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Seattle trade talks Info week for non-permanent WTO members begins tomorrow

GENEVA, Oct 30: The World Trade Organisation (WTO) said it was offering an information week from next Monday for its members and observers without permanent representation in Geneva in preparation for the new round of trade talks to be launched in the US city of Seattle.

The five-day "Geneva week" will be open to 28 non-permanent WTO members and nine observers, all of whom represent poorer countries which lack resources to maintain offices in the Swiss headquarters of the international trade organisation, the WTO said.

"I want to make sure that all countries participating in WTO work are fully aware of the situation as we approach the ministerial meeting in Seattle," and also of the possibilities for trade-related assistance that are available through the WTO and its sister agencies," WTO Director General Mike Moore said in a statement.

Twelve other international organisations are also to participate in the information week, including the UN Conference for Trade and Development (UNCTAD) and the World Bank.

The world trade body has several information links with the non-permanent members and observers, including a programme whereby it provides computer equipment, an Internet connection and training for the operation of a "reference centre" within each trade ministry of countries involved.

At the same time as the information sessions, WTO ambassadors will next week continue to try to reach agreement on a draft declaration to be adopted at the Seattle meeting outlining the subjects for negotiation during the next round.

New DMD of AB Bank



Abu Haniff Khan has recently been promoted to the rank of Deputy Managing Director of Arab Bangladesh Bank Ltd, says a press release.

Khan joined Arab Bangladesh Bank Ltd. in its formative years.

He started his banking career with the then Eastern Banking Corporation Ltd. in 1965.

Khan held many important positions in the bank.

**Low inflation,
Greenspan
remarks perk
Dow up**

NEW YORK, Oct 30: Wall Street set out to conquer new heights again this week, fuelled by reports showing that the economy was growing without inflationary pressure and by hints from Fed Chairman Alan Greenspan that an interest rate hike might be avoided, reports AFP.

The Dow Jones Industrial Average, the most-watched US stock index, closed on Friday at 10,729.86 points, up 2.48 per cent on the week and at its highest point since September 20.

The tech-heavy Nasdaq composite closed up 5.32 per cent on the week at 2,966.43 points, setting a new record. Standard and Poor's 500 gained 4.71 per cent to 1,362.93.

On the bond market, the average yield on benchmark 30-year Treasury bonds was 6.149 per cent, down from a two-year high Monday of 6.4 per cent. When yield goes down, bond prices go up.

Wall Street was powered by a report Thursday from the Commerce Department, which said the economy had expanded at an annual rate of 4.8 per cent in the third quarter, surpassing expert expectations of 4.5 per cent and sharply higher than the 1.9 per cent posted in the second quarter. But despite the growth, labour costs grew less than expected with a 0.8 per cent rise, which most analysts take as a sign that inflation poses no immediate threat.

"You have the best of both worlds: higher than expected growth and lower than expected inflation," said Robert Bloom of Friends, Ivory and Sime.

This week's statistics reassured investors, who generally believe that the US Federal Reserve will raise interest rates only once more before the end of the year, and even then that the increase will be only a quarter point.

HBFC step to regularise, reschedule loans of default borrowers

Star Business Report

The House Building Finance Corporation (HBFC) has undertaken a special scheme for regularising and rescheduling the loans of its default borrowers.

Under the scheme, the borrowers who did not pay their 25 or more monthly installments will be able to reschedule and regularise their loans only after paying the default amounts.

While chairing a meeting with the zonal and regional managers at the Head Office boardroom, SM Monium Hossain, Managing Director of HBFC, underscored the need for

massive interaction with the borrowers to recover the accumulative default loan amount.

Chairman of the Board of Directors Shah Md Atiur Rahman was present in the meeting as the chief guest, while it was attended by general managers and deputy general managers.

Under the scheme, which has been initiated from July 25, 1999, the amount to be deposited by the borrowers will proportionately be treated as both principal amount and interest.

This will, as a result, reduce

the amount of loan and future interest.

With a view to keeping the revised installment amount same as the previous ones, HBFC has also kept the option for extending the time-limit for paying the post-rescheduling installments by up to five years in Dhaka and Chittagong, while in other parts of the country by up to 10 years.

Those who had availed themselves of the rescheduling opportunity earlier, will be allowed to reschedule their loans further under the special scheme.

French mad cow fears brushed aside EU scientists give UK beef clean bill of health

BRUSSELS, Oct 30: The European Commission's top scientists gave British beef a clean bill of health yesterday, unanimously rejecting evidence which France said supported an import ban over fears of mad cow disease, reports Reuters.

After days of cross-Channel tension, the ruling was a major victory for Britain. European Food Safety Commissioner David Byrne said France and Germany should now fall into line with the rest of the European Union and lift bans on British beef.

"The Scientific Steering Committee (SSC) today concluded unanimously that it does not share the concern expressed by the French Food Agency about the safety of meat and meat products exported by the UK," the Commission said in a statement.

The EU's 16-member panel of scientists reaffirmed its confidence in the safety of Britain's Date Based Export Scheme (DBES), which it approved earlier in the year and which led to the decision to lift a worldwide ban on British beef on August 1 after more than three years.

The SSC concludes that, providing the safeguards built into the DBES are fulfilled, the safety of these UK meat and meat products is comparable to those foods coming from elsewhere in the EU," the Commission's executive said.

Only Germany and France

have failed to implement this decision but Byrne told a news conference said he was optimistic the situation could now be resolved fast.

Byrne said he had already had contacts with the British, French and German governments and would contact the French and British agriculture ministers early next week.

"I believe that the French and German authorities should take stock of the (scientists') opinion and lift their national

restrictions on imports of British beef," he said.

German Health Minister Andrea Fischer said there was no decision yet what action her government would take, but a discussion with the federal states was planned on Wednesday.

Sources close to French Prime Minister Lionel Jospin, who was on an official visit to Guadeloupe, said the French government will outline its position early next week.

"There will be talks between the different agencies concerned at the start of the week. There is no reason to take urgent measures. We will lay out our position after discussions early next week," an official travelling with Jospin said.

The decision hands a political victory to British Prime Minister Tony Blair in a high-stakes gamble to let European institutions rule on the row instead of hitting France with the tariff trade war demanded by some opposition Conservatives.

The British government quickly expressed delight with the ruling and said it would work to ensure exports can resume.

"We will now keep up the work to make sure this decision is implemented and continue to help our farmers, to recover from the disaster of BSE (bovine spongiform encephalopathy)."

Indonesia to review reform programme

JAKARTA, Oct 30: Indonesia and the International Monetary Fund plan to conduct a major review of the country's economic reform programme in the wake of changes in its political and economic conditions, senior economics minister Kwik Kian Gie said Friday, reports AP.

Speaking to reporters after being sworn in at the state palace, Kwik didn't say whether this would lead to significant changes in the programme, but noted that the two sides would need to look closely at the economic bailout plan in view of the landmark change in Indonesia's political landscape.

Manufacturers & Exporters Association (BGMEA)



BGMEA President Anisur Rahman Sinha speaking at a press conference at Sonargaon Hotel ahead of the annual apparel and textile show, BATEXPO, to be held from today, —Star photo

UPS applies for operating rights to China

UPS Thursday submitted its application to the US Department of Transportation for aviation operating rights to the People's Republic of China.

The application formally launched the company's bid to obtain the one new slot reserved for a US carrier to serve the China market, says a press release of the company.

China is one of the most important express cargo markets in the world, said UPS Chairman and CEO Jim Kelly. "These rights are crucial for UPS to provide our customers with the flexibility and capacity they need to grow their businesses in this vital region," he said.

In its formal application, UPS argued that its selection would provide huge economic benefits for US businesses and workers. The company also asserted that UPS's selection would finally expand service competition in the Chinese marketplace while providing much-needed capacity in the air express and general air freight markets.

S'pore govt sends Y2K guide to all homes

SINGAPORE, Oct 30: Singapore's government is mailing all of the city-state's 950,000 homes a guide on protecting households against the dreaded Y2K computer glitch, officials said Friday, reports AP.

The glossy, four-page "Y2K Guide" gives step-by-step instructions on testing personal computers and household appliances, such as videocassette recorders and fax machines.

There are worldwide fears that computer chips that read only the last two digits of the year may fail on Jan. 1, 2000, triggering chaos in systems from banks to airports.

But Singaporeans will probably face nothing more drastic than missing a TV show, officials in the prosperous island republic said.

"If you want to record a certain programme, let's say at 2:00 am on the first of January 2000, if (your VCR) is not Y2K-compliant, it will not be recorded," said Alan Chan, permanent secretary for Singapore's Ministry of Communications and Information Technology.

"All the essential services that have wide public usage are well taken care of by the government and they have been ready since the middle of 1999."

Singapore authorities have repeatedly assured the public that banks, transportation, utilities and other vital systems have passed rigorous Y2K tests.

Still, the Y2K Guide notes that it is always wise to "keep manual copies of electronically stored information," such as phone numbers and financial records. "There is no need for you to stock food," it says.

Indian central bank plans more liquidity

BOMBAY, Oct 30: India's central bank announced measures yesterday to squirt extra liquidity into the banking system to help finance an oversized fiscal deficit and meet credit demand from industry as the economy picks up, says Reuters.

The Reserve Bank of India (RBI), in its half-year credit and monetary policy review, left key interest rates unchanged. But it cut banks' cash reserve ratio (CRR) to 9.0 per cent from 10.0 per cent in two installments.

The total increase in liquidity is approximately 120 billion rupees (\$2.77 billion) if other measures like removal of CRR on foreign currency deposits and inclusion of cash holdings in the cash reserve reckoning are taken into account.

Interest rates may not fall

Bankers said they were happy the RBI had focused on liquidity and not imposed a rate change on them, giving them a free hand. But most felt there were inhibiting costs of intermediation and non-performing assets staying their hands.

"We will review all our rates but cutting lending rates depends on a variety of factors. In general if you see the intermediation costs, the cost of deposits for the banking industry is still high," said K Kannan, chairman and managing director of Bank of Baroda BOB, BO.

Indian commercial banks' prime lending rates currently

range from 12.0 per cent to 16.5 per cent. The RBI left its bank rate unchanged at 8.0.

India's wholesale price inflation has been below two per cent in the past few months, though it has now begun creeping up on account of a hike in diesel prices.

Upbeat view on economy

The RBI policy statement reflected the central bank's upbeat view on the economy.

Its view on growth was little changed from projections in April and the RBI said it expected economic growth to be between 6.0 and 6.5 per cent in 1999/2000 (April-March).

It said the current account deficit would be below two per cent of GDP despite higher global oil prices due to encouraging trends in invisible flows and software exports.

The RBI said the fiscal deficit was overshooting a targeted four per cent of GDP, partly due to costs incurred during last month's general election and a two-month border conflict in Kashmir.

The rupee, which has only depreciated by around 2.5 per cent in the past 12 months, was steady after the central bank's moves but firmed later on dollar sales to end at 43.37/38.

The stock market was volatile. The 30-share Bombay index ended 3.26 per cent lower at 4,444.56, but the fall appeared linked to unwinding of outstanding positions.

Business In Brief

Montenegro to launch new currency

PODGORICA: Montenegro's President moved closer Thursday toward seizing fiscal independence from Serbia, deepening the rift between the two Yugoslav republics.

Montenegro's President Milo Djukanovic declared during a news conference that his country's Central Bank is ready to introduce the German mark as a parallel currency to the official dinar.

The announcement made in the coastal town of Tivat underlined earlier promises to introduce the mark as Montenegro's currency a move considered to be an interim step before the introduction of a currency of its own.

The pro-Western leader made the announcement together with former American ambassador to Yugoslavia John Scanlon and experts from the American Business Council for Southeastern Europe.

Djukanovic also reiterated that the introduction of new currency by the Montenegrin government will not jeopardise stability of Yugoslavia and the region.

"When we finally take over control of our finances, we will be able to calmly wait for democratic change in Serbia," he said.

The move comes only days after talks between the ruling parties of Serbia and Montenegro decided that Yugoslavia should remain intact. There have been widespread fears that should Montenegro opt to go its own way, Yugoslav President Slobodan Milosevic might begin a military crackdown.

2 Taiwan company executives kidnapped

MANILA: Two Taiwanese company executives were kidnapped by gunmen south of the Philippine capital, police said Friday.

Kimberly Chang and Shien Ng were stopped by several masked men Thursday as they were passing through Tayahas in Quezon province, just south of Manila, in a Mercedes Benz van, Philippine National Police officials Jesse Laviano said.

The two are executives of Globo Rock Co, a quarrying company operating in the province, he said. Their hometowns were not immediately available from police.

A Filipino driver and an accompanying plant manager, who was identified only as Yen, were left behind uninjured after the kidnappers pushed Chang and Ng into another vehicle and fled, Laviano said.

No one immediately claimed responsibility for the kidnapping or demanded ransom, Laviano said.

He said police have ordered investigators to track down the kidnappers.

French unemployment slips to 11.2pc

PARIS: French unemployment fell in September, dropping to 11.1 per cent compared to 11.3 per cent the previous month, INSEE, the government statistics office announced.

Insee said 83,600 jobseekers had been dropped from unemployment rolls in September. It said the figures represented a "sharp acceleration in the drop in unemployment in recent months."

Fighting unemployment is one of the main priorities of the Socialist-led government. It has introduced a controversial 35-hour workweek in order to spur job growth.

The government hopes that companies will be forced to hire more workers in order to maintain current levels of productivity. — AP

US labour leader under fire for backing WTO plan

WASHINGTON, Oct 30: The president of the 13-million member AFL-CIO labour federation, John Sweeney, came under fire from other union leaders and activists yesterday for backing President Bill Clinton's agenda at next month's meeting of the World Trade Organisation, reports Reuters.

Sweeney, along with top executives from Procter & Gamble, P.N. IBM and other major US corporations and business groups, signed a letter from the President's Advisory Committee for Trade Policy and Negotiations, endorsing Clinton's free-trade objectives at the WTO.

Clinton has called for the creation of a working group on labour at the Nov 30 to Dec 3 meeting of WTO ministers in Seattle.

The Clinton administration said it would also urge the WTO to ban tariffs on electronic commerce, expand intellectual property protection on the Internet, and reduce tariffs and trade barriers on industrial products and services.

"The US negotiating agenda as a whole is bold and appropriately comprehensive," the advisory committee said in a letter released earlier this week.

Commodity: Weekly Roundup

Oil prices sink under strain of US stocks surge

LONDON, Oct 30: Oil prices sank under the strain of another rise in US stocks and weather forecasts pointing to a mild winter in the northern hemisphere, reports AFP.

Brent North Sea oil on the International Petroleum Exchange (IPE) fell by 91 cents over the week to 21.59 dollars a barrel.

On the New York Mercantile Exchange (NYMEX), light sweet crude for December delivery rose by seven cents to 21.68 dollars.

American Petroleum Institute figures showed a rise of 3.4 million barrels in US reserves in the week to October 22.

Spillages from the Norwegian Ekofisk field, which produces 330,000 barrels of crude per day, was brought under control. Prices were also hit by predictions that non-OPEC countries, notably North Sea producers, would seek to increase output by 800,000 barrels a day

in the fourth quarter of this year.

Rubber: Bounce. Rubber prices bounced higher this week as lousy weather bore down on Thailand and Malaysia, while the key tyre manufacturers showed a voracious appetite for the material.

Dealers said that the sharp increase in prices was surprising given a perilous fundamental backdrop showing a surplus of all but the highest grades of rubber.

The London rubber index rose by 50 pounds to 505 pounds per tonne (for November delivery) and by 45 pounds to 510 pounds (for December).

In Kuala Lumpur, the RSSI index rose by 20 ringgit to 2.71 ringgit per kilo.

The SMR 20 index, which covers rubber used in tyre manufacture, rose to 2.76 ringgit per kilo from 2.59 ringgit.

Cocoa: Mug. Cocoa prices fell

back further this week as dealers feared that the market would be flooded by an influx of cocoa beans from West Africa in the coming months.

On the London market, prices for March delivery fell 26 pounds to 612 pounds a tonne.

Last week, one producer country Cote d'Ivoire was double that of the preceding week at 33,765 tonnes. So far in October, the country's ports have handled 87 per cent more than for the same period in 1998.

The gloomy market sentiment was not helped by the fact that European Union interior ministers adopted a text which allows the partial replacement of cocoa butter with vegetable fats in chocolate.

The bill now goes before the European Parliament.

Coffee: Bracing. Coffee prices turned upwards again this week as the market was gripped by

fresh concern over a once-in-a-generation drought in Brazil.

In London, Robusta prices for January delivery rose, 48 dollars to 1.253 dollars a tonne.

Prices on the New York market for Arabica beans rose to 99.80 cents a pound (for March delivery) from 93.90 cents a pound.

Brazilian authorities estimate that dry weather, the likes of which has not been seen for 20 years, could wipe between 13 and 33 per cent from the 2000/2001 harvest. Most analysts now believe the crop will not top the 40 million sacks originally anticipated.

Tea: Off. Tea prices were volatile in the Mombasa auction houses and generally lower in Colombo despite lively demand, the London Tea Brokers Association said.

In Mombasa, BP1 (Broken Pekoe) leaves lost up to 14 cents a kilo, while PF1 (Pekoe Fanning) lost between 24 and 30

cents.

In Colombo, BOP (Broken Orange Pekoe) leaves fell by up to 20 rupees a kilo.

Sugar: Boost. Sugar prices gained from technical trades and predictions of important purchases from Russia this winter.

On the London market, March sugar contracts rose to 190.7 dollars a tonne from 188.6 dollars a tonne one week earlier.

In New York March contracts rose to 7.01 cents per pound from 6.92 cents.

Vegetable Oils: Slip. US soy prices slipped on technical trades and forecasts of rain in growing regions of South America.

On the Chicago Board of Trade (CBOT), a bushel of soy lost 14 cents to 4.65 dollars (for November delivery).

No timely prices from the Rotterdam market were available.

Grains: Flat. US cereal prices showed little sign of change amid thin trading volume.

In Chicago, wheat prices were flat at 257 cents a bushel (for December delivery).

Maize lost half a cent to 199.5 cents a bushel (of 25.4 kg, for December) despite higher-than-expected weekly sales figures, which reached 1.64 million tonnes.

In London, wheat prices gained 35 pence to 71.25 pounds per tonne (for November delivery).

Cotton: Shrink. Cotton prices continued to fall as Pakistan and Uzbekistan were reported to reap plentiful harvests.

The market was also troubled by a change to US subsidies that was thought might increase the volume of exports from the United States.

December contracts in New York fell to 52.51 cents a pound.



Sheikh Asharaful Haq, Chairman of Satkhira Municipality, inaugurates a Samsung Sales and Display Centre at Palasop, Satkhira, recently. Md. Sanaullah Shahid, Chairman of Electra International, was also present. — Electra Int'l photo