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# The Daily Star BUSINESS

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DHAKA, SUNDAY, MAY 9, 1999

## RFL 12 times oversubscribed

Rangpur Foundry Ltd (RFL), the largest cast iron foundry and light engineering workshop, has been 12 times oversubscribed, a press release of the company said.

Against an offer of Tk two crore for public subscription, the company has received Tk 23.27 crore.

The management of RFL takes this opportunity to express their profound gratitude to the valued investors for the overwhelming support and confidence reposed in the company, acknowledges the cooperation extended and services rendered by Securities and Exchange Commission, Dhaka and Chittagong Stock Exchange Ltd, underwriters, bankers and managers to the issue and all persons and institutions involved.

## Lanka to conduct child labour survey

COLOMBO, May 8: A country-wide survey of child labour will be conducted by the Sri Lankan government as part of a series of actions against the abuse, official sources said today, reports Xinhua.

The survey, to be conducted by the Ministry of Labour and Vocational Training in collaboration with the Planning, Census and Statistics Department, will focus on the nature and magnitude of child labour in the country, said the sources.

The lack of a census of child labourers in the country has been considered a great impediment to address the problem.

The survey will be based on a questionnaire on a target group of householders and children.

New programmes and policies for the elimination of child labour will be implemented based on the findings of the survey. The proposed programmes are also intended to ensure the protection of working children at local, sectoral and industry level.

According to the International Labour Organisation, there are nearly 500,000 child labourers in Sri Lanka. The common forms of child labour in the country are domestic employment, involuntary begging on the streets, child prostitution, work in the informal sector and labour in the tourist, fishing and gemming industry.

## SIBL foundation course ends

A 12-day intensive Foundation Course for Residency Officers third batch of Social Investment Bank Limited has ended in the city recently.

It was organised by the University School of Social Economics and Management (USSEM) of the bank, says a press release.

The founder chairman of the bank, Dr M A Mannan, inaugurated the course.

Speaking at the concluding session the chairman termed SIBL as an alternative concept of Islamic participatory banking in 21st century and beyond.

He hopes that the course would help the participants for understanding SIBL model manifesto and mode of operations.

M M Nurul Haque, Managing Director, said no organisation can operate its programmes smoothly unless the officers consider it as their own.

The Deputy Managing Director, M Shahjahan Manitu, also spoke on the occasion.

Senior Executives were present at the session.

## Everbright China's sixth largest bank

BEIJING, May 8: Everbright Bank of China was now the sixth largest bank in China following its takeover of the former China Investment Bank, state media reported today, says AFP.

The restructuring brought Everbright Bank's assets up to 1.0 billion yuan (18.1 billion US dollars) and the number of businesses under its control to 245, bank chairman Zhu Xiaohua was quoted as saying in a Xinhua agency report.

Everbright picked up 137 businesses from China Investment Bank.

The restructuring has greatly increased Everbright Bank's market share and laid a solid foundation for its long-term development, Zhu said.

By the year 2000, Everbright Bank's profits will reach an estimated two billion yuan, compared with 1.31 billion yuan in 1998, he said.

Everbright Bank, founded six years ago, had assets totalling 74.7 billion yuan at the end of 1998.

The state-controlled Everbright Bank's takeover of the debt-ridden China Investment Bank was approved by the central bank which has sought to clean-up the debt-ridden financial system.

Zhu said the takeover was at Zero cost to China Everbright, giving it China Investment's Branch network.

The total assets which were acquired from China Investment Bank are about 80 billion yuan (9.64 billion US dollars), but after international accounting treatment, total assets would be about 68 billion yuan," Zhu said.

## Seminar with FBCCI trade, investment team BBCC hails Bangladesh's export performance

President of the British-Bangladesh Chamber of Commerce (BBCC) Peter Fowler has lauded Bangladesh's export performance.

"Export growth has been one of the greatest success stories of this country," he said at a business seminar attended by the visiting FBCCI trade and investment delegation and organised by BBCC in Britain recently.

Presenting a paper on the development of gas and power sectors in Bangladesh, Fowler mentioned that the Sangu and Jalalabad gas fields had eliminated the country's gas shortage and Oxy's discovery of a field at Bibiana would increase reserves by about 50 per cent, said a press statement issued by The Federation of Bangladesh Chamber of Commerce & Industry.

MA Rahim, Chairman of

### Star Business Report

BBCC, UK, said that the visit of FBCCI team would help expand trade and investment between the two countries.

Farooq Sobhan, Special Envoy to the Prime Minister and former Executive Chairman of the Board and Investment (BOI), urged the non-resident Bangladeshis (NRB) to explore investment opportunities in the country's tourism sector.

A Rouf Chowdhury, member of the FBCCI delegation and Chairman of Bangladesh Edible Oil and Vegetable Refiners Association, said that Bangladesh's image had been negatively focussed in the international arena.

"But Bangladesh was showing better economic and political stability compared to other neighbouring countries in South Asia," he said.

Referring to the vast poten-

tial for British investment in Bangladesh, Rouf said that the country was offering more attractive investment packages than other countries.

FBCCI Director Abdul Haque also put stress on the vast British investment opportunities, particularly by the non-resident Bangladeshis business community with their collective capital, experience and technology.

"Expatriate Bangladeshis could collaborate with the country's private sector by investing in the small and medium-scale enterprises," he said.

Abdul Aziz, Mayor, London Borough of Tower Hamlets, Baroness Paulauddin, Ahmed Hossain Joarder, Investment Minister of Bangladesh High Commission, and members of BBCC attended the seminar.



South African Airways has organised a tour of leading travel agents and tour operators to attend the 'INDABA' Travel Exhibition in Durban, South Africa, where tour operators and hoteliers from South and Regional Africa would participate and display their products. It is one of the greatest travel exhibitions of South Africa. Picture shows the top performing agents from Bangladesh prior to their departure at the Zia International Airport.

— Star photo

## Fed chief sees 'imbalances' in US economic expansion

WASHINGTON, May 8: Federal Reserve Chairman Alan Greenspan called the economy's strong growth and low inflation "truly phenomenal," but also expressed worries about "imbalances in our expansion" — and that sent jitters through Wall Street, says AP.

Investors and analysts saw Greenspan's comments Thursday as a warning signal that even though America is currently enjoying the best combination of rapid growth, low unemployment and low inflation in three decades, the central bank is worried.

"Of most concern is how long this remarkable period of prosperity can be extended," Greenspan told an audience at an international conference on banking in Chicago.

"There are imbalances in our expansion that, unless redressed, will bring this long run of strong growth and low inflation to a close."

As he has in the past, Greenspan expressed concern that the high-flying stock mar-

ket could suddenly come back to earth, causing a reversal of the wealth effect that has powered consumer spending.

Greenspan also said there was a "limit to how long and how far" America's soaring trade deficits can grow without bringing international pressures to bear on the US economy.

But Greenspan reserved his greatest worries for tight labour markets, which have driven unemployment down to a 29-year-low of 4.2 per cent, far below the level of 6 per cent unemployment that economists used to believe was the threshold point at which tight labour markets would begin to trigger inflationary pressures.

That hasn't occurred in this expansion, and Greenspan said Thursday he believed the reason for that was a burst of productivity in recent years stemming from heavy investment by businesses in computers and other high-tech gadgets of the information age.

Greenspan noted that over

the past 12 months productivity — output per hour of work — has been rising at nearly a 3 per cent annual rate, three times the rate of the early 1990s.

Higher output with the same number of workers allows businesses to pay those workers more and enjoy higher profits without raising the price of goods, something that would make inflation worse.

But Greenspan also warned that the gains in productivity cannot keep inflation at bay forever because sooner or later the dwindling pool of workers will start demanding wage hikes that can't be covered by rising productivity.

"Productivity is the good news, but Greenspan is warning that the good news won't last forever," said David Jones, chief economist at Aubrey G. Lanston and Co. in New York.

Jones said he read Greenspan's remarks as a caution that later this year the Fed will start to tighten interest rates because of inflation concerns.

## DCCI course on budget control for SMEs ends

DCCI Director Mohammed Nurul Alam underscored the need for proper accounting system and prudent budget preparation for the survival of business enterprises.

Alam was speaking at the certificate awarding ceremony of the course on Accounting and Budget Control for Small and Medium Enterprises (SMEs) at the DCCI Training Centre on Thursday, says a press release.

The five-day training course was organised jointly by Business Advisory Service (BAS) Project and Human Resource Development Programme (HRDP) of DCCI. The objective of the course was to impart function knowledge about budget preparation and accounting system to the participants.

AFM Obaidur Rahman, Convener of Human Resource Development Standing Committee of DCCI, spoke on the occasion and encouraged the participants to assess their training needs so that DCCI could organise need-based training courses.

BAS Project Manager Md Emadul Haque acted as course coordinator.

## Tofail inaugurates TULEC 'Update training modules with fast changing IT'

Commerce and Industries Minister Tofail Ahmed has said increasing number of talented youths are now taking training in Information Technology (IT) as the government has brought the computers within their reach by withdrawing import duties, reports BSS.

Inaugurating a computer education centre named TULEC here yesterday, the minister said the export of computer software has been declared as one of the thrust sectors in the new industrial policy considering its importance.

TULEC is a division of TATA Infotech of India incorporated with Star Computer Systems of Bangladesh.

State Minister for Foreign Affairs Abul Hasan Chowdhury, IT expert Prof Jamilur Reza Chowdhury, Vice President of TATA group Rabinjanath and Chairman of Star Computer Systems Ali Hossain Khan spoke on the occasion.

Tofail said all preparations

have been completed to formulate the IT related Intellectual Property Rights Law.

He asked the training institutes to update their training modules with the fast changing IT to give needed training to the related personnel to produce software programmes as per demand of the current international market.

The minister said: "Our software programmes have market potential in USA, European countries and Japan."

He said the e-commerce will be dominating the agenda of the third WTO ministerial meeting. The SAARC members are now exchanging opinions to forge a common stand in the WTO meet on different issues including the e-commerce.

Abul Hasan Chowdhury said the government is committed to bringing the modern education facilities including IT at the doorsteps of every citizen, even the villagers.

## 1st Gateway anniversary IMART launches Pentium III 500 Mhz

Star Business Report  
 IMART, local computer firm, yesterday celebrated the first anniversary of Gateway, the American brand computer, and formally launched Pentium III 500 Mhz computer in the country.

Tim Forsyth, commercial officer of US Embassy, addressed the function as the chief guest.

Presided over by Azizur Islam, Managing Director of Ahi Group, the programme was also addressed, among others, by Aftab-Ul-Islam, president of Bangladesh Computer Samity (BCS), and Md Akhtaruzzaman Khan, IMART MD.

An exhibition on the Gateway brand computer and accessories also started on Friday.

## ANZ first half operating profit \$716m

Australia and New Zealand Banking Group Limited (ANZ) yesterday reported post-tax operating profit of \$716 million for the half-year ended 31 March, 1999, compared with \$625 million for the half-year ended 31 March, 1998, says a press release of the bank.

Earnings per share grew by 8 per cent to 44.7 cents over the same period. The interim dividend will be 26 cents, up 8 per cent from 24 cents per share. Franking has been increased to 75 per cent from 60 per cent and ANZ expects to maintain this level for the year as a whole. There were no abnormal items.

"This is a good result. The bank management and staff have achieved this profit growth notwithstanding the loss of earnings from discontinued businesses and substantial reductions in selected assets in order to reduce risk. Costs were down, bringing the cost to income ratio to 55.8 per cent and specific provisions were contained within the economic loss provision. We are expecting an even stronger second half," ANZ Chairman Charles Goode said.

"We have also built a very strong capital base with a tier 1 capital ratio at 7.7 per cent. This provides us with the flexibility either to advance our core businesses through acquisition or to return capital to shareholders," Goode added.

## Airbus production may hit record this year

British Aerospace (BAe) and its partners in the European Airbus consortium are to increase their production rates again this year to achieve a record output of 291 twin-engine and four-engine Airbus, reports UNB.

Last year the partners delivered 229 aircraft, says a London Press Service (LPS) report.

BAe, reporting increased profits and orders for 1998, said higher Airbus activity made a big contribution to the UK company's commercial aerospace sales of 2,500 million pounds sterling.

A spokesman commented: "Airbus has had an exceptional sales year in a strong market for large commercial jets. Airlines placed net orders for 529 new airliners valued at 37,000 million US dollars."

He said: "This performance builds on 1997's previous record order intake of 438 aircraft. Net of cancellations, the order book for Airbus airliners stood at 1,309 aircraft, valued at 92,700 million US dollars at the end of 1998."

British Aerospace produces the high-technology wings for all versions of the Airbus family and this output will have to be increased substantially to meet the ever growing demand for Airbus.

## Indian broker who knocked down Thai bank put under house arrest

WASHINGTON, May 8: An Indian broker, who is wanted in Thailand for allegedly causing a Thai bank to collapse triggering the Asian economic crisis, has been put under house arrest in Vancouver in Canada, the Wall Street Journal reported today, says FTI.

Rakesh Saxena (46), according to prosecutors, is facing extradition from Thailand as he is the brain behind an alleged fraud that drained more than two billion dollars from a mid-size Thai Commercial Bank, the Bangkok Bank of commerce, the paper said in despatch from Vancouver.

According to the journal, the prosecutors alleged that Saxena's schemes knocked down the bank, leading to the 1997 devaluation of the Thai currency and ultimately igniting the financial fires swept through Asia and beyond.

Thailand wants Saxena back to stand trial on charges of embezzlement, fraud and securities-law violations. It said adding Saxena is, however, fighting extradition in the supreme court of British Columbia.



Two women look at products at a cosmetic brand promotion in a shopping complex in Kuala Lumpur yesterday. Malaysian women are getting more conscious about their looks and are starting to spend more money on brand clothes, expensive cosmetics and the latest fashions. — AFP photo

## Metal: Weekly Roundup

# Gold goes aground on UK plan to halve reserves

LONDON, May 8: London wreaked havoc with the gold market late this week, when the British Treasury said that it planned to sell more than half of its gold reserves over the next four years, reports AFP.

Prices slumped by almost seven dollars over the week, taking the spot price on the London Bullion Market down to 279.75 dollars an ounce.

The announcement that Britain plans to sell 415 tonnes of the yellow metal and hold instead big-earning cash reserves came as the latest blow to teetering market sentiment.

Dealers had already been put on guard by the International Monetary Fund (IMF), which has recently begun fleshing out a plan to sell some of its own gold reserves to furnish debt relief to the world's poorest countries.

Switzerland is also pondering vast sales from its official

sector, in part to pay compensation to Nazi victims.

Dealers said that all of these signs pointed to the fact that central banks were now turning away from gold as a key strategic reserve.

**Silver:** Shine. Silver prices withstood the gold meltdown and rose amid continued silence from the powerful US investor Warren Buffett.

Cash prices on the London Bullion Market rose to 5.43 dollars an ounce from 5.36 dollars.

Buffett set the silver market ablaze early last year, when he announced that he had bought up 129.7 million ounces, or 20 per cent of global silver stocks.

Since then, he has remained quiet, stoking intense speculation as to his next move.

**Palladium and Platinum:** Split. Palladium prices fell sharply after important shipments arrived at market from Russia, while platinum prices

rose on developments in car manufacture.

Palladium prices on the London Palladium and Platinum Market fell by 20.50 dollars to 312 dollars an ounce.

Platinum, meanwhile, rose by 7.5 dollars to 353.5 dollars an ounce.

Palladium sank after massive shipments hit the market from the world's leading producer country after a freeze that has hoisted prices since the start of the year.

Analysts predicted that the total deliveries might hit four or five tonnes on the London market. This is far higher than normal.

The supplies dented market sentiment. Dealers had previously suggested that the market might be starved of fresh supplies, as it was in early 1997 and mid-1998.

In contrast, platinum prices rose after German engineers said that they had developed a catalytic converter for cars that was at least as efficient if not more so than the traditional palladium parts.

There are greater known reserves of platinum in the world than palladium.

**Copper:** Slip. Copper prices on the London Metal Exchange (LME) fell in the absence of Asian buying, as Tokyo enjoyed a spate of public holidays.

The metal also followed gold lower, as dealers noted a growing correlation between the former shining symbol of the precious metals market and the base metals complex.

A substantial rise in market reserves also hit sentiment.

Three-month prices on the LME fell by 10 dollars to 1,588.50 dollars per tonne.

LME stocks rose by 5,800 tonnes to 752,025 tonnes.

In spite of the string of negative influences, prices were held

back from a major deterioration by official figures showing the continued strength of the US economy.

Temporary closure, for a period of 45 days, of the San Manuel refinery owned by Australian Broken Hills Proprietary (BHP) also buoyed prices.

The plant, which has an annual capacity of 320,000 tonnes, will close for maintenance works.

**Lead:** Heavy. Lead prices following copper lower this week. Three-month prices on the LME fell by 5.50 dollars to 541.50 dollars per tonne.

LME reserves rose by 175 tonnes to 105,050 tonnes.

**Zinc:** Fall. Zinc prices fell in the absence of Asian buyers as Japanese markets closed for Golden Week public holidays.

Three-month prices on the LME fell by 15.50 dollars to 1,078.50 dollars per tonne.

The losses came in spite of a fall in market reserves. LME

stocks fell by 2,225 tonnes to 314,600 tonnes.

**Aluminium:** Lower. Aluminium prices lacked the support of the important Japanese buyers and fell lower in line with gold.

The metal was further hit by profit-taking after the recent gains.

Three-month prices fell by 12.20 dollars to 1,357.80 dollars per tonne.

**Nickel:** Shine. Nickel prices rose on a modest reduction in official reserves and technical trades.

Three-month prices rose by 12.50 dollars to 5,587.50 dollars per tonne after LME stocks fell by 426 tonnes to 59,532 tonnes.

**Tin:** Glitter. Tin prices rose slightly on technical trades.

Three-month prices rose by 32.50 dollars to 5,642.50 dollars per tonne.