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DHAKA, MONDAY, JUNE 14, 1999

### Dhaka seeks Malaysian investment

Bangladesh has urged Malaysia for large-scale investment in Bangladesh availing of the incentives which are on offer here, says UNB.

Communications Minister Anwar Hossain Manju made the call when visiting Malaysian Transport Minister Dato Seri De Ling Liong Sik met him here yesterday.

During the meeting, they discussed matters relating to mutual interests and hoped that the existing friendly relations between the two countries would be strengthened further in the years to come.

Malaysian High Commissioner Dato Z Abdul Rahman, Communications Secretary Syed Rezaul Hyet and Chief Engineer of Roads and Highways Department MA Wadud were present.

Earlier, the Communications Minister received the Malaysian Minister at the airport when he arrived here on a three-day official visit to Bangladesh leading a 10-member trade delegation.

### Commitments amounted \$6 billion

## WB release for Bangladesh \$4.7b in last 16 years

World Bank (WB) commitments to Bangladesh amounted to nearly US \$6 billion during the last 16 years, according to a WB report, says BSS.

The report, Bangladesh Country Assistance Review: A Testing Challenge, made available to the government recently, said the commitments were made mainly against 93 projects which were approved by the board of the bank during 1980 to 1996.

It said the Bank disbursed US \$4.7 billion to Bangladesh during the period which was about 9 per cent of the total disbursement of International Development Agency (IDA), the Bank's lending wing, in the 80s.

This proportion dramatically declined to 5.7 per cent in the 90s reflecting the absorptive capacity constraints within the country and the increasingly difficult institutional constraints, which impeded project execution, the report added.

It said that as a concerted effort to solve this problem was made in early 90s, the disbursement ratio reached 17.6 per cent.

The report further said 63 projects of the 93 were evaluated by the Bank which found 24 projects or 38 per cent unsatisfactory.

The report said with regard to sustainability, 35 per cent

had a likely rating, compared to 45 per cent of the bank's overall record.

Of these projects, 36 per cent had negligible institutional development ratings compared to 24 per cent bank average.

The report said the efficiency of lending assistance to Bangladesh does not compare to Bank averages. In lending staff years per project, Bangladesh is almost 40 per cent higher in staff time spent.

"This relatively less efficient performance is indicative of the difficulties inherent in dealing with Bangladesh's assistance programme," it added.

The report pointed out that

Bangladesh requires over 50 per cent more calendar time to take a project from project concept to the World Bank Board.

The WB report said the intensity of Economic and Sector Works (ESW) has been at about Bank-wide averages, but higher than the South Asia region averages. This was at an appropriate level as ESW undertaken has been consistent with the country strategy and its timing and quality have been good, it added.

Citing an example, the report said a Tax Reform Study and an Environment Review fed directly into government strategy and strategy formulation very shortly after completion.



Customers stand before a counter selling chicken of Brazilian origin Friday in Sao Paulo, Brazil. Already the world's second-largest exporter, Brazil will be selling more chickens on European markets following the dioxin contamination scare in Belgium. The Brazilian Association of Chicken Exporters (ABEF) expects to increase shipments by 21 per cent this year. —AFP photo

### Thai investors' team meets BOI chief

A group of Thai investors from Electric Generating Public Company Limited (EGCO), headed by its Managing Director Arthaporn Vatanasuti yesterday called on the Executive Chairman of Board of Investment (BOI) Sirajuddin Ahmed at the latter's office in Dhaka.

Ahmed highlighted the investment opportunities and incentives offered by the present government for foreign investors in Bangladesh.

The Thai delegation expressed its keen interest to invest in the Rural Electrification Board (REB) 10MW projects and also in some bigger projects of the Power Development Board (PDB) and REB.

The delegation also met the Chairmen of PDB and REB.

### BB T-bill auction held

The 40th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held here yesterday, reports UNB.

A total of Tk 308.50 crore, Tk 25 crore, Tk 15 crore, Tk 167 crore and Tk 100.03 crore were offered respectively for the 28-day, 91-day, 182-day, 364-day and 2-year bills.

Of these, Tk 308.50 crore, Tk 15 crore, Tk 14 crore, Tk 115 crore and Tk 25 crore of 28-day, 91-day, 182-day, 364-day and 2-year bills were accepted.

The range of the implicit yields for the accepted bills were 7.39-7.58 per cent, 8.47-8.50 per cent, 8.80-8.90 per cent, 9.34-9.40 per cent and 9.51-9.60 per cent per annum respectively.

No bid was offered for the 5-year bill, said a Bangladesh Bank press release.

### HK customs nets huge pirated CD-ROMs

HONG KONG, June 13: Customs officials have seized a record number CD-ROMs and production equipment in the latest raid to eradicate rampant copyright piracy, the government reported Sunday, says AP.

Officials seized 180,000 computer CD-ROMs, a large quantity of equipment and four vehicles, worth a total of 16 million Hong Kong dollars (US \$2 million), during the raid on Saturday, a statement from the Customs and Excise Department said.

Seven people were arrested, but no charges had been made, it said.

Despite frequent raids, Hong Kong remains a centre for copyright pirates. Pirated CDs, video CDs and computer software are widely available at shopping arcades and street side vendors at a fraction of the cost of a genuine copy.

### Opposition to euro still strong in Britain

LONDON, June 13: Fewer than one in four British voters support the country joining the European single currency, according to an opinion poll in the Sunday Telegraph, says AP.

It showed just 24 per cent would support a British entry if there was to be a snap referendum on the issue, while 57 per cent would vote against.

The remaining 19 per cent of the 605 adults questioned either did not know or expressed no opinion.

Asked if Britain should remain in the European Union, 41 per cent said yes, but 37 per cent said it should leave.

Britain's ruling Labour party, which is in favour of the single currency, has said it will hold a referendum on whether to join after the next general election, which is due by 2002.

## Orders for Boeing, Airbus drop on Asian crisis

LE BOURGET, France, June 13: Boeing and Europe's Airbus consortium said Sunday that the economic downturn in Asia had resulted in a sharp drop in orders for new airliners, reports AP.

Speaking at the Le Bourget air show just outside Paris, Alan Mullaly, Boeing's president for commercial aircraft, said the American company was registering only 30-40 per cent of the number of orders it had last year. He said Boeing received 564 orders in 1998.

"There is a slowdown, mainly because of Asia," he said at a press conference. "We are getting 30-40 per cent of the orders of last year but we are optimistic that orders will come back in 2000."

Noel Forgeard, the chief executive of Airbus, said at a later press conference that his company too was registering a drop but he did not believe it was as severe as Boeing's.

Forgeard said Airbus took 556 orders last year, "a drop of 60 per cent would put us at 220 and we are already at 190 this year and we shall finish the year far beyond 200, probably nearer 300."

Forgeard, who said Airbus's

world market share was now 51 per cent, insisted that long-delayed plans to give the four-nation consortium a commercial structure were essential to enable Airbus to be fully competitive.

"Our competitor is not the Boeing of today but that of the future, a streamlined, rejuvenated Boeing," he said.

On future Airbus projects, Forgeard said he would not recommend the construction of the projected A3XX double-decker airliner designed to carry 550-600 passengers until he was totally sure of its viability.

Boeing's Mullaly, meanwhile, speaking at the first Paris air show since his company's merger with McDonnell-Douglas, said orders for the 747 jumbo, the only aircraft in its class, were declining with airlines more interested in lower-capacity planes like the 777.

Forgeard responded that Airbus foresaw a market for around 1,500 planes of the A3XX category.

Mullaly said Boeing believed that air travel would increase by 4.7 per cent a year over the next two decades, meaning that 15,845 new airliners would

have to be built by 2018.

He said the Asia Pacific region would account for 30 per cent of the world's airline fleet, with Europe and North America each accounting for 29 per cent.

Forgeard said he believed last week's merger of Germany's DASA and Spain's CASA, both partners in Airbus, would help moves towards the creation of a company structure for the consortium.

The French head of Airbus said this month's privatisation of France's Aérospatiale in the new Aérospatiale Matra company and the DASA-CASA agreement meant the four partners were all now private companies.

British Aerospace (BAe), meanwhile, described the German-Spanish merger as "an excellent thing."

John Weston, the BAe chairman, said this would "greatly facilitate its (Airbus) transformation into an integrated company by reducing the number of partners from four to three."

The flying programme at Le Bourget resumed Sunday, a day after it was suspended when a Russian Sukhoi-30 fighter-bomber crashed.

### Bangladesh for spl global fund for LDC labours

Bangladesh, in the 87th annual conference of the ILO, lobbied for raising a special global fund for the workers affected by globalisation, especially in the least developed countries (LDCs), reports UNB.

Addressing the main session of ILO and also meetings of the labour ministers of the Asia-Pacific and the NAM in Geneva recently, Labour and Manpower Minister MA Mannan called for the special fund.

He returned home Sunday morning.

In one-to-one meetings with his counterparts, the labour minister also discussed bilateral issues, especially employment of Bangladeshi workers in their respective countries.

The labour ministers with whom Mannan held talks included Andrew Smith of UK, Klaas De Vries of the Netherlands, Amir Showani Al-Hosni of Oman, Othman Haron Eusof of Singapore and Sang-Nam King of South Korea.

Besides, the Bangladesh minister also had meetings with ILO Director General Juan Somavia, International Migration Organisation Director General Brunson Mekim Ley and UN's Compensation Commission Executive Director Jean Claude Aime.



US auto giant General Motors (GM) unveils the Qilin concept car, designed by Chinese engineers, at their centre in Shanghai, during the pre-opening of the Shanghai Auto '99 show Sunday. The giant auto show will open this week, marking a turning point in the world's biggest potential market, with the arrival of the first wave of Chinese-made cars boasting world-class technology. —AFP photo

## Dioxin no bar for a decent dinner

### Belgians move on to horse, eel, even buffalo

VILVOORDE, (Belgium), June 13: Belgians will not be kept from a decent meal, dangerous food contamination or not. Roast chicken and mayonnaise might have been laced with dioxin, but there are always recipes for unlikely alternatives: horse, eel, buffalo, reports AP.

Moreover, Belgians tend to assume the rules don't apply to them, and that includes the prime minister's wife.

So while the world was recoiling in horror from evidence that poultry, pork, beef, eggs and dairy products were contaminated with cancer-causing dioxin, the De Kuiper horse-meat restaurant was hopping.

"The phone is ringing off the hook," said owner Alfons Gulickx. "We cannot even take reservations. As soon as a table is free, it's taken." On weekends, waiting lines for a table are over an hour.

The restaurant in Vilvoorde, an industrial town close to Brussels, specialises in the lean, sweet horse steaks and has been popular for decades. But nothing could prepare

Gulickx for the past two weeks, when the dioxin scandal made everything from chicken to beef too suspect to eat.

Denied their traditional fare, people asked Gulickx to sell horsemeat over the counter. "I cannot even get meat for myself," he said, and had to fly in fresh supplies from Canada.

Horsemeat turnover has increased by half, but Gulickx is no happy man.

"Things are going great for all the wrong reasons. My children also ate this stuff," he said, referring to the dioxin that is suspected of having spread through a major part of Belgium's food production because of tainted animal feed.

Exports have been particularly damaged by the scare. From Malaysia to New York, Belgium's gastronomic reputation has taken a nosedive, with such classics as Belgian waffles and chocolates often out of reach of international gourmets.

The Belgian government has pleaded in vain that the dioxin contamination could be reduced to one incident that was already

fully under control.

"It's a national catastrophe," said Myriam Wittamer, administrator of the famed Wittamer pastry and chocolate house. "I don't know we'll be able to restore our international image. I'm not proud to be Belgian."

Because of the freshness of its pastries, Wittamer does not overly rely on exports and damage from the crisis has been limited. The company is now getting butter from France and eggs from Germany.

One client in the Middle East had to take Wittamer chocolates off the shelves, and the only foreign pastry order to be canceled came from someone in the international high financial circles, Wittamer said, without elaborating.

"As for herself, I don't care. I still eat my pastries in the morning."

For two weeks, Belgium issued bans designed to make it impossible to use local products in such favoured delicacies as chocolate mousse or asparagus "a la Flamande." But a Vilvoorde woman highlighted the gap between theory and practice.

Celie Dehaene, wife of Prime Minister Jean-Luc Dehaene, readily admitted she took no precautions with the family food. "Last weekend we had a barbecue here, with Belgian chicken," she said. Poultry was on the banned list at the time. "We just eat everything, and so do the kids," she told the Brussels newspaper La Dernière Heure.

Critics say such a laissez-faire attitude has turned Belgium, the country with the densest concentration of restaurants in the Michelin guidebook, into a culinary pariah.

The government admitted the Belgian food chain was woefully short of controls, allowing tainted animal fat to enrich animal fodder and contaminate all animals that ate it. "Perhaps the industrialisation of our food has gone too far," Dehaene said.

Geert Van Hecke, the chef of the three-Michelin star De Karmeliet restaurant in Bruges, agreed. "The quality of Belgian ingredients is not that good. You never know where it is coming from," he said. He gets his poultry and veal from France.

During the crisis, Belgians have flocked to organic food stores and have tried all sorts of exotic substitutes.

In the southern Ardennes hills, where a herd of buffalo roams, Jean-Francois d'Hoffschmidt suddenly doesn't have enough meat to go round. "The meat may be more expensive," he said, "but people keep asking now because they know it is natural."

## China's trade surplus plunges by 62 pc

BEIJING, June 13: China's trade surplus in the first five months of 1999 plunged 62 per cent year-on-year to \$7 billion, a senior trade official was quoted today as saying, reports Reuters.

The semi-official China News Service also quoted Assistant Minister of Foreign Trade Ma Xiuhong as saying in Hong Kong that China had \$146.7 billion in foreign exchange reserves.

The report did not say whether Ma also revealed import and export figures. She said the foreign exchange reserves figure was current, it said without elaboration.

The General Administration of Customs is scheduled to release trade figures for January to May in the next few days.

Latest official data showed foreign exchange reserves were \$146.63 billion at the end of March, \$146.52 billion at the end of February, \$145.09 billion at the end of January and \$144.96 at the end of 1998.

The reserves, a pillar for the yuan currency, grew only \$5.07 billion last year despite a trade surplus of \$43.6 billion and foreign direct investment of \$45.6 billion.

Officials have said the slowing growth of the reserves

last year was caused by rampant foreign exchange fraud and other hard currency irregularities triggered by fears of a yuan devaluation.

Ma also renewed Beijing's oft-repeated pledge not to devalue the yuan, the news service said.

Actual foreign direct investment in China fell 12.6 per cent year-on-year in the first four months of 1999 to \$10.24 billion, according to official figures.

The Chinese government's insisting on not devaluing the yuan tallies with China's current balance of payments situation and the trend of economic growth," Ma was quoted as saying.

On Thursday, the central bank slashed deposit rates by an average one percentage point and lending rates by an average 0.75 percentage point in a bid to kick-start the economy.

But analysts said the move, which has widened the spread between yuan and dollar deposits at domestic banks, could eventually put pressure on the yuan.

Ma was also quoted as saying "China has not changed its stance of trying to enter the World Trade Organisation this year."

## Gunfire at Kargil hits Indian capital market

By Hemant Babu

MUMBAI, June 13: The unabated tension on the India-Pakistan border continued to affect sentiments in the Indian capital markets, where a strong positive undercurrent was witnessed during the week but the sound of gunfire at Kargil held investors back.

Select cyclical stocks ruled firm throughout the week even though the Sensitive Index of the Bombay Stock Exchange (Sensx) moved in a narrow margin. Despite the fighting in the Kargil sector of Jammu and Kashmir, foreign funds chose to increase their exposure on cyclical stocks like Reliance Industries, Bombay Dyeing, ACC, Madras Cements, Hindalco, Grasim and IPCL while opting to go soft on infotech shares.

The market resumed on a

firm note on Monday with a promising rally in cyclical stocks, but soon the bull of flooding began due to rumours on the Kashmir situation, wiping out the early gains in share prices. Benchmark Sensx dropped sharply from an intra-day high of 4089.02 to 4035.32, netting a loss of 7.20 points over last close.

The sharp upswing in US markets on the previous Friday, following the announcement of encouraging job statistics there and persistent firmness in Asian markets, also sent positive signals to the domestic markets. Capital International of the US has been a big buyer in software stocks like Infosys and Wipro, a broker said.

Analysts said the underlying tone in the market

stayed firm.

Foreign funds have remained net buyers in spite of continuing clashes on the border. "Markets are set to take off even on a semblance of normalcy at the border," BSE dealer Hiten Shah said.

On the next day too, the rally in the share prices amidst a sense of nervousness continued. The uptrend in the market was largely led by a spurt in cement and auto-ancillary stocks on reports that these industries were witnessing a strong revival.

After a steady opening, equities weakened during mid-session on speculative offloading. The Sensx recovered sharply from its intra-day low of 3987.11 to close at 4066.82. At close, the sensx showed a net gain of 31.50 points.

Analysts said there were strong signs of economic recovery in India. The sales figures in some key industries were more than encouraging. For example, cement production during the first two months of 1999-2000 went up 22.6 per cent to 16.27 million tonnes, according to figures released by the Cement Manufacturers' Association.

Industry sources are now projecting an annual growth of 10 per cent compared to a growth of six per cent in the previous year. Besides, production of passenger cars too witnessed a growth in demand after the launch of small cars like the Santro by Hyundai, Matiz by Daewoo and Indica by Telco.

Amidst good news on the economic front, the markets on Wednesday suffered a retreat

from higher intra-day levels on sizeable offloading by bull operators. Rumours about intense fighting at Kargil prompted traders to make nervous offerings.

Mirroring the sentiments, the Sensx slipped from an intra-day high of 4121.74 to close at 4041.89, netting a loss of 24.93 points.

Auto-ancillary and cement stocks, however, continued to outperform the market on sustained buying interest. Domestic funds, particularly the Unit Trust of India (UTI) reportedly picked up a large quantity of shares like Larsen & Toubro, BPL, Global Telesystems and Cadbury India while foreign funds accumulated stocks like Telco, Larsen & Toubro, Atlas Copco, Reliance and Sterlite Industries.

The US Senate decision to lift the economic sanctions imposed on India and Pakistan after last year's nuclear tests further improved the market sentiments on Thursday. Mirroring the steady trend, the Sensx moved up from the previous close of 4041.89 to a high of 4105.09. However, higher levels attracted profit-taking and the Sensx dropped to close at 4056.47, showing a net gain of nearly 15 points.

The Sensx tumbled 87 points and closed below the important 4000-mark at 3969. Friday's sell-off was almost across-the-board. Of the 148 traded specified scrips, 135 declined while only 12 recorded advances.

—India Abroad News Service

### Thai PM in Manila for trade talks

BANGKOK, June 13: Thai Prime Minister Chuan Leekpai left Sunday for a three-day visit to the Philippines, during which he will hold trade talks with President Joseph Estrada, officials said, reports AP.

Chuan's trip marks the 50th anniversary of bilateral relations between the two Association of Southeast Asian Nations (ASEAN) member countries, government spokesman Akpol Sorasuchart said.

Thailand's premier will hold talks with Estrada to explore ways of expanding trade, especially in agricultural products, with Chuan expected to push Manila to buy more Thai rice.

The Philippines needs more agricultural goods and we have already talked on that when President Estrada visited here (last year)," Akpol said.