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# The Daily Star BUSINESS

DHAKA, FRIDAY, JULY 23, 1999

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## Rahimafrooz holds dealers' confce

The 12th annual dealers' convention of Rahimafrooz Bangladesh Ltd. was held at Dhaka Sheraton Hotel yesterday, says a press release.

The convention was inaugurated by Afroz Rahim, Chairman, of the company, and attended by 100 dealers and company directors Niaz Rahim and Mohammad Ismail.

GM Kawsar, General Manager (Marketing and Distribution Division), in his speech, outlined the future plans and vision of the company.

Chief Operating Officer (Battery Division) also spoke on the occasion.

Shamsul Alam Bipu, Mohammad Milon and Alhaj Mohammad Awlad Hossain have become the best dealers this year. On behalf of the company, Feroze Rahim, Managing Director of the company, handed over the prizes to them.

The Managing Director in his speech said, "We have to keep up with the changing times to meet the challenges of the coming century. Apart from incorporating modern product offerings and new technology, we have to be at par with the developed countries in terms of merchandising and distribution. Only then will be able to survive in the competitive open market scenario of our economy."

## DHL acquires Argentina operation

DHL Worldwide Express, the world's leading international air express service, has acquired DHL International, SA, its agent-run Argentina operation, says a press release.

In addition to the acquisition, DHL has also announced plans to invest 10 million US dollars in the Argentina market over the next 18 months.

DHL International, SA, has provided parcel and document pick-ups and deliveries throughout Argentina since 1982. The acquisition and the planned investment will enable DHL to better integrate the Argentina operations into its global express network, it said. With this acquisition, DHL will bolster its market leadership in Latin America and strengthen worldwide operations.

"This Argentina acquisition is a testament to our strong and ongoing commitment to enhance our global delivery services," said Charles Longley, Chief Executive Officer for DHL Asia-Pacific/Middle East.

## CEFE training on small business concludes

A fortnight-long training course on Small Business Creation for Non-literate ended at Proshika training hall at Kottia in Manikganj on Wednesday.

It was organised by Promotion of Private Sector (PPS-B), a project of German Technical Cooperation (GTZ) in collaboration with 10 local partner organizations under the Ministry of Commerce, says a press release.

Around 20 mid-level to senior level trainers of these partner organizations and 20 beneficiaries from Proshika, Manikganj participated in the course.

AJ Masudul Haque, Managing Director of Karma Sangsthan Bank, was present as Chief Guest and distributed the certificates among the participants. Michael K Nathan, Project Coordinator and Team leader of Promotion of the Private Sector (PPS) of GTZ was present as chairperson.

Speaking on the occasion the chief guest appreciated the role of GTZ for conducting the Small Business Creation Training for Non-literate and emphasized on the creation of self-employment opportunity for the poverty alleviation for which this type of training can play a vital role.

## Rangamati to have Employment Bank branch soon: Kibria

RANGAMATI, July 22: Finance Minister Shah AMS Kibria today said an Employment Bank branch would be established within the next three months in the district to generate employment among the youth of the Chittagong Hill Tracts region, says BSS.

The minister said this in a speech to an opinion exchange meeting as the chief guest on Surabala Smriti Biddipath premises at Golachari village of Moghban union under sadar thana.

Presided over by local union parishad chairman Sujit Dewan, the meeting was also addressed by CHT Affairs Minister Kalpa Ranjan Chakma, local leaders Kanun Kusum Chakma and Surendra Lal Karbari.

Chairman of the Task Force on CHT Refugee Affairs Dipankar Talukdar, MP, Chairman of CHT Board Bir Bahadur, MP, and Chairmen of Rangamati and Bandarban union parishads attended the meeting.

## Bill collection by CBA

# WASA doubles its revenue in 2 yrs

Dhaka WASA has almost doubled its revenue in two years under an experimental project run by its trade union as part of the authority's plan to deregulate the revenue division of the organisation, reports BSS.

The tremendous result came after the Water and Sewerage Authority (WASA) handed over the responsibility of issuing and collecting monthly bills from clients to the CBA under the pilot project.

"This was the first step of our programme to privatise the WASA's revenue wing," Managing Director Dr Khondokar Azharul Haq told the news agency.

He said that WASA employees under the supervision of CBA were able to double the amount of revenue in the past

two years compared to the corresponding ones.

Officials said that WASA earned an average Tk 1.325 crore from September 1997 to June 1999, while the amount was Tk 86.36 lakh from September 1996 to August 1997, from the Revenue Zone-5.

Dhaka WASA Bhogyanono Sarbaraha Samabay Samity Limited, a welfare organisation of WASA employees union (CBA), was assigned to issue and collect bills from September 1997 to June 1999 of the zone.

A private enterprise, Messrs EPC Ltd, was entrusted with the task of issuing and collecting revenue from Zone-4 for the same period and they earned an average of Tk 49.90 lakh per month.

WASA officials said that

Zone-4 was handed over to WASA trade union from the EPC Ltd on November 1998 considering the better performance of the CBA. The pilot project was introduced two years ago following a World Bank (WB) recommendation against a loan assistance programme.

Dr Haque said the experiment of the organisation might be considered as a model for other state-owned enterprises.

"We will soon introduce this system in five other zones," he said.

WASA had been trying to hand over its billing system to a private organisation since 1992 but it was not possible due to heavy pressure from the trade union, he added.

## BFFEA hails devaluation of taka

President of Bangladesh Frozen Foods Exporters Association (BFFEA) Kazi Shahnewaz at a statement yesterday thanked the government for recent devaluation of Taka against US dollars, says a press release issued yesterday.

"Our rival countries in Asia such as Thailand, Taiwan, Sri Lanka, India, Pakistan etc devalued their currencies to the highest amount for the sake of their export business."

"The recent devaluation will help us sustain in the international markets."

Termining the decision a timely and bold one, the BFFEA president urged the government to fix and effective and rational exchange rate in the greater interest of the country.

## 1st phase of JOBS footwear sector aid strategy launched

Star Business Report  
The Job Opportunities and Business Support (JOBS) Programme launched the first phase of its 'Footwear Export, Marketing and Development Assistance Strategy' at a city hotel Monday.

AKM Ehsanul Haque, Additional Secretary of the Ministry of Industry, was the chief guest while the acting mission head of USAID Margaret Neuse attended it as the special guest, says a press release.

Footwear manufacturing and exporting company entrepreneurs and their representatives discussed the issues and problems relating to footwear export, marketing, supply of export-quality leather, product design and technologies as well as many other relevant issues.

James Parchman, an international footwear consultant, also spoke on the occasion. In his keynote presentation Parchman recommended some strategies for footwear export development and marketing.

Parchman recommended skilled trainers from Europe or India for training in all areas of footwear production, using Bangladesh missions abroad in promoting footwear exports and creating new markets, involving foreign missions and chambers in different shows and trade fairs, formation of a owners' association, withdrawal of import duty, creation of a level-playing field and curbing smuggling.

The programme was arranged to get a detailed scenario of the country's footwear industry and to explore possible areas where JOBS could provide assistance.

## EC seizes Coca Cola records in major raids

ATLANTA, July 22: Coca-Cola Co. yesterday said European Commission officials have seized internal company records in three European nations, acting on a tip that the beverage giant had violated competition rules, reports Reuters.

A company spokesman said authorities raided its offices in Germany, Austria and Denmark on Tuesday and also seized records from three Coca-Cola bottlers, Coca-Cola Beverages Plc, Coca-Cola Nordic Beverages and Coca-Cola Erfrischungsgetranke AG.

This latest action involving Coke in Europe comes just weeks after millions of cases of Coca-Cola products were recalled in Europe when dozens of people became sick after drinking Coke products.

"We can confirm that the European Commission made unannounced visits to several of our offices and the offices of some of our bottling partners," the spokesman said, reading from a prepared statement.

"Their purpose was to review internal files related to commercial practices with retailers and other customers," he said.

"We believe we are within full compliance of all competition laws and regulations, and we are cooperating fully with the authorities," he said.

Coca-Cola is meeting Thursday with beverage analysts in New York to address ongoing worldwide problems.

# DSE bans allotment letter trading

Star Business Report

Meanwhile, trading on the bourse yesterday began at 12:00 noon, one-and-a-half hours late than the usual time, as

## Howard sees a major evil in gambling

CANBERRA, July 22: Australian Prime Minister John Howard said today gambling was "a significant social evil" in Australia and that he was ashamed at the level of electronic poker (slot) machines across the country, says Reuters.

Howard said he had been astonished to learn from a national inquiry into gambling that Australia, with a population of 18.5 million, had one-fifth of the world's poker (slot) machines.

there was pressure from a certain vested quarter on the DSE management to alter the decision.

But trading finally started at twelve as most of the general members and councillors backed the tough decision of the management.

Some highly-placed market sources confirmed the name of one brokerage house which is particularly involved in the fake share scam.

They alleged that the very brokerage house was involved in the trading of fake allotment letters of Sino Bangla, JH Chemicals, Shinepukur Holdings and Rasipat.

The brokerage firm was ranked one of the top ten market leaders of DSE during April to May this year, when most of the fake shares were injected into the market.

# Ceramic ware manufacturers hail budget incentives

Bangladesh Ceramic Wares Manufacturers' Association (BCMA) has highly hailed the government for providing different facilities in the current budget for the development of the ceramic sector, says BSS.

A group of BCMA executives expressed their gratitude to the government when they met the Commerce and Industries Minister Tofail Ahmed at his office here yesterday.

The group was led by the association's Member-Secretary Rashid Moudud Khan.

They said, "It's a very good budget not only for the ceramic sector but for entire industrial sector, especially the export-oriented sectors."

The minister said the government in the current fiscal

budget has eliminated tariff anomalies in the import of raw materials and finished products.

He said, "We have reduced import tariffs on 1801 primary and intermediate raw materials with a view to giving a big push to local industries and export expansion."

"We have also reduced import tariffs on raw materials of ceramic industries and imposed supplementary duty on import of finished ceramic products," he said. It will help entrepreneurs grab local market and face competition in the export markets, he added.

"We have provided similar incentives to other export sectors like leather, jute, agricultural products, melamine, non-

traditional items besides textiles, frozen food, computer sectors for their expansion," he said.

The BCMA leaders urged the government to give 10 per cent cash incentive for exporting ceramic wares as being provided to RMG, jute and leather sectors. They said it will help them to compete with the exporting countries who have their raw materials for ceramic wares.

Earlier, acting Vice-president of Bangladesh Chamber of Industries (BCI) AK Azad with its other executives called on the minister and expressed their satisfaction over the facilities provided by the government for the development of industrialization.

# S African govt pledges to accelerate privatisation

PRETORIA, July 22: The South African government pledged today to speed up the privatisation of state assets in the next five years, but would not be drawn into setting any targets, reports Reuters.

Public Enterprises Minister Jeff Radebe told the agency in an interview that the framework for the sale of state enterprises had been laid by the previous government of President Nelson Mandela and the new administration was now prepared to take this plan forward.

"These five years of the ANC (African National Congress) government under President (Thabo) Mbeki will see a lot of activity and acceleration of the restructuring of state assets," said Radebe.

However, he said no target

had been set for the disposal of the enterprises, which boast an asset base estimated at more than 150 billion rand (\$24.6 billion).

Radebe, who in his first month in charge of the public enterprises ministry had overseen the selection of a management partner for the Post Office, said the government was carrying out an evaluation of the past five years.

"We are going to be coming up with a business plan that will chart the way forward on how the restructuring of state assets in South Africa is going to be accelerated," he said.

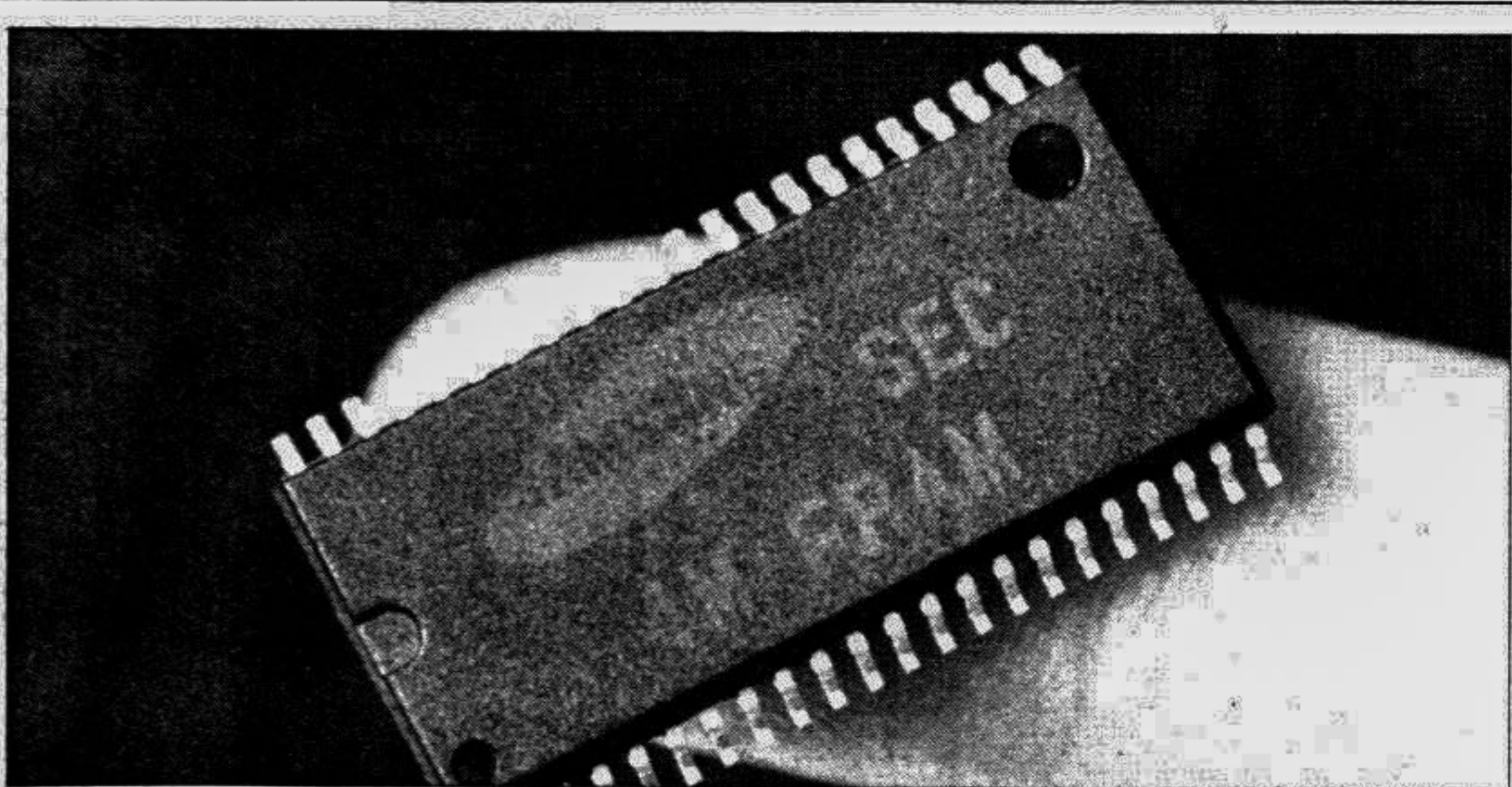
Since 1996, the ANC-led government has sold a 30 per cent stake in telecommunications parastatal Telkom to SBC in-

ternational SBC, N and Telekom Malaysia TLMM, KL.

It has also partly privatised the Airports Company of South Africa (ACSA) with the sale of 20 per cent to Aeroporti Di Roma ADR, MI, and has disposed of a 20 per cent stake in South African Airways (SAA) SAA, CN to Swissair SWSN, S for 1.4 billion rand.

Last week, the government selected a consortium of New Zealand Post and Britain's Royal Mail for a three-year management partnership with the Post Office.

These transactions have raised more than 11 billion rand for the public purse and the government hopes to net four billion rand this year from the privatisation of assets.



An employee shows a high-density 4Mb FRAM, a ferroelectric random access memory chip with boosted speed and processing abilities, unveiled by South Korea's Samsung Electronics Co. On Thursday. This new FRAM chip, the world's first, has 16 times the capacity of a 256 kilobyte FRAM, operating on just 3.3 volts of power and processing data in 75 nanoseconds, according to Samsung.

— AFP photo

## Sheba Telecom, Telos Engineering sign deal

Bangladesh-Malaysia joint-venture company Sheba Telecom Pvt Ltd yesterday signed an agreement with a Canadian equipment supplier for the expansion of rural telecommunications under the "shebaaccess" project, reports UNB.

Haji Ahmad Firdaus Ismail, Managing Director of Sheba Telecom, and Mike Harris, Vice-President of Business Development, representing the Canadian firm Telos Engineering Ltd signed the agreement.

The deal will allow Sheba to cover wider area to enable more people to enjoy its rural telecommunications services in southern Bangladesh.

Sheba Telecom expands to 42 new thanas in addition to the 62 existing thanas currently in service. The second-phase expansion programme completes before this year end.

It would cover Khulna, Bagerhat, Barisal, Madaripur, Shariatpur, Sirajganj, Pabna, Chandpur, Lakshmipur, Rajbari, Faridpur, Magura, Jhenaidah and Kushtia using the Wireless Local Loop technology.

"We are committed to meeting the communications needs of the people and provide quality services to our valued customers in the rural areas," said Haji Ahmad Firdaus Ismail after signing the accord.

He said that they were providing the telecoms services to support national telecommunication policy for a higher rate of telecommunications ratio and coverage in Bangladesh.

Mike Harris said, "Telos is committed to providing the best expertise and equipment to assist Sheba in its expansion exercise."



Ahmad Firdaus Ismail (left), Managing Director of Sheba Telecom, and Mike Harris, VP (Business Development) of Telos Engineering Limited, are signing the agreement.

— Sheba Telecom photo

## Seminar on cold storage held

A seminar on Improvement of Cold Storage in Bangladesh organised and sponsored by the Agro-based Industries and Technology Development Project (ATDP), a project of the Ministry of Agriculture and supported by USAID, was held at a city hotel yesterday, says a news release.

Dr Ronald P Black, Chief of Party of ATDP, presided over the seminar.

Ata Uddin Khan, Chairman of the Bangladesh Cold Storage Association, Vice-Chairman and members of the Executive Committee and other 25 members of the Association from different district cold storages attended the seminar.

US cold storage specialist and consultant of ATDP James B Styer presented the keynote paper on his experiences in supervision of cold storages in Myanmar, Thailand, Narayanganj, Comilla and Bogra region.

Ata Uddin Khan chaired and conducted the hour-long open discussion meeting. In his concluding speech he highlighted the problems of the cold storages in respect of bank interest rates, bank loan and peak hour electricity system.

## Thai central bank chief sees end to rise in dud loans

BANGKOK, July 22: The Thai central bank chief said Wednesday that the amount of dud loans in the financial system, estimated at nearly half of all lending, appeared to have reached a ceiling, says AP.

But Chatu Mongkol Sonakul also said that five local commercial banks may have to raise additional capital by up to 20 per cent to cover mounting reserve requirements against non-performing loans.

The Bank of Thailand forecast came after Thailand's 13 commercial banks this week announced first-half losses totalling 148 billion baht (\$4.1 billion).

# Road to sustainable Japanese recovery seems long, painful

TOKYO, July 22: The prospects for Japan's economy have improved in recent months, but the road to a sustainable recovery appears long and painful, a Reuters survey of economists showed today.

On average, 30 economists forecast zero economic growth in Japan for the business year ending next March 31, compared with the government's forecast of 0.5 per cent growth.

Predictions ranged from a 1.1 per cent contraction in real gross domestic product (GDP) to 1.7 per cent growth. Seventeen economists predicted growth, 12 expected a pullback and one said the economy would remain flat.

The economy has stopped

its decline, but that is different from saying it has turned upward," said Yasuhiko Ushikubo, a senior economist at the Industrial Bank of Japan.

"But the risk of a large contraction in the economy as seen in 1998 has abated," he added.

The poll was conducted from July 12 to 14 and showed predictions had been upgraded from an average forecast of a 0.7 per cent contraction in the previous survey in April.

Economists said a surprisingly brisk 1.9 per cent quarter-on-quarter rise in GDP in the January-March period had prompted their upward revisions.

Looking ahead to fiscal year 2000/01, a poll of 25

economists produced an average forecast of 0.6 per cent growth.

Economists said that, although the worst was over for the economy and consumer and business sentiment have recently improved, it was by no means clear yet that spending by consumers and corporations would continue to pick up.

Japan's economy needed to go through an adjustment phase during this business year before achieving a recovery, they added, as firms continued to strive for better profitability by cutting bloated payrolls and excess capacity.

Although corporate restructuring is indispensable in the long run, in the short term it

would hurt consumption and dampen firms' capital spending, they said.

Economists were divided on how fast corporate restructuring efforts would bear fruit, although they agreed those efforts were key to the economy regaining its health.

"Downside risks for the economy have not eased," said Koichi Ono, an economist at Daiwa Institute of Research, who predicted a 0.8 per cent economic contraction in 1999/00.

Ono said that, if firms felt satisfied with a recent rise in share prices and decided to scale back their restructuring efforts, the achievement of a strong recovery would be fur-

ther delayed.

Economists who were bullish on the economy's outlook believed the positive effects from corporate restructuring have already begun to appear in such areas as improved business sentiment and corporate profits.

Kazuhiko Ogata, a senior economist at ABN AMRO Securities, said rapid progress detected in inventory drawdowns could set the stage for an increase in production.

Economists expected Japan's industrial production would gradually recover, forecasting on average a modest fall of 0.2 per cent in fiscal 1999/00 and a rise of 1.4 per cent in the following year.

Private consumption, which accounts for 60 per cent of GDP, was expected to remain under pressure from falling incomes and more aggressive payroll cuts by restructuring firms, but economists agreed that consumers had begun feeling less worried about the economic outlook after public fund injections into leading banks in March helped stabilise the financial sector.

Economists said the effects of previous public works spending, currently a key factor supporting the ailing economy, would fade towards the end of this year. They expected the government would compile more stimulative steps worth around one trillion yen (\$8.47

billion to \$25.42 billion) in the autumn.

Economic Planning Agency chief Taichi Sakaiya has said that he expected a dropoff in the effects of public works spending and that another extra budget would be needed in addition to a modest supplementary budget of \$43 billion yen enacted on Wednesday for steps to curb rising unemployment.

Prime Minister Keizo Obuchi has said, however, that he first wanted to examine April-June GDP data, due out in mid-September.

The Reuters poll showed GDP in the April-June period was, on average, expected to have shrunk 0.6 per cent quarter-on-quarter.