

WTO entry seen speeding up brand-name push in China

SHANGHAI, Jan 31: The battle to establish brand names in China will heat up after the country enters the WTO, throwing open its service sectors and liberalising distribution rules, a senior advertising industry executive said, reports Reuters.

In the rush of industries to establish a beachhead, brand power equals economic power, Tom Doctoroff, a managing director of J. Walter Thompson-Bridge Advertising Co. told Reuters in a recent interview.

"China is the last virgin brand-building market," he said. "We are here shaping the commercial terrain."

The psychological and economic impact to the World Trade Organisation would be enormous, he said, adding that it would make easier for foreign companies to set up businesses in China and control their products. China has said it expects to join the WTO in the

first half of this year.

Doctoroff expected the coming investment boom to rival the surge of investment flows following Deng Xiaoping's "Southern Tour" in 1992. Deng's high profile visit to the more reformist southern part of the country accelerated China's economic development after several years of flagging growth.

China's advertising industry is estimated to have rung up about 100 billion yuan in revenues last year.

Until recently the amount of money spent on advertising was rising more rapidly in China than in any other country, which made China the fastest growing advertising market in the world.

Last year, however, spending was flat.

Doctoroff said the proliferation of radio and television stations, magazines and newspapers has turned advertising into a media buyers' market.

"In money spent it is flat, but in reality, it is absolutely growing."

More companies than ever were advertising and they were expanding their geographic reach as regional markets took off, he said.

Fast-moving consumer goods such as toothpaste, shampoo, detergent and food took top spots in advertising, followed by higher-valued products such as appliances, computer and mobile phones.

J. Walter Thompson-Bridge has major accounts in household names like Pepsi Cola, Nike, Lipton tea, Lux soap, as well as Siemens mobile phones and De Beers diamonds. In 1999 the company had billings of 700 million yuan (\$84.56 million) making it the largest advertising company in China, Doctoroff said.

Doctoroff expected to see more advertising from financial services like banking and insurance as competition in those sectors heats up.

Recognising that advertising stimulates consumer spending and helps economic growth, China has made it increasingly easy for Chinese and foreigners to set up advertising agencies, Doctoroff said.

While most of the market is dominated by hundreds of small local agencies, the top 10 in billing are all transnational firms with local partners — the only way they are allowed to operate in China.

J. Walter Thompson-Bridge is a joint venture company in which J.W.T., a unit of the WPP Group Plc, controls 50 per cent.

Doctoroff said China's WTO membership was unlikely to change the structure of the venture.

Despite WTO, China does not seem ready to liberalise content restrictions on advertising, because of sensitivity about media which influence thoughts and expression, he said.

DAVOS, Switzerland, Jan 31: US financier George Soros said Sunday the International Monetary Fund should pull out of Russia in view of the current political climate there, reports AP.

Foreign institutions and investors "have lost the ability to influence the direction of events" in Russia, Soros, chairman of the influential Soros Fund Management, told a news conference at the World Economic Forum meeting.

"My personal belief is I do not think that with the political developments moving in the wrong direction, the IMF should pull out of Russia," said Soros, asked whether the IMF should withdraw funding.

"For 10 years... we had the ability to influence things in Russia and move them in the right direction and we flubbed it," Soros told reporters. He pointed to the conflict in Chechnya as a worrying sign of political trends there.

Civilian deaths and the high number of refugees — up to 250,000 have fled Chechnya since the fighting began — have

IMF should pull out of Russia: Soros

prompted international criticism of the war, which is popular among Russians.

On Saturday, the IMF's No. 2 official said the fund may delay paying Russia the second \$450 million instalment of \$4.5 billion loan until after presidential elections in March.

Stanley Fischer told reporters there is little evidence to suggest Moscow has made progress with some economic reforms crucial to approving the instalment.

The payment originally was due in September, but was delayed after the IMF imposed new conditions and international concern about what happened to previous loans.

The Russian government is counting on receiving four IMF instalments of \$460 million each in 2000 to help finance its budget.

US Treasury Secretary Lawrence Summers Sunday urged the Russian government to rebuild its economy around the "rule of law," taking steps to combat corruption and revive confidence among both local and international investors.

Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to major currencies					
Currency	Selling TT & OD	Selling BC	Buying T, Clean	Buying OD Sight	Buying OD Transfer
US Dollar	51.2300	51.2700	50.8100	50.6570	50.5550
Pound Stg	83.3410	83.4050	82.1090	81.8617	81.7454
Deutsche Mark	26.0494	26.0958	25.0461	24.9707	24.9352
Swiss Franc	31.3583	31.3828	30.7102	30.6177	30.5742
Japanese Yen	0.4818	0.4821	0.4731	0.4717	0.4710
Dutch Guilder	23.1193	23.1374	22.2288	22.1619	22.1304
Danish Krona	6.7572	6.7925	6.6406	6.6206	6.6112
Australians	33.2955	33.3255	31.9595	31.8633	31.8180
Belgian Franc	1.2880	1.2940	1.2143	1.2107	1.2090
Canadian \$	35.8327	35.8607	34.7966	34.6918	34.6425
French Franc	7.7670	7.771	7.4679	7.4454	7.4348
Hong Kong \$	6.5976	6.6027	6.5174	6.4978	6.4886
Italian Lira	0.0268	0.0269	0.0253	0.0252	0.0252
Norway Kroner	6.2400	6.2448	6.1387	6.1202	6.1115
Singapore \$	30.3621	30.3858	29.3988	29.3103	29.2651
Saudi Rial	13.6960	13.7067	13.1508	13.1470	13.1450
UAE Dirham	13.9669	13.9769	13.7958	13.7543	13.7347
Swedish Krona	5.8281	5.8327	5.7361	5.7288	5.7306
Qatar Rial	14.1168	14.1279	13.9186	13.8767	13.8570
Kuwait Dinar	173.2206	173.3559	160.8675	160.3831	160.1561
Thai Baht	1.3649	1.3659	1.3508	1.3461	1.3448
Euro	50.9482	50.9850	49.9659	49.8384	49.7690

NCC Bank share allotment lottery held

The lottery for allotment of shares of National Credit and Commerce Bank Ltd was held at its head office in the city on Thursday, says a press release.

Out of the total offered share worth Tk 19.50 crore, Tk 14.25 crore had been raised through private placement and the rest shares were offered to general public for subscription.

The function was attended by Chairman of the Board of Directors of the bank Mir Zahir Hossain, Managing Director Moid Sajidul Haq, Executive Vice Presidents Kazi Kabir Ahmed, Akkas Ali Khan, Md Nurul Amin and Kazi Md Shafiqur Rahman.

AR Khan, Managing Director of issue manager Bay Leasing and Investment Ltd, share applicants and representatives of Dhaka and Chittagong Stock Exchange were also present on the occasion.

The lottery was conducted by the Computer Science and Engineering Department of BUET.



Mir Zahir Hossain, Chairman of the Board of Directors of National Credit and Commerce Bank Ltd, addresses the share allotment lottery on Thursday. Managing Director Moid Sajidul Haq, Executive Vice Presidents Kazi Kabir Ahmed, Akkas Ali Khan, Md Nurul Amin and Kazi Md Shafiqur Rahman.

Internet, globalisation gap top WEF agenda

DAVOS, Switzerland, Jan 31: On the agenda for Microsoft's Bill Gates and the leaders of South Africa and Indonesia were topics ranging from the Internet to ways of narrowing the gap between rich and poor nations at a gathering of business and political heavyweights, says AP.

Palestinian leader Yasser Arafat also was to address the World Economic Forum meeting Monday after a day of Mideast diplomacy on the sidelines of the gathering.

Gates and America Online chief executive Steve Case were among industry leaders addressing the question of whether the Internet has "redrawn the boundaries between technology and content," AOL this month announced it would merge with media powerhouse Time Warner.

Indonesia's President Abdurrahman Wahid and his South African counterpart Thabo Mbeki will be addressing ways of narrowing gaps between rich and poor countries.

The resort town of Davos was calm Sunday under a new blanket of snow following a violent demonstration the previous day which police said caused damage estimated at 100,000 Swiss francs (\$62,500).

The protest coincided with a visit by US President Bill Clinton, but the demonstrators were kept well away from him. Authorities had given permission for a demonstration Sunday, but none was held.

US Secretary of State Madeleine Albright met Sunday with Egypt's Foreign Minister Amr Moussa and Arafat in an attempt to push forward Israeli-Palestinian peacekeeping.

"It's not easy," she said, "but we are moving along."

With negotiations resuming in Jerusalem, Albright is trying to keep alive hopes for a framework accord by Feb. 13.

A deadline set by Arafat and Barak with President Clinton's encouragement.

In the absence of Israeli Prime Minister Ehud Barak, a conference session that was to have featured Arafat and Barak was canceled. Barak canceled his visit last week because of pending "intensive activity" concerning the peace process.

Jordan's King Abdullah asked the politicians and business leaders for their help in persuading Middle East leaders and their people "that this is a golden opportunity that we cannot miss."

Meanwhile, Russia faced renewed criticism over its economic and political situation, this time from influential US financier George Soros, who argued that "with the political developments moving in the wrong direction, the International Monetary Fund should pull out of Russia."

Thai economy shows export-led recovery

BANGKOK, Jan 31: Thailand's economic data for December 1999 released Monday highlighted an export-led economic recovery, but showed signs of an imbalance between import and exports that could eventually eat away a trade surplus, says AP.

Although exports rose 13.1 per cent year-on-year in December, fuelling a 15.3 per cent jump in manufacturing production, imports increased at an even faster rate — a hefty 41.9 per cent, the Bank of Thailand said.

Exports totaled \$ 5.14 billion, with imports at \$4.7 billion.

"There is a sign of continued economic recovery, but it's not as good as expected" Athana Waigumdee, head of the central bank economic research department, told a news conference.

"What is worrying us are the growing imports in December... which will cause a narrowing of the trade surplus," Athana said.

Meanwhile, the central bank said nonperforming loans at private commercial banks dropped to 886.6 billion baht (\$23.9 billion), or 30.65 per cent of total lending, at the end of last year, down from 1.1 trillion baht (\$29.7 billion), or 36.37 per cent in November.

The trade balance should remain in surplus for this year — there was a \$440 million surplus in December — but after that, could move into deficit as imports grow fast to feed a pickup in manufacturing activity and stronger local demand, Athana said.

Thailand ran huge trade deficits during the boom years of the mid-1990s, importing intermediate and capital goods for re-export and other goods for local consumption.

That turned into a huge external surplus since the crash of the currency in mid-1997, which precipitated a deep recession and cut off demand for imports.

Despite evidence the trade balance will narrow again as economic activity picks up, economists tell Dow Jones Newswires that Thailand's balance of payments should be supported by increased capital inflows this year as investors return to Thailand.

Increasing foreign direct investment and an expected sovereign upgrade by Moody's Investors Service Inc — which will boost flows into Thai equities should lead to a balance of payments surplus of at least \$3 billion this year, said Maya Pinto, an economist at Idea.com in Singapore.

December's manufacturing increase was in line with a consensus forecast of 15.3 per cent by economists surveyed by Dow Jones Newswires and confirmed the economic recovery is well under way.

Most manufacturing activity is to feed a strong growth in exports, while local demand remains weak, economists said.

The Bank of Thailand's private consumption index fell 0.6 per cent compared with November. The government plans a 110 billion baht (\$2.9 billion) public sector deficit this fiscal year to help spur local demand.

Private investment was flat in December after dropping sharply during Thailand's economic crisis. Heavy over-investment in capacity during the boom years, followed by a deep recession that stripped back demand, left the country with huge spare capacity.

Now, Thai companies are importing more capital goods to feed the renaissance in manufacturing activity. However, capital utilisation in Thailand remains low — at 63.9 per cent in December — leaving much room for expansion.

New chairman of BSCIC

Ziaul Islam Chowdhury recently took over as the Chairman of Bangladesh Small and Cottage Industries Corporation (BSCIC).

Prior to his new assignment, he had been working as the Joint Secretary of the Ministry of Commerce, says a press release.

DCCI course participants get certificates

DCCI Senior Vice President A M Mubash-Shar underscored the need for efficient merchandisers for professionally handling the trade in ready made garments (PMG), says a press release.

Mubash-Shar was speaking at the certificate awarding ceremony of a 7-day training course on Garments Merchandising Operations & Management at DCCI Training Centre on Sunday.

The course, organised by Human Resources Development Programme (HRDP) of the Dhaka Chamber of Commerce & Industry (DCCI), aimed at providing functional knowledge to the participants.

Mubash-Shar further stated that the RMG sector accounted for more than 70 per cent of the country's export earnings. To keep this up, the RMG sector needs professional merchandisers.

IAS Project Manager Md Enuladul Haque said DCCI will offer three-month diploma on garments merchandising in future. The participants appreciated the DCCI plan and showed keen interest to participate in the course.

A total of 36 participants from different business organisations attended the training course. Shahzad Basunia, Course Coordinator, and Hasnain Rahman Chowdhury, Deputy Secretary (Training), were also present on the occasion.



Italian Ambassador in Bangladesh Mario Filippo Pini (2nd-L) along with Deputy Chief of Mission and Head of Commercial Section Giovanni Colella (Extreme-L) called on President of the Dhaka Chamber of Commerce and Industry (DCCI) Aftab ul Islam (2nd from right) at the DCCI office yesterday. They discussed issues relating to trade promotion and economic cooperation between Bangladesh and Italy. DCCI Director Mohammad Nurul Alam (Extreme-R) was also present.

Euro zone ministers to meet ECB chief

Euro slide to be main focus

BRUSSELS, Jan 31: Euro zone finance ministers meet European Central Bank President Wim Duisenberg today for a regular discussion on the outlook for the bloc's economy, likely to be overcast by the euro's slide below dollar parity, says Reuters.

It will be the first time that both sides have met to consider their current exchange rate policy stance — that the single currency has room to appreciate as European growth picks up since the euro slid to \$0.98 last week.

Officials said on Friday, however, they expected ministers to sit tight and maintain their line. Duisenberg also said in a BBC television interview broadcast on Sunday that he was satisfied with the currency's performance.

Duisenberg said the United States was growing surprisingly fast but that the divergence in economic development with Europe was already disappearing.

"It will disappear totally in our expectation. And then the euro will show its strength. We do believe, we honestly believe that the euro has a potential to increase in value, vis-a-vis the outside world, but those processes take time," he said.

A senior International Monetary Fund official is due to join the Euro-11 ministers for their discussion.

Later ministers from other European Union countries will meet for a debate on tax policy and budget forecasts from Finland, Ireland and the Netherlands and Sweden and Greece.

Today's meetings will be chaired by Portuguese Finance Minister Joaquim Pina Moura, whose country assumed the EU's rotating presidency in January.

Shipping Intelligence

CHITTAGONG PORT									
Berth position and performance of vessels as on 31.1.2000									
Berth No	Name of Vessels	Cargo	L Port	Local Agent	Date of Arrival	Date of Leaving			
J/1	Huang Yun	TSP (P)	Sing	Unique	27/11	2/2			
J/2	Lord-P	Wheat (G)	Sing	SSST	05/01	5/2			
J/3	Shung Cheng	G	Xing	Seaglor	31/12	1/1			
J/5	Med Hope	Wheat (P)	Mong	Benam	15/1	3/2			
J/7	Tierra Azul (48)	GI (STC)	Sing	Everett	27/1	2/2			
J/8	Handy Rainbow	G	Sing	Prog	21/01	3/2			
J/9	Ocean Grace	Wheat (G)	Mong	Benam	6/01	3/2			
J/10	Asia Marina	Urea (G)	Rawa	SMSL	11/1	2/1			
J/11	Med Vireggio	Wheat (P)	Odesa	Torus	31/12	2/2			
J/12	Unity	Wheat (G)	SSST	R/A	4/2				
J/13	Achiever	Cont	P Kel	RSL	26/1	1/2			
CCT/1	Banga Biraj	Cont	Sing	BDSHP	27/1	31/1			
CCT/2	Kota Naga	Cont	Sing	Pil (BD)	26/1	31/1			
CCT/3	Qc Mallard	Cont	P Kel	QCSL	27/1	31/1			
CGJ	Al Shams	C Clink	Kant	RML	25/01	31/1			
GSJ	Banglar Urmil	Wheat (G)	-	Ancient	R/A	4/2			
TSP	Fair Spirit	R Phos	Sing	Atlantic	27/1	10/2			
DOJ	Banglar Shourab	C Oil	-	BSC	R/A	2/2			
DDJ/1	Banglar Kakoli GI(Repair)	Male	BSC	BSC	31/2	1/2			
RM/8	Chandrabh Naree Urea (G)	Sing	Sing	Shimond	6/1				
RM/5	Banglar Kallol	Onion	Sing	BSC	R/A	7/2			
Katol/A	Tug Ena Fortune	Sing	MBL	15/01	15/2				

Vessels due at outer anchorage					
Name of Vessels	Date of Arrival	L Port	Local Agent	Cargo	Loading Port
Saiton-1	31/1	Bont	BNSC	Urea (G)	-
Chung Jin-2	1/2	B Abb	SES	GI (Bitumen)	-
Tiger River (Cont) 24/1	1/2	Sing	Nol	Cont	Sing
Peleas K	2/2	-	PSAL	Cement	-
Banga Biraj (Cont) 23/1	5/2	-	BDSHP	Cont	Sing
Osg Alpha (Cont) 24/1	2/2	Sing	RSL	Cont	Sing
Bowlink (Cont) 24/1	2/2	-	QCSL	Cont	Sing
Xpress Resolve (Cont) 24/1	3/2	-	Rsl	Cont	Sing
Sunderland (24/24)	3/2	Bomb	Litmond	Ol	-
Kota Singa (Cont) 25/1	3/2	Sing	Pil(BD)	Cont	Sing
Oceana Pride	3/2	-	-	Vkba	-
Mary Nour	3/2	-	Multi mode	Cement(Scand)	-
Feng Kan Shan	3/2	Lank	Multi mode	Cement (Scan)	-
Sheng Yang (48/26/01)	4/2	Sing	RML	GI (St Coll)	-
Xpress Makala (Cont) 23/1	5/2	-	Baridhi	Cont	Sing
Qc Teal (Cont) 27/1	6/2	-	QCSL	Cont	Sing
Da Cheng (48/30/1)	6/2	-	BDSHP	GI	-
Kota Beraya (Cont) 30/1	7/2	Sing	Pil (BD)	Cont	Sing
Osg Argosy (Cont) 30/1	7/2	-	Baridhi	Cont	Sing

Tanker Due					
Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival	
Erville	1/2	Sing	ECSL	HSD	-

Vessel at Kutubdia					
Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival	
Energuy Explorer-IV	-	-	BBAL	5/4	
Ismaya	-	-	BBAL	17/8	
MFB Devimatha	-	-	BBAL	24/10	
MFB Sona	-	-	BBAL	24/10	
MFB Lakshmi	-	-	BBAL	24/10	
Dea Conqueror	-	-	BBAL	24/10	
Smit Lloyd-74	-	-	BBAL	R/A (28/1)	
Seabulk Command	-	-	IBS	R/A (6/1)	
Smit Lloyd-27	-	-	Sing	S1 Chy	2/12
Marine-305	P Mat	-	Sing	S1 BSC	2/12
Osterior	-	-	Sing	S1 Chy	5/1
Pacific Centurion	-	-	Sing	S1 Chy	14/1
Smit Lloyd-110	D Mat	-	Sing	S1 Chy	29/12

Vessels at outer anchorage					
Ready on					
Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival	
Phoenix-M	Wheat (G)	K Dia	Benam	R/A (14/1)	
Sea Bird-1	Wheat (G)	Mong	Benam	17/1	
A Venture	Rice (P)	-	CLA	R/A (30/1)	
Vero	Wheat (G)	K Dia	Prog	R/A (24/1)	
Yong Jiang	G	Xing	BDSHP	28/1	
Banglar Shikha (Cont)	Cont	Sing	BSC	28/1	
Love Me Tender	Wheat (P)	Kemb	Royal	29/1	
Banglar Manti (Cont)	Cont	Sing	BSC	29/1	
Jurong Balsam (Cont)	Cont	Sing	NOL	28/1	
Jaya Mays (Cont)	Cont	Sing	RSL	28/1	
Kota Cahaya (Cont)	Cont	Sing	Pil (BL)	30/1	
Bunga Mas Lapang (Cont)	Cont	P Kel	ECOSL	30/1	
Ocean Credit (24)	GI (St C)	Yang	SSL	30/1	
Xpress Nilgir (Cont)	Cont	P Kel	RSL	31/1	
Lissom Leader	C Clink	Kant	-	26/1	

The above are shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

Record number of Britons opposed to euro

LONDON, Jan 31: Opposition to joining the European single currency has reached a record high in Britain with only 22 per cent in favour, according to an opinion poll published today, says Reuters.

The Daily Telegraph said the ICM poll carried out for BBC Radio showed that 69 per cent of voters were opposed to the pound being replaced by the euro.

Japan turns to banks rather than bonds to raise money

TOKYO, Jan 31: Japan, already deeper in debt than any other industrialised nation, is turning to banks rather than bonds to cover a projected shortfall in what it owes municipalities, reports AP.

It's unusual for a government to turn to bankers, as though for a home-improvement loan, at least in part because the cost of the money is likely to be higher.

But Japan is already awash in bonds, with politicians committed to spending their way out of the worst economic downturn in 50 years, and there is concern that the market might be saturated.

The bond market is already jittery about the supply, Commerce Bank economist Ron Bevaqua said Monday. "The government is trying to avoid the market consequences of its decision making."

A Finance Ministry official, who requested anonymity, said that the government turned to the banks because it felt bonds were not a good idea and had to find other ways to raise money.

The Nihon Keizai financial daily reported that the government planned to pay 2.1 per cent interest, but the official declined to comment.

It's not the first time Japan has turned to banks. The government resorted to direct borrowing to cover shortfalls in the national forestry account in 1998.

Debt is a booming business here. With spending to prime the economy, Japan's debt-to-GDP ratio has surpassed Italy's. Japan and Italy are the only two developed nation with national debts larger than their gross domestic product, a measure of all goods and services produced in a country. The US national debt is half its GDP.

Prime Minister Keizo Obuchi told Parliament last Friday that he was focusing on economic recovery rather than the ballooning deficit, and he predicted 1 per cent economic growth in fiscal 2000, which begins April 1.

Japanese consumers and companies are holding tight to their money, fearing further hard times ahead. Spending by wage earners fell 1.7 per cent in real terms in 1999, officials announced last week.

A blip involving the huge postal savings system is at the root of the 8 trillion yen (\$74.84 billion) shortfall in the 21 trillion yen (\$196.45 billion) budgeted for unrestricted local government funding in fiscal 2000.

Ten years ago, when interest rates were around 7 per cent, lots of Japanese locked their money into high-yielding 10-year post office accounts. With those accounts maturing, and interest rates below 1 per cent, many are likely to take their money elsewhere, Bevaqua said.

The postal office is the largest bank in the world, holding money for millions of Japanese, but the maturing accounts total about 100 trillion yen (\$935.45 billion) or a third of its holdings, Bevaqua said. That leaves the government with significantly less to draw on.

Turning to the banks is not so radical, Bevaqua said, since the government nationalized several of the biggest and spent 7.7 trillion yen (\$72.03 billion) bailing out the system after the

1980s economic bubble burst.

But it's also not in the spirit of promised structural reforms of the Japanese economy and the political system, he said. "It's not market economics."

Like Bevaqua, who downplayed the significance of the slightly greater cost of borrowing rather than floating bonds, Peter Morgan, senior economist at HSBC Securities in Japan, didn't see it as such a significant move.

The difference between issuing short-term bonds to cover the potential postal savings problem and taking out