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The Daily Star BUSINESS

DHAKA, SATURDAY, FEBRUARY 26, 2000

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Labour leaders quit Clinton's trade advisory panel

WASHINGTON, Feb 25: AFL-CIO union president John Sweeney and other labour leaders resigned from a trade advisory panel that President Bill Clinton appointed as advisers on trade, reports AP.

In a letter to US Trade Representative Charlene Barshefsky, Sweeney complained that business leaders and their interests have outweighed labour and consumer representatives on the president's Advisory Committee for Trade Policy and Negotiations.

"This imbalance has contributed to a corresponding imbalance in US trade policy," Sweeney said Thursday.

Barshefsky had touted the labour leaders' support for a resolution by the panel supporting Clinton's overall trade agenda last fall.

Sweeney's resignation follows a Jan. 25 announcement by the advisory panel's chairman, Proctor and Gamble chairman John E. Pepper, that the only meeting this year would be to consider a resolution in support of the administration's campaign to get permanent normal trade status for China.

The AFL-CIO has launched a major advertising and lobbying campaign against the China initiative.

Resigning from the ACTPN along with Sweeney were Jay Mazur, president of UNITE, a New York Union, and Lenore Miller, president emerita of the Retail, Wholesale and Department Store Union.

DCCI course on software export concludes

A two-day training workshop on "Software Export Marketing" was concluded at the auditorium of the Dhaka Chamber of Commerce and Industry (DCCI) on Thursday, says a press release.

The workshop was organised by the DCCI in cooperation with German Technical Cooperation (GTZ).

DCCI President Aftab ul Islam distributed certificates among the participants of the workshop. In his speech, Islam encouraged the participants to become aggressive to export software specially to the USA and EU countries. "The participants should be serious to increase market share."

For any policy support from the government, he assured them of DCCI's cooperation. Sonia Choudhury, Executive Director of Faves Cold Storage Ltd, and Major Manzurul Haque (Retd), General Manager of North American Computing Dynamics Inc, shared their experience on behalf of the participants. They evaluated the workshop positively.

Dr Jamilur Reza Choudhury, Professor of BUET, inaugurated the workshop on February 22.

Resource Persons Ahmed Shahid, free-lance IT consultant and computer specialist in the USA, Dr Khan Monzor-ekhad, systems developer of client information systems of Canada's Maritz, DCCI Secretary Mirza A Matin, Additional Secretary Momtazul Islam, BAS Project Manager Md Emrul Haque, Deputy Secretary Shahazada Basunia and workshop coordinator Hasanur Rahman Choudhury were also present.

The workshop aimed at familiarizing the topics like Software Export from Bangladesh - An Introduction, Prospects of Software Development and Major Areas, Strengths of Bangladesh and Infrastructure, Way to Improvement, Review of Export Policy with Special Emphasis on Software Export Marketing, Software Development Strategy (Human Resources Development Plan for Software Export), Software Marketing Project Management, Web Marketing and Internet Advertising, Application of Software for Software Export Marketing, Techniques of effective Software Export Marketing.

UK trade deficit hits 10-year high in '99

LONDON, Feb 25: Britain suffered its worst trade deficit for a decade last year as imports surged and the strong pound started to hurt exporters, according to the latest figures released by the office of National Statistics, reports Xinhua.

With imports rising strongly across the board the trade gap in goods and services almost doubled to 15.5 billion pounds in 1999 - the second worst performance since 1989.

Only Britain's services and the recovery in the global oil price prevented the figures from being even worse - with trade in goods alone showing a record 26.3 billion pounds shortfall.

Higher trade deficits are usually regarded as an early warning of inflationary pressure building up in the economy.

Economists here believe that domestic demand was boosting imports while exports were being squeezed out of overseas markets by the strong exchange rate.

LDCs close to getting duty-free access to developed world

Tofail says at IET Conference-2000

Industries Minister Tofail Ahmed has said the least developed countries (LDCs), including Bangladesh, are very close to getting duty and quota-free access to the markets of the developed and developing countries, reports BSS.

He said the access will create huge demand of our export items, especially textile goods. Besides, the quota system for garments export will be abolished on 31 December, 2004 as per multi-fibre Agreement of GATT. He said to cope with the challenges of the quota-free open competition and grab the opportunities of duty-free market access, we will have to set up many backward linkage industries in the textile sector. Tofail said that textile engineers and technologists should play a leading role in facing the challenges and accruing opportunities by producing quality products with highest productivity.

The minister was addressing Conference-2000 of the Institution of Textile Engineers and Technologists (IET) at the Textile Engineering College premises, Tejgaon in the capital yesterday.

Presided over by the president of IET, Dr Aitabuddin Hossain Chowdhury, the function was also addressed by the president of Bangladesh Textile Mills Association Salman F Rahman, principal of the Textile Engineering College Dr Nitai Chandra Sathradhar and IET General Secretary Sardar Rashid Ahmed Azad.

Focusing on the contribution of the textile sector in employment generation and export earnings, the minister said 2.7 million skill and unskilled workers are engaged in textile sector and the earnings of the sector touched 4 billion US dollars out of the total export earnings of 5.32 billion US dollars last year. He said local and foreign investors are setting up backward linkage industries as the present government is providing special incentives to the entrepreneurs.

He said efforts are underway to increase local value addition contents of woven garments. Tofail said the government withdrew import tariffs on textile chemicals to generate interests among the entrepreneurs to set up dyeing and finishing in-

dustries. He said textile engineers and technologists could play a catalytic role through applying their innovative talents to produce cost-effective quality products.

Elaborating on the Bangladesh's vision, the minister said with full utilisation of the human resources the country will enter the middle income groups club by 2020. The industries minister said investors are intended to invest in Bangladesh and President Clinton's upcoming visit will give moral support to the US investors.

He said "we have plans to set up more and more gas-based industries and we definitely seek support from US investors for those projects." During the visit of President Clinton, Bangladesh will request him for 30 per cent increase in garments quota in the US market, he said.

Reacting to the appointment of foreign engineers and consultants in the textile and jute industries, the minister said Bangladesh proved many times that it has talents to achieve excellence.

He said the government will take due care so that local engineers and technologists can get preference in textile and jute industries.

Tofail said the government has formulated an industrial policy in which textile sector has been identified as a thrust sector. He said with support from entrepreneurs, engineers and technocrats, the government is determined to exploit full potentiality in this sector. He said that in the early nineties the then government had drastically cut import tariffs which resulted huge setback to local industries. "The present government has reformed the tariff structure to support smooth development of local industries," he said.

Salman F Rahman said that the textile sector was a major segment of the economy where white collared workers were playing the key role. He said the entrepreneurs with support from skilled manpower are doing well in every sector. "If we get conducive environment, we will be able to maintain progress," he said.



Bank of Small Industries and Commerce Bangladesh Limited (BASIC) opened its 25th Branch at Zone Service Building, Dhaka Export Processing Zone (DEPZ) at Savar, Tuesday. Picture shows Syed Mushtaq, Director of BASIC and Joint Secretary of the Ministry of Environment and Forests, formally inaugurating the branch. Alauddin A. Majid, Managing Director of the bank, and General Managers Kazi Md. Joydul Amran, Dewan Mujibur Rahman and Golam Moinuddin were present among other high officials of the bank.

- BASIC photo

Gulf oil producers agree to increase output

EU urges OPEC to pump more

DUBAI, Feb 25: Gulf oil ministers have agreed to increase production to stabilise international markets - where the price of oil is near an all time high and will meet next month with other OPEC members to agree on a new production goal, says AP.

Officials indicated Thursday that most ministers at a meeting Wednesday in Saudi Arabia agreed to increase production, but have not agreed on how much.

In a statement issued at the end of the Saudi meeting, the ministers "stressed their countries' desire to maintain the market's stability in the coming period in cooperation with other producing nations."

A senior United Arab Emirates oil official said a production increase will be gradual and will be in the range of 1.5 million barrels a day. "After that, it's the market's call," he said, refusing to speculate to what extent that would bring prices down from the \$30 a barrel where they have been hovering.

That 1.5 million barrels amounts to an increase of about 6 per cent beyond the current 23 million barrels a day set by agreement reached last year.

In the Saudi capital of Riyadh, Gulf officials said Wednesday that ministers

favour an increase in production of between 2 million and 2.5 million barrels - about 8 to 10 per cent - a day to reach a price of between \$20 and \$25 a barrel. Kuwait, however, is believed to oppose any production increase and Iran, OPEC's second largest producer, has come out against a rise in output.

Officials from Saudi Arabia, the world's largest oil exporter, say their government favours prices of about \$20 to \$25 a barrel. Before Wednesday's meeting, United Arab Emirates oil minister Obeid bin Saif Al-Nasser said he wanted a price in the same range.

While it is difficult to predict oil prices based on changes in production, some analysts have said an increase of at least 2 million barrels a day is needed to stabilize markets and make a sufficient impact on stocks of oil to lower prices. An increase of anything less than that could actually increase prices, because it may be seen as an indication. Producers are not serious about stabilizing prices.

Despite reports of US pressure on Gulf states and members of the Organisation of Petroleum Exporting Countries to raise production, the visit of US Energy Secretary Bill Richardson to Kuwait and Saudi Arabia was not discussed during the meeting, an Emir-

ates official said. Richardson, who arrived in Kuwait on Thursday, has said that the United States, the world's largest oil market, wants prices to come down. He was scheduled to travel to Saudi Arabia on Friday.

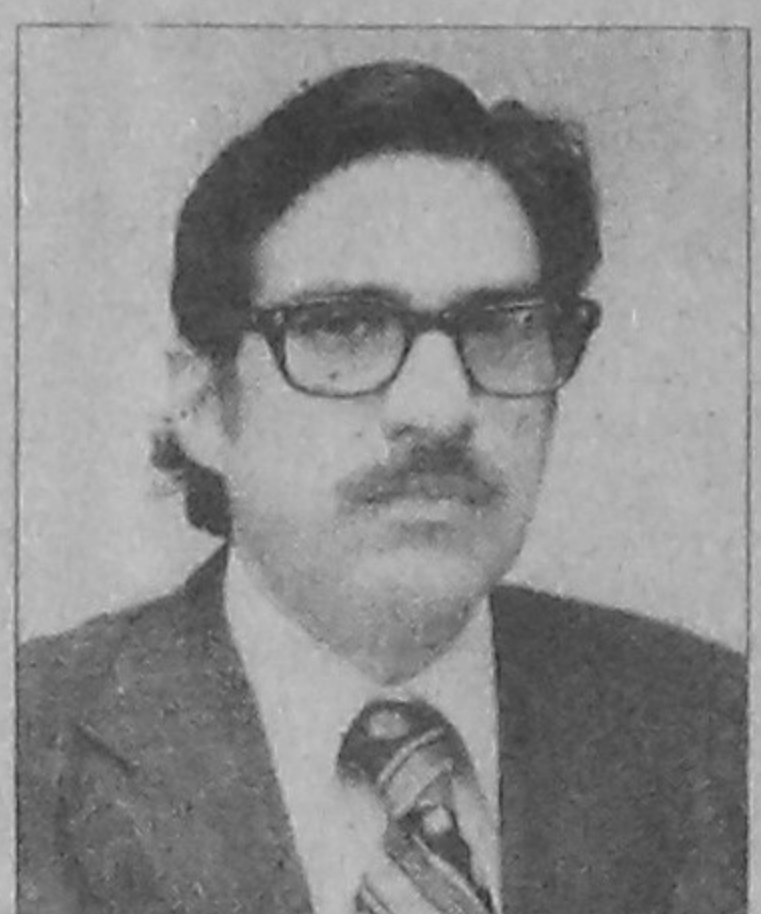
In Egypt, Richardson said Wednesday that he was planning "friendly, positive" talks with Kuwaiti and Saudi officials. "I'm not going there to pressure anybody," he said.

Saudi Oil Minister Ali Najmi is scheduled to meet March 2 with Mexico and Venezuela to discuss whether to increase production. Whatever decision they reach is expected to influence the OPEC meeting on March 27 in Vienna.

A Reuters report from Brussels said: "The European Commission told the world's major oil producers yesterday they should be looking to increase output by around two million barrels per day in the second quarter of this year to prevent oil price rises boosting inflation."

In an internal policy paper, EU Energy Commissioner Loyola de Palacio said she expected the March 27 meeting of the Organisation of Petroleum Exporting Countries (OPEC) to take a gradual approach to raising production to avoid a sudden collapse in prices.

Faruq Aziz Khan joins Informatics as executive director



Dr Faruq Aziz Khan, a well-known scientist of the country, has joined Informatics Institute Bangladesh as its Executive Director, says a press release.

Dr Khan has a long experience in teaching and administration for over forty years. He held many important positions in the government and autonomous bodies including the Ministry of Education, Natural Resources and Science and Technology. Dr Khan has also worked as an education counselor in Washington DC and was member of the Bangladesh Atomic Energy commission.

He retired from government service in 1987 after serving Bangladesh Space Research and Remote Sensing Organisation as its chairman for five years during the formative stage of the organisation.

A freedom fighter, Dr Khan worked in the Prime Minister's Secretariat of the Mujib Nagar government.

Dr Khan has authored a number of books, one of which - Spring 1971 - is highly acclaimed as an authentic account of the Liberation War.

Informatics Group, established in 1983 in Singapore, is a network of training and education companies, which operates with over 228 centres in 28 countries and inaugurated its first centre in Dhaka in November last year.

Dr Nuruddin Ahmed, Vice Chancellor of BUET, was the chief guest at the opening ceremony.

Bengal Information Technology Ltd. (BITL), a sister concern of Bengal Airlift Ltd, is the master franchisee of Informatics Singapore in Bangladesh. Informatics has already completed providing short courses to the first two batches and all the students have been awarded with Informatics certificates.

Weekly Currency Roundup

February 20-24, 2000

Local Market
Last week was a short one for the foreign exchange market as there was only three active days. The early part of the week was a holiday due to Saheed Dighash and the New York market was also closed due to President's Day in the US. The demand for Dollar gradually picked up as the week proceeded, which was rather high in the last working day of the week. A lot of trading activity took place on Thursday and the corporate clients were also interested in hedging their foreign exchange exposures.

The call money market was insipid and the call rate fluctuated between 5 to 6 per cent. The call rate spurred only on Tuesday as there was almost a gap between the maturity and acceptance of treasury bills. On that particular day, the call rate ranged between 7 to 8 per cent. Bangladesh Bank accepted treasury bills worth of BDT 7950 million, of which BDT 6480 million was okayed for 28 days at an average rate of 6.04 per cent, BDT 210 million for 182 days at 7.39 per cent, BDT 1020 million for 364 days at 7.73 per cent and BDT 240 million for 2 years at an average rate of 8.58 per cent.

International Market
The international market was rather quiet in the beginning of the week due to the closure of New York market because of President's Day holiday. When the market opened last week, euro broke above the key one against dollar by its gains against a weaker yen, while European shares were led higher by a strong telecom sector. Euro broke above the \$ 1.00 level for the first time in four weeks, bolstered by speculation of further increases in euro zone interest rates, while yen suffered from lingering concerns over the pace of Japan's economic recovery. The firmer euro boosted European government bond prices which also benefited from firmer US treasuries in Tokyo. Euro's rally, which lifted the currency to nearly 1.5 per cent on the day against dollar, was driven in Asia by the single currency's rise to four-month highs against the broadly weaker yen. However, euro began to display independent strength in European trading helped by speculation, the European Central bank could raise interest rates in its next meeting. Such talks were fanned after Bundesbank president Ernest Welteke was reported in Tuesday's edition of Germany's Boersenzefuhrung saying the euro zone's liquidity supply remained accommodative even after the quarter percentage point rate hike announced by the ECB on February 3.

In the middle of the week, dollar was easier against yen led by a wave of profit-taking before the second round of Humphrey Hawkins testimony by US Federal Reserve Chairman Alan Greenspan. The dealers commented that strength of the US currency in the recent days has prompted the overseas operators to lock in their gains. The European single currency strengthened against dollar after resurfacing above parity overnight helped by speculation that an interest rate hike might be near in the 11-nation euro zone. While the market at this point did not expect fresh news regarding US monetary policy at Greenspan's semi annual testimony, the dealers commented that they were wary about driving dollar higher amid the absence of strong incentives. Euro, which rose to a month-high of 1.0078 overnight, was quoted 1.0067/71 in New York. Greenspan said in a testimony last week that there was little evidence that recent rises in official and market interest rates had succeeded in slowing down the US economy. His comments were interpreted by the market as a clear indication that Fed might raise interest rates in the months ahead. Regarding the euro which rose to a six-month high against yen overnight at 111.77 yen, dealers and analysts said they were expecting more unwinding of hedging positions by Japanese life insurers and other large investors.

In the last part of the week, dollar appreciated through parity with euro recouping recent losses after soothing remarks by US Federal Reserve Chairman Alan Greenspan spurred US technology stocks. The Nasdaq rose 168.21 or 3.84 per cent to close at a record 4550.33 after Greenspan said monetary policy was not necessarily aimed at keeping prices in check. He also told the Senate Banking Committee in the second leg of his Humphrey Hawkins statement that the optimum monetary policy was one that moves in incremental steps.

Meanwhile, the bank of Japan's policy board voted to maintain its zero interest rate policy after it met on Thursday. US rating agency Thomson Financial Bank Watch on Thursday affirmed Japan's sovereign risk rating at AAA with a stable outlook but the news failed to boost yen. The market also shrugged off the worse-than-expected Japanese national retail sales data for January released on Thursday. Japan's retail sales fell 2.2 per cent in January from a year earlier, worse than the average forecast of a 1.0 per cent drop by economists polled by Reuters.

- Standard Chartered Bank.

Prime Insurance declares 10pc dividend

Star Business Report
Prime Insurance Company has declared a 10 per cent interim dividend.

The dividend was announced at the 41st meeting of the Board of Directors of the company held in the city recently, says a press release.

Qazi Saleemul Haq presided over the meeting, which was attended by most of the directors of the company including its Managing Director, Md Hashmat Ali.

The dividend was announced on the basis of provisional accounts for the year ending December 31.

According to the provisional accounts, the company achieved a growth rate of 31.37 per cent during the year 1999 compared to 1998.

The Board expressed its satisfaction over the performance of the company and highly appreciated the management and the employees for the progress made during the year under review.

Executive body chairman of Standard Bank



Mahabub Uddin Molla has been unanimously elected Chairman of the First Executive Committee of Standard Bank Limited.

The election was held at a meeting of the Board of Directors of the bank held in the city recently, says a press release.

Professor Molla, who has established Times Securities Limited, is a member of the Dhaka Stock Exchange Limited. He is also a Sponsor Director of Desh General Insurance Company Limited.

US sets leap yr day computer monitoring plan

WASHINGTON, Feb 25: The United States and about a dozen countries will work together to track any automated-system failures sparked by a leap day next week that occurs only once in 400 years, the US government said yesterday, reports Reuters.

"It's a real issue that we feel obligated to keep track of," John Koskinen, President Bill Clinton's Chief aide for the Year 2000 technology challenge, told reporters at a \$50-million Y2K monitoring station.

Koskinen said he did not expect any major system failures, largely because organisations typically checked for leap year compliance while troubleshooting for the so-called Y2K bug.

"If there are difficulties in many cases it will result in minor or modest glitches that can be remedied quickly if people catch it quickly," he said.

To keep tabs internationally, Koskinen will take part in scheduled conference calls every eight hours over a three-day period with national Y2K coordinators on the steering committee of the World Bank-funded International Y2K Cooperation Centre.

China's WTO entry bid suffers double setback

BRUSSELS, Feb 25: China's failure to agree terms with the European Union, coupled with rising US congressional hostility to a China trade deal, have dimmed Beijing's hopes of joining the World Trade Organisation (WTO) soon, reports Reuters.

In a bizarre end to the latest round of EU-China negotiations on Thursday, the European side contradicted reports in Chinese state media that China had reached a "basic understanding" with the EU on its entry to the world trade body.

"We don't have any knowledge of a basic understanding," European Commission spokesman Anthony Gooch said.

Gooch said the four days of EU-China talks in Beijing had made slow progress, but negotiations were not yet ripe for EU Trade Commissioner Pascal Lamy to fly to China to finalise an agreement.

The Chinese report of a deal appeared to be another example

of the brinkmanship China is famous for. Chinese officials called back US trade negotiators to wrap up an agreement last November as they were about to leave for the airport.

Both sides had raised hopes of a breakthrough in the EU-China negotiations and the failure to set a date for the next session is a setback to China's hopes of joining the world trade body in the first half of this year.

In another blow, leaders of a powerful US Senate committee warned on Wednesday that a landmark US trade agreement with China was in peril after Beijing threatened to attack Taiwan.

US President Bill Clinton on Thursday promised an all-out effort to win congressional approval of his administration's trade deal with China, urging business leaders to join in what he predicted would be a difficult battle.

With market-opening agreements already reached

with the United States, Japan, Canada and many other countries, agreement with the EU is the highest hurdle China must overcome to attain its 13-year-old dream of joining the WTO.

China seen reluctant to make more concessions

But, despite US pressure to wrap up the talks quickly the EU has made clear it will not be rushed into a bad agreement while China is reluctant to make more concessions.

"We always thought it might take a long time. The Chinese are tough negotiators and we like to think we are too," one EU diplomat said.

"The Chinese have got political problems giving us more than they gave the Americans on anything," he added.

Paul Brenton, a trade economist at the Centre for European Policy Studies, a Brussels think-tank, said China viewed the United States as the key to its entry to the WTO. EU officials said the bloc's

talks with China were based on trade considerations and had not been influenced by controversy over China's threat this week to use "drastic measures, including military force if Taiwan delayed indefinitely on unification talks."

Brenton said however, that the Chinese threat to Taiwan "wouldn't have helped" the talks. "US reaction would have been taken into account to some extent by the EU," he told Reuters.

The EU is seeking Chinese tariff reductions and greater access to the Chinese market in areas such as telecommunications and financial services.

While giving few details of the negotiations, EU officials made clear they were disappointed by the lack of movement shown by China in this week's talks.

An EU source in Beijing said European demands for 51 per cent foreign ownership rights in Chinese mobile phone networks were a key factor behind

the failure of the talks.

The EU says about 80 per cent of its trade interests were covered by the US China market-opening agreement reached last November. Under WTO rules, most of the concessions China gave to the United States must be extended to other WTO members.

Clinton promises all-out effort

Another report from Washington says: US President Bill Clinton yesterday promised an all-out effort to win congressional approval of a breakthrough trade agreement with China, after key lawmakers warned the pact may be headed for defeat.

"You'll get a full-court press from my administration," Clinton said in a speech to several dozen chief executives from major US corporations meeting in Washington. "We can't underestimate how hard it will be," he added.

Some business leaders have

been sceptical of the administration's commitment to the deal, after Vice President Al Gore said he would push for labour and environmental protections in future trade pacts if elected president.

But Clinton sought emphatically to convey his determination. "You can help us pass this, but it can't be a casual effort. It's not going to be a casual effort with me and it can't be with you," he said.

Clinton administration officials hope Congress will vote on the trade agreement by July, fearing any further delay would bog it down in heated election politics. Republican and Democratic leaders in the Senate said they wanted a vote as soon as possible.

Senate passage uncertain

Prospects for congressional approval of the trade deal have dimmed in recent days as criticism mounts over China's threat to invade Taiwan.