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Thai land prices drop 15 to 20pc

BANGKOK, Jan 6: Thailand's Interior Ministry has downgraded land valuations used to calculate taxes in Bangkok, reflecting the capital's long battle against a post-crisis property slump, reports AFP.

The ministry's Lands Department said Wednesday that a four-year valuation for land prices was 15 to 20 per cent lower than the level set for the years 1996-2000.

In the city's most expensive areas in the central business district around Silom Road, price valuations have dropped 25 per cent to 600,000 baht (16,200 dollars) per square wah (four square metres).

Prices in another favourite location for businesses, in the Chinatown district, have slumped 27 per cent since the previous evaluation.

The cost of land in the suburbs was stable and in the provinces also decreased, but by smaller amounts.

Property industry experts have warned that the sector faces years of disruption before prices begin to recover after the economic crisis.

The retail and residential market have shown signs of a tentative rebound but empty office buildings throughout the capital bear witness to the depressed state of the commercial market.

Half-built office blocks and idle cranes have dotted Bangkok's skyline since the regional economic crisis erupted here.

Many foreign companies left Thailand or downgraded their operations during the crisis and herds of local firms went bankrupt.

Unemployment rate up in Germany

NUREMBERG, Germany, Jan 6: The number of German jobless rose above the politically sensitive 4 million mark again in December, for a rate of 10.3 per cent from 10 per cent in November, but the Federal Labour Office called the increase Wednesday relatively small and due entirely to seasonal factors, reports AP.

Adjusted for seasonal factors, such as holiday closings and winter weather, the number of German jobless fell 68,000 in December from November, far more than the 15,000 decrease economists had expected.

The Federal Labour Office said the figures showed the German job market is continuing to improve, especially in western Germany.

But Herbert Hax, chairman of the government's council of economic advisors, noted that Germany's economic growth was trailing that of its neighbours and due mostly to improve demand for German exports. He called on unions not to nip the growth in the bud through excessive wage demands in upcoming contract talks.

"That's the greatest risk right now for the economy and the labour market," he told InfoRadio Berlin.

Chancellor Gerhard Schroeder has made cutting unemployment his No 1 priority, but his centrepiece "alliance for jobs" roundtable with labour, business and government has produced few tangible results so far.

Nationwide, the number of unemployed were just above the 4 million mark in December, from 3.9 million the month before. But that was 150,000 less than in December 1998, when the unadjusted unemployment rate stood at 10.9 per cent.

The rate of unemployed held steady at 8.6 per cent in western Germany, where most of the country's economic output is produced, while improving slightly in the former communist east, dipping to 17.7 per cent from 18.2 per cent in November.

Labour Office president Bernhard Jagoda repeated a previous forecast that joblessness in 2000 will fall by about 200,000, putting the annual average below 4.0 million.

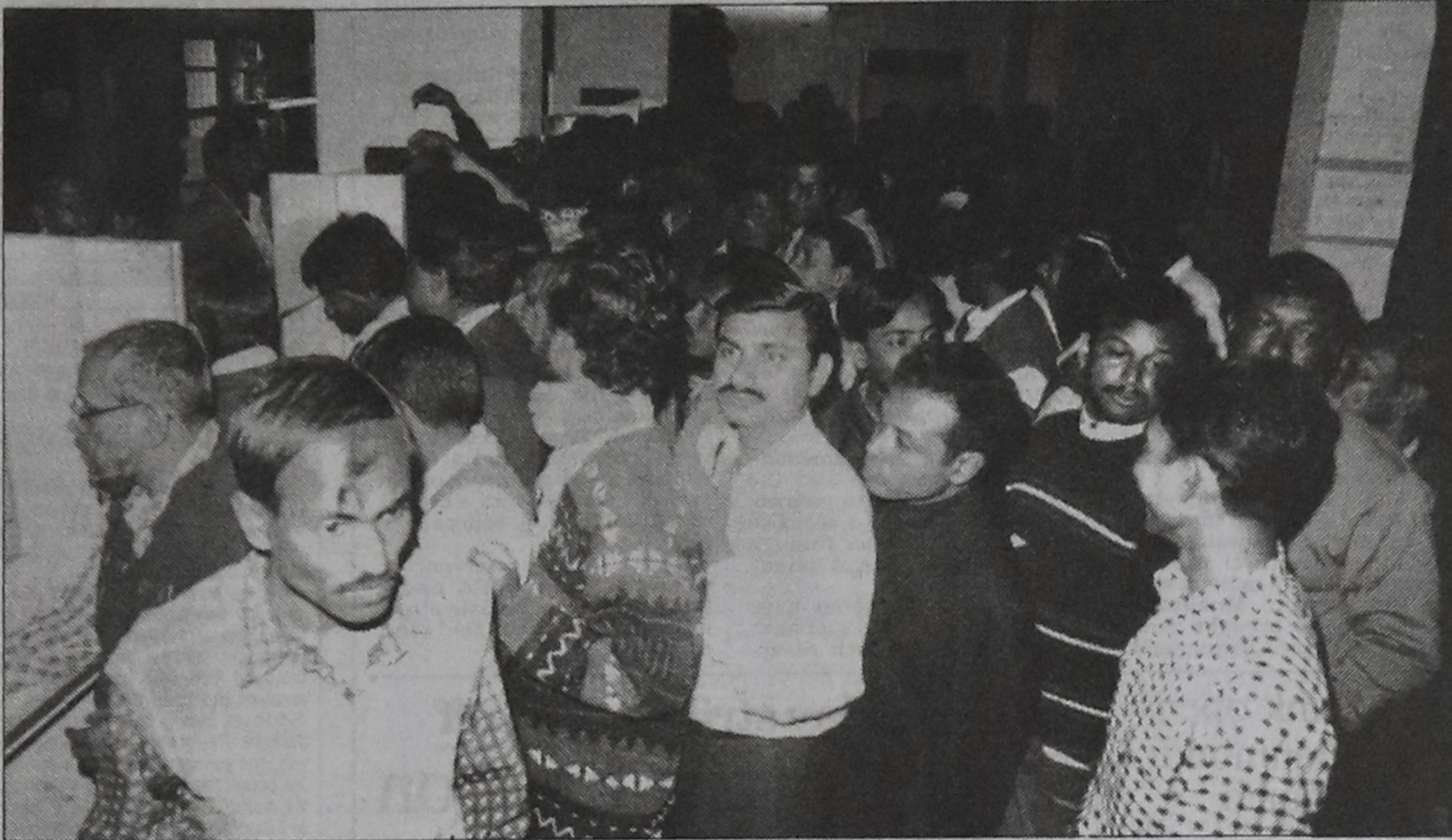
ING approach to French CCF not yet dead

AMSTERDAM, Jan 6: An attempt by the Dutch bank and insurance group ING to buy CCF of France has not yet failed completely, ING president Godfried van der Lugt has told staff, Dutch press reports said on Tuesday, reports AFP.

"The supervisory and administrative board of CCF showed little enthusiasm (for an offer by ING) and wanted to negotiate over all manner of questions and that is why we withdrew our offer," he was quoted as having said.

"But the acquisition of CCF has not completely failed," Van der Lugt said. "If they want to accept our conditions we are quite ready to hold talks. At the moment our door is closed but it is not locked."

A spokesman for ING, Ruud Polet, told AFP that ING was waiting to hear what CCF's intentions are for the future. He added: "Apart from New Year greetings, we are not holding any business talks with them at the moment."



The local banks witnessed a heavy turnout of clients yesterday as businesses in the country closed for a four-day Eid holiday starting from today. There was about 40 per cent more withdrawals from the tills, which also led to briskness in the call money market with the rates hitting 8.50 per cent from its normal 6 per cent. Banks also witnessed an increase in LC opening which also kept the dollar strong. The picture shows the sardine packed cash counter of a nationalised commercial bank at the city's business hub.

Second int'l leather fair starts January 27

Dhaka sees another scope for quality projection

By Monjur Mahmud

The second Dhaka International Leather Fair (DILF) 2000 will start in the city on January 27 with a view to highlight the quality and status of the country's leather industry, which fetches a thousand crore taka through exports per annum.

Prime Minister Sheikh Hasina is expected to inaugurate the three-day gala exposition, jointly organised by Bangladesh Finished Leather, Leather Goods and Footwear Exporters' Association (BFLLEA) and the Export Promotion Bureau (EPB) at Sonargaon Hotel.

The fair this time is expected to be more focussed on the Southeast Asian market," said MA Sattar Bhuiyan.

Chairman of BFLLEA.

"In a bid to attract more foreign buyers to the fair, we started an early campaign abroad to sensitise customers and we are more organised this time," he said.

Last year, as many as 59 local participants displayed footwear, leather goods and crust and finished leather. Some 14 foreign companies from Germany, Italy, Singapore, Australia, India and Pakistan exhibited their high-tech manufacturing machinery.

More than 300 foreign importers and visitors from 23 countries also attended the fair. Leather is the largest export earner for Bangladesh after

garments and frozen foods. But unlike garments, leather industry boasts more than 85 per cent value addition.

Leather and leather goods worth \$63.73 million were exported during the July-October period of the current fiscal year, which is 6.22 per cent up from the target and 29.66 per cent higher than last fiscal's corresponding period.

During FY99, leather and leather products (including footwear) earned US\$ 168 million for the Bangladesh. The country is now capable of producing 180 million square feet of leather annually. More than 80 per cent of this is exported to different countries as semi-finished and finished

leather, leather goods, footwear and accessories," said Sattar Bhuiyan.

He said that the quality of footwear, leather goods and accessories has significantly improved. There are 15 large-scale modern shoe factories in the country producing high-quality footwear while over 50 manufacturers are making various kinds of leather items such as travel bag, suitcase, briefcase and fashion accessories like belt, wallet, handbag and cardholder for the overseas markets.

Besides, 2500 small manufacturing units across the country are producing footwear for the domestic market.

Indian economists urge govt to gear up reforms

NEW DELHI, Jan 6: Indian economists yesterday urged Finance Minister Yashwant Sinha to speed up economic reforms to achieve an annual 8-9 per cent gross domestic product (GDP) growth rate, reports Reuters.

Everybody urged the speeding up of reforms and said the implementation of the reforms was now the major item. Surjit Bhalla, director of Oxus Fund Management, told reporters after a pre-budget meeting between economists and Sinha.

Sinha is currently holding meetings with several groups to seek their opinions ahead of the federal budget for the year ending March 2001 which he will

present in parliament in the last week of February. Bhalla said economists discussed how to achieve an eight per cent growth rate and how to reduce fiscal deficit.

India began economic reforms in 1991 but economists and analysts say the process has been bogged by bureaucratic delays and outdated legislation. A high fiscal deficit, which at the end of November was 80.6 per cent of the budget estimate for the year ending March 2000, is seen by analysts as a cause for concern.

India's GDP grew by six per cent in 1998/99 and Sinha has pinned his hopes on seven per cent growth in 1999/2000.

"Interest rates are too high and no country has been able to grow on a sustained basis with such high levels of interest rates," Bhalla said.

He said it was difficult to aim for higher growth with interest rates running at 9-10 per cent in real terms.

"Most economists urged the minister to make interest rates market-determined," said a Finance Ministry official, who asked not to be identified.

Sinha on Tuesday told reporters that he saw no ground for upward pressure on interest rates in the economy, saying that there was sufficient money supply to meet any increase in demand for funds.

New Rangs sales centre opens at Lalbagh

Star Business Report Rangs Electronics Limited has opened a new Sales and Service Centre at 75, Haranath Ghosh Road at Lalbagh in the city on Wednesday.

With this, the total number of the company's sales and service centre comes to 43, says a press release.

The new centre has been opened under the company's expansion and better customer service programme.

The centre was inaugurated by Aktar Hussain, Managing Director of Rangs Electronics Ltd.

Sabur Ahmed, General Manager, other senior officers of Rangs Electronics and the local elites were present on the occasion.

While opening the centre, Aktar Hussain said, "Although we give importance to increasing the number of our outlets but at the same time we add equal importance to making sure our customers get proper attention and quick after-sales service."

Rangs Electronics, he said, was the first to offer 5 years warranty to buyers of Sony Trinitron Colour TV.

It is mentionable that within a short span of time Rangs Electronics has doubled the number of sales and service centres and it now almost covers the entire country in order to enable its valued customers to get the latest models of Sony electronic products and better after sales service at their doorsteps.

The centre is well-stocked with Sony audio-video including Sony flat FD Trinitron colour TV, AIVA audio-video, wide range of consumer goods, Rangs and Sharp brand home appliances like refrigerator, freezer, cooking range, washing machine, tube lights, bulbs, ceiling fan etc.

The 44th Centre of Rangs Electronics will be opened soon at Comilla.

Malaysian GDP may grow 5.3pc this year

SINGAPORE, Jan 6: Malaysia's real economy will grow 5.3 per cent in 2000 and 4.8 per cent in 1999 year-on-year, driven by private sector investment recovery and sustained external demand, a government-backed Malaysian think tank said today, reports Reuters.

Ford officials to meet Daewoo creditors for takeover

SEOUL, Jan 6: Ford Motor Co will send a working-level delegation next week to prepare a bid for South Korea's ailing Daewoo Motor Co, Daewoo's creditor banks said Thursday, reports AP.

Paul Drenkow, a top Ford official in the Asia-Pacific region, visited state-run Korea Development Bank, Daewoo's main creditor bank, and expressed his company's "strong interest" in Daewoo Motor, bank officials said.

The South Korean government, which controls most of Daewoo's creditor banks, hopes to sell Daewoo Motor through bidding open to selected potential buyers.

General Motors Corp has already submitted a proposal to the South Korean government and Daewoo Motor's creditor banks to purchase all of the ailing automaker's domestic operations and many of its overseas assets.

Daewoo Motor is one of Daewoo conglomerate's 12 ailing affiliates now under recovery programmes supervised by domestic creditor banks.

Envoy tells Tofail Australians keen to invest in Bangladesh

Australian High Commissioner Robert Flynn at a meeting with Industries Minister Tofail Ahmad at his office yesterday said that the investors of his country were keen to invest in Bangladesh, says UNB.

The envoy said the attractive and liberal investment policy of Bangladesh has earned special attention of the Australian investors.

He said new investors are coming to invest in prospective sectors. Besides, an LPG plant is being set up under joint venture with the Australian investor, said an official handout.

Appreciating highly the role of Bangladesh as the coordinator and spokesman of LDCs in the Seattle WTO conference, the envoy said the Australian government is planning to import any product of LDCs with a maximum of 5 per cent duty. He said it would help LDCs to improve their trade capacity and

market access. Welcoming the increasing interests of the Australian investors to invest in Bangladesh, the minister said, Bangladesh is very much eager to attract FDI so that it can virtually waive all duties and taxes on investment and production process.

He said the objective is to increase employment opportunities and thus improve the economic condition of the general people. He also expressed his satisfaction over the support extended by Australia to the causes of LDCs at the Seattle conference.

Tofail said quota-free and free access to the market is the priority issue of Bangladesh and other LDCs, which is the only way to make the world's poorest countries more competitive in the global trading system.

US stocks stage comeback after nightmare ride

NEW YORK, Jan 6: US stocks bounced back yesterday after record losses a day earlier, with blue-chip shares up 124.72 points, or 1.13 per cent, at 11,122.65 points, as the tech-heavy Nasdaq managed only to limit further losses, reports AP.

The Nasdaq composite index opened lower after its largest single-day points loss Tuesday but battled back into positive territory before closing 24.15 points, or 0.62 per cent, down at 3,877.54 points.

The Standard and Poor's 500, a broader index of share prices on the New York Stock Exchange than the Dow, was up 2.69 points, or 0.19 per cent, at 1,402.11 points.

However, fears of interest rate hikes that prompted record selloffs remained alive ahead of an early February Federal Reserve meeting.

On the inflation-sensitive bond market, slipping prices Wednesday nudged the benchmark yield on 30-year US Treas-

ury bonds up to 6.631 per cent from the previous day's close at 6.525 per cent. Bond prices and yields move inversely.

On Tuesday, the Dow slumped over three per cent, the Nasdaq fell 5.55 per cent, and the S and P shed 3.83 per cent. Nasdaq dropped 229.46 points, the largest single-day point loss in its 29-year history.

Analysts said the sharp losses by high-technology stocks on the Nasdaq were not surprising, given their towering gains last year, particularly in the fourth quarter.

Joe Barsky, vice president of equity investments for American Express, said: "The Nasdaq has gained 50 per cent since October and was up 25 per cent in December alone. A correction of five per cent in that index is really not extraordinary."

Compared with its January 3 record, the Nasdaq has already lost 6.14 per cent, but is still up more than 143 per cent for the year period.

Charles Hill, director of Research First Call Corporation, said there is a "bubble in general in the market and specifically in technology stocks."

Another factor pushing the market is the fact that traders waited until the beginning of the year to cash in their lucrative shares for profits, a way to put off taxes on the gains until 2001.

"This has been a great ride for many investors and now that we're into a new tax year they're taking profits," Barsky added.

Volume was heavy on Wall Street with 1.073 billion shares changing hands with advances outpacing declines 1,796 to 1,338 and 387 shares unchanged. On the Nasdaq, trade volume neared record highs with some 1.735 billion shares.

Among heavily traded stocks, America Online fell 1-7/8 to 75 1/16 and Lucent Technologies dropped 1-15/16 to 72-5/8, while DuPont shares closed up 2-15/16 to 67-15/16.



Akhtar Hussain, Managing Director of Rangs Electronics Limited, opens the company's 43rd Sales and Service Centre at Lalbagh in the city on Wednesday. —Rangs photo

China's imports to grow by 8 pc over 6 yrs

BEIJING, Jan 6: China's total imports will exceed 1.3 trillion US dollars from 2000 through 2005, representing an annual growth of over eight per cent, said minister of Foreign Trade and Economic Cooperation Shi Guangsheng here today, reports Xinhua.

Shi told Xinhua that China will realise its great potential as the country's modernisation drive continues its momentum.

Since the founding of New China in 1949, and especially since China began its reform and opening up programme in 1979, the country's economy has sustained rapid growth, with the living standards of the Chinese people improved, the domestic investment and consumption market continuously expanded, and foreign trade invigorated. Imports grew to 165 billion US dollars in 1999.

As the Chinese government continues to pursue an active fiscal policy by issuing more treasury bonds this year, investment from the state coffers will focus on infrastructure construction and technological upgrading of enterprises in order to accelerate economic restructuring, stimulate investment by non-government sectors, and jump-start consumption. The growth rate of the economy is predicted at around seven per cent this year.

Shi said that in the medium and long run, China's economy will be able to sustain a rapid growth rate as it continues to place emphasis on developing such fields as water conservancy, energy, transport, telecommunications, raw materials, environmental protection, and high technology. Those are areas slated by the central government as priorities.

China will encourage imports with appropriate measures, especially increasing the introduction of new and advanced technologies and key equipment. This will provide huge trade and investment opportunities for overseas business people.

Economic growth and accession to the World Trade Organization (WTO) require that China further expand the areas open to the overseas firms. Step by step, the nation will give overseas investors access to the sectors of finance, insurance, foreign trade, retailing, and tourism.

Kenya's coffee output up

NAIROBI, Jan 6: Kenya's coffee production last year is estimated at around 67,000 tons compared with 55,000 tons in the previous year, according to the Coffee Board of Kenya, says Xinhua.

The coffee board attributed the output increase to favourable growing conditions in the country, according to a report by the East African Standard newspaper on Thursday.

It is projected that the coffee output for the 1999/2000 will be around 80,000 tons.

China now ranks tenth in the world in import volume, and Hu predicted that by 2005, China will become the fifth-largest importer in the world.

Agri, services talks to start no matter what happens

WTO to play hardball in 2000, says Moore

WELLINGTON, Jan 6: Talking the talk is not enough — there will be free trade action this year. World Trade Organisation Director-General Mike Moore said today, reports Reuters.

Moore departs for India on Saturday as part of a bid to restart global trade talks that collapsed last month against a backdrop of violent demonstrations in Seattle.

"Whatever happens, we will begin negotiations on agriculture and services this year. That's mandated already, that covers about 70 per cent of the world economy," Moore told Reuters.

The "Millennium round" of talks collapsed largely because of anger among developing countries, who make up the majority of the WTO's 135 member states, at what they saw as an effort by some big powers to railroad them into new accords.

Weeping over Seattle

Moore says poorer nations lost the most in Seattle and have much to gain through freer trade, though he admits the fight is an uphill battle.

"There'll be rocky times

ahead for some countries because some have enormous problems digesting and getting legislation through their parliaments to commit themselves to things that were decided some years ago," Moore said.

"We hope to provide technical assistance... We hope to provide some space. The tragedy is that it's the poorest countries that are the biggest victims of this, the big guys will be okay."

"It's the poorest of the poor that should weep over Seattle." The visit to India is Moore's latest effort at "kick-starting" the negotiating process, said an envoy in Geneva who attended the Seattle meeting.

Moore will be in Delhi from Sunday till Wednesday meeting top officials and business leaders from India, widely seen as a key player in determining the overall stance of developing countries on trade issues.

Moore has spoken to trade ministers from 30 countries since the breakdown of talks in Seattle and listed agriculture, labour and the environment as "difficult issues".

"I will be entering pretty intense discussions with a couple of countries on my return to

Geneva to see if it's possible to get a process going this year," he said, declining to identify which countries would fall under the WTO spotlight.

The WTO continued to reflect its roots as a post-World War Two institution founded with 30-odd member countries, and Moore said he was looking at how the organisation could be opened up.

"We've got to find new and fresh ways of involving, say, the small Pacific Island countries, the countries in the Caribbean. But there's also an anxiety of issues of globalisation — a feeling of powerlessness," Moore said.

Despite Moore's support for the global trading system, he noted that free trade was not the complete solution.

"While trade is part of the answer, it's only a part.

"I've got members who are paying nine times more on debt repayments than they are on health. They've got an AIDS epidemic, yet they can't export their agriculture or their textiles, or they haven't got a decent port or infrastructure," Moore said.