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The Daily Star BUSINESS

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Employment Bank branch opens in Noakhali

NOAKHALI, Aug 5: State Minister for Youth, Sports and Cultural Affairs Obaidul Quader yesterday inaugurated a branch of the Employment Bank at Majdee Court here with a view to involving unemployed youths in economic activities, reports BSS.

Chairman of the bank M Maniruzzaman Khandkar, former lawmaker and District Awami League President Mahmudur Rahman Belayet, general secretary Advocate Mominullah, Poursava Chairman Abdul Rahman Manju and Awami League leader Prof Mohammad Hanif were present at the inaugural function.

Illustrating the government's efforts to turn the unemployed youth of the country into human resources, the minister said that more branches of the bank would be set up across the country in phases.

Later, Quader presided over the district coordination committee meeting and discussed matters relating to development, an official press release said.

Bitopi celebrates 64th birthday of Leo Burnett

Bitopi Advertising Ltd was among more than 90 offices worldwide joining forces yesterday for a typical 64th birthday celebration of Leo Burnett, says a press release of the firm.

Burnett's 9,100-person global workforce collectively toasted a year which has seen significant global expansion, a slew of new business wins and ventures, as well as a continued dominance of local, regional and international award shows.

"We feel strong, fit and more aggressive than ever as we look forward to our 65th year," said Reza Ali, Managing Director of Bitopi Advertising Ltd. "We can enjoy this celebration knowing that we had quite a remarkable year in terms of our creative and fiscal strength. We continue to attract and keep top talent, which ultimately builds our clients' brands," he added.

Once again, Leo Burnett was one of the top three most-awarded agencies in the world. Over the last 12 months, Burnett received more than 625 global awards including Cannes Lions, Effies, One Show Pencils, Addys and Clio Moreovers. Leo Burnett offices were named "Agency of the Year" in Athens, Bogota, Oslo and (for the second consecutive year) Warsaw.

Leo Burnett first opened its doors on August 5, 1935 in Chicago with three clients and eight employees. Billings that year stood at \$600,000. Today, Burnett has approximately 9,100 employees worldwide and more than US \$6.81 billion in billings.

Over the past 64 years, Burnett has produced some of the industry's most enduring advertising campaigns that have helped build 507 of the world's leading brands. The network currently handles seven of the 25 most valuable global brands as ranked by Interbrand: McDonald's, Coca-Cola, Marlboro, Walt Disney, Kellogg, Tampax and Nintendo.

Singer sales review meet held

Singer sales review meeting was held at the conference room of IDB Bhaban in the city yesterday, says a press release.

Mahub Jamil, Chairman and Managing Director of Singer Bangladesh Limited, inaugurated the meeting.

About 180 members of the field forces of the company including area managers, district managers, branch/shop managers, directly supervised agents and exclusive sales agents participated in the meeting.

Marketing Manager M A Siddiqui and Sales Manager A F M Jahangir Alam were also present.

Top Malaysian businessman held for stock fraud

KUALA LUMPUR, Aug 5: The head of one of Malaysia's biggest brokerage houses was arrested Wednesday and charged with alleged involvement in fraudulent stock purchases, reports AP.

Tony Tiah, 52, Kian, executive chairman of TA Securities, was accused by Malaysia's Securities Commission of participating in an illegal scheme to purchase shares in another company, Uniphonix Corp. Bhd.

The commission, Malaysia's market watchdog, said the deal also involved Soh Chee Wen, a businessman who is being sought for allegedly defrauding Omega Securities Sdn. Bhd.

Tiah's arrest came after shares of TA's parent company, TA Enterprise, to slip more than 12 per cent.

It also triggered panic selling in the Kuala Lumpur bourse, dragging the benchmark index down by 3 per cent, traders said. If convicted, Tony Tiah could be jailed for up to 10 years and fined a maximum of 1 million ringgit (\$263,000).

Fat energy intake seen far below int'l standard Experts suggest govt subsidy to cut edible oil prices

Star Business Report

As the per capita fat energy intake in the country falls far below the international standard, experts at a seminar yesterday suggested government subsidy to bring down oil prices so as to boost fat energy intake and solve nutrient deficiency problem of the people.

They called for raising the intake level by boosting domestic production of edible oil and increasing import of less-costly but safe oil.

The current per capita fat energy intake in Bangladesh is only 7.7 per cent. So, to obtain a minimum 15 per cent requirement level, the country needs to increase fat intake by about 15 grams, they said.

The seminar on "Nutritional Aspects of Edible Oils" organised by the Institute of Nutrition and Food Science (INFS), Dhaka University, at a city hotel was sponsored by the Malaysian Palm Oil Promotion Council (MPOPC).

Speaking at the function as chief guest, Minister for Science and Technology Lt General Noor Uddin Khan (Retd) said domestic production has so far failed to meet the country's requirement of edible oil as cultivation of rice offers more profits to our farmers.

He urged the MPOPC officials to bring down palm oil prices so that the people of Bangladesh can consume more oil to solve their nutrient deficiency problem.

State Minister for Health and Family Welfare Professor M. Amanullah attended the seminar as special guest, while it was addressed, among others, by Dr Mohd Yusof Hashim, CEO of MPOPC, Professor Shah Md Keramat Ali and Professor Quazi Salamattullah of INFS.

Speaking at the function, Dr Mohd Yusof Hashim said that the per capita oil consumption in most developing countries was much below the world's average of 17.4 kg and the WHO

recommendation of 20-26 kg.

"One of the biggest challenges faced by Bangladesh is the provision of supplying adequate fats and oils to the people."

Although the annual per capita consumption of fats and oils has more than doubled -- from two kg in 1980 to about five kg in 1998 -- this is still far below the average global consumption of 17.4 kg, he added.

Hashim mentioned that palm oil has now become the number one product in world oil and fat trade.

Presenting the keynote paper, Professor Shah Md Keramat Ali said

that low intake was one of the major causes of energy gap between requirement and actual intake and for this reason, people, specially the growing children, suffer from protein energy malnutrition (PEM) in the country.

"We know that malnutrition and infection is synergistic."

Whenever people suffer from PEM, they become susceptible to infectious diseases. Thus being more malnourished, they gradually fall to the cool hands of death.

Availability of fat should be increased through both domestic production and import of less-costly but safe oil, Ali said.

Professor Quazi Salamattullah said drastic reduction in fat intake results in marked weight loss and weakness.

As compared to rice, pulses, sugar, vegetables and other foods, the price of fats and oils in the country is high, he said, adding that either we have to raise our income or give subsidy to lower oil prices for solving the nutrient deficiency problem.

Only 21 per cent of the rural and about 40 per cent of the urban people are able to meet their fat requirements. Though fat intake has increased over the past few years, it's still far lower than our requirements."

Bangladesh to get Tk 125 cr German grant

Bangladesh will receive 50 million German marks (equivalent to Tk 125 crore) from Germany to improve the infrastructures of the country, says UNB.

An agreement for the grant was signed by Jan Axel Voss and Abu Saleh on behalf of the respective governments, said a press release.

In accordance with inter-government negotiations held here last December, the money will be used for projects as: Tangail Infrastructure Development Programme-Phase II, replacement and rehabilitation of ferries through Roads and Highway Department and rural electrification through REB.

Sales of imported autos in Japan down 5.9 pc in July

TOKYO, Aug 5: Sales of imported vehicles in Japan fell 5.9 per cent from a year earlier to 23,656 units in July, an industry group said today, reports AP.

Sales of imported cars were down 5.0 per cent to 22,998, with sales of imported trucks dropping 30.1 per cent to 652 in the month, the Japan Automobile Importers Association said.

Only six imported buses were sold here in July, compared with four registered a year earlier, the association said.

Sales of vehicles made by foreign manufacturers declined 9.6 per cent to 21,287, but sales of vehicles made overseas and then reimported by Japanese manufacturers jumped 47.2 per cent to 2,369 in the month, it said.

"Although sales by Mercedes, which has introduced new models, grew, overall sales of (imported) vehicles fell because of weak demand amid the prolonged recession," said a spokesman for the association.

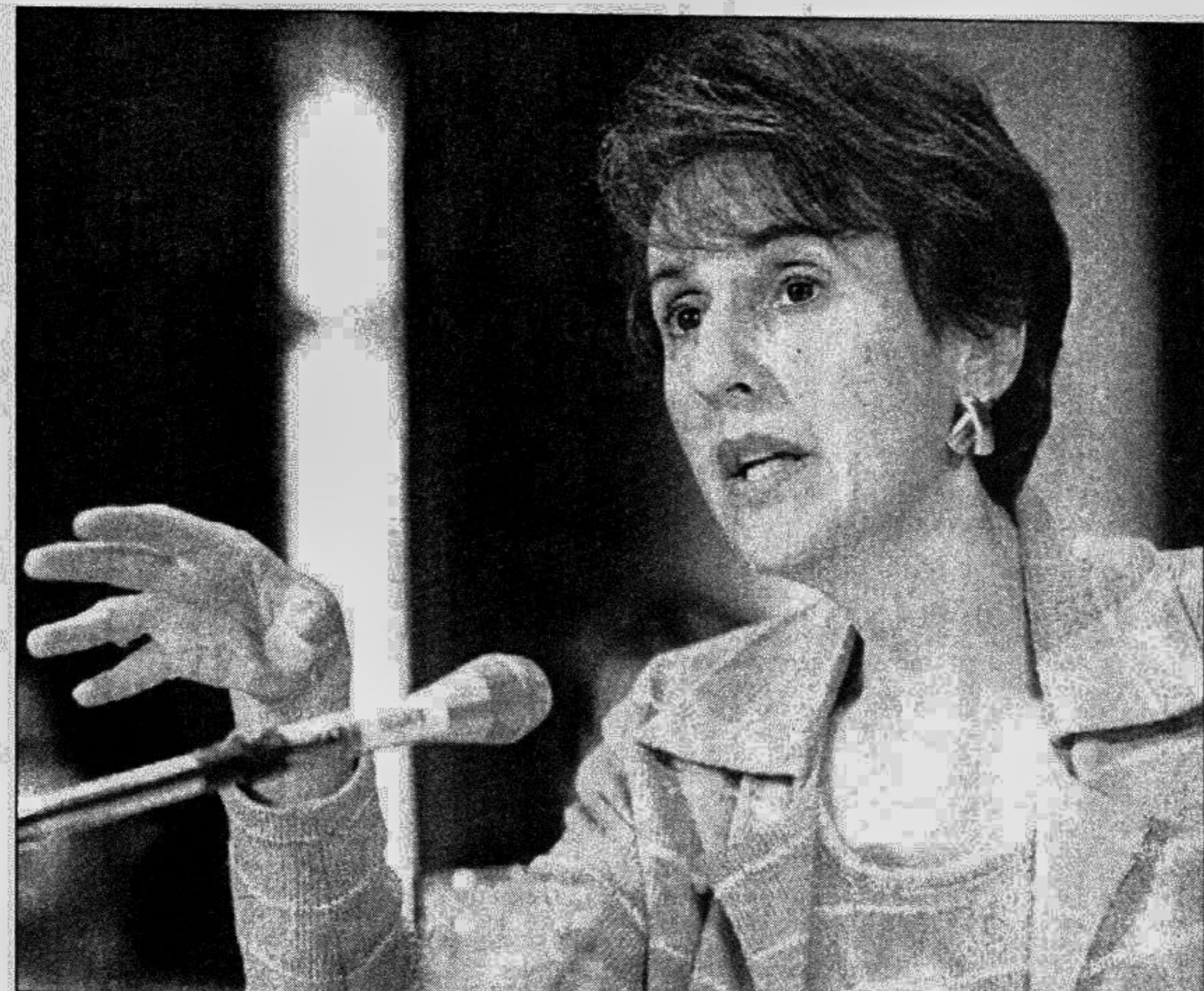
"Sales of high-priced, luxury cars remained depressed as more consumers were buying Japanese-made mini-cars," the spokesman said.

Mercedes-Benz cars were the top seller among imported vehicles.

By badge, Mercedes-Benz sold 3,956 vehicles in July, up 45.2 per cent from a year earlier, while sales by Volkswagen AG were up 18.7 per cent to 3,866 vehicles.

BMW saw a 18.9 per cent decline in sales to 2,828 vehicles.

Sales by Ford Motor Co dropped 41.8 per cent to 727 vehicles and those by Chrysler Corp. fell 29.3 per cent to 703 vehicles.



US Trade Representative Charlene Barshefsky testifies Wednesday before the US Senate Foreign Relations Committee in Washington, DC. Barshefsky said that the US and Vietnam are on track to sign a landmark accord fully normalizing trade ties later this year. — AFP photo

REHAB calls for cut in VAT, AIT

Real Estate and Housing Association of Bangladesh (REHAB) yesterday said the consumers in this sector would ultimately suffer badly due to the enhanced rates of VAT and Advance Income Tax (AIT) imposed in the current year's budget, reports BSS.

Addressing a press conference at a city hotel, the REHAB leaders said enhanced VAT and AIT would be automatically added to delivery prices of apartments, causing unexpected sufferings to the buyers.

"This will also hamper the growth of a booming private sector like real estate business which has been proved as a potential revenue provider to the government and service provider to the consumers," REHAB president Brig (Retd) A H M Abdul Momen told newsmen.

The press conference was also attended, among others, by

REHAB leaders M S Alam, Arshi Haider, Dr Toufiq M. Seraj, M Pintu Khan, Akhil Akhter Chowdhury and Lt Col (retired) Mahtabuddin Ahmed.

Brig Momen urged the government to keep VAT at the earlier 15 per cent instead of 22.7 per cent raised in budget.

He also proposed for reducing AIT from Tk 150 per sq meter of an apartment to a rationalised level of Tk 100.

The REHAB president strongly criticised the provision of payment of the AIT by the developers while applying for approval of plans to RAJUK.

"We are very much in favour of payment of income tax but how can we pay this before completion of our projects," he said adding, it will be more logical to realise AIT during registration or transfer of flats to buyers bringing all under-construction projects within the income tax net.

Belgium criticises EU decision on beef

BRUSSELS, Aug 5: Belgium yesterday criticised as baseless the European Union's decision ordering tests on all beef exports for the cancer-causing chemical dioxin and said it would officially protest the decision, says Reuters.

Agriculture Minister Jaak Gabriels said Belgium was being unfairly treated and was paying the price for other problems in the European agriculture sector, such as mad cow disease.

The dioxin crisis, which erupted in late May, has been Europe's biggest food health scare since mad cow disease. In May, the government's admission that meat contained high levels of dioxin triggered worldwide bans on Belgian meat, eggs and dairy products.

Fears over mad cow disease, which has been centred in Britain, continue to affect European Commission's decision to ban beef exports from Germany that it was legally bound to life a ban on British beef.

Earlier Wednesday, EU veterinary chiefs said Belgium must test — all beef exports for dioxin between now and the end of August to safeguard consumer health.

Previously Belgium had said it would test only pork and poultry exports for dioxin and argued that there was no need to extend the measure to beef.

Veterinary officials from the 15 EU member states decided to tighten up EU safety measures at the end of a two-day meeting

called to assess whether Belgium was doing enough to contain the food crisis which erupted in late May after batches of animal feed were found to be contaminated with dioxin.

Officials also agreed maximum authorised levels of polychlorinated biphenyls (PCBs) in pork and beef, the EU official said. PCBs are toxic chemicals that may indicate the presence of dioxin.

The vets had set a limit of 200 nanograms per gramme of fat, the level that Belgium had wanted. The committee also decided to force Belgium to carry out PCB/dioxin tests on live animals.

Gabriels welcomed the ruling on acceptable levels of PCBs, but had sharp words on the decision on beef testing.

"We are going to (file an official protest) because we are being unfairly treated," Gabriels said in an interview with VRT television.

He said in a statement that government tests on cattle had uncovered only one animal with PCB levels exceeding 500 nanograms per gramme of fat, and two with concentrations between 200 and 500 nanograms per gramme of fat. All three animals were destroyed, he said.

"Despite the almost total absence of factors, the beef sector is being included (in the test requirements)."

Business Briefs

Employment rate up in S'pore

SINGAPORE: Singapore's unemployment rate fell to 3.9 per cent by the end of March from 4.3 per cent in December — the first recorded decline in joblessness since the onset of the regional economic crisis. Singapore's minister for manpower Lee Boon Yang said Wednesday.

Nearly all major sectors had registered an increase in employment in the first six months of 1999, creating a total of 5,800 new jobs, Lee told Parliament.

But he warned that Singapore was still "a long way from the pre-crisis times," when 70-120,000 jobs were created each year.

Lee warned Singaporeans that companies must make special efforts to stay competitive.

"As the economy recovers, we are shifting into a new era of competition. Companies will have to restructure and move to more value-added activities," he said.

Responding to a question from a Malay member of parliament, Lee admitted Singapore's Malay workers were disproportionately affected by the crisis.

Russian inflation jumps 2.8 pc

MOSCOW: Russian consumer prices jumped 2.8 per cent in June, up from a 1.9 per cent rise the month before, the Russian Statistics Agency said Wednesday.

Inflation remains relatively high, but the government has been able to bring it down following a surge in prices that accompanied last year's financial crisis.

Inflation was 28 per cent for the first seven months of the year, compared with 4 per cent during the same period a year earlier, the government statistics agency said.

Inflation for all of 1998 was 84 per cent, with almost all of the rise coming after the government devalued the rouble and defaulted on debts in August of last year.

The government has used dwindling foreign currency reserves to keep the rouble stable, but may be forced to stop intervening in coming months, independent analysts say.

A top government official said the Russian rouble, currently trading at about 24 to the US dollar, should stay at its current level.

"No threat exists" of a weaker rouble, Deputy Prime Minister Viktor Khristenko told the Interfax news agency.

Falling sales slash Hoechst profit

FRANKFURT: Hoechst AG's operating profit for the first half of the year fell 33 per cent, the company said Wednesday, due partly to costs relating to its pending merger.

The German drugmaker's operating profit fell to 437 million euros (\$465 million), partially caused by one-time costs and investments in preparation for Hoechst's pending life sciences merger with France's Rhone-Poulenc SA in November.

Price declines also led to lower first-half sales for Hoechst, despite an increase in sales volume from last year.

Net profit rose to 539 million euros (\$573 million) from 526 million euros (\$560 million) for the same period the year before, leading to increased earnings per share of 0.92 euros (\$0.98), up from 0.89 euros (\$0.95) a year earlier.

More one-time charges will still affect earnings in the second half, but the group said it also expects to make a 500 million euro (\$532 million) from the sale of its 45 per cent stake in Switzerland's Clariant AG.

— AP reports.

Chittagong Chamber chief says Transshipment to bring immense benefits

CHITTAGONG, Aug 5: President of Chittagong Chamber of Commerce and Industry (CCCI), Kamaluddin Ahmed, today said a country like Bangladesh could immensely be benefited economically through, what he said, "transit or transshipment" in the light of open market economy and global village concept, says BSS.

In a statement here, the chamber president said national economy can be boosted by expanding trade and commerce and this objective could be achieved through "transit or transshipment".

Kamaluddin pointed out that there is no basic difference in the meaning of transit or transshipment but the only thing that is to be taken into consideration is how far Bangladesh will get long and short term benefits from transit or transshipment.

Kamaluddin called upon the constitutional experts, intellectuals and thinkers of the country to evolve an acceptable policy regarding transit or transshipment of Indian goods through Bangladesh.

He urged the government to expand the port facilities, build

necessary infrastructure of Chittagong port and develop road communication from Chittagong port to the Indian border for execution of the decision, if taken, regarding transit or transshipment.

Leaders of Greater Chittagong Development Action Committee also hailed the government decision, in principle, on transshipment of Indian goods through Bangladesh.

The committee welcomed the government decision at a meeting held at its office with chairman of the committee S M Jamaluddin in the chair.



Mahub Jamil, Chairman and Managing Director of Singer BD, gives his inaugural speech at the company's Sales Review Meeting at the IDB conference room yesterday. — Singer photo

Asian stocks offering value after crisis pull-back

BANGKOK, Aug 5: Asian stock markets still offer very good value, despite their massive rally since the depths of the Asian crisis a year ago, says Reuters.

Equity strategists argue a fall in Asian markets ex-Japan since the beginning of July should largely be seen as a buying opportunity, rather than the end of the recent price recovery.

Providing there is no cataclysmic political disruption or Wall Street crash, the next year should see solid rises in almost all Asian markets as investors flow back into the region and fund allocations are gradually reallocated to emerging markets.

Many of the economies worst hit by the Asian crisis in 1997 — Indonesia, Thailand and Malaysia — have a long way to go before getting anywhere near their peaks in the mid-1990s, and price earnings ratios

in these markets suggest most investors have still not ventured back into them.

But when confidence returns and Asian gross domestic product forecasts turn bullish, these markets should take off again.

The rally is not over — it is just pausing for breath," said Philip Adkins, head of research at Seamco Securities in Bangkok.

"Asian markets have risen so rapidly that they have tended to overshoot slightly. The markets appear to be waiting for the economies to show more improvement before marching higher. They represent good long-term value."

A glance at the Morgan Stanley Capital International (MSCI) All Countries Far East Free ex-Japan Index shows the Asian markets on average hit an all-time high of 416.248 points on July 31, 1997, just as the first signs of cracks were

appearing in the Asian bubble with the devaluation of the Thai baht.

The index tracks the movement of the eight leading markets in Asia excluding Japan and Malaysia, removed last year after capital controls were imposed by Kuala Lumpur. The index plunged to a low of 159.947 on September 1 last year and then began a long recovery, which ended on July 5 at 373.253.

Since then the index, which has an undisclosed weighting but favours Hong Kong and Singapore because they have many of Asia's largest capitalisation stocks, has fallen back about 7.6 per cent.

Some of the smaller markets have slipped much further, with 15 per cent falls in Bangkok and Kuala Lumpur, an 11 per cent decline in the Shenzhen B index and an 18 per cent fall in

Taiwan. Seah Hing Hong, head of research at Kim Eng Securities in Singapore, sees the current downturn as a temporary correction.

"Valuations are not expensive, relatively to what they were before, and relative to the lower interest rates now. They're nowhere near the levels they were at in 1993 and 1987, and there is more room for a rise," Seah added.

That comment, made of the Singapore market, is true of almost all the region's stock markets, stock analysts say. Prospective 1999 price/earnings (PE) ratios for Asian stock markets range from 9.68 for the Shenzhen B index, up to 23.45 times for Singapore, according to Reuters Securities 3000 data.

"During the recovery phase we have done price-to-earnings ratios of up to 30 times. At the

moment we are doing 22 times. We are not really that expensive," said Hudson Teh, head of research at Sarawak Securities in Kuala Lumpur.

"I think short-term will remain weak, but medium-to long-term, we are still positive," he said.

The risk factors at the back of most investors' minds, and the unknown that is preventing many funds from moving into the smaller Asian markets, is political.

Potential Indonesian investors are far from sure that the transfer of power in Jakarta will go smoothly, buyers in Taiwan are wary of increasing tension between Beijing and Taipei and everyone is keeping an anxious eye of possible US rate rises.

But the long journey back towards the highs of the 1990s is unlikely to be derailed by minor shocks.