

Installment Facility Available

SANYO
Japan

Refrigerator
(100% CFC Free)

Transfin Trading Ltd.
Tel: 815307-10, Fax: 813062

The Daily Star BUSINESS

DHAKA, SUNDAY, JULY 11, 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 Motijheel, Dhaka-1000
Telephone: 955 9311-2, 955 3387, 955 3254 Fax: 956 8987

Seminar on Bangladesh in S'pore July 14

An investment seminar on Bangladesh will be held in Singapore on July 14, says a press release.

Nearly 200 Singaporean firms have already registered themselves to participate in the seminar which will be inaugurated by Commerce and Industries Minister Tofail Ahmed.

Organised jointly by Metropolitan Chamber of Commerce and Industry, Dhaka, Singapore Confederation of Industries, Singapore Trade Development Board and Bangladesh High Commission in Singapore, the seminar will focus on investment opportunities in Bangladesh.

The latest trend of flows of foreign direct investment (FDI) into Bangladesh has been quite encouraging, it said.

Bangladesh now matches per capita FDI in India, which was the largest recipient of FDI in the first half of the present decade.

The per capita FDI inflow in Bangladesh is now US\$3.2. According to the World Bank, FDI worth US\$700 million to US\$800 million is expected annually during the next 5 years.

Singapore is one of the countries from where the flow of FDI has been increasing steadily.

The MCCI delegation will accompany the minister when he calls on the Singaporean Minister for Commerce and Industries on July 15 and hold meetings with Singapore Confederation of Industries and Singapore Trade Development Board, the release added.

Mad cow disease EU recommends lifting ban on British beef

BRUSSELS, July 10: The European Commission proposed today a conditional lifting of the three-year ban on British beef exports from August 1, a spokesman said, reports AFP.

The ban was ordered in March 1996 after scientists reported possible links between bovine spongiform encephalopathy (BSE) — so-called 'mad cow' disease — and a fatal brain condition in humans, Creutzfeldt-Jakob Disease (CJD).

The lifting of the ban will apply only to boned meat taken from animals aged six to 30 months whose origins can be traced. To take effect, the recommendations have to be approved by the EU's standing veterinary committee, which gathers top veterinary officials from the member states.

Anwar Jute Mills starts commercial operation by Aug

Star Business Report

Anwar Jute Spinning Mills Limited will go into commercial production by next month. The mills went into trial operation recently, says a press release.

Anwar Jute is a most modern plant with state-of-the-art machinery supplied by Mackie of England.

With a production capacity of 750 MT per month, it will be 100 per cent export-oriented plant and create a dent in the export earnings of the country.

The plant has facilities to supply yarn from 4 lbs to 24 lbs in mini to jumbo spool, coreless, spliced, scanned coloured bleached in single or ply form.

Being studied with the latest technology, this project will serve the export market with world class products for which there is a long-running void in the market.

Dioxin scare Thailand lifts ban on French, Dutch food

BANGKOK, July 10: The Food and Drug Administration (FDA) of Thailand Friday conditionally lifted a ban on dairy, poultry, eggs and meat products from France and the Netherlands, but maintained curbs on Belgian products over fears about cancer-causing dioxin, reports Xinhua.

FDA chief Mongkol Songkula said that only French and Dutch products with health certificates from the countries of origin assuring that they were dioxin-free would be allowed into the country, the Nation newspaper reported on Saturday.

The FDA took the decision after the French and Dutch governments 'had shown food-safety monitoring and checking to the agency's satisfaction', Mongkol said.

Meanwhile, Belgian officials who met Public Health Minister Korn Dababani on Thursday failed to convince health authorities to cancel the ban on their products, the report said.

Mongkol said it was necessary for the FDA to maintain curbs on Belgian products, since there had not yet been adequate information from the Commission of the European Union on the 'safety' of these products,

Mid-term review of uplift programmes, strategies

Govt to sit with donor agencies in Sept

By Inam Ahmed

The government will sit with donors in city next September for a mid-term review of the development programmes and strategies, according to official sources.

The consultation meeting with local consultative groups will take place as per an agreement at the Aid Consortium meeting in Paris in April.

The meeting will have discussions on high-priority issues identified by the development partners and the government at the consortium meeting.

The last mid-term review, held in November, 1997 against the backdrop of fresh political

agitation, was marked by a note of caution from the development partners regarding the existing political convulsions.

According to sources, the major issues likely to be raised at the September meeting are the deteriorating law and order situation, corruption in administration, reforming management of the commercial banks and progress in fighting defaulting borrowers.

Commercialisation of the state-owned enterprises (SOEs) to make them viable for privatisation and fixation of a privatisation target will also come up for discussion in the meeting.

In the April Aid Club meeting, the donors had stressed the need for decentralisation of the administration and good governance. They also called for speeding up reforms.

It was also observed that a well-functioning financial intermediation system was needed for accelerating growth and that the banking system was plagued by corruption and weak management.

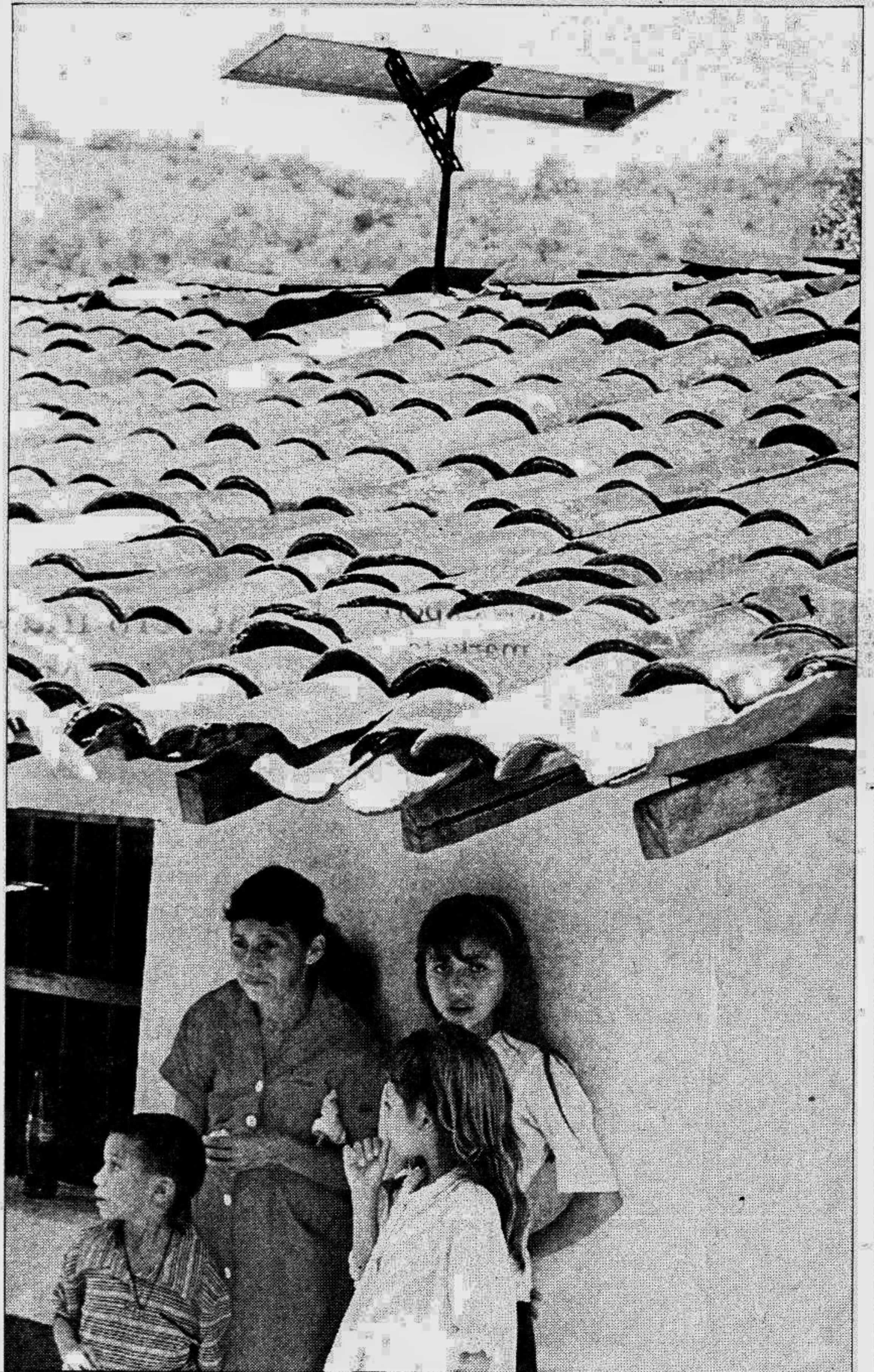
Donors had called for strengthening the regulatory enforcement and supervisory role of the central bank. They also emphasised on making the judicial and legal system effective in deterring defaults, bet-

tering transparency and ensuring disclosures and of standards in banking practices to promote market discipline.

It was also observed that sluggishness in the realisation of non-performing loans was pitching the banks in a risky position regarding their liquidity situations, which the government was asked to improve.

The government was also asked to announce a SOE reform strategy, eliminate state guarantees for SOE loans and predetermine a privatisation target.

They also called for transparency in the government's defence expenditures.



A mother and her children stand in the shade of the roof of their house, which is mounted with solar panels, in the small town of San Ramon Centro, Honduras, Saturday. The small community is reportedly the first in Honduras and in Latin America to be solar-powered as part of a UN-sponsored programme to provide free and clean energy to up to 1,000 Honduran communities.

Commodity: Weekly Roundup

US stock fall, OPEC stand on output ceiling lift oil

LONDON, July 10: Brent North Sea crude prices rose to a 20-month high point, surging through 18 dollars a barrel as US figures showed another fall in stocks while officials from the Organisation of Petroleum Exporting Countries (OPEC) insisted that discipline on agreed output cuts would remain tight, reports AFP.

Brent for August delivery on the International Petroleum Exchange (IPE) rose to 18.10 dollars a barrel from 17.52 dollars. Midweek prices surged as high as 18.61 dollars a barrel, a level not seen since November 1997.

On the New York Mercantile Exchange (NYMEX), light sweet crude for July delivery rose to 19.71 dollars a barrel from 19.39 dollars last week.

The latest US figures showed that crude reserves contracted by 1.9 million barrels to 327.9 million during the week ending on July 2.

The market was also encouraged by comments from the chairman of the Organisation of Petroleum Exporting Countries (OPEC), Yousef Youssi, who said members had agreed to keep production reined in until March 2000, despite buoyant

prices.

The continued output cut was required to enable producer nations to offload large stocks which have built up he said.

OPEC countries decided in March to reduce output by 1.7 million barrels, a day to help support prices, and have closely observed the agreement, with 93 per cent compliance in June.

RUBBER: Rubber markets were quiet this week with little change in fundamentals and modest demand.

In London, August contracts were unchanged at 432.5 pounds per tonne, while prices for September were 437.5 pounds per tonne.

In Kuala Lumpur, the RSS1 index slipped to 2.21 ringgits a kilo from 2.25 ringgits.

COCOA: Cocoa prices dipped sharply as the market was depressed by grinding figures in Europe that tended to indicate a drop in demand.

In London, September contracts fell by 47 pounds to 707 pounds a tonne.

The market was hit hard by figures which showed that the amount of cocoa being ground in the Netherlands and Britain were sharply lower than those of last year. Grinding figures

are widely understood to give an indication of demand in the countries concerned.

The Dutch second-quarter figures were 4.78 per cent lower than last year's while the British numbers were 6.1 per cent down.

The market meanwhile was still struggling to get over the 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.

COFFEE: Mourning, Coffee prices fell back perceptibly amid speculative selling which was most prevalent at the start of the week.

On the New York market, Arabica for September delivery fell to 96.45 cents a pound from 100.45 cents.

In London, Robusta for September delivery fell by 15 dollars to 1,311 dollars a tonne.

Prices were given a lift at the end of the week when the Association of Coffee Producing Countries (ACPC) set new quotas limited the amount of coffee which its members can export in the two coming seasons.

Some dealers were sceptical however that Brazil would stick

Delta Life earns Tk 116cr in '98

Delta Life Insurance Co Ltd, a leading life insurer in the private sector, has registered an increase of 31 per cent in premium income in 1998, says a press release.

This was revealed in the 12th annual conference of the company, held at the Engineers' Institution auditorium in city recently.

The inaugural session of the day-long conference was presided over by Dr Syed Mukarram Ali, Chairman of the board of directors. The session was also addressed by Company Director Nurul Islam, Managing Director (CC) Das Deba Prasad and M A Hye, JSVP.

The conference was informed that dispute last year's devastating floods and other impediments, the individual life division of the company earned over Tk 53 crore as new and renewal premiums during 1998, an increase of about 9 per cent over that of 1997.

The total premium income of the company including Individual Life, Gono Bima, Gramen Bima, Group Bima and DeltaCare amounted to over Tk 116 crore during the year, a growth rate of 31 per cent over that of the previous year. As per provisional figures, the life fund of the company rose to over Tk 151 crore with an increase of 71 per cent.

Bankers' team leaves for HK today

A team of twelve mid-level executives from local commercial banks leaves Dhaka today to attend a 3-day Correspondent Banking Workshop in Hong Kong, says a news release.

The workshop, sponsored by the Institutional Banking Group of Standard Chartered Bank, will focus on economic environment, regulations, business strategy, payment capabilities, trade finance, document presentation services, electronic banking and treasury.

During the visit, the team will also observe trade processing, treasury dealing and institutional banking business of Standard Chartered in Hong Kong.

While addressing the team prior to their departure, Mamun Rashid, Acting Chief Executive Bangladesh of Standard Chartered Bank, said: 'We are glad to offer this opportunity to Bangladesh bankers to visit advanced operations of standard Chartered Bank in Hong Kong hoping that the experience will be used for the development of the local banking sector.'

Bangladesh proposal raises hopes Ex-WTO DG supports job sharing to end deadlock

BRUSSELS, July 10: Former World Trade Organisation (WTO) director-general Renato Ruggiero said yesterday that a proposal to end a deadlock over his successor by allowing two rivals to take turns in the job could be a 'good compromise', reports Reuters.

Ruggiero, in a telephone interview with the agency from Italy, also praised incoming European Commission President Romano Prodi's choice of France's Pascal Lamy as new European trade commissioner.

The Geneva-based WTO has lacked a director-general since Ruggiero retired at the end of his four-year term on April 30.

A deadlock over the global trade body's leadership has gone on for months with two candidates — Mike Moore of New Zealand and Supachai Panitchpakdi — both enjoying strong support among WTO members.

A compromise proposed by Bangladesh under which both men would serve consecutive terms, possibly of three years each, has raised hopes that the deadlock can be broken.

'At the moment ... I think this could be a good compromise', Ruggiero said.

'We need now to have a leader,' said Ruggiero, who is now chairman of Italian energy company ENI ENI.MI.

A compromise was needed because WTO members were nearing the final stage of preparations for launching a new round of global trade liberalisation talks, he said.

The round is expected to be launched at a WTO ministerial meeting in Seattle in November.

Ruggiero said his information was that the idea of the two rivals serving consecutive terms was gaining ground.

Ruggiero praised Prodi's an-

nouncement on Friday that he was proposing Lamy, once a top aide to former European Commission President Jacques Delors, as European trade commissioner.

Ruggiero said he thought Lamy, 52, was a very good choice.

'He is a man who knows the issues and he has shown a very open mind in terms of free trade,' he said.

'Europe must be leading in terms of free trade,' he said. Lamy's appointment raised eyebrows in Brussels because the trade commissioner's job has traditionally gone to candidates from northern European free-trading countries whereas France takes a generally cautious approach to trade liberalisation.

'I think what is important is what Lamy thinks and not what the French (think)', Ruggiero said.

S Africa to lobby Europe to halt central bank gold sales

JOHANNESBURG, July 10: South Africa said yesterday a high-profile delegation would tour European capitals next week to demand a moratorium on central bank gold sales which threaten economies and thousands of jobs in Africa, reports Reuters.

'We want a moratorium on the selling. We would like to present our views and give evidence of the impact of the sales,' South African Minerals and Energy Minister Phumzile Mlambo-Ngcuka told reporters after an emergency meeting of the country's Gold Crisis Committee.

The meeting of government ministers, gold industry chiefs and union leaders was called after the auction of 25 tonnes of UK gold on Tuesday sent bullion prices diving to fresh two-decade lows and prompted thousands of angry miners to protest outside the British embassy on Wednesday.

Since the Bank of England announced in May that it would sell off 300 tonnes of reserves, the gold price has dropped more than \$30 an ounce, a loss of 10 per cent of its value.

'I think there is no argument that this pattern of British sales is disrupting the market and damaging the gold price,' said Bobby Godsell, chief executive of the world's largest gold company, AngloGold ANGL J.

The South African delegation will include Mlambo-Ngcuka and possibly Finance Minister Trevor Manuel, National Union of Mineworkers President James Mollatsi and Godsell.

Other African gold producers such as Ghana, Mali and Tanzania will be asked to join the group, which travels to London on Monday and then France, Germany and Switzerland.

South Africa's business, government and labour council, Nedlac, joined the call for an embargo on gold sales, including the sale of 10 million ounces of International Monetary Fund (IMF) gold to finance debt relief for poor nations.

Nedlac noted that 30 of the 41 countries targeted for IMF debt relief are either gold producers or a large part of their workforce is employed in the mines of other countries.

South African gold shares

had a modest 1.5 per cent recovery on the Johannesburg bourse on Thursday as London bullion prices ended firmer at \$257.40 an ounce. But the key index failed to recoup a loss of over five per cent on Wednesday.

The bullion slump has exacerbated the crisis in an industry that has shrunk in recent years, but remains South Africa's biggest foreign exchange earner. Thousands of jobs have been lost in restructuring after apartheid-era sanctions were lifted in 1994 and the economy faced global competition.

The crisis committee, set up last year to find ways of saving jobs, said six mines had applied to fire over 11,000 mineworkers since the UK announcement.

That does not include another 5,000 miners who face unemployment at bankrupt ERPM ERJA J, one of the country's oldest mines. The government, which owns 18 per cent of ERPM, will meet liquidators on Friday to help seek a buyer for the mine and protect as many jobs as possible.

Other gold companies say they are strong enough to ride out the storm.

Bid to cut foreign debt

Indonesia scraps two ADB-funded projects

JAKARTA, July 10: The Indonesian government has cancelled two projects funded by the Asian Development Bank this year in an effort to cut down on foreign borrowing, an official was quoted as saying by press reports today, says AFP.

The cancelled projects were one on the development of industry, technology and human resources under the trade and industry ministry, worth 50 million dollars, and another on three ports on Sumatra and Borneo islands, the value of which was not disclosed, an official of the National Development Planning Board said.

'This spring cleaning will reduce our exposure because our foreign debt would be lower,' Budhy Tjahjati, deputy chief of the board's foreign cooperation unit, was quoted by the Bisnis

Indonesia daily as saying. Eight other projects were currently under evaluation, he added without giving details.

The first project had been approved in May 1996, while the port development package for Belawan in North Sumatra province, Banjarmasin, in South Kalimantan, and Balikpapan in east Kalimantan was approved in September 1997.

Tjahjati said with the cancellation of the projects, decided in the first half of this year, the government was spared from spending 0.75 per cent of the projects' value in commitment fees and another one per cent for administrative costs.

In July last year, Indonesia had cancelled 69 ADB-funded projects worth 949.24 million dollars and 71 World Bank-

funded projects worth one billion dollars.

Tjahjati also estimated the aid pledge of the country's main western donor group, the World Bank-led Consultative Group on Indonesia (CGI), at the end of this month would stand at at least 4.7 billion dollars.

CGI was formed in 1990 to replace the Dutch-led Inter-Governmental Group on Indonesia (IGGI) which Jakarta disbanded in retaliation for what Jakarta saw then as The Hague's use of aid as a 'tool of pressure'.

CGI groups all former members of the IGGI, including the World Bank and ADB, minus the Netherlands.

It also includes five new creditors — South Korea, the Kuwait Fund for Arab Economic Development, the Saudi Fund for Development, the Nordic Investment Bank and the Islamic Development Bank.

The other IGGI creditor countries were Australia, Austria, Belgium, Canada, Denmark, Finland, France, Britain, Germany, Italy, Japan, New Zealand, Norway, Spain, Sweden, Switzerland and the United States.

Number of poor in Indonesia doubles in a year

JAKARTA, July 10: The number of poor in Indonesia increased by 100 per cent to 49.5 million in 1998 from 22.6 million in 1997, said assistant to the coordinating minister for people's welfare and poverty eradication A. Mongid, reports Xinhua.

The number of poor decreased to 22.5 million in 1996 from 25.9 million in 1993, he was quoted by The Jakarta Post Friday as saying.

According to a national survey, the most affected by the prolonged economic crisis were inhabitants of slums in urban centers and those living in thousands of underdeveloped villages and fishing communities in coastal areas.

The government is designing short-term and crash programs to empower the poor so they can survive the crisis.