

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 and advertising 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 from China's final accession to the World Trade Organisation would be enormous, he said, adding that it would become 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 from a media sellers market to a media buyers' market.

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.

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 JWT, a unit of the WPP Group Plc, controls 80 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.

Doctoroff expected to see more advertising from financial services like banking and insurance.

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 Md 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.

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.

CCCI 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 CCCI 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.

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

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

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.



Mir Zahir Hossain, Chairman of the Board of Directors of National Credit and Commerce Bank Ltd, addresses the share applicants during the bank's share allotment lottery on Thursday. Managing Director Mohd Sajidul Haq, executives of the bank, Managing Director of issue manager Bay Leasing and Investment Ltd and representatives of Dhaka and Chittagong stock exchanges and share applicants were present on the occasion.

— NCC Bank photo

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.

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.

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 peacemaking. "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.



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.

— DCCI photo

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 littered by the supply. Commerzbank economist Ron Bevacqua 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 Shinbun

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 a 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.

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, Bevacqua said.

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 deal 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) budget for 2000.

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reported 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.

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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, Bevacqua said.

In terms of actual impact on the market, it's not that different, because you're getting the money from the same place, basically," Morgan said.

The move, which directed at the specific problem of the postal savings withdrawals, could nevertheless provide a more flattering view of the overall deficit, Morgan said.

If the market looks at bond totals rather than bond and loans totals, things aren't quite

grim.

IMF should pull out of Russia: Soros

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.

For 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.

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

"My personal belief is I do not think that with the political development, its 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

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 \$460 million installment of its \$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 installation.

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

The Russian government is counting on receiving four IMF installments 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.T. Clean	Buying OD. Sight Export Bill	Buying OD Transfer
US Dollar	51,2300	51,2700	50,8100	50,6570	50,5850
Pound Stg	83,3410	83,4060	82,1090	81,8617	81,7454
Deutsche Mark	26,0494	26,0698	25,0461	24,9707	24,9052
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
Denmark Krona	6,7872	6,7925	6,6406	6,6208	6,6112
Australians	33,2995	33,3255	31,9595	31,8633	31,8180
Belgian Franc	1,2880	1,2840	1,2143	1,2107	1,2090
Canadian \$	35,8327	35,8607	34,7968	34,6918	34,6425
French Franc	7,7670	7,7711	7,4679	7,4454	7,4348
Hong Kong \$	6,5976	6,6027	6,4978	6,4886	6,4806
Italian Lira	14,1168	14,1279	13,9188	13,8767	13,8570
Kuwaiti dinar	173,2206	173,3559	160,8675	160,3831	160,1561
Thai Baht	1,3649	1,3659	1,3508	1,3467	1,3448
Euro	50,9482	50,9860	48,9859	48,9394	48,7960
Bill buying rates:					
TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
50,7112	50,3866	49,9532	49,5938	49,1163	48,2995
US dollar London Interbank Offered Rate (LIBOR)					
Buying	Selling	Currency	1 Month	3 Months	6 Months
50,5850	51,2300	USD	5,85625		