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The Daily Star BUSINESS

DHAKA, MONDAY MAY 15, 2000

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Kibria holds pre-budget talks with JP MPs

Finance Minister Shah AMS Kibria yesterday said the government has initiated extensive pre-budget discussions with different groups for ensuring fairness and accountability of the government, reports BSS.

The government wants to reflect the opinion of different groups and professionals in the national budget, he said, while holding a pre-budget discussion with the Members of Parliament (MPs) of the Jatiya Party (M-M).

Among the JP MPs, Communication Minister Anwar Hossain, Advocate Fazle Rabbi, Alhaj Tajul Islam Chowdhury, Ahsan Ahmed, Zulfikar Ali Bhutta, Shahadat Hossain, AKM Mostafizur Rahman and Golam Faruk Ovi attended the discussion.

The JP members made some specific proposals for the coming budget. They emphasised the need for speedy privatisation of the nationalised industries. They also proposed for taking necessary steps for the farmers and the agriculture sector.

The JP MPs also raised some proposals for strengthening the poverty alleviation programme, reducing misuse of properties and protection of local industries.

The finance minister said the government has taken up different measures to speed up the privatisation process of the nationalised industries.

Bank holiday on May 17

Bangladesh Bank and all other scheduled banks will remain closed on May 17 (Wednesday) on the occasion of Buddha Purnima, a religious festival of the Buddhist community, said a BB press release yesterday, reports UNB.

Biman awards top 15 travel agents

The Dhaka District Sales Office of Biman has given its Top Travel Agent awards for the year 1998-99 to fifteen leading travel agents of the city, says a press release.

The awards were given in recognition of the travel agents' productivity.

Biman's Managing Director Air Commodore M Rafiqul Islam handed over the crests and certificates to the recipients at a simple ceremony as chief guest. Director, Marketing and Sales of Biman M Mahmoodur Rahman and General Manager, Dhaka District Sales, were present and spoke on the occasion.

In his speech, Air Commodore Rafiqul Islam emphasised the need for greater business co-operation between Biman and the travel agents for healthy growth of travel business in the country. He noted with satisfaction the supplementary role Biman and the travel agents have been playing for their mutual benefit and hoped to strengthen this in coming days.

The award-winning 15 travel agents are: Kazi Air International, Versatile Travels & Tours, Jonaki Travels, Air Trip International, Amazeen Overseas, Baridhara Overseas, Royal Aviation, North South Travels, Pan Bright Travels, Megatop Travels, Central Travels, Tanveer Travel, Haque Travels, Victory Travels and Echo Travels.

The programme was rounded off with the annual dinner, which was attended by city elites, travel agents, other airlines and Biman officials.

BIA course on insurance ends

A training course on "Risk Management and Loss Prevention with Special Emphasis on Fire Insurance" arranged by Bangladesh Insurance Academy (BIA) concluded at the BIA Bhaban in the city yesterday, says a press release.

Eighteen executive officers from Sadharan Bima Corporation, private insurance companies, private industries and banks participated in the course.

Yearbook of Agri Statistics '98 Published

The Bangladesh Bureau of Statistics recently published the Yearbook of Agricultural Statistics of Bangladesh 1998, an official handout said yesterday, reports BSS.

This is the 13th edition of the Yearbook published in a series. This edition contains 11 chapters with data series on import and export aspects of agriculture.

It also contains data related to crop acreage and production, crop damage by natural calamities, weather variables, agricultural inputs, crop prices, land use, cropping intensity, cropping patterns, structure of agricultural holdings, livestock, fisheries, forestry and export in port of agricultural products and inputs.

Export earnings fall 4.15 pc short of target till March

By Monjur Mahmud

The country's exports during July-March period of the current fiscal year fetched US\$ 4124.69 million, 4.15 per cent short of the target and 8.41 per cent higher than last fiscal's same period.

March proved to be a dull month with goods worth \$429.58 million exported which is around \$48.59 million less than the average monthly target of \$478.17 million, according to the Export Promotion Bureau (EPB).

The export target for the first nine months of FY2000 was set at \$4303.50 million. The export volume increased by 8.03 per cent in the first nine months of the current financial year while the price index rose by 0.38 per cent, said an EPB official.

Although the export volume of primary products increased by 5.43 per cent, the price index for this segment fell by 4.93 per cent. However, both the export volume and price index of the

industrial products recorded positive growths of 8.24 per cent and 0.88 per cent respectively, he stated.

Except for frozen foods and leather, export of major items including readymade garments (RMG), knitwear, raw jute and jute goods, tea, handicrafts and chemical products faltered in reaching their respective targets till the third quarter of the current fiscal year.

RMG exports fetched \$2251.29 million, which is 3.17 per cent short of the \$2325 million target. This is however 5.91 per cent higher than the corresponding period of last fiscal year.

Knitwear worth \$884.08 million were exported, down by 1.77 per cent from the target but 20.15 per cent up from that of last year.

Frozen foods worth \$225.52 million were exported during the period, which surpassed the target by 1.59 per cent and is up

by 11.60 per cent from last fiscal's corresponding period.

Jute goods worth US\$ 208.32 million were exported against the \$232.50 million target. The earnings figure is 10.40 per cent less than the target and down by 1.58 per cent from last fiscal's corresponding period.

Leather did pretty well in fetching \$143.91 million during the period, which is 6.60 per cent up from the target and 16.03 per cent higher than last fiscal's same period.

Raw jute valued at \$52.18 million was exported during the period against the target of \$54 million. This showed a 3.37 per cent fall from the goal and 9.23 per cent rise from last fiscal's corresponding period.

Tea export from the country during the July-March period nosedived with 10.71 million kg of tea worth \$15.21 million exported against the target of \$30 million. This is a huge 49.30 per cent short of the target

and 58.17 per cent less than last year's same period.

The price of tea in the international market dipped by 16.47 per cent during the period while Bangladesh's export volume declined by 49.81 per cent.

Export earnings from handicrafts amounted to \$3.73 million against the \$7.50 million target. This also showed a big 50.27 per cent decline from the target and 23.41 per cent slump from the corresponding period of FY 99.

During the period under focus, chemical products worth \$56.56 million were exported against goal of \$72 million, dipping by 21.44 per cent from the target and surging by 4.9 per cent from last year's corresponding period.

The United States remained the major market for Bangladesh exports, which accounted for \$1604.09 million or 38.89 per cent of the total exports.



A couple walk among displayed vehicles at the used-car dealer "Carest," owned by Nissan Motors in Zama, Japan on Saturday. Carest is situated at the location of the former Nissan Zama factory, which was closed by a revival plan led by Nissan's Chief Operating Officer Carlos Ghosn. It's make-or-break year for Ghosn with his job on the line as he waits to see whether his drive to get Japan's second biggest carmaker back on track will pay off. After spending most of the 1990s in the red, Nissan Motors Co. Ltd. expects to have posted a steep net loss in the year to March 31 of 590 billion yen (5.4 billion dollars). —AFP photo

Better tariff regime can bridge Dhaka-Islamabad trade gap

FBCCI chief tells visiting Pak delegation

Star Business Report

FBCCI President Abdul Awal Mintoo yesterday said that removal of trade imbalance and increase in the volume of trade between Bangladesh and Pakistan would largely depend on improving the tariff regime.

Mintoo was addressing the visiting seven-member Pakistani investment and business delegation at the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) conference room in the city.

Trade balance between the two countries now tilts towards Pakistan, the FBCCI president pointed out.

The trade gap between the two countries stood at US\$ 44.66 million in 1998-99. During the period, Bangladesh im-

ported goods worth US\$ 82.79 million from Pakistan while its export to that country was US\$ 38.13 million.

"The tariff concessions agreed under SAPTA negotiations need to be implemented and the list expanded to include items which have trading potentials," Mintoo said.

Members of the Pakistani delegation Yahya Ahmed Bawany said that lack of knowledge about the investment opportunities offered by Bangladesh kept many of the Pakistani businessmen away from investing here.

"Many Pakistanis invest a lot of their money outside Pakistan, but the share of Pak-

istani investment in Bangladesh is very small. We don't have any clear idea about the investment opportunities offered by the Bangladesh government," said M Yasin Malik, a member of the visiting delegation.

Mintoo said Bangladesh provides a growing market of over 100 million people with vast supplies of comparatively cheap and easily trainable workforce. With liberal investment policy, these have afforded unique opportunities for setting up new industries both independently or through joint ventures.

He said that there was vast potential for composite textile mills in Bangladesh to meet the

existing demand for about 3 billion meters of fabrics for the burgeoning RMG industries.

The country also offers bright investment opportunities in other areas like leather and leather goods, sports goods, light engineering products, food processing, etc.

Both the sides mentioned that irregular shipping services occasionally hampers the existing bilateral trade and urged the authorities to streamline this.

The Pakistanis expressed their interests to invest in joint venture textile, pharmaceuticals and fruit juice industries and also said that they were pretty willing to import more tea from Bangladesh.

Bhutan wants to see expanded trade with Bangladesh

FBCCI chief meets visiting FM

Lyonpo Jigme Y Thinley, Foreign Minister of Bhutan, has expressed the hope that the existing excellent bilateral relations between his country and Bangladesh, specially in the field of trade and commerce, would be strengthened further.

He emphasised the need for improving infrastructural facilities and frequent interaction between the business communities of the two countries to achieve the objective, a press release of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) said yesterday, reports BSS.

The wishes were expressed when Abdul Awal Mintoo, President of FBCCI, called on Lyonpo Jigme Y Thinley, at the State Guest House Padma, last evening.

During the meeting, Mintoo stated that there were immense possibilities for expansion of

bilateral trade and stressed the need for identifying the bottlenecks in the way of bilateral trade and economic cooperation.

Both of them felt the need for promoting sub-regional cooperation and observed that there were ample opportunities for sub-regional cooperation in the area of power, water and other natural resources.

It appeared from the discussion that there was a possibility of exporting power from Bhutan to Bangladesh, the press release said.

Mintoo apprised the Bhutanese Foreign Minister about the economic situation in Bangladesh and spoke of the signs of some improvement in sight. During the last four consecutive years in a row, the growth rate crossed the 5 per cent mark and stood at 5.2 per cent in 1998-99, he said.

Referring to little trade

among the SAARC countries, Mintoo mentioned that intra-regional trade volume among the SAARC countries was only 3 per cent of their total trade, while it is 43 per cent among the ASEAN countries and 64 per cent among the European Union nations.

He urged the political leadership to give priority to geo-economics. Politics should not distort geographical advantages that were available in the region, he said.

The Bhutanese foreign minister invited Mintoo to visit his country for enhancing bilateral cooperation.

Thinley said that the existing trade route through Burimari originally meant for Bhutanese trade was being used for other purposes. FBCCI chief supported new trade route with Bhutan and assured to take up the matter with appropriate authority.



Managing Director of Biman Air Commodore M Rafiqul Islam and Director (Marketing and Sales) M Mahmoodur Rahman are seen with the recipients of Top Travel Agent awards at the annual dinner 2000. —Biman photo

BB T-bill auction held

The 88th auction of the 28-year, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held here, reports UNB.

Tk 283.00 crore, Tk 9.00 crore, Tk 86.00 crore, Tk 8.00 crore and Tk 2.00 crore were offered respectively for the 28-year, 91-day, 182-day, 364-day and 2-year bills.

Of these, Tk 131.00 crore Tk 3.00 crore Tk 1.00 crore and Tk 2.00 crore in total of Tk 139.00 crore of 28-day, 91-day, 182-day, 364-day and 2-year bills were accepted respectively.

Range of the implicit yields of the 28-day, 91-day, 182-day, 364-day and 2-year bills were 5.94-6.00 per cent, 6.30 per cent, 7.20 per cent, 7.73 per cent and 8.52 per cent per annum respectively.

No bid was offered for the 5-year bill. The net amount of the issuing bills will stand at Tk 15.10 (139.00-170.500) crore in the next week as the total amount of Tk 170.00 crore will retire in the current week due to the maturity of the bills.

Assam to encourage foreign investment

GUAHATI, India, May 14: India's northeastern state of Assam is hoping to attract Japanese tourists and investors to the oil-rich region, Chief Minister Prafulla Kumar Mahanta said today, reports AFP.

Mahanta, before leaving for Tokyo to attend a conference, said he planned to showcase Assam before potential investors at the three-day event.

"I shall be making a detailed presentation before potential investors and leaders of the Japanese tourism sector in an attempt to explore possibilities for investment and (increase the) flow of tourists into Assam," Mahanta told the news agency.

Mahanta will also attend the Kagoshima International Conference on World Natural Heritage beginning Thursday before holding a series of meetings with Japanese business-

men and policy-makers in Tokyo.

"I shall try and put Majuli in Assam, the world's largest river island, on the global tourist map during the Kagoshima meeting," Mahanta said.

At least 14 countries from the Asia Pacific region are expected to attend the conference.

Mahanta said he would highlight the investment potential in sectors such as hydro-electricity, infrastructure and flood control management in Assam.

"I am sure Japanese investors will respond positively. Once we get some response, we can identify the projects and let them know," he said.

"We shall make it a point to let them know that we will be providing help and cooperation and impress upon them that there is no need for any fear or worry about coming to Assam."

Sales of imported automobiles fall in Japan

TOKYO, May 14: Sales of imported automobiles in Japan fell 4.7 per cent in April from the same month last year to 19,057 vehicles, an industry association said Tuesday, reports AP.

April marked the fourth consecutive month that imports, which included those by Japanese automakers, had fallen, the Japan Automobile Importers Association said.

The data showed Japanese consumers remain reluctant to spend on big-ticket, imported goods, despite some signs that Japan's economy is recovering from the nation's worst recession since World War II.

Sales of passenger cars, which account for the bulk of import sales, dropped by 5.3 per cent to 18,351, the association said.

The overall April figure followed a 3.9 per cent fall in March.

Militancy threatens Filipino growth

Transport, distribution of goods at stake

CEBU, Philippines, May 14: Renewed Islamic militancy in the southern Philippines could cut economic growth this year if it drags on, but the peso currency's decline may have largely run its course, bankers and economists said, reports Reuters.

The escalating armed conflict, the latest crisis to hit the two-year old administration of President Joseph Estrada, is affecting transport and distribution of products.

That could hit growth and drive up inflation, bankers and economists said at the weekend on the sidelines of the annual convention of the Foreign Exchange Association of the Philippines.

Troops are fighting two Muslim separatist groups on three islands in the southern region — Mindanao, Basilan and Jolo.

Abu Sayyaf rebels are holding 21 mostly foreign hostages on Jolo and another nine Filipinos on Basilan. The army said guerrillas of the larger Moro Islamic Liberation Front seized a village on Mindanao on Saturday and took 170 people hostage.

Omar Cruz, president of Citicorp International Securities

(Philippines) Inc, said his firm may cut its projection of 2000 gross domestic product (GDP) to three per cent from 3.4 per cent.

The government is targeting year-on-year GDP growth of four to five per cent this year, up from 3.2 per cent last year.

"Mindanao is one third of agricultural output but only one third is affected," Cruz said.

The agricultural sector accounts for between 20 and 25 per cent of total economic output in the Philippines.

Worries over the Mindanao conflict, compounded by expectations of a rise in US interest rates, have driven down the Philippine peso and local stock market to 18-month lows.

The peso on Friday fell through its psychological support level to reach 41.505 per US dollar before closing at 41.50.

Manila shares posted a technical rally on Friday but dealers expect them to test new 18-month lows this week.

Financial markets had already been undercut by a price-fixing scandal involving gaming firm BW Resource Corp. rumours of a plot to topple Estrada, perceptions of cronyism and the slow pace of eco-

omic reform bills pending in Congress.

Gerard Teo, regional economist and strategist of ABN AMRO Bank NV, said there were concerns over both private consumption and private investment.

"From what I can gather it seems like there's been some impact on consumer confidence and companies' confidence so that could show up in slower economic activity."

ABN AMRO expects 2000 GDP to expand by 3.5 to four per cent.

Teo said the peso could languish at the 41.50 level for some time even if the central bank raises overnight rates following an anticipated 50 basis point hike in US rates on May 16.

"I think in the very short term it's going to remain around 41.50, over the next one month," Teo said. "The central bank may have to do something in the form of slightly higher interest rates, or even some slight intervention perhaps."

But by the end of the year, the peso may have recovered to around 41 per dollar, helped by a surge in remittances sent by overseas workers for their families' Christmas spending.

Antonio Ageaoli, first vice

president for the treasury group of Asia United Bank, said the country's gross international reserves, \$15.8 billion at the end of April down from \$15.99 billion a month ago, should limit any volatility in the peso.

"The main factor that has more or less placated or eased concerns of most investors and most currency traders is the fact the central bank maintains a healthy international reserve."

"If you look at the decline in local currency, it hasn't exceeded I think three per cent since the start of the year. It's not substantial compared to other currencies," Ageaoli said.

Antonio Moncupa, executive vice president at International Exchange Bank and president of the Foreign Exchange Association said the Mindanao conflict would not hurt the peso much because most foreign funds had already shifted their holdings abroad.

"It's not helping the peso but the negative impact is not that much."

The local stock market will eventually test the 1,450 major support level, analysts said. The 33-share main index ended at 1,539.31 points on Friday.

Miss Universe win set to transform Indian IT hub

BANGALORE, India, May 14: This southern Indian city, the country's software and aviation hub, is bracing to transform itself into a beauty and fashion capital after a local girl, Lara Dutta, won the Miss Universe crown over the weekend, says AFP.

Fashion designers and photographers said the success of the 21-year-old, who took the coveted title in Nicosia on Saturday, would help the city to become a top global base for grooming future models.

"The win has created a great deal of excitement here. Now Bangalore is on the global fashion map. It is known as the IT capital of India. Now soon another feather will be added to its cap," said Oum Pradutt, a fashion designer.

"Lara's crown will open up new vistas for city designers and fashion-related events. Her win has made a huge difference to the city."

Several top Indian models — both men and women — area natives of the city. In addition many of the country's leading designers are based here.

Lara Dutta, who did her

schooling and started her career in modelling in Bangalore, shifted to India's film and fashion capital Bombay after winning her first Indian title when she was 17.

She won the Miss International Tourism contest in Germany in 1997 and then grabbed a series of corporate advertisement contracts in Bombay.

Her Miss Universe title, the second to be won by an Indian, was the first for a southern Indian.

S M Krishna, the chief minister of Karnataka state, whose capital is Bangalore, said Dutta had done the state proud.

"Bangalore is the capital of knowledge, IT and science. Now it has become the capital of beauty also. It is a great credit to Bangalore," Krishna, an amateur fashion designer, said.

Designer Pradutt said the fashion potential in the city was not fully exploited.

"Nobody noticed the work happening in Bangalore. Now they will. Most of the decisions regarding fashion were taken in Bombay. After the crown I think they will gradually but

surely shift to Bangalore," Pradutt said.

The Design and Print Group, headed by Prasad Bidappa who coached Dutta, handles 20 to 30 models every month in Bangalore.

Three former Miss Indias are among the list of successful models who have received Bidappa's attention.

Bidappa, who put in hundreds of hours coaching Dutta, said Indian women held an edge over other contestants in global pageants.

"Indian women have the best of both worlds, the white and the black. Indian women in the future will be the epicentre of beauty."

"In the next 20 years the wins will keep on happening. This habit of winning will be furthered by India in this new millennium," Bidappa said.

"It is a great thing to happen to Bangalore's fashion culture," he added.

Other designers said Dutta's win would spark off intense competition between the three Indian cities of Bombay, Delhi and Bangalore.