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# The Daily Star BUSINESS

DHAKA, SUNDAY, NOVEMBER 28, 1999

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## Brazil won't boycott Seattle WTO meet

RIO DE JANEIRO, Nov 27: Brazil's Foreign Affairs Minister Luiz Felipe Lampreia said yesterday he was pessimistic about world trade talks starting in Seattle Tuesday but distanced himself from talk of a boycott, reports AFP.

Lampreia said Brazil had no intention of boycotting the World Trade Organisation's four-day ministerial meeting, referring to comments made Thursday by Agriculture Minister Marcilio Vinicius Paratini de Moraes.

Paratini stated that Brazil "might boycott the WTO meeting if the agriculture question did not come up."

"It's just a turn of phrase, to explain Brazil's position," said Lampreia.

"Even if European Union countries don't include agriculture as part of the agenda for debate, we won't boycott the meeting," he added.

Lampreia said there were no grounds for optimism in Seattle because WTO preparatory talks in Geneva had "completely failed" and WTO member countries were in disagreement.

Lampreia said Brazil would be defending all of its producing sectors in Seattle — especially agricultural production.

## China's portable computer market expanding

BEIJING, Nov 27: The Chinese portable computer market is expected to continue to grow in line with China's steady economic growth and an increasingly mobile workforce, according to a study released Wednesday, reports AP.

International marketing consultants Frost and Sullivan found rapid technological advances, growing workforce mobility, continued and steady economic growth, increased Internet usage, and strong demand from small and medium-sized firms are the driving factors in China's expanding computer market.

"The market experienced 45.7 per cent growth in 1998 and is expected to post a compound annual growth rate of 18.7 per cent until 2005," the Frost and Sullivan study said.

Although demand is strong, the market is also fiercely competitive. Frost and Sullivan, analyst Jay Chen estimated there were 34 active sellers in 1998.

The study predicted that price differences between locally made and imported portable computers will narrow, and local companies will have to place greater emphasis on offering the latest technology to strengthen their brand names.

The notebook computer segment accounts for 95 per cent of the total Chinese market, with sub-notebook and minicomputers, or compact sub-notebooks, gaining ground, he said.

## SEC strikes deal with ACTL for strengthening automation

**Star Business Report**  
The Securities and Exchange Commission (SEC) has signed a contract with Applied Computer Technologies Limited (ACTL) to fully computerise and strengthen the automation of its office environment.

Under the contract, ACTL will produce and install structured cabling system from ModTap that will support Gigabit Ethernet Technology-1000 Megabits per sec Data Transmission Rate to handle the video image and text data format, says a press release.

The network system designed by ACT Ltd will enable security of data and strengthen the office automation process for SEC.

ACTL incorporates a fiber optic fault tolerant Redundancy of the backbone and other active LAN/WAN high-speed data communication service solutions for corporate and business enterprises.

Over the years of its operation ACT has built a strong presence in the Bangladesh networking market with a solid array of customer base, and high technology solutions to meet today's application and bandwidth needs.

ACTL has designed and installed a large number of sophisticated and complex network solutions including Office Fiber Optic Backbone Network System at the Prime Minister's office UNDP, WFP LAN systems and many others.

## Bank Asia born with vows to meet new millennium demands

# End to anarchy gives banking sector a better shape: Tofail

Star Business Report

Commerce and Industries Minister Tofail Ahmed yesterday said the end to anarchy in the banking arena has now put the sector in a better shape as the government stopped sanctioning loans under political influence.

This was stated by Commerce and Industries Minister Tofail Ahmed at the launching ceremony of Bank Asia, a new private sector bank, at a gala ceremony held at Dhaka Sheraton Hotel yesterday.

Prime Minister Sheikh Hasina formally inaugurated the bank as the chief guest. M Syedur Rahman, Chairman of the bank, was the special guest while Bangladesh Bank Governor Dr. M Farashuddin attended the ceremony as the guest of honour. Ministers, MPs, diplomats, high military and government officials, business leaders and city elite were also present.

In his speech, the commerce minister said that the country's economy was hurt by the sudden liberalisation moves during the previous regime. But the present government has taken steps to protect the interest of the local

industries. Tofail said that local and foreign investment was increasing day by day and hoped the country would be able to join the ranks of the mid-profit earning countries with a per capita income of US\$ 2000 by the year 2020.

In his address of welcome, Chairman of Bank Asia M Syedur Rahman dwelt upon the vision of the bank. He said that Bank Asia would lay emphasis on the recruitment of quality people and the development of human resources for ensuring high-standard services to the clients.

The bank would attach due importance to inputs, innovations and incentives which were the essential pre-conditions for making fruitful contributions to national economic activities.

He further said that the bank would not confine its activities to the upper end of the market alone. Rather, Bank Asia would strive to make significant contributions to the development of the rural economy through sustained efforts. The chairman also said that "our own experience and the recent economic

debacle in Southeast Asia taught us that the cost of making mistakes in banking operation is too high."

It was an avowed policy of the directors of Bank Asia to avoid conflict of interest and maintain 'arm's length' relationship with the management. The chairman said that good governance was a prerequisite for the flourishing of free market economy. It was the greatest achievement, he added, of the present government, that they could ensure good governance by establishing the sense of justice and equality before the law for all.

Also speaking on the occasion, Quazi Baharul Islam, Managing Director of Bank Asia, said that the mission and objectives of the bank were to provide efficient and personalised banking services to the corporate, institutional and private clients with a view to helping them realise their short-term goals and long-term aspirations.

The bank would strive to set high standards of integrity and ensure total satisfaction of its customers. The cutting edge of

Bank Asia, the MD added, was the technology-driven innovative services delivered through a dedicated team of professionals.

While giving the vote of thanks, Vice-Chairman of the bank A Rouf Chowdhury said the bank is committed to providing the best services that the new millennium demands and will contribute to the development of the economy.

He also thanked the prime minister for gracing the occasion by attending the inauguration.

With the inauguration, the Corporate Office and Corporate Branch of Bank Asia started functioning at the Rangas Bhaban on Old Airport Road.

Bank Asia, established by a group of successful entrepreneurs, stepped into the country's banking arena with a mission to bring high-quality service backed by modern technology to the doorsteps of the customers and to participate in the growth and expansion of national economy. The paid-up capital of the bank is over Tk 21 crore.



Pictures show Vice-Chairman of Bank Asia A Rouf Chowdhury speaking at the inaugural ceremony of the bank (top) and a section of the guests (bottom) at the function held at Dhaka Sheraton Hotel yesterday.

—Star photo

## NCC Bank launches IPO to raise Tk19.5cr next week

By Monjur Mahmud

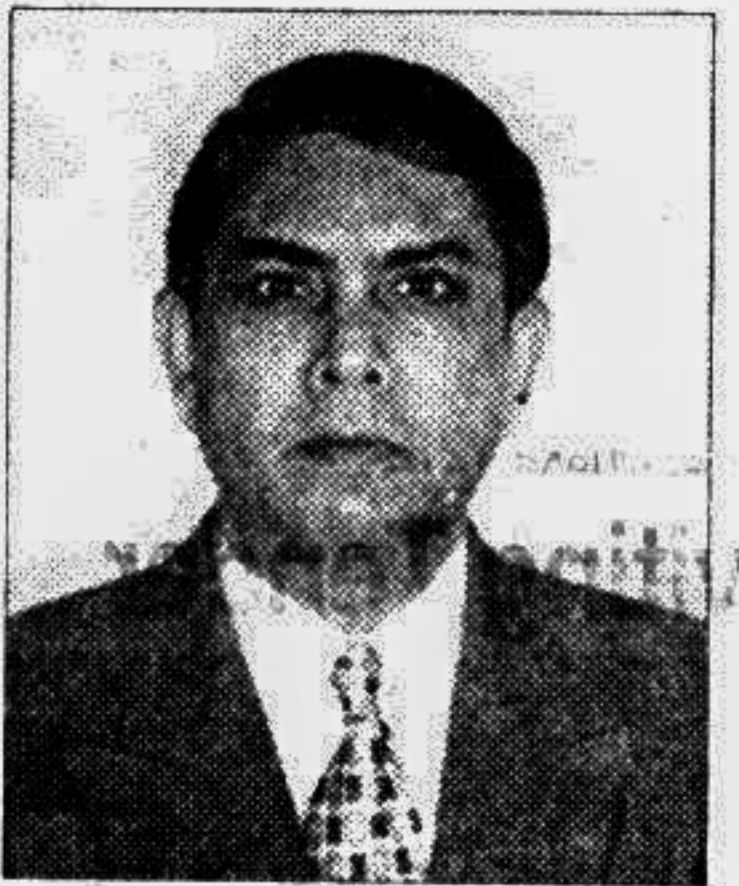
The National Credit and Commerce Bank Limited (NCCBL) is going to float initial public offering (IPO) for raising Tk 19.50 crore next week.

The bank has already made arrangements for selling Tk 14.25 crore shares in the pre-IPO placement stage. The rest of the shares valued at Tk 5.25 crore are being offered for the general public," said Mohd. Sajidul Haq, NCCBL Managing Director.

Although the capital market has been witnessing a bearish trend for the last few years, the management of the bank is highly optimistic about the success of IPO. "The depression prevailing in the capital market won't affect the IPO of the bank," he noted.

Haq said although Tk 14.25 crore was raised from different individuals and institutions at the placement level, they were interested in purchasing more shares which has made the management think more positively about the success of IPO.

Regarding the bank's financial



Mohd. Sajidul Haq, NCCBL MD

performance, he said that the banking sector, now burdened with huge classified and non-performing loans, had made dent in its profitability.

As on June 30, 1999, the classified amount of the bank's total loan portfolio stood at

17.82 per cent as against 40 per cent of the nationalised commercial banks (NCBs) and 32 per cent of the private sector banks.

"NCCBL has already taken steps to make provision against its bad loans and Tk 22 crore has already been transferred from the operating profit to this account," the MD said.

In line with the precondition of Bangladesh Bank, NCCBL is mulling over reducing its classified loans and increasing the reserve level in the shortest possible time, he maintained. "When it comes to lending, the management of the bank is cautious and keen to ensure that the money doesn't get stuck up."

"Vigorous steps have been taken to recover the stuck-up loans and building up required provisions against bad debts. As a positive result of these steps, we strongly hope to ride out the problems facing the bank very soon."

NCCBL mobilized deposits to the tune of Tk 709.85 crore till June 30, 1999, up by 4.01 per cent than last year's corresponding period. At the end of 1998, the bank's deposit stood Tk 682.49 crore.

The advance of the bank increased to Tk 516.27 crore as on June 30, 1999, showing an increase of 10.35 per cent, which was Tk 467.83 crore at the end of 1998.

The bank's net profit (before tax) was Tk 10.17 crore till June, 1999, which was Tk 21.10 crore in 1998. NCCBL earned Tk 17.88 crore from its foreign exchange business in the first six months of 1999, up by 70 per cent than the corresponding period of the previous year. It earned Tk 17.50 crore from foreign trade in 1998.

The bank is going to introduce Credit Card service very soon, Haq said. "We hope that the ATM service will be implemented by the first half of next year. Preliminary works in this regard has already been completed. Besides, we are actively considering to provide more customer-oriented service to our clients through computer networking in near future."

Currently, the bank has 27 branches all over the country and it plans to open more in the days to come, the MD said.

## Mintoo off to Canada

FBCCI President Abdul Awal Mintoo left Dhaka yesterday for Toronto, Canada, to attend the Bangladesh Trade Show '99 beginning there on Monday, says UNB.

A large business delegation will also attend the trade show where Bangladesh products will be displayed. Canada-Bangladesh Trade Promotion Centre has organised the show, said a press release.

Mintoo will leave Toronto on November 30 to attend the 3rd WTO Ministerial Conference to be held at Seattle, USA.

## ICC sounds alarm about Seattle talks prospects

The International Chamber of Commerce (ICC), the world business organisation, yesterday, said it was unthinkable that governments meeting in Seattle next week should fail to decide on a new round of multilateral trade negotiations, according to a message from ICC headquarters in Paris, reports UNB.

Briefing journalists before next week's ministerial conference of the World Trade Organisation (WTO) in Seattle, ICC secretary general Maria Livanos Cattai said, "Thousands of our member companies all over the world believe that the progress of multilateral trade liberalisation must not be allowed to falter."

Cattai said the inability of WTO governments to agree even an agenda for a new trade round augured badly for the ministerial meeting in Seattle. "With only a few days to go, we believe it is time to sound the alarm," she added.

The rules-based multilateral trading system is one of the finest achievements of the second half of the 20th century. "Its authority must be upheld if we are not to descend one more into a world of protectionism, with all the sad tragic consequences we know so well," said the ICC official.

She said business supported raising environmental and labour standards. But she questioned whether it was in the interest of hundreds of millions of people in the developing world for trade sanctions to be used to enforce these standards.

Cattai said she hoped that the Seattle Ministerial conference would succeed in launching a broad-based round.

## ACP nations want WTO to guarantee trade benefits

SANTO DOMINGO, Nov 27: Leaders from African, Caribbean and Pacific (ACP) countries concluded a two-day summit here yesterday urging the World Trade Organisation (WTO) to guarantee trade benefits for their impoverished economies, reports AFP.

The ACP group asked WTO negotiators meeting in Seattle, Washington next week to work out guarantees that the world's least developed countries be allowed tariff-free access to the markets of the industrialised world.

In declarations adopted at the end of the summit, they also asked WTO member states to undertake not to adopt any measure that could reduce the market access and preferential treatment ACP countries currently enjoy in the European Union.

The ACP countries argue that such guarantees are essential for the survival of their economies, which otherwise would be crushed by their more developed competitors.

"Our countries currently are

not in a situation to achieve total market liberalisation because of the inequalities and disparities between our economies," Dominican President Leonel Fernandez said at a news conference.

Nigerian Vice President Atibu Ibbukar told fellow delegates it was of particular importance to gain "increased access to the market of our development partners for our semi-processed goods, transfer of technology and investment."

The ACP members said it was imperative their voices be heard at the Seattle talks. "Our poverty should not be an obstacle to express our demands, but a reason to insist on them," said Carlos Lage, a senior Cuban government official.

The summit focused largely on preparations for the WTO talks as well as negotiations for renewing preferential treatment the European Union has granted ACP countries since 1975 under the Lome Convention.

While the ACP is keen to maintain the system, the EU

has insisted the regime eventually will have to be changed to adapt to WTO free trade regulations.

Delegates said the most controversial issue was an EU suggestion that the privileges could be withheld from any government that failed to observe the rules of "good governance" — which imply anti-corruption measures.

Several members of the 71-strong ACP strongly objected to the concept, and a paragraph relating to it was removed from the final declaration before the heads of state and government adopted the document Friday.

"We feel strongly about good governance," Abbukar said at a press conference after listing what he said were the achievements of his government's wide-ranging anti-corruption campaign.

Top EU officials warned that ACP countries were likely to receive less aid amid concerns over the way they managed the resources. "The core here is corruption," Romano Prodi, the president of the EC,

## Call for boosting productivity to survive globalisation

State Minister for Planning Dr. Mohiuddin Khan Alamgir yesterday underscored the need for increasing national productivity with a view to surviving in the global open market competition, reports BSS.

Inaugurating the 5th Annual General Meeting '99 and the seminar on "Productivity Movement in Bangladesh" the minister said the nation should remain aware of the new innovative approaches of productivity all over the world and redefine the national strategy to enhance productivity.

He suggested creating a congenial working atmosphere to utilise the innovative talents of the workers for increasing productivity and developing a work-oriented new national culture against the culture of idleness and work stoppage.

Referring to the need for new and appropriate technology, he

said the country could not prosper without it and suggested keeping close contact with those who are developing new technologies.

Organised by the Asian Productivity Organisation (APO) Society for Bangladesh, the inaugural session was held in the (BISS) auditorium.

It was also addressed by Industries Secretary K M Ejazul

## China has no need to devalue yuan: PM

MANILA, Nov 27: China has no need to devalue its currency, the yuan, because its economy is performing strongly, Chinese Premier Zhu Rongji said Saturday, reports AP.

The yuan isn't suffering pressure for devaluation," Zhu told Philippine business leaders.

Huq, President of APO Society for Bangladesh Sharif M Afzal Hossain and Vice-President M Tajul Islam.

APO Society for Bangladesh is an alumni association of the local participants who attended training programme, seminar, workshop, symposium, study mission, survey or any other project sponsored by APO. Huq emphasised the need for joint efforts of both the public and private sectors to increase productivity in the country.

Hossain said all should work together irrespective of opinion and party affiliation to increase productivity and there should be a national consensus in this regard.

The inauguration was followed by the seminar session where the present activities and future strategies for productivity enhancement in Bangladesh were discussed.

## Commodity: Weekly Roundup

# Sugar prices stabilise, tea remains strong

The oil price remained buoyed by US figures showing a sharp fall in crude reserves in the world's most thirsty market.

The American Petroleum Institute said that crude stocks fell by 2.072 million barrels, compared with expectations of a far-smaller decline of 1.25 million barrels.

The Iraqi suspension followed a UN Security Council decision to extend the oil-for-food programme, which allows Baghdad to sell limited quantities of crude in return for humanitarian aid, for just two weeks as opposed to the customary six months.

Iraq branded the decision as a "declaration of war" that would prolong sanctions that have been in force after Iraq invaded Kuwait in 1990. It suspended oil exports in protest, threatening a rise in inflation in consumer countries.

Prior to the export squeeze, Baghdad had exported around 2.2 million barrels a day.

Analysts predicted that the country would broker a solution to the current impasse with the UN by the end of next week, which would likely lead to a swift resumption of Iraqi exports.

There had been calls for OPEC to compensate for the lost production.

But Gulf Arab states will renew their pledge to stick to agreed oil production quotas when they hold their annual summit this week in Riyadh, an oil official said Friday.

"The Gulf Cooperation Council (GCC) leaders will not question the agreement," forced by OPEC and non-OPEC producers in March to cut production by 2.1 million barrels of oil a day.

The GCC, which groups Bahrain, Kuwait, Oman, Qatar,

Saudi Arabia and the United Arab Emirates, "believes that Iraq's withdrawal from the market is only temporary," the official added.

Sugar: Stable. Sugar prices stabilised after the losses seen last week, but trading remained subdued.

London prices were broadly unchanged at 181.9 dollars a tonne compared with 180.5 dollars one week earlier.

In New York, white sugar for March delivery rose by three cents to 6.07 cents per pound.

Vegetable Oils: Rise US soy prices, greeted from fears of drought damage to crops in South America.

Rainfall came to ease these fears later in the week and high US stock levels kept a lid on any price rise.

On the Chicago Board of Trade (CBOT), soy gained 10 cents to 4.65 dollars a bushel (for November delivery). The US

market was closed on Thursday.

Cocoa: Warming. Cocoa prices remained low but recovered some of the ground lost in recent weeks amid market fears that supplies from Cote d'Ivoire, the world's leading producer country, may be interrupted.

Cocoa for March delivery on the London market rose by 18 pounds to 578 pounds a tonne. Contracts had risen to 595 pounds midweek.

Ivorian producers are unhappy at the liberalisation of the market since October, which has seen them exposed to rock-bottom prices. The market is languishing at seven-year lows.

Producers have threatened to block export ports and burn crops if the government does not step in.

Coffee: Jitters. Coffee prices rose early in the week only to fall back amid low trading vol-

ume as the US market shut down for the Thanksgiving holiday.

Rainfall in Brazil came to ease fears of drought in producer regions.

In London, Robusta (for January delivery) rose by eight dollars to 1.438 dollars a tonne.

In New York, Arabica (for March) fell to 110.85 cents a pound from 116.70 cents.

Prices have shown steady gains since October but remain close to five-year lows.

Tea: Strong. Demand remained strong in the Mombasa auction houses, according to the London Tea Brokers Association.

High grade BP1 (Broken Pekoe) leaves rose by up to 13 cents a pound, while PFI (Pekoe Fannings) leaves gained up to 15 cents.

Rubber: Burst. Rubber prices fell amid low demand from tyre manufacturers, a leading out let

for the material, and an improvement in weather conditions in southeast Asia.

The London rubber index fell by 15 pounds to 500 pounds per tonne (for December delivery) and by seven pounds to 500 pounds (for January).

In Kuala Lumpur, the RSS1 index fell to 2.75 ringgits per kilo from 2.76 ringgits.

Grains: Flat. Grain prices showed little sign of change in a "challenging market" that was cut short by Thanksgiving celebrations in the United States.

On the Chicago market, wheat prices fell by 1.25 cents to 239.25 cents a bushel (of 27.2 kg, for December delivery).

Maize gained 0.75 cents to 192.50 cents a bushel (of 25.4 kg, for December delivery).

In London, wheat rose by 40 pence to 72.90 pounds a tonne.

Cotton: Thin. Cotton prices rose slightly, trading ahead of public holidays in the United States.

December contracts in New York rose to 49.85 cents a pound.

Cash prices covered by the Cotton Outlook index fell to 45.35 cents to 45.75 cents a pound.