in the European Union under legislation pending in the European parliament, reports AFP.

European deputies Wednesday adopted a text banning the aircraft, though the text must still get the go-ahead from European transport ministers before going into effect on April 1, 1999.

The ministers are expected to meet and vote on the matter in Brussels March 29.

According to the EU aircraft equipped with hush-kits use almost 50 per cent more diesel fuel during take-offs and landings than other aircraft, and despite the kits make more noise than more modern aircraft.

"I am optimistic, this text is supported by all of the 15 members of the EU," European Transport Commissioner Neil Kinnock said in Brussels.

The United States, the sole manufacturer of hush-kits, hotly opposes the European draft legislation. Washington has sent a protest letter to European authorities, arguing that the text will result in a billion dollars loss to its industry.

According to estimates from the US Commerce Department, more than 1,000 planes belonging to the companies Northwest Airlines, Federal Express Corp and United Parcel Service (UPS) will be affected by the directive.

Ford hires ex-BMW executive

DUSSELDORF, Germany, Feb 11: Wolfgang Reitzle, the former executive of German car maker BMW, has been hired by US car giant Ford, business daily, Handelsblatt reported on Thursday, reports AFP.

Without naming sources, the newspaper said that an employment contract has already been signed and Reitzle will be Ford's European development chief, responsible for the Aston Martin, Jaguar and Volvo marques.

Neither BMW, nor the German unit of Ford in Cologne wanted to comment on the report.

"Reitzle is no longer part of our company," the BMW spokesman said.

Reitzle and chairman Bernd Pischetsrieder were booted out of BMW in a bloody management cut last Friday.

Reitzle had originally been seen as Pischetsrieder's most likely successor. But press reports suggested that his appointment was thwarted by opposition among the employee representatives who sit on BMW's supervisory board.

A little-known executive, Joachim Milberg, was appointed instead.

Market observers had speculated that US auto group Ford could move in to snap up BMW in the wake of the management changes.

But Ford on Wednesday denied it was involved in talks to buy the German maker of top-of-the-range cars.

Asian PC market back to pre-crisis level

SINGAPORE, Feb 11: Asia's market for personal computers (PCs) returned to pre-crisis level in the last quarter of 1998, boosting hopes of a rebound in the regional market this year, a research firm said Thursday, reports AFP.

PC shipments in the Asia-Pacific rose seven percent from a year ago to 2.89 million units in the three months to December, a 11-percent jump on the previous quarter, International Data Corp. (IDC) Asia/Pacific said.

"With the fourth quarter results, there is reason for guarded optimism looking toward 1999," said Kitty Fok, research manager at IDC Asia/Pacific based in Singapore.

IDC, which specialises in information-technology market research, forecast regional PC shipment growth to exceed 14 percent in 1999, as the region recovers from the economic crisis that erupted in mid-1997.

"If market conditions in China, India and Australia remain healthy, the regional PC market should generate solid gains in 1999, producing the highest annual shipment total to date for the regional market," she added.

However, PC shipment growth for the whole of 1998 was negative, with preliminary findings indicating a decline of 0.6 percent to 10.47 million PCs compared to 1997.

China, Australia and India offset heavy falls in PC shipments in Southeast Asia and South Korea.

IDC said the PC market growth in China for 1998 stood at 29.5 percent, lower than 44 percent a year ago, but that the gains were backed by the home market, the low PC penetration and economic expansion.

The sharpest market losses in 1998 were seen in Indonesia, which fell by 81.1 percent, Thailand by 40.5 percent and South Korea by 34.3 percent.

Among the Southeast Asian countries, only Thailand and the Philippines registered positive growth rates in their PC markets in the fourth quarter of 1998.

West ties aid to Russian foreign policy changes

MOSCOW, Feb 11: Western officials are trying to push Russia into dramatic changes in foreign policy by linking much-needed financial aid to shifts in Moscow's stance on everything from Iran to missile defence, a government spokesman said yesterday, reports AFP.

A spokesman for economy chief Yury Maslyukov told AFP that US officials were suggesting privately that Russia back down on a range of foreign policies in return for the billions of dollars of debt relief which Moscow desperately needs this year.

"Officially the question was not put, but unofficially they are seeking changes in Russia's foreign policy stance," said the spokesman, Anton Surikov.

Surikov also said that the US officials had warned the government of Prime Minister Yevgeny Primakov could come under pressure from an orchestrated media campaign at home if it did not toe the line.

Asian markets recover on firmer Wall Street

SINGAPORE, Feb 11: Most Asian stock markets gained ground Thursday as investors took comfort from a firmer overnight close on Wall Street, dealers said, reports AFP.

Singapore led the regional advance with a solid 5.5-per cent gain that analysts ascribed to a technical rebound. Hong Kong rose 0.8 per cent and Sydney ended 0.4 per cent higher.

With Tokyo, Taipei and Shanghai closed for holidays, Kuala Lumpur jumped 3.1 per cent, Jakarta gained 1.0 per cent and Auckland put on 1.6 per cent. Bangkok, Manila and Seoul ended barely lower.

Most regional markets had ended sharply lower the previous day after a sell-off Tuesday in the New York market sparked worries over the direction of Wall Street, which analysts say is heading for a downward correction.

On Wednesday, the Dow Jones Industrial Average rose 44.28 points to 9,177.30, reassuring the markets but most regional investors are sidelined.

ahead of the Lunar New Year next week.

In Singapore, share prices rebounded Thursday from three-month lows.

The benchmark Straits Times Index of the Stock Exchange of Singapore rose 70.61 points to end at 1,357.17 while the broader All-Singapore Index was up 15.69 points to 3,671.4.

"The market is doing very well considering what happened over the past few days," said a dealer with a local stock brokerage.

"It's a technical rebound," he said, adding "there's some professional short-covering going on."

Persistent worries about volatility on Wall Street and weak corporate earnings and other negative news on the local front have pulled down stocks in recent days.

HONG KONG: Hong Kong stocks closed up 0.8 per cent helped by gains on Wall Street overnight.

The blue chip Hang Seng Index ended up 70.47 points at 9,146.80, well off intraday highs.

Dealers said the market had lacked direction ahead of the Lunar New Year holiday next week.

"It was very non-eventful," said Sean Li of Amsteel Securities.

"There were no strong signals to tell the market where to go. Overall the market has not really come out from its downward trend," he said.

SYDNEY: Australian shares closed up 0.4 per cent thanks to good earnings results from market heavyweights including Rupert Murdoch's News Corp. and a stronger close on Wall Street.

The Australian Stock Exchange's benchmark All Ordinaries index closed up 12.2 points at 2,867.0.

Reynolds and Co senior dealer Peter Struk said the market had been driven higher largely as a result of News Corp's better than expected first-half profits and benefited also from strong results posted by Lend Lease.

Shares in News Corp added 40 cents to close at 11.57 while Lend Lease ended 10 cents higher at 20.95 dollars.

KUALA LUMPUR: Malaysian share prices closed 3.1 per cent higher spurred by foreign buying and an overnight rise on Wall Street, dealers said.

The Kuala Lumpur Stock Exchange's composite index surged 16.80 points to finish at 562.95.

A chief dealer with a local brokerage said heavy selling had eased considerably after the central bank clarified the mechanism of the newly-imposed "exit tax" for foreign funds.

Foreign fund managers, who earlier this week sold down their holdings after the exit taxes ended a one-year holding rule, were now seen buying some of the stocks back, he said.

"It does seem like this is the start of a small (pre-Chinese) new year rally as tomorrow will be the last trading day but volume is still very thin," he said.

BANGKOK: Thai shares fell 0.3 per cent at the close after a volatile day's trade which saw selected stocks bounce back from sharp early lows, analysts said.

Analysts said bank issues were battered in morning trade but recovered in the second session to lift the market well off its lows.

"Continued selling by foreign investors depressed the market, with most concerns centered on bank recapitalisation," ABN AMRO Asia Securities analyst Paibul Rachniyom said.

The Stock Exchange of Thailand (SET) composite index ended 1.09 points lower at 313.65, while the SET 50 selected index dropped 0.07 to 22.36.

JAKARTA: Indonesian shares rose one percent Thursday on selective bargain hunting of blue chips following a stronger Wall Street, dealers said.

The higher close was expected following the firmer close on the New York market overnight, said Eddy Saragih, an analyst with Mitra Duta

Securities.

"I think we're just currently following the direction of regional markets amid an absence of significant domestic news," he said.

The Jakarta Stock Exchange composite index closed up 3.967 points at 402,648.

MANILA: Philippine share prices fell 0.1 per cent amid directionless trading in the absence of developments to move the market, analysts said.

"The market is looking for any direction. Other than that, there is nothing moving the market," said Russel Ong of Anson-Hagedorn Securities Inc.

SEOUL: South Korean share prices closed barely changed after late selling in selected stocks partly eroded earlier technical gains brought on by steadier money market rates, dealers said.

But the selling spree was seen as technical, sparked by Thursday's deadline for the expiry of February options contracts, they said.



Padma Oil Company Ltd celebrated its 50 years of aviation fuel service in Bangladesh at a city hotel recently. Present on the occasion were Chief of Air Staff Air Vice Marshal Md Jamaluddin, British High Commissioner David Walker, French Ambassador Renee Veyret, Additional Energy Secretary Syed Tanvir Hossain and GM of Padma Oil Co Ltd M Anwarul Hoque.