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The Daily Star BUSINESS

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BCCI Campaign Committee hails further dividend announcement

The BCCI Campaign Committee has welcomed the news of payment of a further 14 per cent dividend to the creditors, says a press release of the Committee.

The Committee represents hundreds of former BCCI employees.

In the press release, issued on Wednesday, one of the Joint Co-ordinators of the Committee, Raihan N Mahmud said: "After ten years, we would like to see this liquidation concluded as swiftly as the dividend is being paid so late that the money would have very little value to many creditors who may die by the time the next dividend is announced."

On the actions against the Bank of England and Bank of America, the Committee's view is that there was a better case for negligence against the Bank of England for their failure to prevent the withdrawal of huge assets after BCCI was closed down. For example, the additional capital of some US \$650 million remitted on 4th July, 1991 was removed on 5th July, 1991 after the Bank of England announced closure of BCCI.

Mahmud said, "We hope for success for the sake of the creditors, but we would like a cost benefit analysis as soon as possible."

In a letter on May 3 the Campaign Committee has asked Dr Kim Howells MP, Minister for Department of Trade & Industry, to appoint a DTI Inspector to look into the conduct of the liquidation, in particular, matters relating to the liquidators' fees believed to exceed US \$1,000 million and the continuing and costly litigation with former employees. According to Mahmud, "The liquidators' fees already represent 14 per cent of the creditors' money which is high by any standard and on a full inquiry into the liquidation a sizable amount of the fees may have to be returned by the liquidators to the creditor pool. This would indeed be a very good news for the creditors."

The employees have also called for re-election of the Creditors Committee as the present members were elected in 1993. The employees have also questioned why annual general meetings of the general body of creditors have not been held.

Another general insurance co gets registration

Another new general insurance company named "Express Insurance Limited" has obtained registration from Chief Controller of Insurance for carrying out general insurance business, says a press release.

Earlier, the government issued pre-permission letters to 19 companies for general insurance business. Express Insurance, one of them, has already started its business.

New chairman, vice-chairman of ONE Bank



Hefazatur Rahman

Upon expiry of the term of first ONE bank chairman M H Choudhury, the bank's Board of Directors has elected, Hefazatur Rahman, Vice-Chairman, its Chairman for a one-year term with effect from May 14, 2000, says a press release.

Zahur Ullah, Director, has been elected Vice-Chairman.

Hefazatur Rahman is a renowned industrialist and the Managing Director of Mostafa Conglomerate of Chittagong, Mostafa Group of Industries consist of Rahman Rexine Industries Ltd., Mostafa Re-Rolling Mills Limited, Rahman Ship Breakers Limited, Mostafa Steels Limited, Mostafa Vegetable Oil Industries Ltd., Mostafa Coconut Oil Industries Ltd., MM Vegetable Oil Products Ltd., Mostafa Garments Industries Ltd., Mostafa Steel Galvanizing Plant Ltd., Mostafa Artificial Leather Industries Ltd., Mostafa Shrimp Products Ltd., MM Ship Breakers, Hefazatur Rahman & Co. Ltd. and M Rahman & Company.

Zahur Ullah, Chairman of Apparel Fair (Pvt.) Ltd. is involved in the buying, manufacturing and exporting of ready-made garments and allied products. He is also the Managing Director of GTEX Limited, Labels & Trims Limited, Everest Embroidery Limited and Lamisa Limited.

Farzana Chowdhury has been elected Chairperson of the Executive Committee. She is a Director of the diversified and reputed HRC Group.

BEA for reduction of VAT at import, retail levels

Total end to supplementary duty urged

Star Business Report

As the government in the last budget (1999-2000) expanded the VAT net on electrical goods to the retail level, the Bangladesh Electrical Association (BEA) has called for reduction of the existing VAT rate at import and retail stages and demanded total withdrawal of supplementary duty.

In its budget proposal for the next financial year (2000-2001), BEA has suggested 7.5 per cent VAT fixation on electrical goods at import level from the present 15 per cent and 1.5 per cent at retail level from the current 3 per cent.

The association said that the move would encourage more business houses to pay VAT,

raising the government's revenue earnings.

BEA also urged a cut in import duty on raw materials and parts used in producing electrical goods.

To encourage the local transformer industries, the association pleaded for bringing down the import duty on transformer oil to 7.5 per cent from the present 15 per cent. It also advocated for lowering the import duty on insulating graphy paper/paper board used in making transformers to 15 per cent from the current 25 per cent.

The association also called for reducing import duty on raw materials used by the electric cable industries to help the lo-

caly-produced cables compete in international markets. The proposal also includes suggestions for fixing import duty on liquid paraffin at 15 per cent from the existing 25 per cent, reducing import duty on PVC resin to 5 per cent from 15 per cent and lowering duty on non-adhesive tape to 15 per cent from the current 37.5 per cent.

Claiming that the locally-made electrical meters are as good as the international ones, BEA proposed to reduce the import duty on spare parts of single phase electric meters to 15 per cent from 25 per cent. It said that duty reduction on spares would make the locally-produced meters competitive in the

global environment.

The association also urged lowering of the import duty on automatic circuit breaker, capacitor, stainless steel sheet and BP and MS sheets from the present 15 per cent to 7.5 per cent.

It advocated for reducing the import duty on rechargeable lights to 25 per cent from the present 37.5 per cent to make it cheaper for people in the country in the wake of frequent power failures.

The BEA also called for withdrawal of the 2.5 per cent development surcharge which was imposed through the last budget.



M Farukul Islam Shova, Chairman of Sears Electronics Ltd, inaugurates a new sales centre of Grundig Electronics Products of Germany at Mirpur-1 in the city on Thursday. Director M Rafiqul Islam is also seen.

US high-tech force reaches 5 million

WASHINGTON, May 20: Some five million Americans worked in the high-tech industry in 1999, or about 3.5 per cent of the national work force according to a report released yesterday, says AFP.

The report by the American Electronics Association and the Nasdaq stock market said jobs in the sector have grown 30 per cent in the last six years, with 1.2 million workers added.

Salaries in the sector average 58,000 dollars a year compared to 32,000 dollars in other private sector jobs.

AEA president William Archev said the report, called Cyberstates 4.0, "shows conclusively that the high-tech industry is no longer confined to Silicon Valley and Boston's Route 128. It is now an industry whose scope, dynamism and impact extends from sea to sea."

ReadyCash gives away prizes

Thayne Whipple, Director of American International Bangladesh Ltd, (ReadyCash), announced, amidst loud applause and the slogan "Jhotpot, Nirapod" (Fast and Secure), names of the winners of prizes being awarded to recent ReadyCash cardholders at Dhanmondi in the city yesterday, says a press release.

ReadyCash executives and its existing and potential cardholders were present on the occasion.

The weekly prize of a Konica film roll was received by Mumtazur Rahman, the holder of the 3765 number card while Bijoy Peter Rozario (Card No 3768) got a free day-long ride in a Hertz rent-a-car. Two free lunch offers from Asparagus Restaurant in Gulshan went to Dr Mah-

bulul Kabir (Card No 3773). An smart gift box was won by Md Khorshadul Alam (Card No 3794) from Imart in IDB Bhaban.

Apart from the weekly prizes, special prizes for the month of May include a six-month course offered by Apteck computer education and a free camera from Konica.

Additionally, weekly and monthly prizes will be given away to those ReadyCash cardholders who have been using their cards for shopping or paying Titas Gas bills. ReadyCash wants its clients to read The Daily Star every Sunday and listen to Radio Metrowave every Saturday at 2.30 pm to see if they or their friends have won special prizes.

Aventis, IBM in global IT services deal

Aventis and IBM recently announced the signing of a ten-year global information technology (IT) services agreement with an estimated value in excess of \$ 1.5 billion (EUR 1.64 billion).

The agreement aims to provide a platform for the ongoing IT innovation at Aventis, a leading global life sciences company, says a press release.

Under the terms of the agreement, IBM Global Services will manage and run the core elements of Aventis' IT operations. This will include management of computer centres, server operations, and the provision of Internet, e-mail and helpdesk services.

The deal will first be rolled out under separate local and business agreements in the United States, France, Germany, Japan and the United Kingdom during this year.

Myanmar elected ACU chairman

Farashuddin hails idea of currency swap arrangements

Outgoing Chairman of Asian Currency Union (ACU) Dr Mohammad Farashuddin yesterday lauded the foresight of the architects who floated the idea of currency swap arrangements among the member nations, reports BSS.

Dr Farashuddin, who is also the Governor of Bangladesh Bank, pointed out that the ACU happened to be the sole working example of monetary cooperation in this part of the world, saying it was only now that the major economic players in Asia were contemplating a currency swap among their central banks.

Addressing the 29th meeting of the Board of Directors of the ACU here, he expressed the hope

that the ESCAP might consider putting forward to these countries the ACU currency swap as a pilot working model for possible adoption and extension.

The ESCAP might also consider taking a role in linking up the ACU currency swap arrangements with the broader arrangements that the major Asian economies eventually put in place, he observed.

Governors of Reserve Bank of India, Central Bank of Myanmar, Nepal Rastra Bank and State Bank of Pakistan Managing Director of Royal Monetary Authority of Bhutan, Vice Governor of Central Bank of Islamic Republic of Iran and Deputy Governor of Central Bank of Sri Lanka attended the

meeting. The Governors of Central Bank of Myanmar and Central Bank of Sri Lanka have been elected Chairman and Vice-Chairman of the ACU respectively for the year 2001. Yangon, the capital of Myanmar, has been chosen as the venue for the 30th ACU Board meet.

The Secretary General of the ACU Secretariat, based in Tehran, and a representative of ESCAP were also present. Royal Monetary Authority of Bhutan joined the Union formally at the meeting.

The ACU Chairman said: "we can envision the ACU as the platform and the springboard for broader and deeper monetary and economic union for

our region, eventually with a new single currency. Early initiatives should be taken to materialise the idea."

Mohammad Firouzdar, the ACU Secretary General, in his report reviewed the economic performance of the ACU member countries for the year 1999.

The meeting discussed the suggestions and recommendations of the technical committee. The ACU, established in 1974 under the auspices of ESCAP, began its operations in November 1975. It is a form of payment arrangement whereby the members settle payments for intra-regional transactions among the participating central banks on a multilateral basis.

Clinton, WTO welcome China-EU deal

WASHINGTON, May 20: President Bill Clinton said yesterday a market-opening deal between China and the European Union underscored the importance of the US Congress to approve permanent trade relations with China, reports Reuter.

The breakthrough in Beijing between Chinese and EU negotiators came against the backdrop of Clinton's efforts to persuade members of the House of Representatives to back permanent normal trade relations with Beijing when they vote next week.

China has now concluded market access agreements with all but a handful of countries, including Mexico and Switzerland, and its entry into the World Trade Organisation is

now virtually assured.

In a written statement, Clinton said the Chinese-EU agreement "highlights the importance of congressional passage of permanent normal trade relations with China."

"It is now clearer than ever that China will join the World Trade Organisation," he said. "For America to reap the broad benefits of China's historic decision to open its markets and to strengthen the forces of positive change in China, Congress must enact PNTR (permanent normal trade relations)."

Opponents of the deal, particularly labour unions, fear US companies would take advantage of Cheap labour in China and move some plants there at the expense of American jobs.

Clinton said a vote against

permanent trade relations with China will cost America exports and jobs, cede this massive new market to our competitors in Europe and Japan and ambolden those resisting reform in China."

Moore upbeat on US passage

Another report from Geneva says: World Trade Organisation Director General Mike Moore welcomed China's agreement with the European Union on joining the global trade watchdog but said important work remained to be completed.

"This is another major step towards extending the benefits and responsibilities of the WTO system to a quarter of the world's population," Moore

said in a brief statement after China and the EU reached a market access deal on Friday.

The deal, concluded after five days of talks in Beijing between EU Trade Commissioner Pascal Lamy and Chinese Trade Minister Shi Guangsheng, followed 14 years of marathon negotiations.

The EU pact cleared the biggest remaining hurdle for China's long-sought incorporation into what is formally called the multilateral trading system.

"This is great news... (but) there is still further important work to be done," Moore said. He noted that China had yet to conclude bilateral negotiations with several other WTO member governments.

WB loan a win over US, says IRNA

TEHRAN, May 20: Iran's state news agency yesterday hailed a World Bank decision to grant some \$230 million in loans to Tehran as a victory over the United States, saying it could pave the way for Iran to borrow \$1 billion a year, reports Reuters.

"The US was left licking its wounds on Friday following Iran's landmark victory at the World Bank over the decision... that is seen having important consequences for gaining other financing," IRNA news agency said.

"The implication for Iran is that World Bank officials have

previously conservatively estimated that Iran could easily borrow \$1 billion annually for the next 10 years," IRNA added.

Ignoring fierce objections from the United States, the World Bank on Thursday approved the two loans to fund health care and sewerage projects in Iran. The loans were the first World Bank credits to the Islamic republic since 1994.

The United States, which accuses Iran of sponsoring terrorism, voted against the loans, while Canada and France abstained. Washington had lobbied other countries not to approve the loan.

Commodity: Weekly Roundup

Limited OPEC supply fears drive oil prices up

LONDON, May 20: Fears of limited supplies drove oil prices to their highest levels for two months, reports AFP.

In New York, the price of benchmark light sweet crude exceeded 30 dollars a barrel, and in London Brent crude briefly exceeded 29 dollars a barrel before slipping back slightly.

These price levels are the highest since late March just before the Organisation of Petroleum Exporting Countries (OPEC) agreed to increase output to stabilise prices.

worried about levels of US petrol stocks as the US driving season looms.

Cocoa, Sweet: Cocoa prices rose, spurred late Thursday by the announcement of the dissolution of the government in Ivory Coast, the world's leading producer, says AFP.

On the London market, the price of a tonne of cocoa for September delivery was 644 pounds compared with 614 pounds at the end of last week. The price was also stimulated as growers considered the possibility of destroying part of their plantations to reduce cocoa production to one million tonnes by the end of three years from its current level of 1.3 million tonnes.

prices have fallen to their lowest levels for nearly 27 years.

Coffee: Warming, Coffee hit eight-year lows before edging back to seven-year lows on Friday as the Association of Coffee Producing Countries reached agreement on a plan to limit supply.

In London, Robusta for July delivery was trading at 933 dollars a tonne compared with 938 dollars a tonne last week. In New York, Arabica for July delivery was trading at 94.10 cents a pound late Thursday compared with 98.70 cents. Friday's agreement follows months of debate on a supply regime. The idea has been met with considerable scepticism, chiefly because of the cost of stocking any coffee held back.

Dealers have also voiced doubts that any agreement would be adhered to.

Tea: Weak. Tea prices slipped in the face of weak demand. High grade BP1 (broken Peake) leaves lost up to 13 cents.

Sugar: Sweet. Sugar prices rose as a result of a drought in Brazil the world's leading producer, which has damaged harvests. In London, October contracts rose to 199.4 dollars a tonne from 196.9 dollars. In New York, white sugar for July delivery rose to 7.07 cents a pound from 6.83 cents.

Vegetable Oils: Sliding. US soy prices continued to decline over the week following heavy rain in US growing regions. On the Chicago Board of Trade

(CBOT), a bushel of soy slipped to 5.48 dollar (for May delivery) from 5.59 dollars. Prices had previously been driven higher by a lack of rain.

Grains: Sapped. US wheat prices fell back over the course of heavy rains helped to compensate for recent dry weather. A bushel of wheat (of 27.2 kg for May delivery) on the Chicago market slipped to 272 from 272.50 cents. A bushel of maize (of 25.4 kg for May) meanwhile inched up to 238 cents from 237.75 cents. In London, a tonne of wheat dropped to 67.50 pounds (for May from 70.75 pounds).

Cotton: Strong. Cotton prices climbed higher. Cash prices covered by the Cotton, Outlook index rose to

61.00 cents a pound from 59.70 cents.

Wool: Warm. Australian wool prices continued to build on the two and a half year highs reached earlier this month, amid plentiful demand. The soft commodity was also sustained by the strength of the US dollar and an aggressive increase in US interest rates. The Eastern index gained five Australian cents to 749 cents per kilo. In Britain, the Wootlops index rose by five pence to 315 pence. Rubber: Soft. Rubber prices slipped back this week. The London rubber index slipped to 495 pounds a tonne from 505 pounds the week before.

Business Club Australia eyes 25,000 members by Sydney 2000

Business Club Australia expects to attract around 25,000 members around the world by the start of the Olympic Sydney 2000, says an Austrade press release.

The Club was launched in Bangladesh in September 1998 and more than 100 Bangladesh businessmen are its members.

Business Club Australia is a global business networking club concept driven by Australian Trade Commission (Austrade).

The Club has been established to assist international business people make connections with Australian companies.

It offers memberships to Australian companies and to international business people interested in buying from, or investing in Australia.

Features of the Club include the Virtual Club-member only zone of club web-site for on-line business services and networking. Business Club centres — in every state and territory around Australia, plus Austrade global network. Networking events — around Australia and the world and Mailing and electronic communication business opportunities, information and Olympics update.

Benefits of the membership include a broader networking base for supply of up-to-date business information, assistance in business matching, priority access to global business events, pre-visit assistance to maximise a trip to Australia and a hotline call centre.