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DHAKA, SUNDAY, SEPTEMBER 19, 1999

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LP gas price doubles in southwestern districts

KUSHTIA, Sept 18: The price of Liquefied Petroleum (LP) gas has almost doubled in the markets of the southwestern districts due to supply shortage of the household fuel, reports UNB.

At least 60,000 consumers in 10 southwestern districts of the country have been subjected to immense sufferings due to scarcity of the LP gas.

The price of LP gas increased by Tk 250 to Tk 300 per cylinder over a span of 15 days. A cylinder is now being sold at Tk 550 to 600 as against Tk 300 fixed by the government.

The consumers are being compelled to use electric waxes for cooking resulting in load shedding in the districts.

It is also hampering production in different mills and factories.

Chittagong LPG factory was supplying 10,000 gas cylinders as against the demand of 60,000 cylinders for the consumers in Khulna, Satkhira, Bagerhat, Jessore, Jhenidah, Narail, Magura, Kustia, Meherpur and Chuadanga.

The consumers have urged the authorities concerned to increase supply of cylinders after monitoring the market in the area for saving electricity and stress being used as fuel for cooking the purpose.

China receives \$265.6b FDI in 50 years

BEIJING, Sept 18: China received foreign investment amounting 265.6 billion US dollars out of proposals of 573.2 billion US dollars till 1998 during the fifty years after the founding of the People's Republic of China in 1949, reports Xinhua.

By the end of 1998, China has approved more than 320,000 overseas investment projects, to which overseas investors have agreed to invest 573.2 billion US dollars, and have actually invested 265.6 billion dollars.

Presently more than 170 countries and regions world wide have investment in China.

The Virgin Isles, the United States, Singapore, Japan, the Republic of Korea, Britain, Germany, the Netherlands, France, Australia, Malaysia and Canada as well as China's Hong Kong Special Administrative Region and Taiwan are among those that have the biggest investment in China.

Among the world's 500 largest multi-national companies, more than 200 have investment here.

Since the 1980s, China has raised eight billion US dollars through the issue of financial bonds in Singapore, Japan, Germany, Britain and the United States.

In 1997, overseas-funded enterprises reported an industrial output value of 1,330 billion yuan, accounting for 23 per cent of the national total.

In 1998, overseas-funded enterprises exported 81 billion US dollars-worth of products, accounting for 44 per cent of the country's total exports.

Standard Chartered workshop on Int'l Trade Management begins in city

Standard Chartered Bank in Bangladesh has organised a two-day workshop on "International Trade Management" for the foreign trade managers of local banks.

Mahbubur Rahman, President of the International Chamber of Commerce (ICC), Bangladesh, yesterday inaugurated the workshop which was attended by seventeen senior trade managers from different local banks, says a news release.

In his speech the ICC president said that there was no alternative to training for improvement of skills, which is essential for the banking sector of the country. He thanked Standard Chartered Bank for taking the initiative and expressed his optimism that more training programmes would be organised in future to bring world-class banking to the country.

Sethu Venkateswaran, Chief Executive-Bangladesh of Standard Chartered Bank, welcomed the participants to the workshop. He reiterated his bank's commitment towards the development of the banking sector, which in turn would contribute to the economy of Bangladesh.

The speakers at the workshop included Dr Toufic A Chowdhury, Senior Faculty of BIM, Mohammed Hossain, DMD of Sonali Bank, Barrister M Moniruzzaman Khan, Partner of Lee and Khan and Associates, Dr Debapriyo Bhattacharjee, Executive Director of the Centre for Policy Dialogue, AKM Abdul Basit, GM of Agrani Bank, KM Shafiqur Rahman, DGM of Janata Bank, and AMM Farhad, SVP of NCC Bank.

The workshop has been organised by the Institutional Banking of Standard Chartered Bank, Bangladesh.

Bangladeshi Cha Sangsad says

Higher tea exports to Pakistan hinges on lack of awareness

Star Business Report

Bangladeshi Cha Sangsad (BCS) has identified lack of communication and awareness about local tea as the main reasons for lower exports to Pakistan.

At a press conference yesterday, BCS Chairman AQI Chowdhury said that over the last 10 years Bangladesh tea industry carried out a massive development programme to improve the quality and increase production of tea.

He said that tea production increased to 55 million kg from 40 million kg with the superior plant variety replacing old ones for quality improvements. The replacement, he said, was almost 60 per cent.

Chowdhury said that the local producers had invested a huge amount of money to modernise their factories and achieve better standards, which can well be compared to lower Assam tea, and in some cases,

to mid-Assam.

"It also conforms to hygienic production requirements of the food processing plants. The pesticide and insecticide residual tolerance levels are minimum and we are better than other tea-producing countries," according to BCS chairman.

He said despite the move, tea exports to Pakistan dropped, mainly due to lack of awareness about the local tea among importers.

Pakistan, the third largest tea importer in the world, imports about 140 million kg annually. Its per capita consumption is over 1000 gram against 220 in Bangladesh and 800 gram in India.

Bangladesh produces 55 million kilos of tea every year and exports 23 million kg after local consumption.

With a view to winning 10 per cent of the Pakistan market, BCS organised a trip for a

13-member Pakistan delegation to Bangladesh led by the President of Pakistan Tea Association Mohammad Hanif Janoo.

The delegation visited various plantations and factories and participated in the tea auction in Chittagong, from where they purchased as much as 800 tonnes yesterday.

Yesterday's market witnessed a huge demand and prices of most of the varieties soared by Tk seven to eight, the BCS chairman said.

He also said that Bangladesh's production was likely to witness around 20 per cent shortfall due to the worst draught in the last 30 years.

He also hoped that tea export to Pakistan would increase to 8,000 tonnes from last year's 4,892 tonnes.

He also said that the BCS would appreciate a zero tariff access to the Pakistan market.

Speaking on the occasion, President of the Pakistan Tea Association Mohammad Hanif Janoo said that since the 60s, Bangladeshi tea had been making huge achievements and that they had no idea about it.

He also pointed out that Pakistan was facing the problem of illegal imports from Iran and Afghanistan and the government was forced to reduce duty slabs from 45 per cent to 25 per cent.

Janoo said of the total volume, Pakistan imports around 120 million kilos legally while 20 to 25 per cent comes through illegal imports.

He said that quality of Bangladesh tea was good and it would be the endeavour of his delegation to return to Pakistan to convince the traders for increased import from Bangladesh. He also expressed satisfaction over the outcome of the visit.

Over 30,000 go net-surfing in Bangladesh everyday

In Bangladesh, more than 30,000 internet users, popularly known in the IT world as "Netizens" (Network Citizens), browse the mysterious universe of information superhighway everyday, reports BBS.

But according to IT (information technology) experts, a few among the internet users in the country explore different avenues opened up by networks of this global technology.

The increasing number of net-surfers and enhanced number of visitors to the annual BCS Computer Show '99 at the 'Computer City' at IDB (Islamic Development Bank) Bhaban at Agargaon in city reflects the deep interest of the people in computer and IT-related technologies which paved the way for 'roaming' in the world of user-friendly mode of communication.

Aftab Ul Islam, President of Bangladesh Computer Society (BCS), said people of all ages, including women, children and the elderly love to visit the show.

He expressed the optimism that at least 500,000 people would visit the biggest annual IT extravaganza this year.

The BCS president said the idea of a permanent seat (computer city) came into the minds of the BCS leaders after the unexpected success of the week-long BCS International Computer Show '98 which attracted some 350,000 people.

Ahmed Hassan, General Secretary of BCS, said 127 stalls of hardware vendors, software developers, network designers, internet service providers (ISPs) and IT journals and magazines took part in the 1998 show at IDB Bhaban and the volume of business crossed Taka 20 crore.

The annual Computer Show in Bangladesh created enthusiasm among many in the regional IT centres, like Singapore City and City of Bangalore, famous among software experts as the IT capital of India.

But the country-wide three-day halt called by the opposition alliance from September 13 prevented many international IT professionals from

visiting the show to explore and evaluate the level of ingenuity of Bangladeshi IT entrepreneurs.

Tony Soon, Kuala Lumpur (Malaysia) based Business Development Manager of Gateway, while departing from the Computer City on September 12, told BBS that the development in the IT sector in Bangladesh is encouraging and unprecedented.

But a smiling Tony, declining further comment said, "Sorry, I am in a hurry to leave the country and reschedule my other assignments to accomplish important jobs abroad due to the general strike."

Like Tony, many international visitors had to leave the country before the halt, which reportedly generated frustration among the IT entrepreneurs in the Computer City.

Thousands of visitors from different parts of the country rushed to the fair premises after the halt and the volume of IT accessories' sale registered upward hike from September 17.

Money laundering allegations against Russia

US Treasury Secy, Bank of NY chief to testify this week

WASHINGTON, Sept 18: US Treasury Secretary Lawrence Summers and Bank of New York chairman Thomas Renyi are among the witnesses scheduled to testify at hearings next week into allegations of money laundering and corruption in Russia, the House Banking Committee said yesterday, reports Reuters.

The purposes of these hearings will be to underscore the degree of corruption in Russia

and any taint to the US and or the international financial system." House Banking Committee chairman James Leach said in a statement about the meetings next Tuesday and Wednesday.

US investigators have been probing whether Russian organised-crime figures may have transferred as much as \$15 billion in ill-gotten gains through accounts at Bank of New York BKN.

The FBI began probing Bank of New York after officials at another US Bank, Republic National Bank of New York, a unit of Republic New York Corp. RNB, brought unusual money transfers to the Federal Bureau of Investigation's attention last year.

Among those scheduled to testify next Tuesday and Wednesday were Assistant Attorney General James Robinson, head of the Justice Department's Criminal Division, Anne Vitale, managing director and deputy general counsel with Republic National Bank, former US Central Intelligence Agency director James Woolsey and a former KGB agent, Yuri Shvets.

The Bank of New York Co Inc BKN has been cooperating with the Justice Department investigation and has not been accused of any wrongdoing. It has fired two employees and suspended another in connection with the criminal investigation.

Leach has described Russia as a kleptocracy, with "institutionalised theft at its heart." A spokesman for Leach said allegations that aid from the International Monetary Fund was involved in the laundering scandal would be examined at another time.

We didn't think that trying to tack that on to these hearings would give that issue sufficient attention," said spokesman Andrew Parmentier.

Exxon-Mobil merger may be delayed

DALLAS, Sept 18: Exxon's proposed \$82 billion purchase of Mobil could be delayed beyond the companies' timetable as regulators press for more antitrust concessions in the deal that would create the world's largest oil company, says AP.

European regulators are also looking at the deal. The European Commission is expected to insist that the new company end Mobil's refining and marketing joint venture in Europe with BP Amoco PLC and reduce its stake in Germany's largest natural gas company.

The companies had hoped to complete the merger by the end of this month. But people close

to the deal say the Federal Trade Commission is demanding that the combined company divest more gas stations than had been expected, especially in the Northeast.

"We are continuing to investigate the merger," FTC spokeswoman Vicki Streifield said Thursday.

The companies could insist the FTC finish its review by Sept. 30, but if Exxon Corp. and Mobil Corp. want to negotiate more lenient conditions for the regulators' approval of the deal, they could agree to extend the deadline, said sources who spoke on condition of anonymity.

Merchant bankers seek Capital Market Fund

Star Business Report
Members of the Bangladesh Merchant Bankers Association (BMB) underscored the need for creating a "Capital Market Fund" by the central bank.

They observed that the fund should be channelled through merchant bankers at the bank rate with a view to attracting new investors and boosting the country's capital market.

The observations were made at the sixth meeting of BMB at the office of Swadesh Investment Management Ltd on Friday. Out of the 25 merchant bankers, representatives of 19 attended the meeting.

Absolute Leather opens showroom in city today

Absolute Leather Products opens their showroom at City Heart, 67, Naya Paltan in Dhaka today, says a press release.

M A Satter Bhuiyan, Chairman of Bangladesh Finished Leather & Leather Goods Exporters Association, will inaugurate the showroom as the chief guest.

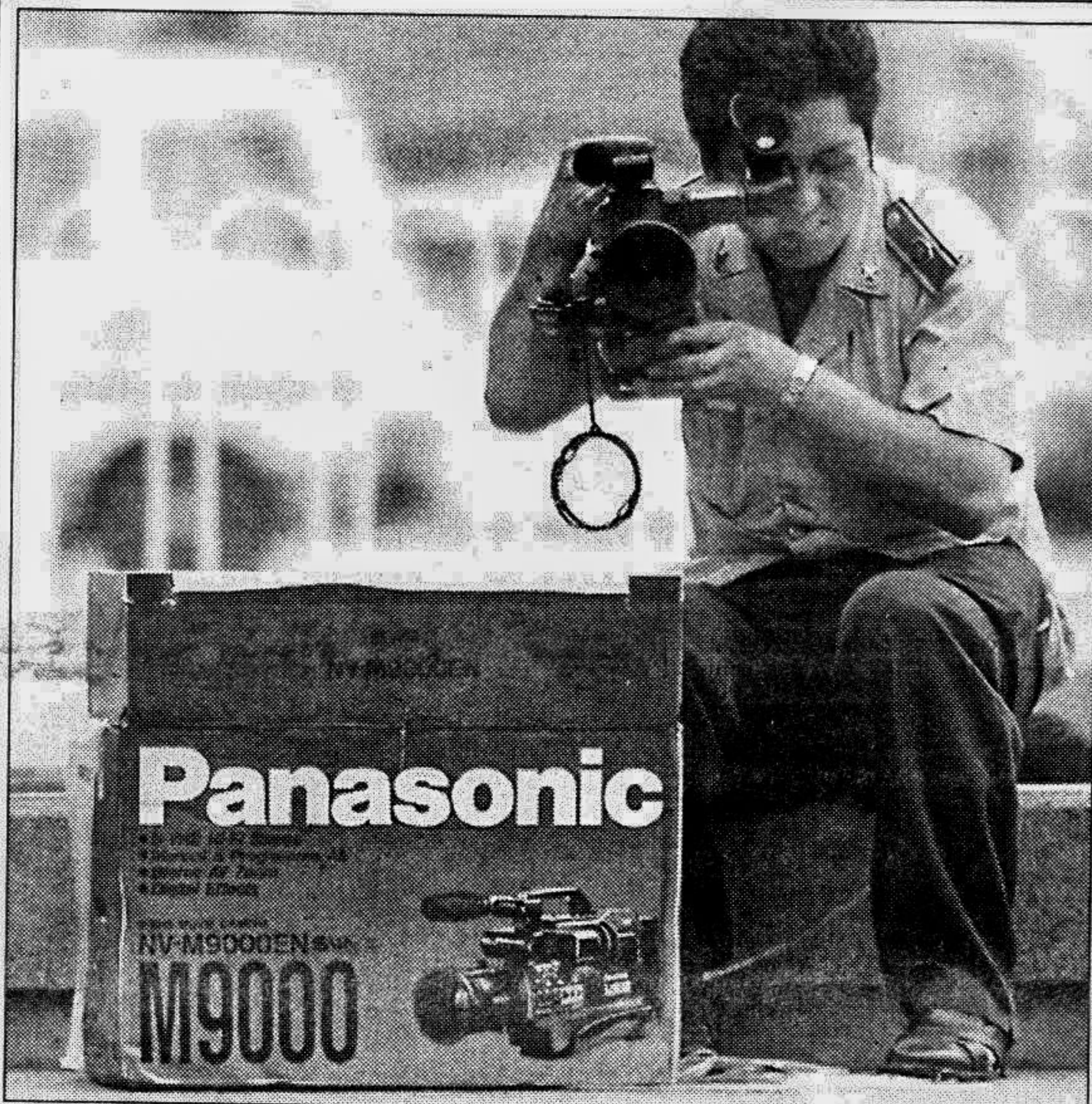
Absolute Leather Products has been manufacturing genuine leather goods exclusively for the choosy buyers since long. Their products are being highly appreciated at all levels," it said. They are also much reputed in supplying leather gift items to different organisations, the release added.

13-day training for farmers begins in Bogra

BOGRA, Sept 18: A 13-day training for the farmers on the production, preservation and marketing of foodgrains organised by Tushar Bizzagar, a seed store, began in the Rural Development Academy (RDA) in Bogra yesterday, says BBS.

Dave Johnson, an Advisor of the International Fertilizer Development Centre (IFDC), inaugurated the training programme as chief guest of the function.

Senior Specialist and programme Coordinator (Seed and Foodgrains) of the IFDC M Hassan Uddin and Joint Director of RDA Firoz Hassan, among others, spoke on the occasion. The inaugural session was presided over by Maqbul Hossain, a farmer.



A man in uniform sits in a street in downtown Beijing Saturday as he plays with his new video camera. With each passing year foreign goods, especially electronic products, become more and more available and tempting as Chinese consumers have access to new stores and more money in which to shop.

— AFP photo

Sri Lanka launches \$138m power programmes

COLOMBO, Sept 18: Sri Lanka has launched a 9.665 billion rupees (\$138.2 million US dollars) programme with foreign loans to augment its electricity transmission system in a bid to meet the increasing power demand, officials said today, reports Xinhua.

The programme is assisted by Credit Institute of Restoration and Reconstruction (KFW) of Germany, the World Bank, the Overseas Economic Cooperation Fund (OECP) of Japan, the Norwegian government and the Asian Development Bank (ADB) in the form of soft loans.

said a spokesman for the Ministry of Power.

He said the KFW would provide 765 million rupees (11 million dollars) to establish a new grid substation at Kelaniya and rehabilitate another at Ratmalana, both in the Colombo's suburbs.

The replacing of the grid substation at Kolonnawa with a new one and the upgrading of the Panipitiya grid substation, funded by the World Bank with 2.7 billion rupees (38.6 million dollars), will remedy the shortcomings in the supply of electricity in the Colombo

area by the year 2002.

The installation of the new grid substations in Ratnapura and Athurugiriya in central Sri Lanka at a cost of 3.4 billion rupees (48.6 million dollars) assisted by the OECF of Japan will also improve the electricity transmission system.

The proposed new grid substation in northern Vavuniya at a cost of 300 million rupees (4.3 million dollars) with Norwegian assistance will also enable the government to restore the power supply to the Northern province in the first quarter of the year 2001.

Commodity: Weekly Roundup

Oil holds firm on OPEC output slashing hopes

LONDON, Sept 18: Buoyant oil prices held their ground yesterday after another OPEC state hammered home the message that the cartel will keep its tough output cuts in place when its ministers meet next week, report agencies.

OPEC member Indonesia said it did not want OPEC to relax supply curbs agreed last March, which have since fuelled a doubling in world prices as producers hoard millions of barrels of oil.

After a flurry of assurances from OPEC ministers, analysts said it was almost unthinkable that Wednesday's key policy-making meeting in Vienna would relax curbs.

London Brent Blend crude futures notched up gains of 10 cents to trade at \$22.82 a barrel. "Indonesia does not want there to be any change from the last OPEC decision," Indonesian Oil Minister Kuntoro Mangkusubroto told reporters in Jakarta. "I get the impression that the majority of OPEC members are happy with the

current agreement. Indonesia believes no change in the agreement is the best way."

London traders took heart from the news.

"All the comments so far have been in support of keeping the production cuts until March," one said.

Rubber: Dinky. Rubber prices fell back this week in quiet trading blighted by weak demand, traders said.

The market is keeping a sceptical eye on the talks between Thailand and Malaysia who have said they intend to quit the International Natural Rubber Organisation (INRO), which has its next meeting on September 27-30.

The two countries are discussing some alternative forms of cooperation to support the market, possibly even involving Indonesia as well, dealers said.

Cocoa: Powder. Cocoa prices dipped this week as sterling appreciated and many market players set on the sidelines.

On the London market, prices fell five pounds to 650 pounds a tonne. Prices were not helped by sterling's firm advances against other currencies.

A stronger pound makes the sterling-denominated contracts relatively more expensive to overseas buyers.

Coffee: Ground. Coffee prices sagged this week, drenched by rains over Brazilian plantations which led to fears of excessive supply.

In London, Robusta prices for November delivery lost 41 dollars to 1,251 dollars a tonne. Prices on the New York market for Arabica beans fell to 84.30 cents a pound (for December delivery) from 87.20 cents.

Markets are expecting formidable supply to flood the market after the Brazilian winter passed with minimal threat from frost, promising a handsome harvest.

Tea: Up. Demand was ex-

tremely strong in the Mobasa auction houses, the London Tea Brokers Association said.

High quality BP1 (Broken Pekoe) leaves rose by up to 14 cents per kilo.

PF1 (Pekoe Fannings) shredded leaves gained between three and 25 cents a kilo.

Sugar: Sweet. Sugar prices rose as Hurricane Floyd ravaged plantations in the Caribbean and in Florida.

March contracts on the London market rose to 193.6 dollars a tonne from 189.9 dollars.

In New York, a pound of white sugar rose to 7.07 cents a pound from 6.97 cents. Before damage reports from the path of Floyd had even been collated, the market had its eyes turned towards the next hurricane likely to smash into the region.

Prices gained further from technical and speculative purchases.

Vegetable oils: Slip. US soy prices slipped as the harvest pressed on amid clement weather in the key growing re-

gions of the Midwest, which was untouched by Hurricane Floyd.

The first reports pointed to a plentiful crop this year.

Meanwhile, international demand remained low, particularly given the leap in prices seen earlier this month.

On the Chicago Board of Trade (CBOT), soy lost 14 cents to 4.88 dollars a bushel (for September delivery).

In Rotterdam, palm oil regained the upward path, while the other oils showed little sign of change.

Grains: Receding. Prices fell further this week as demand for exports remained weak while speculative funds glum over price stagnation offloaded large quantities.

Prices stabilised a little late in the week as weather forecasts predicted frost for Canadian and northern US producers, which could hurt harvests.

On the Chicago market, a bushel of wheat lost seven cents to 263 cents (27.2-kilogram, for September delivery).

Maize prices fell by six cents

to 200 cents per bushel (of 25.4-kg, for September).

Prices on the London market followed suit with a tonne of wheat shedding 75 pence to 70 pounds per tonne.

Cotton: Slumpy. Prices were whipped up by Hurricane Floyd, which threatened the Carolina plantations, but markets were still awaiting damage assessment at the end of the week.

October contracts on the New York market gained 0.16 cents to 51.30 cents a pound.

Cash prices covered by the Cotton Outlook index remained unchanged at 49.80 cents a pound.

Wool: Jumper. Wool prices continued to gain this week from firm demand.

In Australia, the Eastern index gained eight cents to 5.62 Australian dollars a kilo.

And in Britain, the second auction of the 1999/2000 season saw firm buying. The Wooltops index remained unchanged at 279 pence per kilo.

Euro zone recovery in place

FRANKFURT, Sept 18: The European Central Bank said yesterday that prospects for sustained economic recovery in the euro zone were good but it issued a warning about rising prices, says Reuters.

In its September monthly report, it said it would keep a close watch on inflation risks, as money growth had been running at above what it terms its reference value of 4.5 per cent for this year.

"In the immediate future further upward pressures on consumer prices can be expected, stemming from the recent increases in oil prices, as well as from the lagged effect of exchange rate developments in the first half of 1999."

Overall inflation rose to 1.1 per cent in July from 0.9 per cent in June. The energy component of the Harmonised Index of Consumer Prices showed a rise of 3.2 per cent after 1.4 per cent.

Turning to the growth outlook, the central bank said recent data suggested euro zone growth could reach two per cent this year.