

**SANYO** Japan  
Air Conditioner  
Transfin Trading Ltd.  
Tel : 815307-10, Fax : 813062

# The Daily Star BUSINESS

DHAKA, FRIDAY, DECEMBER 3, 1999

**National Housing Finance & Investments Ltd.**  
Home Mortgage Loans available for:  
Construction of houses  
Purchase of houses or apartments  
Renovation or extensions to existing properties  
Purchase of housing plots in approved land developments  
Telephone inquiries are welcome  
Chamber Building (6th Fl.), 122-124 Motiheel, Dhaka-1000  
Telephone: 955 9311-2, 955 3387, 955 3254 Fax: 955 8987

## JS body talks trade protocol with India

The Parliamentary standing committee on Shipping Ministry in a meeting in the city on Wednesday discussed trade protocol and naval transit between Bangladesh and India, reports BSS.

The meeting was informed that according to the trade protocol, Bangladeshis transports will carry half of the Indian goods which would be transported through Bangladesh water territory and Bangladesh will get Tk two crore every year from the sector, India is getting the nava, transit through Bangladesh water territory since 1950, the meeting added.

It discussed the various steps for filling up the vacancies in the port and buying of 142 instrument for bringing dynamism in the activities of Chittagong port. The meeting also discussed different aspects of the management contract proposal of the port.

Ways and means to solve the existing problems in the domestic sea ports of the country and setting up new mooring container terminal at Chittagong port also came up for discussion.

Presided over by committee Chairman Colonel (Retd) Shawkat Ali, the meeting was attended by State Minister for Shipping, Mofazzal Hossain Chowdhury, Maya, ABM Abul Kashem, Mrs Mahmuda Sawgath and Golam Farouque Ovi.

Acting Secretary to the Shipping Ministry Abul Kalam Azad and concerned officials were present in the meeting.

## China's financial markets to close early for New Year

SHANGHAI, Dec 2: Chinese financial markets will guard against Year 2000 computer problems by closing at noon on Dec 31, cancelling a half day of trading, state media said Thursday, reports AP.

Stock and futures markets, as well as brokerages, are to keep computers running through the Jan 1-2 weekend to see whether they make the change to the new century, newspapers said. Markets, normally closed on weekends, are to reopen Jan 3.

Chinese officials are worried that computers programmed to read only the last two digits of a year could mistake 2000 for 1900, throwing finance and other industries into turmoil.

China's top official on the "Y2K bug" said Wednesday that banks, power supplies and key industries are ready, but hospitals, companies and the rural interior are unprepared.

China's two stock exchanges are located in Shanghai and Shenzhen cities, two of China's most modern cities. The futures exchanges are located in Shanghai, Dalian and Zhengzhou.

Brokers and exchanges already have conducted several Y2K tests and said, they found few problems.

The China Securities Regulatory Commission also plans a drill Saturday to test contingency plans, newspapers said.

## Cambodia GDP to double in 10 yrs

PHNOM PENH, Dec 2: Cambodia is quickly recovering from economic and political crises and should double its gross domestic product within 10 years, Finance Minister Keat Chhon said Thursday, reports AP.

He warned, however, that stiff competition from China could hamper growth.

Cambodia's economy nosedived in 1997 because the Asian financial crisis and domestic political turmoil kept foreign investment away, but the country is on target for 4 per cent growth this year and 5.5 per cent growth in 2000, Keat Chhon said at a conference on investment.

Stability, membership in the Association of Southeast Asian Nations and a regional economic recovery have been key elements in the comeback, Keat Chhon said, predicting that Cambodia's GDP — estimated at \$3.15 billion in 1998 — will double in 10 years. GDP is a measure of all goods and services produced in a country.

"We can do it," he said, "We can see a real recovery now."

The finance minister expressed concern that China's expected entry into the World Trade Organisation will mean stiff regional competition.

"China being a member of the WTO means export quotas won't be a problem for China," he said. "We will have to increase the skill and productivity of Cambodian labour, otherwise we won't be able to compete."

Cambodia's export industries rely on trade privileges and the comparative advantage of rock-bottom labour costs. Keat Chhon's speech came on the heels of Prime Minister Hun Sen's strict orders Wednesday for his government to reduce economic barriers hampering foreign investment.

Complicated export procedures, high electricity costs and a tangled bureaucracy were all cited by Hun Sen as factors that are causing investors to take their business elsewhere.

## ECNEC okays Tk 1113cr projects

The Executive Committee of the National Economic Council Wednesday approved seven projects, involving about Tk 1112.93 crore. The project are to be implemented with the government's own resources, reports UNB.

An officials handout said that the approval was given in the 68th meeting of ECNEC held in the NEC conference room with Prime Minister and ECNEC Chairperson Sheikh Hasina in the chair.

The projects are extension, development and remodeling of Sylhet railway station (revised), contact-road construction for launching Shariatpur-Chandpur ferry service, upgrading Ekdaria-Agarpur existing feeder road into a regional highway, the second revised phase of

Kurigram Dharala bridge construction on Kurigram-Bhaurangamari road, introduction of Agriculture Faculty at Rajshahi University, the second revised phase of providing stipend among girl students (class six to ten) and construction of an industrial park in Sirajganj.

It was informed in the meeting that a total of 1,017 out of 1,290 projects included in ADP 1999-2000, had been approved till November 10, which is 74.94 per cent of the total projects.

Also, a total of 330 out of 388 foreign-aided projects under 1999-2000 ADP had been approved so far.

Approved by State Minister for Planning Dr Mohiuddin Khan Alamgir, some new projects involving over Tk 41.18

crore were placed in the meeting.

These are construction of 22km bridge over river Khiru on Gafargaon-Bhaluka-Sakhipur road, another five oil depots and three jetties at Baghabari POL depot, completion of construction work of Sarachar Biman landing field, pragmatic research project on multiple uses of deep tube-well at low cost for post-flood long-term rehabilitation, construction of multistory BEPZA Complex Bhaban, setting up laboratory for testing quality of fertilisers and training projects.

The prime minister directed the ministry concerned to prepare and submit investment project, including study, for creating tourism facilities on both sides of the Tongi-Ashulia

road.

Hasina expressed her dissatisfaction over uncleanness in various railway stations across the country, including Sylhet.

She asked the authorities to give the charge to any official until creation of a permanent post of manager at Sylhet railway station.

Education Minister ASHK Sadique, Food and Agriculture Minister Begum Matia Chowdhury, Communications Minister Anwar Hossain and State Minister for Planning Dr Mohiuddin Khan Alamgir attended the meeting.

Principal Secretary to the Prime Minister, Cabinet Secretary, members of the Planning Commission and the secretaries concerned were present.



Picture shows the participants of the recently-held second annual client workshop of American Express Bank Ltd, Bangladesh in Bangkok, Thailand. The workshop primarily focused on the regulatory issues, account structures and foreign exchange market in Bangladesh. A review of Bangladesh and the global economy was presented by Prof Muzaffar Ahmad of IBA, Dhaka University. Shafiqul Haque Choudhury of the Association for Social Advancement (ASA) also presented an overview of micro-credit programmes in Bangladesh.

## India set to open its insurance sector as protests dwindle

NEW DELHI, Dec 2: India was set to open its insurance sector to foreign players as protests dwindled yesterday with only communist parties opposing the government's march towards liberalisation, reports AFP.

Despite a massive protest strike, a government bill to open the industry received crucial support as India's main opposition Congress party offered its backing to the Hindu nationalist-led coalition government in parliament.

Prime Minister Atal Behari Vajpayee's BJP party needs the support of the Congress of Italian-born Sonia Gandhi to endorse the bill.

The backing of the Congress, which launched India's economic reforms in 1991, came as 200,000 insurance workers, mostly belonging to leftist trade unions, stayed on strike to protest the now-inevitable legislation.

"The insurance employees strongly condemn the indecent haste with which the government is proceeding towards enactment of the bill despite all-round opposition," said NM Sudaram, general secretary of the All India Insurance Employees Association.

The strike followed similar opposition on October 29.

A Congress spokesman said the party's support for the much awaited bill was "conditional".

"The Congress will support the bill if the government accepts the party's amendments related to health insurance, infrastructure, social welfare and penalties," spokesman Ajit Jogi told reporters.

The government said it was open to the suggestions of the Congress, which had initially called for opening the industry when it was in government.

The government is open to suggestions for changes in the bill from opposition parties

like the Congress if they are in the national interest," said Parliamentary Affairs Minister Pramod Mahajan.

The final debate on the Insurance Regulatory and Development Authority Bill will begin Thursday before it is taken in as law.

Indian economists estimate the law will help the domestic insurance market triple in size to 25 billion dollars over 10 years.

Only five per cent of India's one billion people have life insurance and a 200-million strong middle class offers new opportunities to investors.

The bill allows foreign investors a maximum 26 per cent stake in insurance joint ventures.

The communists say the legislation will dismantle the state-run monopoly in the insurance sector and result in huge layoffs.

## Int'l IT confce begins at BUET today

A two-day International Conference on Computer and Information Technology (ICCIT) begins at BUET in the city today to focus on research work in the sector, says UNB.

Vice Chancellor of Bangladesh University of Engineering and Technology Prof Nooruddin will inaugurate the third ICCIT at 9 am. Dhaka University organised the first ICCIT and BUET the second one.

Leading IT personality Prof Jamilur Raza Chowdhury will be present at the inaugural session as special guest at the Computer Science and Engineering Department of BUET.

Shahjalal University of Science and Technology in Sylhet, the host of the conference, had to shift the venue to Dhaka due to "threat from some fundamentalist groups." The groups had been unleashing threats to gherao the university over naming of a hall after Jahannara Imam, organisers said.

ICCIIT originally planned to hold a three-day conference but reduced it to a two-day affair because of proposed hartal on December 5 and 6.

Organisers said more than 250 delegates, including experts from Australia, Japan, Ghana, Finland, United Kingdom and India will take part.

Conference Organising Committee Chairman Dr Zafar Iqbal informed that a total of 60 research papers, out of 98 submitted, will be presented in different working sessions.

"The conference is research oriented one. Its main target is creating a congenial and suitable atmosphere for research on computer and information technology," he said.

## WB vice-president meets comptroller and auditor gen

World Bank Vice-President Jules Muis called on the Comptroller and Auditor General of Bangladesh, Syed Yusuf Hossain, at the Audit House on Wednesday.

During the meeting, Syed Yusuf Hossain apprised the World Bank Vice-President of the different reforms being implemented by different projects financed by DFID and UNDP in conformity with the declared government policies ensuring transparency and accountability in the government system.

He also stressed the need for skill development and modern auditing as an aid to good governance. He reiterated the government's determination of modernising the accounting practices and auditing standard for ensuring financial management control.

They also exchanged ideas on the role and importance of accounts and audit in ensuring transparency and accountability of the financial management system of the government.

The WB vice-president stressed on timeliness and quality assurance of both accounts and audit for enhancing financial management control.

Senior officers of the World Bank and the Audit Department were present during the discussion.

## SSCCL branch inaugurated in Ctg

CHITTAGONG, Dec 2: Minister for Civil Aviation, Tourism, Housing and Public Works Engineer Mosharraf Hossain inaugurated the main branch of Social Savings and Cooperative Credit Ltd (SSCCL) at the VIP Tower premises at Kazir Dewri here yesterday, says BSS.

A function held in this connection at VIP Tower was presided over by SSCCL Chairman Engineer A K M Fakhruddin and addressed, among others, by Managing Director M Lutfar Rahman Chowdhury, DMD M A Malek and Deputy Registrar of Cooperative Department Abul Hossain.

Speaking on the occasion, Engineer Mosharraf said the present government has restored discipline in the banking sector in order to ensure speedy economic development.

Financial institutions play a very important role in economic uplift, alleviation of poverty, removing unemployment and giving a service-oriented outlook.



Member of the MIDAS Board of Directors Rokia A Rahman takes a look at a saree at one of the stalls of MIDAS Trade Fair, which began in the city yesterday. —Star photo

## MIDAS Trade Fair begins in city

Star Business Report

A three-day Trade Fair organised by Micro Industries Development Assistance and Services (MIDAS) began at its premises in the city yesterday.

Rokia A Rahman, member of the MIDAS Board of Directors, inaugurated the fair. MIDAS Managing Director Abdul Karim was also present.

A total of 45 enterprises run by women entrepreneurs are participating in the event where a wide variety of traditional and non-traditional items are on display. The fair will remain open from 10 am to 8 pm every day.

The main objective of the

fair is to provide marketing facilities to the MIDAS-assisted small and micro enterprises run by different women entrepreneurs.

MIDAS, established in 1982, is one of the leading companies in the private sector and is engaged in the promotion and development of micro and small enterprises with a view to generating employment in the country.

The company has also set up four sales-cum-display centers, namely MIDAS Mini Mart at city's Dhanmondi, Uttara, Gulshan and Baily Road.

## Clinton calls for poor nations' duty-free access to US

SEATTLE, Dec 2: President Bill Clinton on Wednesday proposed giving the world's poorest countries greater duty-free access to US markets, reports Reuters.

The United States was discussing the initiative with Japan and the European Union, which has floated a similar proposal ahead of the World Trade Organisation meeting in Seattle this week.

The initiative, announced in a White House statement, called on all WTO members to enhance market access for products from the least-developed countries.

It also urged member nations to consider the possibility of accelerated implementations of most favoured nation concessions negotiated in the next round of trade talks on products exported by the least-developed

countries.

To provide the benefits, Clinton is counting on Congress to give final approval to legislation that would provide increased market access to countries in Africa, the Caribbean and Latin America.

Congress is expected to approve the measure early next year. The legislation would expand for countries of sub-Saharan Africa and existing programme that allows some products from the world's poorest countries to enter the United States duty free. It also would expand the access that Caribbean and Latin American nations have to US markets.

European Union Trade Commissioner Pascal Lamy welcomed Clinton's announcement, saying Clinton was supporting an initiative launched by the EU.

## BGMEA, BJSa hail taka devaluation

Star Business Report

The BGMEA and Bangladesh Jute Spinners' Association (JSA) have hailed the recent devaluation of Taka by the central bank. The BDT underwent a three per cent devaluation on Tuesday.

The Jute Spinners Association yesterday said that the recent devaluation would add zest to jute exports.

In a statement, the Association Chairman Ahmed Hossain said that despite some adverse impact on import trading, the downward adjustment would benefit the national economy in the long run and boost export, particularly of jute fibres.

"This devaluation will increase competitiveness and

raise demand for jute fibres in the international markets," he said.

At the same time, the BGMEA also demanded fixing of an effective exchange rate of the local currency with a view to ensuring a strong position of Bangladesh products in the global markets.

Mentioning the devaluation as a very timely decision, the association expressed gratitude to the prime minister and the finance minister, said a press release.

The BGMEA believes that the devaluation would help increase the competitiveness of the country's exports

## Bangkok takes to skytrain to beat traffic jam

BANGKOK, Dec 2: For longer than anyone can remember, Bangkok has meant traffic jams. Bad ones, says AP.

Parents woke their children at 4 am to get them to school on time, and a firm even invented an in-car device for stuck motorists to answer nature's call.

Now, citizens can get away from the maddening crowd.

An overhead skytrain, sitting on concrete pillars 12 metres (40 feet) above the ground and running along 23 kilometres (16 miles) of Bangkok's worst streets, is scheduled to open Sunday to give Thais their first modern mass transport and a chance to escape the bottlenecks that define their lives.

"We are so used to traffic jams," said Sireenart Dilokittas, 25, an administrator for a telecoms company. "We have prepared our minds to be patient and our bodies to get up

earlier. We like it when things flow like this."

Sireenart had just stepped off one of the gleaming, three-carriage trains that ran several days in November, giving 200,000 people a free skytrain preview. It felt like Disneyland, not Thailand.

Leaving behind grimy sidewalks crowded with vendors, dogs and motorcycles threading through pedestrians, crowds filled the platforms.

When the trains pulled up, the hordes rushed in. When the trains pulled out, the anarchy on the streets below was eerily silent.

But the run-up to the opening has been less smooth.

The driving force behind the skytrain, the once mega-rich and now heavily indebted property magnate Keeree Kanjanapas, has had to battle a hostile takeover by merchant bank

Credit Suisse First Boston.

The bank was on the verge of acquiring a 41 per cent stake in the skytrain operator, Bangkok Mass Transit System Co, or BTS, after buying two of Keeree's loans secured by BTS shares. It would have cut the stake of BTS held by Keeree's Tanayong PLC to 10 per cent.

On Wednesday, Credit Suisse announced it had received payment from Keeree for one of the loans and would no longer move to snatch up the 18 per cent stake it represented, leaving him the chief shareholder.

The takeover bid rattled Thais already angry at what they see as foreigners taking advantage of the Asian crisis.

Thailand's economy was enjoying the world's fastest growth rates in the early 1990s when Bangkok turned to the private sector to build a public transport system.

## Moscow 'doing enough' to win IMF cash Russia fails to strike debt deal with London Club

FRANKFURT, Dec 2: Russia and its creditor banks yesterday failed to agree on the restructuring of \$32 billion of Soviet-era debt, prompting Russia to withhold a \$550 million coupon payment due today, reports Reuters.

Russian Finance Minister Mikhail Kasyanov, emerging from two days of talks at Deutsche Bank AG's head office in Frankfurt, said talks would resume within 10 days and that he still expected an agreement in principle by Christmas.

Talks are progressing but there are still a number of different issues that have to be resolved, Kasyanov said. "We're moving but not as fast as we would like."

Kasyanov declined to say what the sticking points were and gave no details of the what

progress had been made.

Deutsche Bank, which hosted the talks in its role as chair of the Bank Advisory Committee of the London Club of commercial creditors, declined to comment on the outcome of the talks.

Kasyanov's comments scotched rumours overnight that a deal had been reached. Russia's Soviet-era bonds fell after the news and traders said prices could fall further.

Markets had pushed the bonds up 50 per cent over the past month on hopes Russia would reach agreement before Thursday, when a \$550 million coupon payment on the bonds falls due.

There is some disappointment. Prices had been driven by speculative money on the hope of a quick deal and they will

probably head further south for a while," said a trader at one European bank.

Meanwhile, another report from Washington says: Russia has done enough to win new money from the International Monetary Fund but, flush with windfall oil revenues, will pay its debts to the fund even if the IMF delays the cash, a senior official said yesterday.

Alexander Livshits, Russia's envoy to the Group of Eight industrialised countries, told a seminar in Washington that Russia had even met extra lending conditions imposed earlier this year by an international community.

"Russia has complied with all the provisions, and with additional conditions," said Livshits, who is due to meet IMF Managing Director.