

**SANYO** Japan  
Air Conditioner  
Instalment Facility Available  
Transfin Trading Ltd.  
Tel: 815307-10, Fax: 813062

# The Daily Star BUSINESS

DHAKA, SUNDAY, JULY 4, 1999

**National Housing Finance & Investments Ltd.**  
Home Mortgage Loans available for:  
Construction of houses  
Purchase of houses or apartments  
Renovation or extensions to existing properties  
Purchase of housing plots in approved land developments  
Telephone inquiries are welcome  
Chamber Building (6th Fl.), 122-124 Motiheel, Dhaka-1000  
Telephone: 955 9311-2, 955 3387, 955 3254 Fax: 956 8987

## Terrorism-struck Nawabpur traders demand police vigilance

Star Business Report

Nawabpur-based electrical goods traders yesterday demanded a police camp and a mobile police team in the area to save their businesses from increasing terrorism, snatching and illegal toll collections.

The demand came from the leaders and members of the Bangladesh Electrical Association (BEA) at a discussion meeting held at the BEA auditorium at Nawabpur.

Presided over by Joyntul Abedin Khokon, the meeting was participated, among others, by Dhaka Metropolitan Police Deputy Commissioner (east) MD Mokhlesur Rahman, BEA President MD Mosharrar Hossain, ex-president of BEA Monjur Ahmed and Kotwali and Sutrapur thana OCS.

The businessmen alleged that not only businessmen but the customers were also the victims of the deteriorating law and order situation.

The DMP DC called upon the businessmen to identify the terrorists and send their names to the police secretly.

BEA invited all businessmen to get united against terrorism. Otherwise, it said, the customers would no more come to Nawabpur market. The BEA president blasted police for collecting tolls from small shops on the pavement.

## Kibria seeks IT ties among developing countries

Finance Minister Shah A M S Kibria has stressed the need for information technology (IT) cooperation among the developing countries, reports BSS.

Kibria expressed this view while inaugurating the 'AMA-TECHNOHAVEN' computer learning centre in the city yesterday.

AMA-TECHNOHAVEN is the culmination of a franchise agreement signed between TECHNOHAVEN, a computer systems integration company of Bangladesh and AMA education group, an IT Education conglomerate in the Philippines, in March this year.

Together with other private and public IT education institutes, this joint venture would help create the required number of the computer professionals in the country, he hoped.

Presided over by the president of Technohaven Co. Habibullah N Karim, the function was addressed, among others, by the Ambassador of the Philippines to Bangladesh Candidato B Gutoc, the Executive Vice President Manuel F Abad and Ex-Advisor to the Caretaker Govt Dr Jamilur Reza Chowdhury.

The Ambassador of the Philippines to Bangladesh Candidato B Gutoc said, this joint venture in the IT will strengthen the relationship between the Philippines and Bangladesh.

Dr Jamilur Reza Chowdhury underscored the importance of computer education in developing human resources especially in the sector of IT.

## Ford auto sales rise in US

DETROIT, July 3: Ford Motor Co's US sales increased 4 per cent in June, compared with a strong performance a year ago, as the auto industry continued its steady growth toward a record sales year, says AP.

"Will 1999 be the best year in the US auto industry? The question is fast becoming: By how much will the industry sales record be eclipsed?" said Bob Rewey, Ford's sales and marketing chief.

Ford reported Friday that it saw a strong increase in demand for its cars last month, especially in a segment that has been given up for dead by some automakers: coupes. Sales of the redesigned Mustang were up nearly 23 per cent, while sales of the Mercury Cougar shot up 166 per cent.

Ford's overall car sales increased 10 per cent, excluding its Jaguar Cars and Volvo AB units. Ford said the increase was due to retail demand, as less-profitable sales to government and business fleets were down from a year ago.

But like DaimlerChrysler AG, which reported Thursday that its Chrysler unit's sales were down 5 per cent last month, Ford saw demand for light trucks level off. Sales of the F-Series pickup, the nation's most popular vehicle, were down fractionally for the first time in months, while most of Ford's sport utility vehicles also were down.

Analysts and Ford executives said the truck numbers were no surprise because they compared the sales performance with a period a year ago when the industry issued "loyalty coupons" and used other incentives to spur sales.

"They had a tough comparison to a year ago," said analyst David Healy of Burnham Securities Inc. "I don't think there's any real sustained weakness there."

# Bangladesh eyes neighbouring electric wire markets

By Mustak Hossain

Bangladesh is eyeing huge electric wire markets in neighbouring countries and hopes to export surplus production to India, Nepal and Myanmar.

Local electric wire manufacturer, Paradise Cables Limited (PCL), plans to step up its exports to the three countries, a senior company official said Monday.

"We are particularly looking at markets in India and Nepal where there is a huge demand for Bangladeshi electric cables," said PCL chairman Mosharrar Hossain.

"We have already received small orders from these countries and are expecting more from Myanmar," Hossain told The Daily Star.

"But we want to enter the markets in a bigger way," he said. "We need special tariff facilities to compete with the wire

producers of India and other countries."

He said that Indian Prime Minister Atal Behari Vajpayee, during a recent visit to Dhaka, assured businessmen here they would get "zero tariff" facilities for some export items from Bangladesh, electric wire among them.

"Only special tariff facilities could boost our exports to the regional markets since there is a huge demand for Bangladeshi wires in other South Asian countries," he said.

Bangladesh produces 20,000 tonnes of electric cables annually, of which PCL production accounts for 4,000 tonnes. The domestic demand is only 12,000 tonnes a year, Hossain said.

"We need to export our surplus products which would help reduce the country's trade gap

with neighbours, particularly India," Hossain said.

PCL mainly imports copper from Chile and aluminium from Australia and India.

PCL is trying to expand its product range, he said. "Now we are producing fire-proof cross-linked polyethylene and are likely to start producing optical fibre cables by 2001."

"We have negotiated with US cable maker Davis Standard, telecom giant Nokia and Shanghai Cable Research Institute for providing us with technical know-how for our new products."

Hossain said that limited demand for fibre optic cables in the country meant that PCL would make such cables for export only. "For home market production, we need government guarantees for local consumption," he said.

sumption," he said.

State-run Bangladesh Telephone & Telegraph Board (BTB) now uses fibre optic cables to expand its network, which are supplied by foreign contractors like Alcatel.

PCL went into production in 1989 with its current capital of Tk 500 million. About 600 people work at the two PCL factories. It does not have any plan to go public soon.

"For now, we don't have any plan for getting listed with the stock exchanges as the present capital market scenario is not encouraging," Hossain said.

Another Bangladeshi electric wire producer, Eastern Cables Limited (EBL), had exported a consignment of electric wires to the then Soviet Union on a barter basis soon after the country's independence in 1971.

# IMF welcomes Brazilian economic proposal

WASHINGTON, July 3: The International Monetary Fund welcomed Brazil's new economic proposals yesterday and said Latin America's largest

the IMF expected when it last took a detailed look, says Reuters.

An IMF statement released after the Brazilian government submitted documents outlining new promises and targets said management would recommend that the board endorse the government's new economic programme.

"These documents... update the quantitative targets of the programme in light of the more favourable than initially projected macroeconomic developments in Brazil," the statement said.

Brazil, which won a \$41.5 billion IMF-sponsored rescue package last December, has yet to publish the terms of this latest agreement with the IMF and

a finance ministry spokesman said the new targets would be released on Monday.

But the deal is expected to stick to initial targets of a primary budget surplus of 3.1 per cent of gross domestic product and outline new figures for projected growth and trade.

The changes will take account of Brazil's surprisingly strong economic performance since it bowed to market pressure in January and devalued its currency, the real.

The devaluation forced Brazil and the IMF to rework the terms of the rescue package, which was put together as the financial world teetered on the brink of catastrophe.

But the recovery came so quickly that some analysts doubt if Brazil will need the next scheduled injection of IMF cash or if it will settle for an IMF vote of confidence and borrow the money it needs on private markets.

"In the past two months or so, we have witnessed a rebound in investor confidence, and there is some evidence that the slump in activity has been less than expected, particularly in Brazil," IMF Managing Director Michel Camdessus said last month. "The crisis now appears to have bottomed out, and in some cases we even see the beginning of an upturn."

The Brazil package, including some \$18 billion from the IMF, was the last in a series of multibillion-dollar international bailouts for troubled emerging markets.

The problems started in Thailand two years ago this month and spread across Asia to Russia and then Brazil.

The Asian economies have now after much hardship, started to grow again, although there is still no sign of a turnaround in Russia, where economic output has fallen sharply over 10 years.

# Dow hits record high

NEW YORK, July 3: US stocks staged their own fireworks display on Friday with three closely watched market barometers ending the week at record highs, reports Reuters.

Based on official data, the Dow Jones industrial average rose 72.82 points or 0.66 per cent to close at a record 11,139.24. The previous record close was 11,107.19 on May 13. For the week, the Dow gained 586.68 points with investors' spirits lifted by signs that this week's rise in a key short-term interest rate was a one-time event.

In the broader market, advancing issues led declines by 1,681 to 1,224 on volume of 583.7 million shares on the New York Stock Exchange.

The Nasdaq composite index, which outstaged the Dow by closing in record territory on Wednesday and again Thursday, made it three in a row, rising 34.84 points or 1.29 per cent to 2,741.02. (corrects Nasdaq record close)

The Standard & Poor's 500 stock index also made its third consecutive record high, rising 10.26 points, or 0.74 per cent, to close at 1,391.22.

US markets will be closed on Monday in observance of the July 4 Independence Day holiday.

"It seems to be a hodgepodge of everyone cleaning up what they've been working on all week," said Scott Jones, director of equity trading at Jefferies

& Co.

An hour before the market opened Friday the US Labour Department reported that June payrolls increased by 268,000, topping expectations. But the nation's unemployment rate came in slightly higher than expectations, edging up to 4.3 per cent from 4.2 per cent. Average hourly earnings of private workers rose by 5 cents to \$13.23. Some analysts said there was concern about inflation because the rise in hourly earnings has been exceeding the inflation rate.

The data came two days after the Federal Reserve raised the fed funds rate a quarter of a percentage point to 5.00 per cent, but switched to a neutral bias from one that leaned to tightening or raising rates. The fed funds rate is the rate that banks charge each other for overnight loans.

Asked if the market's strong upward trend is sustainable, Jack Shaughnessy, chief investment strategist at Advest Inc. said, "On a short-term basis, No." He sees the market meandering in a trading range between 10,500 and 11,500 on the Dow over much of the summer.

He said investors will grow increasingly nervous ahead of major economic releases that could prompt the Fed to go back to a policy bias toward higher interest rates, instead of the "neutral" bias adopted on Wednesday.

# Coca-Cola buys every Belgian a free drink

ATLANTA, July 3: Coca-Cola Co. made good Friday on a promise to buy everyone in Belgium a Coke following a contamination scare that forced the recall of millions of soft drinks across Europe, a company spokesman said, reports Reuters.

"There are 5,000 T-shirted people sticking coupons in the mailboxes of every home in Belgium," Bill Hensel, spokesman at Coca-Cola headquarters in Atlanta, said.

Hensel said the coupons were each good for a 1.5 litre bottle of Coca-Cola products.

Coke Chairman Douglas Ivester had told consumers in Belgium last week that he would buy every person in the country — about 10 million people — a Coca-Cola beverage once the company was allowed to resume distribution of its products.

Coke was forced to recall soft-drinks in several European countries late last month after people who consumed beverages produced at plants in Belgium and France became ill.

The company traced the problems to two sources — a bad batch of carbon dioxide used at a bottling plant in Antwerp run by its Coca-Cola Enterprises Inc. bottling affiliate and fungicide used on storage pallets at a Coke Enterprises canning plant in Dunkirk, France.

# ICC Bangladesh chief off to Geneva

President of the International Chamber of Commerce (ICC), Bangladesh, Mahbubur Rahman left Dhaka yesterday for Geneva to participate in a high-level UN-ICC meeting with UN Secretary General Kofi Annan on Monday, says UNB.

A 20-member ICC delegation, chosen from across the world and led by its President Adnan Kassar, will meet the UN Secretary General to discuss on how the business community is meeting different universal challenges in human rights, rights at work and environmental responsibilities.

The delegation will also discuss on how to make further contributions for expanding economic opportunities, especially in countries facing marginalisation.

Besides, they will discuss UNCTAD or ICC investment guide on Foreign Direct Investment (FDI) for Least Developed Countries (LDCs), including Bangladesh.

ICC Bangladesh President Mahbubur Rahman has been invited to represent this region of Asia in the high profile delegation, said a press release.

The ICC delegation also comprises high-level business leaders from Bangladesh, Canada, UK, USA, Turkey, France, Germany, Egypt, Peru, KSA, Mexico, Cyprus, Belgium, Norway, Sweden, Morocco and Switzerland who will represent their respective country or territory in the meeting.

# Cuba embraces euro to fight dollar tyranny

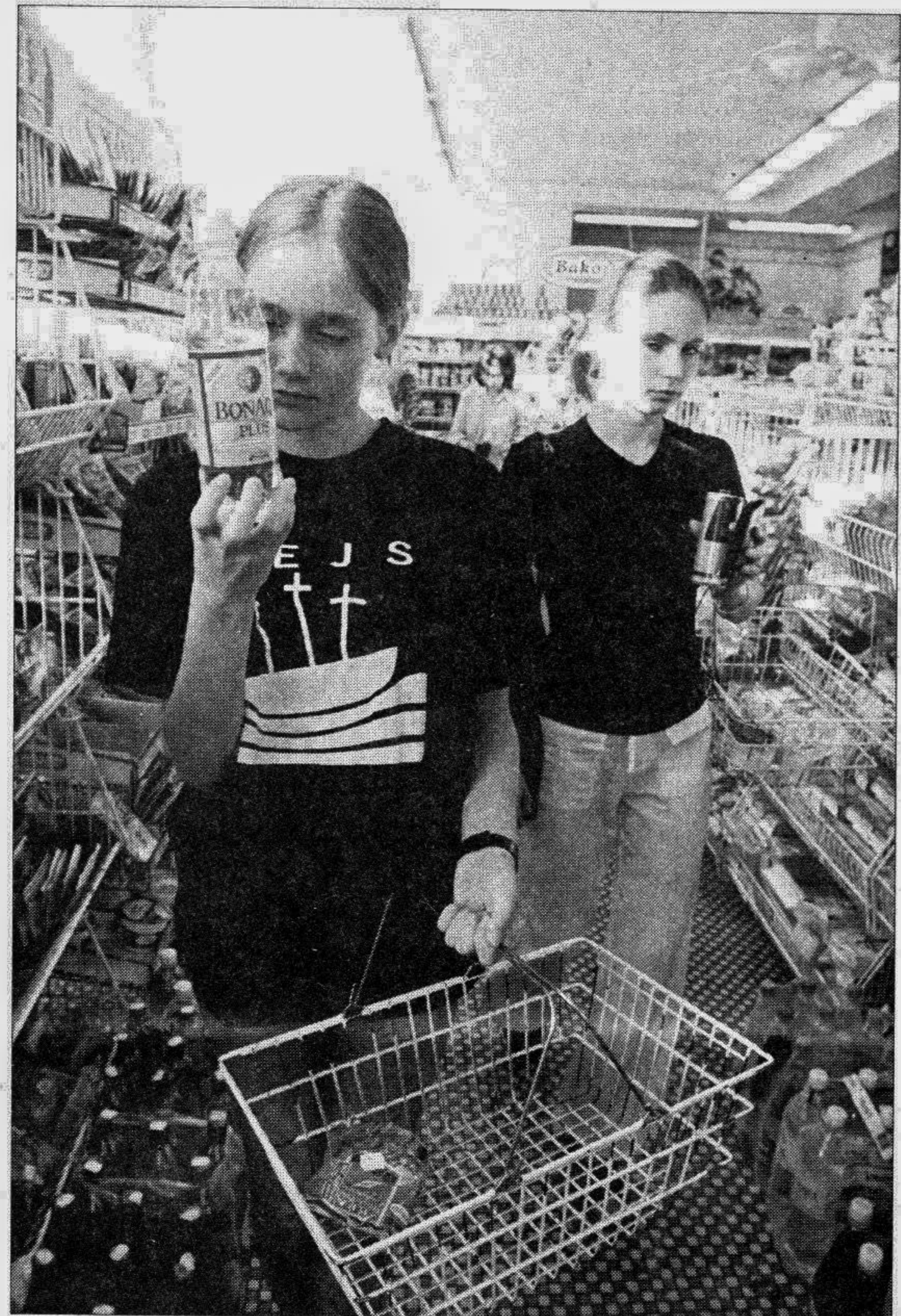
HAVANA, July 3: Cuba, which has hailed the introduction of the euro as a welcome challenge to the "tyranny" of the US dollar, has started using the European currency in its transactions with 11 European trade partners, says Reuters.

Cuba's Central Bank said in a statement yesterday that as of Thursday, July 1, use of the euro was made obligatory for all of the island's contract and payment transactions with the 11 European Union states.

This move would help to streamline and simplify Cuba's trading relations with these countries by bringing greater stability and transparency to prices and exchange rates.

The communist-ruled Caribbean island, which is the target of a 37-year-old US economic embargo, was believed to be the first Latin American nation to adopt the euro in this way.

The US trade embargo hindered use of the US dollar in its international trade, obliging Cuban companies to shift in and out of a variety of currencies.



A girl reads the fine print on the label of a bottle of Bonaqua mineral water, a product of the Coca-Cola company, in a shop in Warsaw Friday. Coca-Cola announced that it was withdrawing the plastic 0.5-litre bottled Bonaqua-brand mineral water because the product might be contaminated with mold. — AFP photo

# Home labour use allegations Silicon Valley labour practices to come under probe

SAN JOSE (Calif.), July 3: US federal and state officials will launch a probe into Silicon Valley labour practices over allegations that Asian immigrants are assembling electronics components at home — sometimes for as little as a penny a part, reports Reuters.

"We're talking about possible overtime violations, child labour violations and certainly record-keeping violations," George Friday, a regional administrator for the Department of Labour, told Thursday's San Jose Mercury News.

The probe, the first major look at employment practices in California's high-tech heartland in 19 years, comes after the Mercury News published stories on Sunday and Monday detailing the practice of paying Asian immigrants to make electronic parts at home.

The stories said that at least a dozen contract manufacturers, ranging from small firms to multimillion dollar giants, had been involved in piecemeal arrangements within the past year, possibly in violation of labour, tax and safety laws.

Among the companies cited as using contract labour were Hewlett-Packard Co, Sun Mi-

croSystems Inc. and Cisco Systems Inc.

The Mercury News said the use of at-home labour by large companies had dwindled over the past two decades, but that it still remained an important strategy for keeping up production speed while holding down

# Brazil to invest \$294m in tourism

BRASILIA, July 3: The Brazilian government will provide loans of 500 million reais (about 294 million US dollars) for the construction of medium-sized hotels in places of tourist attraction across the country, Minister of Development, Industry and Trade Celso Lafer said Friday, reports Xinhua.

The loans will be provided by the National Bank for Economic and Social Development, one of the largest state-owned banks of the country, with a maturity period of 12 years for the northern, northeastern and mid-western regions, but only 10 years for other regions, Lafer said.

In many cases, larger companies delegate the production of particular parts to smaller firms which specialise in assembly. These firms then subcontract that work out, where it sometimes ends up in the hands of at-home workers who attach components by hand to printed circuit boards — sometimes for as little as a penny per component.

None of the workers interviewed by the Mercury News said he or she received overtime, as would be required by law.

The newspaper said that the companies named in its report had declined to comment on the pending investigation, which officials will coordinate next week with the formation of a new joint task force.

"I believe most companies want to comply with the law," he was quoted as saying. "Some may be ignorant of what's going on at the lower levels of their own companies."

The last major investigation of at-home contract work in 1980 quickly came to a halt after industry leaders and local politicians asked officials to let companies police themselves.

# Commodity: Weekly Roundup

# Fall in US stocks pushes oil to 18-month high

LONDON, July 3: Brent North Sea crude prices rose to an 18-month high point in reaction to the latest US figures which showed another fall in stocks, says AFP.

Brent for August delivery on the International Petroleum Exchange (IPE) rose to 17.52 dollars a barrel from 16.65 dollars.

Brent was last this high in December 1997.

On the New York Mercantile Exchange (NYMEX), light sweet crude for July delivery rose to 19.39 dollars a barrel from 18.29 dollars.

Analysts said that the market had bounced back on US figures showing a fall in oil stocks.

The latest data came from the US Department of Energy on Wednesday, which showed that US crude stocks had fallen by a bigger-than-expected 1.7-million-barrels.

The figures followed American Petroleum Institute data showing that US crude and

gasoline reserves had fallen. US crude oil stocks fell by 488,000 barrels to 329.9 million barrels in the week to June 25.

**Rubber:** Flat. Rubber prices fell slightly amid extremely low trading volumes.

Dealers said that demand was low as summer holidays took hold of several market countries in the northern hemisphere.

In London, July contracts fell to 437.5 pounds per tonne from 445 pounds and August contracts fell to 432.5 pounds from 450 pounds.

**Cocoa:** Cool. Cocoa prices cooled slightly amid clement weather conditions in growing regions of west Africa.

However, the losses were muted because of uncertainties surrounding the effects of liberalisation of the world's leading cocoa market in Cote d'Ivoire.

In London, September contracts fell by two pounds to 754 pounds a tonne.

The uncertainties countered the negative impact of a European Union directive agreed on this week which would allow chocolate-makers to put less cocoa butter in their products and still call it chocolate.

Ivory Coast, the world's biggest cocoa producer, and its neighbour, Ghana, vowed to "fight until the end" against the directive.

The approved text, once adopted, would allow manufacturers to sell chocolate with added vegetable fats. The fats would replace cocoa butter up to a limit of five per cent of total weight and could still be sold as chocolate throughout the EU.

**Coffee:** Chilled. Coffee prices fell after devaluation of the Colombian peso and the failure of feared frosts to materialise in Brazilian plantations.

On the New York market, Arabica for September delivery fell to 100.45 cents a pound

from 104.6 cents.

In London, Robusta for September delivery fell by 59 dollars to 1,326 dollars a tonne. The nine per cent fall in the value of the peso hit market sentiment that was already low because of abundant supplies of Robusta from Asia.

But the prospect of a flood of Colombian beans on the market was subdued by the fact that current production and stocks there are low.

**Tea:** Strong. Demand remained firm in the Mombasa auction houses, the London Tea Brokers Association said.

High grade BPI (Broken Pekoe) leaves rose by up to 21 cents a lot.

**Sugar:** Lower. Sugar prices fell slightly under selling pressure from speculative investment funds seeking to dispense with buy positions that had caused prices to rise in recent sessions.

There was nonetheless strong physical demand. Another physical factor was

drought in Russia, which some fear may damage this year's sugarbeet harvest, and slower-than-expected cane planting in Cuba.

On the London market, October contracts fell by 50 cents to 194 dollars a tonne.

In New York, sugar fell by two cents a pound to 6.57 cents (for October delivery).

**Vegetable Oils:** Slip. US soy prices fell on weather forecasts of favourable conditions to come to growing regions in the US Midwest next week.

On the Chicago Board of Trade (CBOT), soy prices fell by 11 cents a bushel to 4.42 dollars (for July).

**Grains:** Fall. US wheat prices fell in the wake of soy and maize, in spite of short-lived gains provoked by rainfall in Oklahoma and Nebraska.

In contrast, European wheat rose amid stronger demand.

On the Chicago market, wheat prices fell by four cents per bushel (of 27.2 kg, for July) to 246 cents.

On the London market, wheat prices rose by 1.80 pounds to 84.40 pounds (for July).

US maize prices fell by 11 cents to 203.50 cents a bushel (of 25.4 kg, for July).

**Cotton:** Threadbare. Cotton prices fell to their lowest level since 1986 under the weight of plentiful harvests in the United States and elsewhere.

A rise in exports from China also hit prices.

In New York, July contracts fell by three cents to 49.50 cents a pound.

Cash prices covered by the Cotton Outlook index fell by 1.10 cents to 56.40 cents.

**Wool:** Warm. The Australian auction season came to an end on a high note amid strong demand, above all for high-grade merino fibres.

The Eastern index rose by four cents to 5.37 Australian dollars a kilo.

In Britain, the Wooltops index remained unchanged at 307 pence a kilo.

# S African gold industry faces lay offs

JOHANNESBURG, July 2: South Africa's National Union of Mineworkers (NUM) yesterday condemned the country's gold mining industry over plans to lay off some 8,000 workers, reports AFP.

Five mining companies have applied to the Gold Crisis Committee to lay off the workers, news reports said Thursday.

The committee — a grouping of government, labour and industry representatives set up last year to address the flagging fortunes of the industry — will discuss the applications next week.

"The decisions on retrenchments are premature. We should give the gold price a chance to recover," NUM general secretary Gwede Mantashe said on SABC television.

Gold is hovering around 260 dollars an ounce, a 20-year low. This and declining ore bases in older mines have led to the redundancies, Chamber of Mines representative Roger Baxter said.