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Lanka to open insurance to foreigners

COLOMBO, Oct 10: The Sri Lankan government will open to foreigners its insurance industry next year, according to media sources today, reports Xinhua.

The sources said the insurance industry will be opened to foreigners in the first quarter of next year with the new insurance bill to be passed in parliament soon.

The parliament is expected to take up the much awaited draft insurance bill in December this year or January next year, a top government official told the sources Saturday.

The Sri Lankan government will permit foreign ownership upto 49 per cent in insurance companies under the new bill, the official was quoted as saying.

Sri Lanka has been carrying out its opening economic policy since 1978, but the insurance industry till now is closed to foreigners.

First commercial satellite launched from floating ocean platform

LONG BEACH, Oct 10: The first commercial satellite was launched Saturday from a floating ocean platform in the Pacific, says AP.

The rocket, carrying a satellite for DirecTV, the United States largest satellite television service, roared off floating platform on the equator at 8:28 pm PDT (0328 GMT).

It was the first commercial liftoff for the Sea Launch Co. system, an international consortium led by Boeing Co. The venture was sponsored by the United States, Russia, Ukraine and Norway.

The 7,600-pound (3,450 kg) DirecTV-1R satellite was headed for geosynchronous orbit, one that keeps it over the same place on Earth.

The launch pad is a self-propelled, converted oil drilling platform that is accompanied by a support ship. Because the Earth spins faster at the equator, rockets launched there have an advantage in reaching orbit with heavier payloads.

The DirecTV-1R satellite was built by Hughes Space and Communications to provide increased capacity and redundancy for the subscription entertainment service.

The new satellite was expected to provide long-term uninterrupted service and bring in new revenues for DirecTV, the company said.

DirecTV and HSC are both units of Hughes Electronics Corp., which is itself a unit of General Motors Corp.

Sea Launch has orders for 19 more launches between 2001 and 2003.

The company's partners are Boeing Commercial Space Co. of Kent, Washington, Norwegian ship builder Kvaerner Maritime, Russia's RSC Energia, and Ukrainian rocket maker KB Yuzhnoye /PO Yuzhmash.

The Ukrainian company provides the first two stages of the rocket. The Russian company builds the upper stage. Boeing performs the spacecraft integration and supplies the payload fairings.

For launch, the platform partially submerges to increase stability. The rocket is then moved out of a hangar and raised to an upright position. The rocket is fueled with kerosene and liquid oxygen in an automated process and the launch is conducted by remote control from the ship, stationed three miles (five kilometers) away.

The US State Department suspended the project last year to investigate whether Boeing transferred sensitive technical information to its Russian and Ukrainian partners.

Investigators found that no sensitive data was transferred, but ordered Boeing to pay a \$10 million penalty for exchanging information without first getting federal clearance.

Vietnam's rice exports to exceed 4.2m tonnes in '99

HANOI, Oct 10: Vietnam expects to export more than 4.2 million tonnes of rice in 1999 thanks to a bumper crop, according to a press report today, says AFP.

Exports of rice, Vietnam's top agricultural export, will be 400,000 to 500,000 tonnes greater than 1998, when shipments reached about 3.8 million tonnes, according to official projections cited by the Hanoi Mai newspaper.

Overall rice production in 1999 is expected to reach 32.79 million tonnes, a 2.94 per cent increase over 1998, the paper said.

According to the latest figures from the General Department of Statistics, Vietnam exported 3.823 million tonnes in the nine months ended September, a 22.4 per cent increase over the year-earlier period.

Rice is Vietnam's top agricultural export earner, and ranked number four overall, after footwear, textiles and garments, and crude oil.

'It will be gateway to Myanmar, northeastern Indian states'

PM inaugurates 2nd pvt EPZ

By M Shamsur Rahman, back from Rangunia

The country's second private sector Export Processing Zone (EPZ) was inaugurated yesterday at Rangunia, 30 kilometers from the port city of Chittagong, with a view to establishing high-tech and agro-based industries.

Prime Minister Sheikh Hasina laid the foundation stone of the Rangunia EPZ with a call to both foreign and local entrepreneurs to take advantage of the country's geographical location and incentives offered by the government.

She also handed over the letters of consent to 13 entrepreneurs for setting up industries in the EPZ.

The EPZ, situated on 171 acres of land, will be extended to over 1000 acres on the northern side of the Karnaphuli river in three phases. It will need US\$ 40 million to complete the project.

The EPZ sponsors expect to attract US\$ 500 million in investments and generate 50,000

direct and 120,000 indirect jobs.

The EPZ will accommodate 80 small and medium-sized industries and 20 large-scale units with top priority given to environment-friendly backward-linkage industries.

Besides, special consideration will be given to high-tech and agro-based industries.

Hasina said that she was happy to learn that an independent earth station with fibre optic network will be set up at the EPZ to transmit software programmes and data through satellite.

"The zone close to the cultivable land of the Chittagong Hill Tracts will enable entrepreneurs to set up export-oriented fruit processing industries," Hasina said.

She also said that the new EPZ has comparative advantages due to its geographical location. "It will act as the gateway to Myanmar which has a

40 million population and the north-eastern Indian states having a population of 250 million. It will also be an alternative door to one of the biggest markets in the world --- China."

"These will provide the entrepreneurs in the zone with an added advantage," Hasina said.

She appealed to the investors to take the special incentives offered by the private EPZ. "We will extend all possible assistance to the you. But it is up to you to prove it a success. If you can contribute to the nation, the government will extend all out-support to you."

She called upon the entrepreneurs to keep reserve quotas for the people of the region.

"Following the peace treaty, the people of this region have got the opportunity to work for the first time and I request you to reserve some quotas for them," the prime minister said.

She also called upon the entrepreneurs not to spoil the

beauty of the area in the name of industrialisation.

"My country is one of the most beautiful places in the world. Please, do not spoil the beauty of my country in the name of industrialisation."

"Some people are engaged in leveling hills to make houses. I urge you to take special care of the natural beauty," she said.

Commerce and Industries Minister Tofail Ahmed, speaking on the occasion, lauded the sponsors of the EPZ for focusing Information Technology. He said that the IT industry would play a key role in the next millennium.

Engineer Moshirraf Hossain, Minister for Works, Housing and Civil Aviation, also spoke on the occasion.

Managing Director of Chittagong Industrial Park, which owns the Rangunia EPZ, A Qaiyazur Chowdhury thanked the government for its continued support for the project.



Roger C Beach, Chairman of the Board and CEO of Unocal Bangladesh Ltd., is cordially received by Hide Ishiyama, Director (Sales and Marketing) of the Pan Pacific Sonargaon Hotel, upon his arrival at the hotel on Saturday. He is on a three-day official visit to Bangladesh and heading a three-member delegation from USA. — Sonargaon Hotel photo

Emirates flights to Sydney from March

Emirates will commence a new service to Sydney from March 26, 2000.

The airline will fly four times a week between Dubai and Sydney via Singapore.

Emirates' Sydney flights are in addition to the airline's daily operations between Dubai and Melbourne, says a press release.

The new Sydney service will give Emirates' passengers the added convenience of selecting their ports of entry and exit in Australia, reducing the number of connections required and the overall flying times.

Sheikh Ahmed bin Saeed Al Maktoum, Emirates' Chairman, said: "Since Emirates commenced services to Melbourne three years ago, we have witnessed tremendous growth in traffic between Dubai and Australia. We are grateful that the Australian government has given us the rights to operate to more points in Australia. Sydney is a key destination for travellers from the Gulf destination. Emirates is confident that the new service to Sydney from March 2000 will result in incremental traffic between Dubai and Australia."

Emirates will operate from Dubai to Sydney every Tuesday, Thursday, Saturday and Sunday with an Airbus A330-200 aircraft configured in three classes of 18 seats in First Class, 42 in Business and 183 in Economy. The aircraft can also carry 13 tonnes of cargo in addition to a full passenger load.

Return flights from Sydney will operate every Monday, Wednesday, Friday and Sunday, departing Sydney at 0230 and arriving in Dubai at 0645. All times given are local.

These new services will also provide additional non-stop flights between Dubai and Singapore, to which the airline now has 11 flights a week. Emirates has full traffic rights between Singapore and Sydney.

Japan holding back \$79m for Malaysia

KUALA LUMPUR, Oct 10: Japan is holding back \$79 million (79 million dollars) committed to Malaysia because of "technical reasons," Tokyo's envoy here was today quoted as saying, reports AFP.

Malaysia's officials Bernama news agency quoted ambassador Hideki Harashima as saying the problems had to be sorted out before Tokyo could extend the loans under the "Look East Policy."

Harashima said various aspects had to be carefully studied and the loan would have to be disbursed according to priorities. He did not elaborate.

"I do hope this assistance will be utilised in the most effective ways," Harashima was quoted as saying by Bernama.

EC to help Bangladeshi firms grow globally

The European Commission (EC), under its Asia-Invest Programme, will extend a wide range of support to Bangladeshi companies to help them grow internationally, says UNB.

Under the programme, the EC will offer groups of Bangladeshi companies, funds, information, training and contacts in the European capitals to build international alliance and take advantage of the global market.

Business Priming Fund Manager for the Programme Francois Cherer visited Bangladesh last week and held a series of meetings with local business associations to promote the programme, says a EC press release yesterday.

Illustrating the EC initiative, Cherer said Bangladesh companies could benefit from three instruments of the programme -- Business Priming Fund, Asia-Interprise or Asia Partenariat and Asia Invest-

ment Facility.

Under the Business Priming Fund, groups of companies may enjoy grants up to maximum of 50 per cent costs of a project to prepare for new markets or set up strategic alliances with European companies.

The grant is offered to companies to meet EU standards, encourage the transfer of technology, train the trainers, adopt quality control measures, develop planning methods and build institution in the private sector.

Funds are also extended to run training courses in language and business culture familiarisation.

Asia-Interprise or Asia Partenariat instrument brings together companies interested in locating long-term partners.

Under the Asia Investment Facility, studies are conducted in certain countries for dissemination in Europe.

A study on the investment

trend and conditions in Bangladesh was launched earlier this year to make European companies aware of the scope and facilities existing here.

The study, to be completed by next year, will examine the main characteristics of business environment and economy of Bangladesh, trends and promotion, employment, export and import volumes, business cooperation opportunities, Bangladesh's regulatory framework and foreign investment trends.

Referring to the study during his stay in Dhaka from October 6-8, Cherer said: "European companies need sound information to make sound business decisions... this comprehensive study, funded by the European Community, will help to identify the opportunities in Bangladesh that may be of interest to potential European investors."

Kibria seeks NRBs' investment

Finance Minister Shah AMS Kibria Saturday called upon the expatriate Bangladeshis in the US to invest in Bangladesh and take part in the country's economic development, reports UNB.

He was speaking as the chief guest at a discussion on the "Role of Expatriates in Bangladesh's Economic Development" organised by Kisholoy, a Bangla medium school at New England, USA, according to a message received in Dhaka yesterday.

Giving an overview of the country's economy, Kibria said the macro-economic situation was satisfactory in terms of growth rate, investment, exports and agricultural and industrial production.

The nation has taken big strides during the last three years, he added.

The Finance Minister lauded the efforts of "Kisholoy" to teach Bangla among the children of the expatriate Bangladeshi community and underlined the importance of highlighting the rich culture and tradition of the Bengalee nation abroad, particularly in the US.

Sayed-ur-Rab, editor of the New York-based weekly Thikana, Sumita Basu of the Probashi, President of the school Naheed Nazrul, representatives of the Lions International and the Shriners Burns Hospital and leaders of the Bangladeshi expatriate community in New England also spoke on the occasion.

The finance minister also awarded a distressed Bangladeshi girl, Lipi Begum, with the proceeds of a recent fund-raiser.

The girl is undergoing treatment in Boston with the help of the Lions Society, the Shriners Hospital for Children and the members of the expatriate Bangladeshi community.

Finance Minister Kibria, who is visiting the United States in connection with the annual meeting of the World Bank and the International Monetary Fund (IMF), will return home today.

Meeting with US investors

Another report says: Kibria, addressing a select group of investors in Boston on Friday, said Bangladesh is poised to emerge as South Asia's next success story.

He said the enormous potential that Bangladesh offers as a large market of 125 million people and as gateway to emerging markets of South and Southeast Asia has already drawn attention of foreign private investors due to the proactive policies of the government.

Investors from USA alone have drawn up plans to invest nearly US \$ 3.5 billion, Kibria informed, according to a message received in Dhaka yesterday.

He said Bangladesh offer the most attractive incentives in the region to foreign investors and foreign investment enjoys maximum protection.

The finance minister said tax holiday, bilateral treaties for avoidance of double taxation, import duty concessions and a liberal repatriation policy for profits, dividends, royalty and capital ensure robust

financial return for foreign investors.

The government's macro-economic policy, which earned international acclaim, has successfully maintained stability with high growth, he said.

Kibria said investors from the United States, which leads the world in the fields of technology, science and management, are particularly welcome in Bangladesh.

The US-Bangladesh trade, which currently exceeds US\$2.2 billion can increase further.

In this regard, he said Bangladesh have requested the US government to raise apparel's quota. The country has natural advantage in apparel's manufacturing.

A raise in quota for Bangladesh will not only benefit US consumers, but will also open up opportunities for the US investors and textile machinery manufacturers to benefit from expanded backward linkage industries in Bangladesh, Kibria said.

The meeting, followed by dinner, was participated by US Congressman William Delahunt, former Congressman Chester Alkins and prominent business leaders of New England. They showed keen interest in economic development of Bangladesh.

The finance minister had a fruitful discussion with Congressman Delahunt on the US-Bangladesh relationship.

The meeting with the US investors was organised by a prominent Bangladeshi American businessman, Sheikh Abdur Rahman.

Tycoons lobby for survival as Malaysian banks merging

KUALA LUMPUR, Oct 10: Malaysia's plan to consolidate its overcrowded banking sector has trained spotlight on three of the country's biggest corporate names as they jostle for survival of their banking groups, reports Reuters.

Prime Minister Mahathir Mohamad set off the race last week when he said he was willing to consider allowing more than six core groups after the merger of 58 financial institutions.

"We can't be too rigid in this matter," he said on Saturday.

Mahathir's views were at odds with those of the central bank and Finance Minister Daim Zainuddin, who had been pushing a controversial plan to consolidate all commercial banks, finance companies and merchant banks into six big groups by April.

The six confirmed anchors are Malaysian Banking Bhd, Multi-Purpose Bank Bhd, Bumiputera-Commerce Bank Bhd, Perwira Affin Bank Bhd, Southern Bank Bhd and Public Bank Bhd.

But analysts said tycoons Quek Leng Chan, Azman Hashim and Abdul Rashid Hussain were lobbying for their banks to get a place as additional anchor banks.

Quek's Hong Leong Bank Bhd and Abdul Rashid's RHB Bank Bhd are in talks to form a seventh anchor group, an executive at Rashid Hussain Bhd said on Friday.

RHB bank's parent firm, RHB Capital, on Friday denied it was in merger talks with the Hong Leong group. Rashid Hussain Bhd owns a 60 per cent stake in RHB Capital Bhd. Azman's Arab-Malaysian

Bank is another group which had lobbied to get an extra anchor seat, company executives said.

Exclusive Quek, 56, prefers to run his multi-industry regional empire away from the media's eyes, and Hong Leong officials in Malaysia generally shun the press.

The Quek family's Hong Leong Company (M) Bhd controls nine listed firms on the Kuala Lumpur Stock Exchange.

They include finance firms Hong Leong Credit Bhd and HLG Capital Bhd, newspaper group Nanyang Press Holdings Bhd, manufacturing companies and those involved in making building products and property development.

His regional empire includes property firms First Capital Corp Ltd of Singapore and Guoco Holdings (Philippines)

Inc. New Zealand's Brierley Investments and Dao Heng Bank Group Ltd of Hong Kong.

The exclusion of Hong Leong Bank as one of the six anchors raised speculation that it was due to Quek's past close association with jailed former finance minister Anwar Ibrahim.

A Hong Leong executive said recently that Quek could easily restart elsewhere in the region if the Malaysian business environment did not favour him.

Hong Leong executives said the bank deserved to be one of the anchor banks as it was not forced to seek funds from government agencies and is acknowledged to have strong management.

An accountant by training, Azman, 60, is media-friendly and was even the host of a TV chat show at one time. Always ready with an easy

smile, the bespectacled Azman was one of the earliest batch of ethnic Malay entrepreneurs who made good in the 1970s.

He was appointed head of the country's biggest bank, Malayan Banking, and was there for 10 years before borrowing money in 1982 to begin an aggressive expansion plan.

It was in 1982 that Azman bought Arab-Malaysian Development Bank from its Saudi owners. He kept the Arab-Malaysian name, as he thought it carried a sense of wealth, but made it into an investment bank, Arab-Malaysian Merchant Bank.

The group includes finance firm Arab-Malaysian Finance Bhd and Arab-Malaysian Merchant Bank, apart from interests in property, broadcasting firm Redifusion Bhd and manufacturing company South

Peninsular Industries Bhd.

The Arab-Malaysian group is said to be keen to be an anchor institution with Utama Banking Group Bhd of Sarawak.

If true the tie-up will give Azman's group a solid footing in Borneo state. Apart from a commercial bank, Utama owns an investment bank a finance company and a stockbroking unit.

If bankers want to know how difficult bank mergers can be ask Abdul Rashid 53.

His RHB Bank has been through the merger game twice. It first merged with Kwong Yik Bank after buying it from Maybank and later took in loss-making Sime Bank in the midst of Asia's Asian financial crisis.

The burly banker announced the taking over of Sime Bank in

a \$52 million ringgit (\$224 million) deal last April just months after completing the Kwong Yik takeover for 2.2 billion ringgit.

Asked in June after the completion of the Sime Bank deal whether he was taking over other banks, he said: "Never again."

Abdul Rashid, once dubbed "deal maker extraordinaire" by a local business magazine, is better known for making Rashid Hussain Securities, the nation's top stockbroker.

RHB Bank is currently the third largest bank. Its size and early readiness to heed the merger call are strong reasons for it to be an additional anchor bank, company executives say.

Abdul Rashid also owns RHB Sakura Merchant Bankers Bhd and property interests held through Rashid Hussain.