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Mosharraf tells JS Govt plans to open up int'l routes for pvt airlines

The government has a plan to open up the international routes for private airlines, Parliament was told yesterday, reports UNB.

Replying to Tasnima Hossain (JP-Projair), Civil Aviation and Tourism Minister Engr Mosharraf Hossain said the government has opened up the internal routes and has a plan to encourage private entrepreneurs to come up with airlines that would link the international routes.

Replying to another question, he said the government has no plan to reduce the fare of Biman flights on domestic or international routes.

Regarding the Biman's loss on Dhaka-New York route, the minister said the present government has brought down the loss on the route to Tk 25 crore from Tk 40 crore.

He informed the House that Biman has a plan to introduce regular flights to Cox's Bazar if the number of tourists increases.

He, however, said it was a positive sign that the number of tourists were increasing everyday.



New dy executive president of Al Baraka Bank

Syed Nurul Amin recently joined Al Baraka Bangladesh Limited as Deputy Executive President.

Prior to joining the bank, he was the Deputy Managing Director in The City Bank Ltd., says a press release.

Amin started his banking career as an officer with the then Muslim Commercial Bank Ltd. (Now Rupali Bank Ltd.).

He held different responsible positions in Rupali Bank and Arab Bangladesh Bank Limited.

Y2K programming contest held at EWU

A computer programming competition titled 'Y2K Programming Contest' was held at the East West University (EWU) in the city on Monday, says BSS.

Prof Mohammad Kaykobad of BUET inaugurated the contest organised by East West University Computer Club, a press release said on Wednesday.

A total of 15 teams participated in the contest, the release said.

Emirates luxury lounges open at Dubai Airport

Emirates has opened luxury lounges at Dubai Airport.

Sheikh Ahmed bin Saeed Al Maktoum, Chairman of Emirates, inaugurated the airline's palatial First and Business Class lounges in the new concourse at Dubai International Airport, each offering two floors of luxury amenities, says a press release.

Sheikh Ahmed said: 'Both these world class lounges have been designed to provide our passengers with the best service and amenities available, and to reflect Emirates position as one of the world's leading airlines.'

A wide range of luxury features combine to position both lounges as leading-edge amenities for First and Business Class passengers on both Emirates and Sri Lankan Airlines.

The include such facilities as special massage chairs, bedrooms, showers, business centres with free internet access, separate TV viewing areas, Skywards service desks, ramps for wheelchairs and baby-changing facilities, plus hot and cold food available round the clock.

Tim Clark, Emirates' Chief Director Airline, said: 'These light and spacious lounges provide a totally new dimension for First and Business Class travellers. They are quite simply the biggest and the best. We are delighted to offer them to our passengers.'

The two lounges face each other at the east end of the departures level in the Sheikh Rashid Concourse. Glass doors glide open to marble and polished wood, leather sofas and armchairs, elegant dining areas, giving both lounges the ambience of an exclusive club, with features designed to appeal to the whole family.

A topsy-turvy day on DSE

But index gains 14 points to finally settle at 623

By M Shamsur Rahman

After a strong rally of share prices on the Dhaka Stock Exchange (DSE), which saw the All Share Price Index shooting up to over 647 points in the morning session, the market barometer again slid back to 623 points in the last trading session of the week yesterday.

In the process, the index gained 14 points yesterday from the previous day's 607.19. The market capitalisation reached Tk 5899.59 crore from previous trading day's Tk 5749.05 crore. Thursday's trading began at 9:53 am and the price index shot up to 633.5 points within an hour.

The market operators attributed the rise to massive buying resulting from the speculation of the general investors that good times have returned to the bourse. The price index, after a brief 20-minute correction, made another giant leap to reach the day's highest of 647 points at 12.15 pm.

In the afternoon session, the index shed 26 points due to massive selling pressure and it later came down to 621 points. The index, however, marked a two-point gain during the last half-an-hour post-closing session.

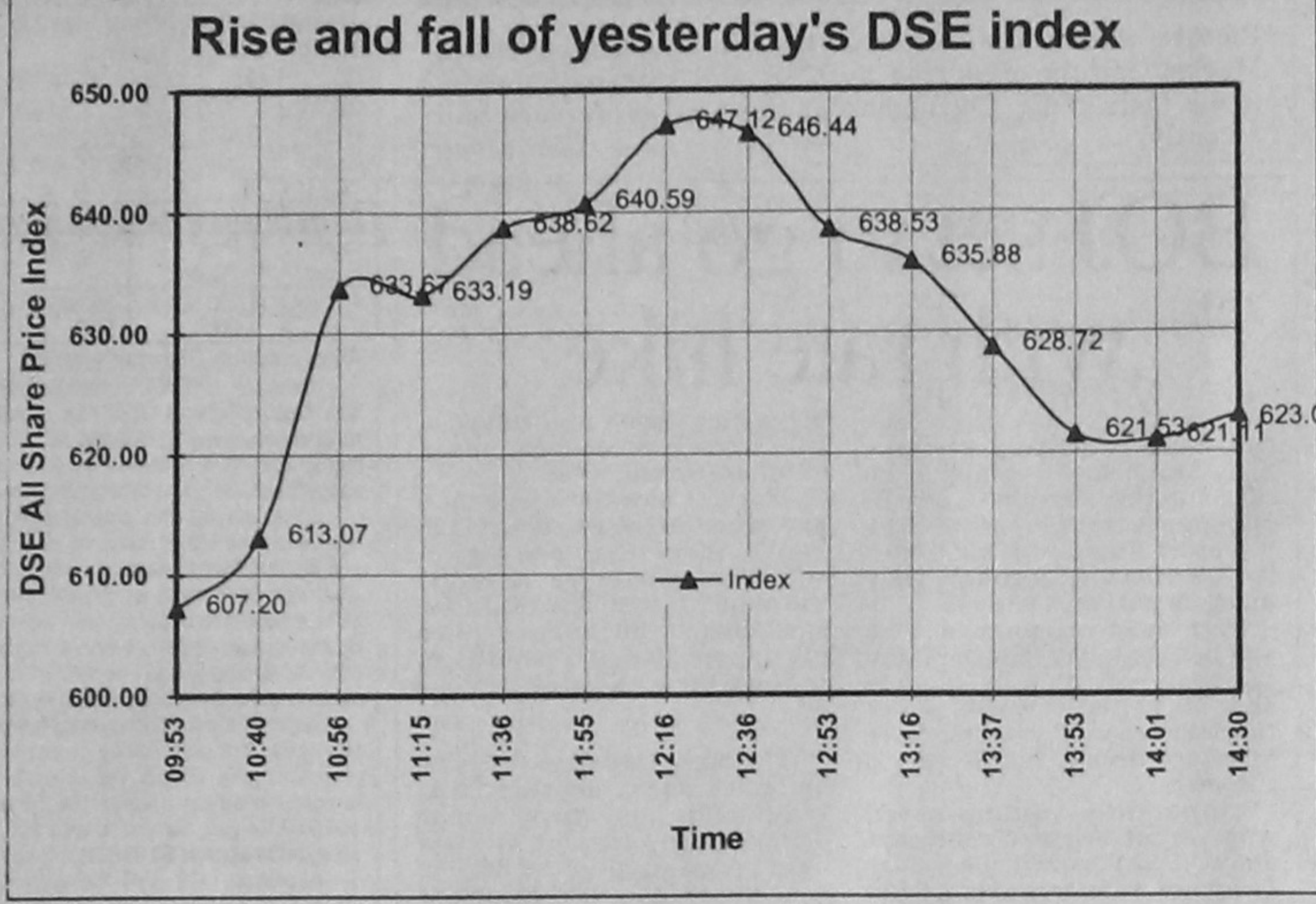
Market sources said that some foreign funds entered the market and were mostly confined to buying shares of mutual funds and a few blue chip companies.

'These foreign funds pushed the price of one mutual fund shares to its highest of Tk 1.19 from the previous day's closing rate Tk 1.05,' one market operator said. The price of the mutual fund finally ended at Tk 1.10.

Capital market analysts now apprehend continuation of yesterday afternoon's price correction. 'In fact, tomorrow's trading will be a very crucial one as it will determine next week's market trend,' said one analyst.

He however ruled out chances of major falls due to the presence of the institutional players in the market.

'If the index tends to nose-dive, then these fund managers will enter the market and there will again be a buying spree,' he said.



US-Vietnam trade accord seems to be within reach

Barshefsky meets Vu Khoan

WASHINGTON, July 6: After four years of on-and-off negotiations, a historic trade agreement between former enemies Vietnam and the United States may finally be within reach, reports Reuters.

US trade representative Charlene Barshefsky was meant to meet Vietnam's Trade Minister Vu Khoan on Thursday and Friday in hopes of completing the long-stalled act, which would reduce tariffs on goods and services, protect intellectual property and improve investment relations between the two countries.

US officials would not discuss the final sticking points and warned Hanoi against backing away from the market opening commitments it made last year before negotiations fell apart.

US business leaders were cautiously optimistic about the

Barshefsky-Khoan meeting, following talks on Monday and Wednesday at the expert level.

Vietnam desperately needs an economic boost, which a trade pact with the United States could provide. An agreement would also benefit US companies like shoemaker Nike Inc and agribusiness giant Cargill Ltd., and cement. President Bill Clinton's free-trade record following last year's landmark deal with China.

'There are a number of issues which they (the Vietnamese) want to explore with us in order to bring this to finality,' said Deputy US Trade Representative Richard Fisher, who will take part in the Washington talks.

But he warned: 'There won't be a wholesale renegotiation of the agreement and they know that.'

This is not the first time Washington and Hanoi, com-

batants in the Vietnam War that ended in 1975, have been on the verge of a market-opening agreement, a UNB source said.

Washington announced an 'agreement in principle' in July 1999, only to have Hanoi back away, arguing that certain provisions were unfair.

Analysts believe communist Vietnam balked in part because it feared the loss of economic control that would come with market opening. The delay darkened the mood among investors, fed up with Vietnam's closed economy and high costs.

But US officials and business leaders say Vietnam now appeared ready to move forward, emboldened in part by US House approval of a trade agreement with China. Beijing is expected to join the World Trade Organisation later this year, and Vietnam has similar aspirations.



Emirates Chairman Sheikh Ahmed bin Saeed Al-Maktoum officially inaugurates the Emirates First Class Lounge at Dubai International Airport. — Emirates photo

SHANGHAI, July 6: If Chinese plans work out, Shanghai may boast the third largest stock market in Asia after Japan and Hong Kong, reports Reuters.

Wall Street investment bankers could be helping to manage mutual funds from the glittering skyscrapers of the city's Pudong financial district. Pension funds may be hedging their investment risks with China's first ever index-linked futures.

Plans for all of this are now on the drawing-boards, driven not just by Shanghai's ambitions to become an international financial centre, but also by a reformist Chinese leadership.

As they ponder China's vast funding needs — to cover pensions for an ageing population, social welfare and benefits for a growing army of unemployed — reformist Chinese leaders appear to have concluded they will need deep, liquid, sophisticated markets and foreign expertise.

'I think China is quickly going to become one of the biggest equity markets in the world and one of the biggest bond markets in the world,' said William Overholt, head of macroeconomic research at Nomura International in Hong Kong.

But one problem is preying on the mind of Premier Zhu Rongji: China needs at least 1.8 trillion yuan (\$217 billion) — or 22 per cent of last year's GDP — to cover unfunded pension liabilities of this state employees.

Also driving the change is China's impending membership in the World Trade Organisation.

Beijing has pledged to open its banking, insurance and securities sectors to foreign competition after it joins the global trading group.

A slew of financial reforms are now under discussion at China's two stock markets by the China Securities Regulatory Commission and the People's Bank of China. They include:

A merger of the Shanghai and Shenzhen stock exchanges that would create a \$490 billion Chinese share market.

A merger of the domestic A share market with the hard currency B share market for foreigners.

Introduction of index futures and other derivatives to attract institutional investors like insurance and pension funds.

A more flexible yuan currency, leading to eventual convertibility on the capital account after entry to WTO.

Chinese firm to give \$29.11m for fertiliser plant in Ctg

Bangladesh will receive US\$ 29.11 million soft loan from a Chinese company to implement a fertiliser project in Chittagong, says UNB.

A loan agreement to this effect was signed between the China National Complete Plant Import and Export Corporation Limited (COMPLANT) and Bangladesh government at ERD in the city Wednesday.

ERD Secretary Dr Masihur Rahman and representative of COMPLANT Li Feng Wei signed the agreement on behalf of their respective sides.

The COMPLANT loan will be utilised for partial implementation of the diammonium phosphate (DAP) plant of BCIC in the port city.

Some 800 mts of diammonium phosphate will be produced everyday in the mill. It will help meet the demand of the phosphate fertiliser of the country.

DCC launches loan project for women

Dhaka City Corporation (DCC) has launched a project to provide loans to poor women for self-employment, says UNB.

Mayor Mohammad Hanif inaugurated credit disbursement among 487 women under the 'Urban Basic Service Delivery Project' in the city yesterday.

A total of Tk 12.87 lakh was disbursed among the poor women to help them engage themselves in income generating activities.

The loan recipients will be given training on block-boutique printing, sewing, cutting, book binding and making of candles, toys and other things.

The DCC is implementing the project with the assistance from UNICEF and Local Government Engineering Department, said a press release.

The loan disbursement function was addressed, among others, by UNICEF official Selim Ahmed, Ward Commissioner Nasibun Ahmed and Project Director of LGED Nasir Uddin Ahmed.



Kazyoshi Urabe, Ambassador of Japan in Bangladesh, called on Latifur Rahman, President of the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), at the Chamber yesterday to discuss bilateral issues. — MCCI photo

Jalil for huge programmers to tap IT sector's potential

BOGRA, July 6: A regional IT centre opened here Wednesday with an ambitious target of employing 50 lakh people from home and abroad in 15 years to earn Tk 25,000 crore in foreign exchange annually, says UNB.

Commerce Minister Abdul Jalil inaugurated the Data Systems Integration Bangladesh Ltd (DSI), stressing the need for creating huge computer programmers as information technology is a potential sector in world trade.

'We need huge international-standard programmers to explore the potential.'

Presided over by Deputy Commissioner Shamsul Huq, the inaugural function was also addressed, among others, by DSI regional chief M Anisul Islam, Awami League leaders Montajuddin and Ferdous Jaman Mukul.

The entrepreneurs informed that DSI would be able to earn foreign currency amounting to Tk 25,000 crore, creating jobs for 50 lakh IT professionals from the northern region alone within 15 years.

'In the 21st century, the key power of development will be knowledge,' said the minister, adding that a new horizon has opened up for those developing countries that lack natural resources and physical capital.

He said that the government had undertaken some important steps for developing the country's IT sector. It had withdrawn all duties from machinery and accessories of computer in the fiscal 1998-99, he added.

The government, considering the importance of IT sector, also allotted Tk 15 crore in the current budget to impart training to the programmers, the minister said, assuring that the allocation would be increased if necessary.

He also informed that the government, reviewing the prospects and problems of software export, had formed a 14-member committee to make recommendations for development of this sector in 1997.

The committee recommended 45 issues for short and medium-term implementation, most of which have already been implemented, he informed the function.

'The government is keen to provide overall cooperation to the interested entrepreneurs, the minister said.

Referring to huge computer centres set up across the country, including the capital Dhaka, the commerce minister said the government wants to enhance training standards apart from expanding IT education.

Referring to the present government's achieved success in the export sector, he said annual export earning had increased to 570 crore US dollars from 388 crore during last four years.

Urging the local and foreign investors to invest in this sector, he said the government is providing overall cooperation in development of some sectors, including software, identifying these as thrust sectors.

The minister, later, went round several sections of the computer centre.

Prices seen dipping on expected Saudi supply Smiles at gas pumps won't rekindle US economy

NEW YORK, July 6: Prices at America's gasoline pumps may soon ease from record highs, returning smiles to drivers' faces, but economists say the spare cash won't spark spending sprees or prevent the economy from shifting to a lower gear, says Reuters.

Saudi Arabia this week shocked the world with its promise to pump 500,000 more barrels of oil per day to help keep soaring energy prices in check.

Coinciding with the July 4 US Independence Day holiday and the summer vacation season, the news pushed oil prices down more the \$1 to about \$29 a barrel, spreading cheer to Americans who had been paying over \$2 in some regions for a gallon of gasoline.

Assuming the deal goes through, motorists won't be cheering alone, however, economists said. Consumers and Federal Reserve inflation fighters also should be pleased as the move will keep prices in line over the next few months on a wide variety of goods ranging from chemicals to airline tickets.

Analysts had long expected oil-producing nations to give in to international pressure on rising prices and Saudi Arabia's announcement offers them proof they were right all along.

Now many are comfortable saying that US benchmark crude oil West Texas Intermediate will trade around \$27 a barrel, down more than 20 per cent from its peak of \$34.13 in early March.

Lower oil prices would also have a positive knock-on effect for the nation's inflation rate, economists said.

The promise of lowered price pressures should set central bankers' hearts at ease as it would prove that their year-long campaign to cool the economy's longest ever expansion with a string of interest rate hikes had been a success.

Some economists said the Saudi decision remains a wild card for Fed policymakers, leaving them unsure of the odds for another interest rate hike in August after a pause in June.

But they agreed that lower oil prices along would not trigger any dramatic policy changes because the economy's course will be more or less steady.

More important than oil prices, Wall Street is losing some momentum while income has been growing less rapidly than spending, economists said.

China debates sweeping financial reform

Overhauling China's stock markets will be an awesome challenge.

The vast majority of listed firms are government-owned, dumped on the markets to save state banks from having to fund them. There could be a stampede out of many of these shares if investors had the choice of buying into well-run private or semiprivate firms.

And in the process of creating markets deep enough for institutional investors, the fear is that retail investors who account for 90 per cent of trading could take anger.

Public anger over a bungled stock market lottery for new shares triggered riots in Shenzhen in 1992.

scenarios, future pension liabilities could reach 30 per cent of present GDP, or more.

Andy Xie, Greater China economist at Morgan Stanley Dean Witter in Hong Kong, said Beijing needed a stock market attractive enough to encourage Chinese to invest their savings and liquid enough to allow sales of state assets to fund social welfare.

'The stock market is the key to economic growth, not just to economic efficiency,' said Xie. 'By the end of next year, all these things must and will happen.'

John Lu, an analyst at ING Barings in Shanghai, said: 'I think the ultimate target for the government is they can cash out in the capital markets to fund their social liabilities.'

freeze new listings.

But while the talk of change in the financial markets and China's pending WTO entry have led to a feeling the reform pace is gathering, many foreign business executives are sceptical.

The specific deadlines and opening measures in the WTO agreement had fuelled some optimism that reform was accelerating, said Christian Murek, senior country officer and general manager for Chase Manhattan Bank in Beijing.

'On the other hand, this phases in over a period ranging from two to five years after accession. So I don't know anybody in the business community on the ground in Beijing who has been saying this is a silver bullet that's going to solve everybody's problems in any industry,' Murek said.

A European banker in Shanghai compared China's opening to the Forbidden City, the imperial palace, in Beijing