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Bangladesh-India Chamber meets today

A 34-member FBCCI delegation left for Calcutta yesterday to attend the first meeting of Bangladesh-India Chamber of Commerce and Industry today to discuss ways of boosting bilateral trade, says UNB.

Led by FBCCI President Abdul Awal Minto, the delegation comprises its Vice-President MA Mumin, and Selima Ahmed, Zafar Ahmed Chowdhury, Sukumar Ranjan Ghosh, Dr Momenul Haque, Abdul Wahed Amin, Hoque Sohel and Abdul Shahid, directors of the country's apex trade body.

Chief Minister of West Bengal Joti Basu will inaugurate the meeting that will also be addressed by Commerce and Industries Minister Tofail Ahmed.

FBCCI President Abdul Awal Minto, FICCI president GP Goenka, Bangladesh High Commissioner to India Mostafa Farruque Mohammad, Indian High Commissioner to Bangladesh Deb Mukherji and FICCI's past President AS Kasiwal will speak on the occasion.

The meeting will discuss bilateral trade, investment and infrastructure between India and Bangladesh in two technical sessions.

Besides, the delegation will also attend the inaugural ceremony of 13th Industrial India Trade Fair, organised by Bengal National Chamber of Commerce and Industry (BNCCI) and International Trade Promotion Organisation, New Delhi, on Tuesday.

The West Bengal Chief Minister will also open the fair where the Bangladesh Minister and FBCCI President will also speak.

The delegation is expected to return home on Thursday.

Indian inflation slips to 2.44pc

NEW DELHI, Dec 19: India's inflation rate continued to decline for the third consecutive week and stood at 2.44 per cent for the week ended on December 4 following the consistent fall in prices of major food products, reports Xinhua.

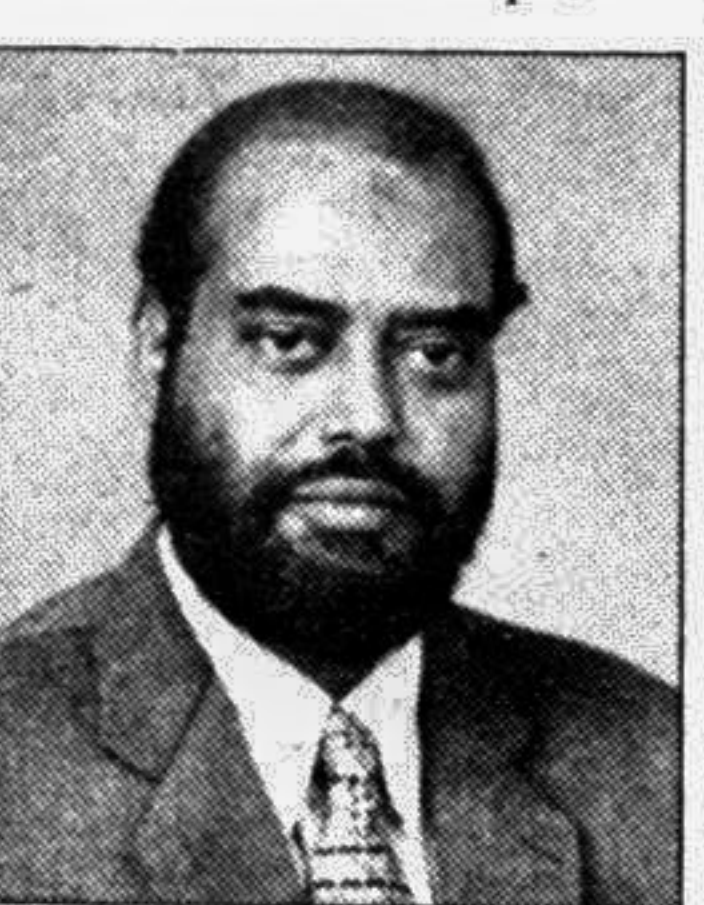
According to the Reserve Bank of India, prices of food articles recorded sharp decline resulting in a 0.3 per cent fall in the Wholesale Price Index (WPI) for all commodities during the week.

The lower rate of inflation during the most part of the current year is mainly on account of a comparison with a higher base last year when overall prices were up following abnormal increases in vegetable prices.

Forex reserves surge
Meanwhile, India's foreign exchange reserves rose by 33 million US dollars to 34,321 billion dollars on December 10 from 34,288 billion dollars in the previous week.

Enamul Hoq reelected Federal Ins chairman

Star Business Report



Enamul Hoq has been unanimously re-elected chairman of the Federal Insurance Company Limited.

The election was held at a meeting of the Board of Directors after the 11th annual general meeting of the company held in the city recently, says a press release.

Alhaj Sabirul Hoque and Alhaj Nurul Alam were elected vice chairmen while Alhaj Rafiqul Anwar MP was unanimously re-elected chairman of the Executive Committee of the Board.

Former professor of Chittagong Govt College and Senate Member of Chittagong University Enamul Hoq is the chairman of Semo Fertiliser Ltd and Director of Sino-Bangla Industries Ltd., a Chinese joint venture, Central Hospital and Paradise Corporation (Pvt) Ltd.

Chairman of the governing bodies of Boalshah Hajj Nurul Hoque Women Degree College, Alhaj Sabirul Hoque is the chairman of Shapla Ship Breakers Ltd and Managing Director of Dada Salt Factory, Noor Oil and Food Products Ltd and Arafat Ltd.

NBR body readies list of PSI firms

By M Shamsur Rahman

A five-member evaluating committee of the National Board of Revenue (NBR) yesterday finalised the list of pre-shipment inspection (PSI) companies.

The companies which found their berth in the final list are: Inspectorate Bangladesh Ltd, Bureau Veritas and Intertech Testing Services.

Sources said the government wants these companies to begin functioning from early next month.

"We will issue final letters to these firms very soon and negotiate the terms and conditions for their functioning," according to a committee member.

The mandatory PSI was scheduled to begin in early October this year, but the delay in tender floatation and other formalities held it back.

"The government has recently formed a five-member body to select from the companies which participated in the

bidding. Some six companies had participated in the NBR-floated tender for selecting the PSI agents.

The PSI, which is currently optional, has been made mandatory in the current budget to check duty evasion and to streamline the collection system.

The government is optimistic that the new system will generate about Tk six billion more in revenue.

But revenue collection in the first five months of this fiscal witnessed a massive shortfall. The dearth was attributed mainly to the slump in imports and delay in PSI implementation.

As the latest figures suggest, the deficit in the first five months have reached Tk 723.79 crore. In November alone, it fell Tk 284.63 crore short of target.

The collection fell 24.79 per cent short of goal in October while the achievement was

94.62 per cent in September, 98.95 per cent in August and 95.49 per cent in July.

PSI, which was optional in Bangladesh, is a standard practice in international trade and the agents normally make consignment appraisals at points of origin. Tariff is fixed upon their evaluation.

Wal-Mart eyes Indian market

NEW DELHI, Dec 19: US retail giant Wal-Mart is eyeing the giant Indian market and plans to open up shop here, a company official said in an interview published Sunday, says AFP.

Thomas M. Coughlin, president and chief executive officer of Wal-Mart Stores and Supercenters, told the Hindu newspaper in an interview in New York that India could not be bypassed by any foreign company.

BADC begins onion seed distribution

Bangladesh Agriculture Development Corporation (BADC) has already launched a country-wide onion seed distribution drive for the current Rabi season (1999-2000). A BADC press release said here yesterday.

As per the programme taken up in September last, onion seed distribution has already been started through the country's 11 regional sales centres including Dhaka with 320 kgs, Mymensingh with 80 kgs, Faridpur with 400 kgs, Rajshahi with 200 kgs, Dinajpur with 100 kgs, Pabna with 100 kgs, Bogra with 100 kgs, Rangpur with 200 kgs, Jessore with 200 kgs, Kushtia with 200 kgs and Barisal with 54 kgs.

The press release said around 50 per cent of the onion seed has already been sold out while nearly 1000 kgs were still available in 11 regional sales centres. So there was no dearth of seed anywhere in the country.

Pragoti signs deal with Ashok Leyland for truck chassis

Pragoti Industries Ltd, an enterprise of Bangladesh Steel and Engineering Corporation, signed an agreement with Ashok Leyland of India for the Indian firm's truck chassis model Comet 1611 in CKD condition at BSEC Bhawan in the city yesterday, says a press release.

The contact was signed by CS Muthu Subramanian, DGM (Exports) of Ashok Leyland Ltd, and Mir Mohammad Hussain, Managing Director of Pragoti Industries Ltd. This contract was signed initially for 250 truck chassis for a period of two years.

Ashok Leyland has agreed to give all necessary supports and assistance to Pragoti Industries Ltd for progressive manufacture of different parts of the truck chassis in course of time. The quantity of vehicles may be increased in future depending on the market demand and the agreement may be renewed with mutual consent, it said.

Engr Sultan Ahmed Sikdar, Director (P&D) and Chairman of Pragoti Industries Ltd Board, and Mir Mohammad Hussain, Managing Director, Ibad Autos Ltd, the local representative of Ashok Leyland Ltd, were present at the signing ceremony.

BB treasury bill auction held

The 67th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held in Dhaka yesterday, reports UNB.

A press release said that Tk 681 crore, Tk 3 crore, Tk 57 crore, Tk 17 crore and Tk 18 crore were offered respectively for the 28-day, 91-day, 182-day, 364-day and 2-year bills.

Of these, Tk 631.10 crore, Tk 3 crore, Tk 49 crore, Tk 11 crore and Tk 2 crore of 28-day, 91-day, 182-day, 364-day and 2-year bills were accepted. The range of implicit yields were 6.00-6.35 per cent, 6.60-6.63 per cent, 7.20-7.50 per cent, 7.99-8.00 per cent and 8.85 per cent per annum respectively.

No bid was offered for the 5-year bill.

India must shed inertia to woo foreign firms: Analysts

NEW DELHI, Dec 19: India, which badly needs foreign investment, has to wriggle out of administrative inertia and swiftly adopt consistent and transparent laws to avoid foreign firms pulling out, analysts said, reports AFP.

US-based Cogentrix Energy Plc and Hong Kong-based China Light and Power International Ltd walked out of giant 1.3 billion dollars power project this month, blaming red tape and legal hurdles.

"This could happen again, maybe to smaller projects also, and if the government does not shake itself out of its inertia, it will have a cascading effect," Amrit Pandurangi, chief of infrastructure division at KPMG India Ltd., consultancy firm, warned.

"The government must have a consistent and transparent policy for a long period of time and reform-minded bureaucrats should be given key posts instead of procedure-oriented ones," Pandurangi told the news agency.

Foreign investors have complained of bureaucratic hurdles

and say they require up to 40 separate government approvals to set up their projects.

Enron Power Corp, which operates a power plant in the western state of Maharashtra, rode a rough storm with politicians wanting to renegotiate earlier deals and had more than 20 court cases slapped on the project, alleging irregularities.

There are about four million bureaucrats and their hierarchical work structure has been blamed for India's slow-paced market reform process.

Trade bodies argue that India, with more than 3,000 federal statutes, is over-legislated and under-governed.

"There needs to be a process to simplify laws. But before doing that there must be transparent laws so that the courts can throw out public interest litigations of corruption," Pandurangi said.

The Supreme Court rejected a verdict by Bangalore high court for a federal probe into corruption allegations based on a public interest litigation against China Light and Power International in the Bangalore

power project.

K P Singh, chief of the Associated Chambers of Commerce and Industry, called on the executive and the judiciary for reviewing the public interest litigations by setting a time-frame to end such court cases.

"Cogentrix has invested more than 10 billion rupees (232 million dollars). Today they are nowhere in sight... we have to make business attractive and allow overseas players to make profits."

The US ambassador to India, Richard Celeste, warned that Cogentrix has become a "high visibility case among the American businesses."

"The message is not about the power sector, but the difficulty of doing business in telecom, construction and other major infrastructure areas," he told the Times of India.

"When an overseas entrepreneur wants to invest in India, his project must be cleared in one package, by one authority. Red-tapism still remains in core infrastructure," Singh said.

PC sales nosedive in local market on Y2K menace

While computer sales on the world market has grown by 17 per cent in the terminal quarter of 1999, the business in high-tech products recorded a sharp fall in Bangladesh in a grim contrast, reports UNB.

Hardware vendors in the country said sales of personal computers declined more than 75 per cent at the end of the year in comparison to normal business in the previous months. The sellers blamed the government's irresponsible Y2K preparedness campaign for the slump, but market analysts opined that there were some other reasons behind the business debacle.

Officials at Science and Technology Ministry and Bangladesh Computer Council, who are looking into the Y2K preparedness and conducting precautionary campaigns, also

denied the vendors' allegations.

"It can't be... We didn't advise anyone not to buy computers. We only campaigned for checking whether their computers are ready to face the millennium-bug problem," said a top BCC official.

But hardware vendors said whatever was the way of campaign, it panicked people interested in buying PCs. Those who had plans to buy computers gave up the idea, they argued.

"Look, one person was supposed to procure his PC today. But he informed me that he would wait until the millennium glitch is over," said a top seller, Mostafa Jabbar.

He said even people were thinking that the PC would explode. "This is the outcome of the government's irresponsible campaign."

Jabbar, who is also a presenter on computer programmes on

television channels, said: "I myself had telecast programme on Y2K problem. But those didn't horrify people just as the government propaganda did."

Mazhar Rahman Swapan, Managing Director of HighTech Professionals, a leading computer firm, said such insensible campaign downed many sellers' sales to zero in the current month.

Generally in the month of December computer sales mark rise, as we have witnessed in the previous years. But this time I'm doubtful whether the sales would be a fourth of the previous figures. The main reason is the Y2K fear," he said.

But Nayem Ahmed, Managing Director of Business Information and Advisory Services Ltd, preferred not to blame the millennium menace for the business slowdown.

France-India 2000 held in New Delhi French urged to exploit new offers from Bangladesh

Syed Fahim Munaim, back from New Delhi

France-India 2000, the biggest-ever French technology and trade exhibition, was held recently at Pragati Maidan, New Delhi.

The exhibition was inaugurated by Manohar Joshi, Indian Minister for Heavy Industries and Public Enterprises, and Louis Besson, Minister of Public Works, Housing and Transport, Republic of France.

This was the largest showcase of French technology and trade in India with more than 180 companies, chambers of commerce and French regions exhibiting their technologies, products and services. More than 400 French delegates and over 30,000 visitors from different Indian organisations visited the exhibition.

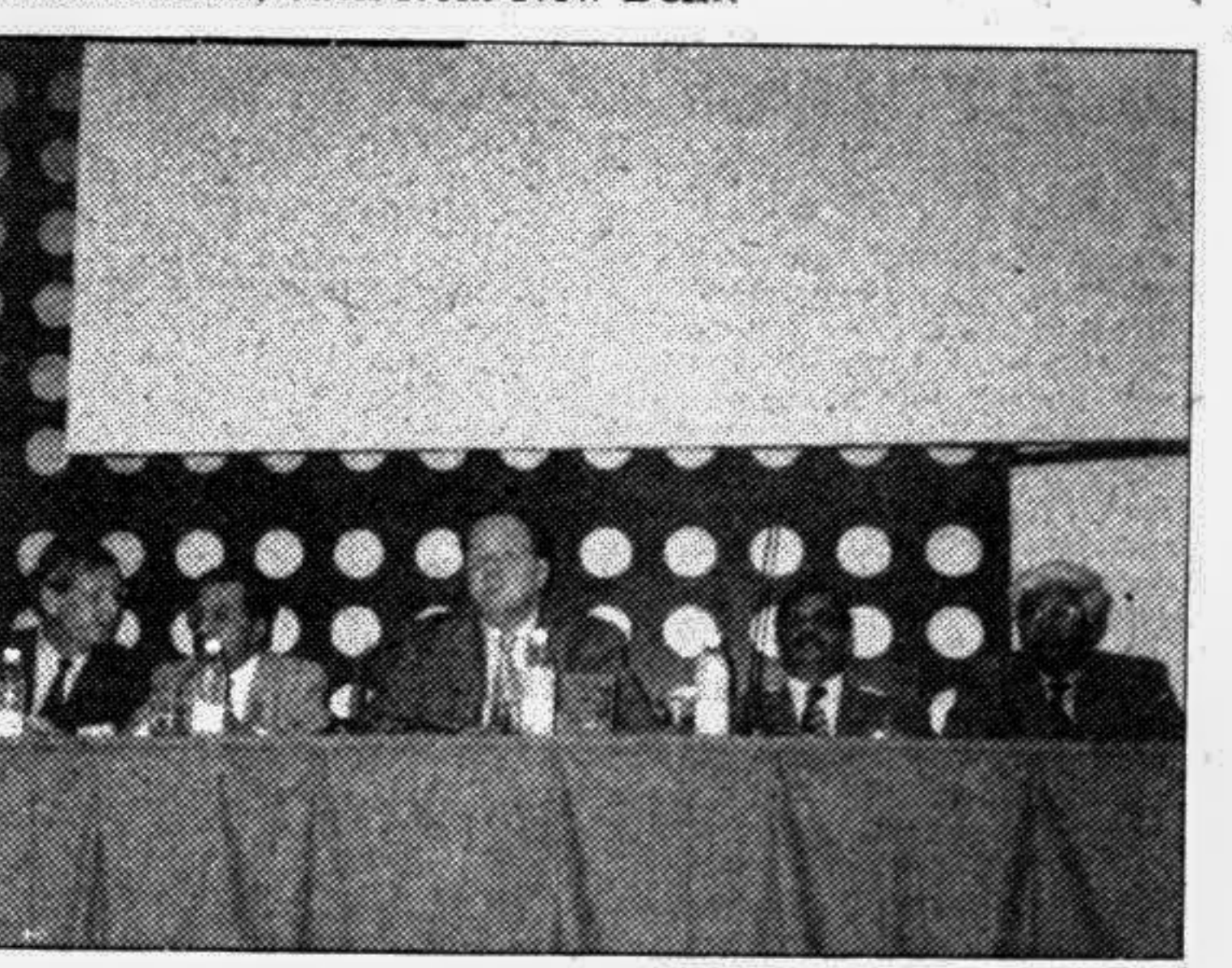
A 15-member trade delegation from Bangladesh also attended the fair held from 6th-9th December, '99. The visit was arranged by France-Bangladesh Chamber of Commerce and Industry (CCIFB), Francis Dubus, President of CCIFB, was the leader of the delegation and Dr Rifat Rashid, Director of CCIFB, was the coordinator.

Through the exhibition, France aims to be India's leading technology partner in the new millennium and become one of the top 5 investor countries by 2005.

The exhibition featured spectacular displays from several French companies. Impressive displays, such as the replica of the Geodesic Dome of the Science City in Paris, "The Gates of France," and a replica of the Ariane Space Shuttle, showcased the advancement of French technology in various fields. Several trade-related seminars were being organised as part of the exhibition.

Pierre Boedoz, French Trade Commissioner in Bangladesh, gave a presentation on economic trends in Bangladesh in one of the seminars attended by representatives of the French and Indian companies interested to invest in Bangladesh. Mokammel Haque, executive Chairman of BOI, Kazi Zafarullah, Chairman of the Privatisation Board, and Mahbub Jamil, President of Metropolitan Chamber of Commerce and Industry, also spoke on the occasion. Mostafa Mohammad Faruk, Bangladesh High Commissioner to India, and members of the Bangladesh trade delegation were present in the seminar.

In his speech, Mokammel Haque pointed out that because of the government's pragmatic policy the country's economy was showing positive trends. He



Francis Dubus, President of France-Bangladesh Chamber of Commerce and Industry (CCIFB), M Mokammel Haque, Executive Chairman of the Board of Investment (BOI), Pierre Boedoz, French Trade Commissioner in Bangladesh, Kazi Zafarullah, Chairman of Privatisation Board, Mostafa Mohammad Faruk, Bangladesh High Commissioner in India, are seen at a seminar on Economic Trends in Bangladesh at France-India 2000 exhibition held recently in New Delhi.

highlighted the progress the government had made and explained in detail why one should invest in Bangladesh. He said except four reserve sectors, investment, the reserve sectors are defence, nuclear energy, forestry and security printing. He stated that the liberalisation process which started in the 90s had made Bangladesh even more liberal than India.

Kazi Zafarullah in his speech said that France is the second largest European trading partner for Bangladesh and there is no reason why it should not be the top one. He pointed out that the French were top-class manufacturers offering competitive prices. He also stated that Bangladesh had opened up its economy to investors and the French should exploit the new opportunities. He pointed out that many sun-set industries could be relocated in Bangladesh.

Mahbub Jamil said Bangladesh is a land of opportunity for investors. He informed the audience that the country offers an attractive package for prospective investors along with a ready market.

Pierre Boedoz, French Trade Commissioner in Bangladesh, in his presentation gave a very positive picture of the investment climate in Bangladesh. He stated that the negative image of Bangladesh was not based on reality. He supported his statement with facts and figures. He, however, pointed out that the problem is in governance and the international community wants Bangladesh to follow good governance. He stated that the micro-economic growth is very impressive. He mentioned that French companies were involved in many projects in Bangladesh like the Saidabad Water Treatment Project, consulting services, seismic and exploration activities, maintenance of DC-10s and cement manufacturing projects.

Michel Follet, MD of Lafarge Surma Cement Ltd, in reply to a question said that his company was involved in a cement manufacturing project in Bangladesh with an initial investment of US\$ 240 million. He stated that it was a long-term project and involved cross-border operations. In reply to another question regarding hosting similar exhibitions like France-Bangladesh 2000 or 2001 in Dhaka, Francis Dubus, President of CCIFB, stated that they were moving in that direction and, most likely, there would be a major event in this regard in the year 2000.

Pakistan stocks up 3.5pc on govt reform package

KARACHI, Dec 19: Pakistani stocks rose 3.5 per cent yesterday, driven by a surge in petroleum and chemical shares, analysts said, reports AFP.

Karachi's KSE-100 index closed up 49.08 points at 1440.58.

On Thursday, the previous trading day, investors encouraged by military ruler General Pervez Musharraf's economic reforms pushed up the stock index 20.81 points, or 1.5 per cent, to close at 1,391.50.

"Almost all blue chips gained Saturday, but petroleum and chemical shares were major gainers," analyst Faisal Abbas said.

"Overall interest in selected blue chips continued because of the economic package," he said.

DSE stays off trading to test Y2K readiness

The Dhaka bourse kept off transaction for the second straight day yesterday as it remained busy with a mock trading session to test if its computers were ready to overcome Y2K bug as well as Leap Year adjustments, reports BSS.

But for the Chittagong bourse it would be the lone stock exchange in the world on January 1 to be doing business just because they function on Saturdays and the others don't.

"We have taken comprehensive steps to ensure that the DSE system is Y2K compliant," said Saiful Hasan, Director, Informatics Technology, the Dhaka Stock Exchange (DSE).

The computer experts, he said, spent the whole day yesterday preparing for the exercises of rollover from December 31, 1999 to January 1, 2000 as

well as Leap Year readiness.

The DSE central system, he said had been completely tested both off as well as on-site.

"The DSE central trading system should work just fine," he said.

The mock trading session today, he said, was participated by a large number of brokers but not all could do it due to network traffic jam.

The brokers' terminals had also been tested, he said.

The central system of the bourse, he said, would remain unaffected even if the virus affect brokers' terminals.

The millennium bug had been completely tested to make the system compliant.

Those who logged on could place orders and transact during the mock trading session, he said.

Asia bunkers down for millennium bug Bangladesh bourses confident to operate during vulnerable time

HONG KONG, Dec 19: With less than two weeks to go before the new millennium's day of reckoning, most of Asia is facing the Y2K computer bug with calm, possibly careless, abandon, reports AFP.

In Bangladesh, officials are so confident the country's two major stock exchanges will be the only trading houses in the world to operate during the vulnerable period.

Experts say pandemonium could break out at the tick of midnight on December 31 if computers which only read the last two digits of the year fail when their clocks strike 2000.

The main exception is high-tech Japan, with major supermarkets reporting a last-minute rush on bunker items like tinned food, batteries and water.

"Sales of water in early December more than doubled from last year and sales of oil stoves tripled and those of battery and gas cooking stoves doubled," said a spokesman for Daiichi Inc, supermarket chain in Japan.

China is also worried, so much it has moved the official New Year's holiday back to the last day of 1999.

Most government departments and industries in China have said they are ready, although Y2K problems surfaced on April 9, 1999, the 99th day

of the year, and on September 9 — or 9/9/99.

But elsewhere in Asia — including some countries where only the privileged few have computers — people say they have more important things to worry about.

In South Korea, the government has already stockpiled essential fuels and food in case of war with rival North Korea.

"The general atmosphere remains calm," said Seo Kwang-Hyon of a Y2K task force. "We have received no reports on citizens' stockpiling of those necessities."

Another tech-savvy state, Singapore, has assured its citizens all basic services and bank functions will proceed normally.

In India, state-run defence companies have stockpiled fuel and raw materials but the locals seem satisfied with the authorities' assurances the country is Y2K compliant.

Neighbouring Pakistan has given no warnings to its 130 million people about possible food or money shortages and there are few signs anyone is worried enough to start hoarding.

The New Year falls during the Muslim holy month of Ramadan, when most Pakistanis fast from sunrise to sunset.

Thailand has set up a centre

to ease Y2K worries and has distributed five million booklets on how to prepare, but it is unclear whether anyone has bothered to read them.

A more convenient Y2K hotline has been inundated with calls, mostly concerning banking and air travel. Understandably, people in the country which triggered Asia's 1997 economic crash are concerned mainly with their bank deposits.

In Cambodia the only stockpiling reported has been in northern Siem Reap, where locals are hoping to cash in on the thousands of thirsty tourists expected for a sound and light show at historic Angkor Wat.

Philippine Science and Technology Secretary Filemon Uriarte summed up the prevailing attitude when he said: "It is not necessarily the Y2K problem that will cause problems. Rather it is the panic caused by the Y2K problem."

In steamy Manila there have been no government orders to store essentials and most locals are reluctant to do so.

Filipinos have taken note of the highly publicized case of pensioner Faustino Timbol, who withdrew his lifetime savings to prepare for the millennium bug only to see it devoured by thieves.