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Bangladesh begins rubber export today

Bangladesh is set to export raw rubber to Russia, adding a new item to its export basket, reports UNB.

State Minister for Environment and Forest H N Ashique Rahman will formally inaugurate rubber export at the container yard of Kamalapur Railway Station today.

Apart from Russia, some other countries have also shown interest to import raw rubbers from Bangladesh, produced in the gardens of Bangladesh Forest Industries Development Corporation (BFIDC).

As the prospect of rubber export brightens, BFIDC has submitted a project, 'Third Rubber Development Project', to the government to boost rubber output.

It is expected that the implementation of the project would facilitate the establishment of rubber-based industries in the country.

AGMs of Fisons, Rhone-Poulenc held in city

The annual general meetings of Rhone Poulenc Rorer Bangladesh Ltd (RPR) and Fisons Bangladesh Ltd (FBL) were held in the city Tuesday, says a press statement.

Shareholders at the AGMs approved the recommendations of the boards of directors to declare a 10% dividend for RPR and 25% for FBL.

The government, being the local shareholders of these joint ventures, will in total earn Tk 13.68 million as dividend for 1999. Moreover, the companies paid over Tk 400 million as taxes and duties to the public exchequer during the period.

The meeting observed that anti-cancer drug Taxotere and anti-thrombotic drug Clethane performed very well and brought breakthroughs in oncology care and thrombosis management in Bangladeshi patients last year.

M Anwarul Hoque, Chairman of Bangladesh Chemical Industries Corporation (BCIC), presided over the AGM of RPR while Michel R. Lienard, Chairman of the Board and also Vice-President, South-West Asia, Aventis Pharma International (global name of Rhone-Poulenc Rorer), presided over the meeting of FBL.

A K M Shamsuddin, Managing Director of these joint venture companies, explained to the shareholders the results of 1999.

Last year, RPR sales grew by 4.2% and FBL's by 8.5%. Profits of both entities declined due to devaluation effects and changes in tariff structure. Future profitability will depend on the government's decision on price revision, tariff rationalisation and control of informal imports through porous borders.

The companies expressed optimism to bring newer products for the benefit of the doctors and patients in Bangladesh. The merger of the group with HMR to form a global giant Aventis has enhanced research capabilities for the good of the suffering humanity. Aventis appropriately adopted the slogan 'Life is Our Business'.

19 die in crash Mexican businesses call for boycott of AeroCaribe

MEXICO CITY, July 12: A group representing influential Mexican businesses has announced a boycott of AeroCaribe airlines after one of its planes crashed Saturday, killing 19 people, the government news agency Notimex reported, says AP.

The business organisation known as Coparmex, a group of multimillion dollar companies, declared the boycott at a news conference Tuesday. The organisation presented a document it had given the air safety director in the southern state of Chiapas a year ago requesting that AeroCaribe's fleet be checked in light of numerous reports of mechanical failures, Notimex reported.

Coparmex will ask federal officials to close down AeroCaribe, which covers routes in southern Mexico, Notimex reported. AeroCaribe is an affiliate of Mexicana, one of Mexico's two major carriers.

AeroCaribe Director Jaime Valenzuela denied the accusations, saying the planes are well maintained.

"We dedicate a great amount of our resources toward this end, and this fleet is completely modern," Valenzuela told Notimex.

AeroCaribe Flight 7831, carrying 17 passengers and two crew members, crashed Saturday less than two minutes after pilots reported they were deviating slightly from their planned route due to bad weather conditions. Authorities recovered the bodies of the victims—all Mexican citizens—on Monday from a steep mountain peak in Chiapas state.

BBTT will now launch handyphone in Nov

Delay in getting licence staggers process

By Monjur Mahmud

Bangladesh Broadcasting Telephone and Technology (BBTT), a local private telecom operator, has shifted the launching schedule of its new phone -- Personal Handyphone System (PHS) -- to November this year.

The company earlier had plans to go into trial operation from June 23, 2000 and commercial operation in September. But delayed receipt of its licence on July 9, 2000, four-and-a-half months behind the schedule, frustrated the company.

ny's move to launch the phone on schedule. The operational agreement with the telecom authority will also be signed next week.

"We were supposed to get the licence in February this year, but we only got it last Sunday. Due to the delay in receiving the licence, we were compelled to shift our work plans accordingly," said MK Bazlur Rahman, President and CEO of BBTT.

According to the changed schedule, the company is now

planning to market its PHS sets in November this year.

For its own network, the company has already completed two exchanges (cell stations) at Sher-e-Bangla Nagar and Gulshan. Installation works of two more exchanges at Uttara and Chakbazar are also going on.

A Japan-Bangladesh joint team is working to set up 14 exchanges in Dhaka city, Rahman stated, adding the company has been permitted to sell 200,000

PHS sets. In the first phase, it will market 30,000 sets.

"We need more time for developing a multi-exchange network. BBTT wants to go into commercial operation after completion of its own cell station network," Rahman said. BBTT subscribers will be advised to operate PHS sets within its own network, he said.

PHS, a Japanese technology, can transfer data at a speed of 32 kbps from one computer to another and send e-mails.

A person will have to pay Tk 12,000 to Tk 15,000 for a complete PHS package including the phone set, security money and connection fee.

With a line rent of Tk 200 per month, there will be no incoming charges for PHS phones and a subscriber will have to pay Tk two for a three-minute call. For every additional minute of talk-time, he will have to pay Tk 0.50.

Under a joint operation with Bangladesh Telegraph and Telephone Board (BTB), the PHS service will work only within its network in the capital city and BTB would get 51 per cent of the total revenue without making any investment.

A number of Japanese companies have formed a consortium to provide financial and technical assistance to BBTT for the project with an investment of Tk 805 crore.



Picture shows Michel R Lienard, Vice-President, SouthWest Asia, Aventis Pharma International, and Anwarul Hoque, BCIC Chairman and Joint Secretary of the Ministry of Industries, at the joint AGMs of Rhone Poulenc Rorer Bangladesh Ltd and Fisons Bangladesh Ltd held in the city Tuesday. Mustaque Ahmed, A N Saifur Rahman, Iftekharul Islam, H W Imam, A K Chowdhury, Sheikh Nurul Islam, A K M Shamsuddin, Shafiqul Islam and Maksudul Haque are also seen.

Jakarta hopeful of meeting IMF reform target

JAKARTA, July 12: Indonesia's chief economics minister Kwik Kian Gie said today he was optimistic the government would meet reform targets agreed in the current letter of intent to the IMF by July 20, reports Reuters.

"Yes, I am optimistic," Kwik told reporters when asked about the targets.



M A Yousoof, Managing Director of Agrani Bank, distributes certificates of a recently-held course on "Computer and its application" jointly conducted by the Agrani Bank Training Institute and Computer System and Procedures Division, Head Office, General Managers Md Abus Samad Sheikh, A H Ekbal Hossain and A F Mosihur Rahman, Director of ABTI A K M Khabiruddin Chowdhury and Deputy General Manager of CSPD Moin Uddin Ahmed were present on the occasion.

Senior government economic adviser Sri Mulyani Indrawati was quoted by newspapers on Wednesday saying Indonesia might fail to meet a deadline to implement pledges in the letter of intent to the International Monetary Fund.

The signing of the previous letter of intent was delayed two months due to the slow pace of

reform, unnerving financial markets and underscoring disorganisation among President Abdurrahman Wahid's economic team.

Indrawati, who did not say when the deadline was, said the delay would be understandable given the challenges in carrying out several of the reform pledges.

Kwik last week told the IMF that reforms promised in the current letter of intent would be completed by July 20.

"I think it will be difficult to implement the LOI without the full cooperation of the legislative and judiciary institutions," Indrawati said on the sidelines of a hearing at parliament on Tuesday.

Indrawati said it would be hard to implement several of the 53 items in the latest letter.

She said tough issues included forming a new governing body for the powerful Indonesian "Bank" Restructuring Agency (IBRA) and dealing with recalcitrant debtors under IBRA's control.

In January, Indonesia agreed a new \$5 billion three-year loan deal with the IMF. Before each tranche is disbursed, the country must pass an IMF review of its progress in implementing reforms, and sign a new letter of intent.

The next \$400 million loan tranche is expected to be disbursed in August.

Indonesia has promised to start legal action against uncooperative debtors and clean up commercial courts with the appointment of "ad hoc" judges to hear bankruptcy cases.

Laid off French workers threaten to blow up plant

GIVET, France, July 12: More than a hundred workers laid off from a synthetic thread plant in northeastern France have occupied their bankrupt factory, threatening to blow it up unless they get their jobs back, reports AFP.

Sitting on a potentially-catastrophic cocktail of unstable chemicals, the 152 employees of Cellatex SA warned yesterday they would "blow up everything" unless a solution was found to their predicament.

Facing a determined workforce possessing 46 tonnes of carbon sulphur, 90 tonnes of sodium and 56,000 litres of sulphuric acid, authorities are taking the threat very seriously.

If these highly unstable ingredients were mixed with Cellatex, they would create a bomb capable of destroying everything within a radius of 500 metres (yards) of the factory and send pollution spewing into the sky.

"We just want real jobs for everyone, if possible in the same factory with its financially viable and a real industrial project," union officials explained.

The factory is located in France's Champagne-Ardenne region, a mainly-agricultural area close to the border with Belgium and Luxembourg suffering from an unemployment rate of 20 per cent.

"Just because we are from Givet they shouldn't treat us like idiots," the union officials added.

In negotiations last week with the state-owned plant, the workers invited police to evacuate the area surrounding the plant.

Uttara Bank's 6-month profit Tk 42.02 cr

Uttara Bank Limited has registered a profit of Tk 42.02 crore during the 1st half ended on 30th June, 2000, says a press release.

The profit is more than double when compared to that of the previous year's corresponding period. The bank earned a profit of Tk 19.93 crore during the first six months of 1999. The operating profit of the bank as on December 31, 1999 was Tk 55.60 crore.

Total deposits and advances of the bank during the 1st half of the current year stood at Tk 2347.41 crore and Tk 1931.06 crore respectively as against Tk 1872.72 crore and Tk 1627 crore during the corresponding period of the previous year. The first-half deposits of the bank increased by Tk 474.69 crore over that of the 1st half of 1999.

The bank handled import and export business to the tune of Tk 2046.42 crore during the 1st half of the current year as against Tk 1472.67 crore of the previous year's same period.

Uttara Bank achieved the progress by expanding its loan portfolio to good clients and by ensuring better services.



BGMEA President Anisur Rahman Sinha at a press conference held at the BGMEA office yesterday discusses the possible impact of US SSA Bill on the garment sector of Bangladesh.

Rising demand, oil price help Japan trim trade surplus

TOKYO, July 12: Japan's exports, once the main drivers of its economic recovery, were strongly outpaced by rising imports in May and officials said the shift reflects growing domestic demand in the world's second-largest economy, says Reuters.

The surplus in Japan's current account, its broadest measure of trade in goods and services, fell from a year earlier for the first time in four months as imports increased on greater demand for office equipment, and higher global oil prices.

The Ministry of Finance (MOF) said on Wednesday that Japan's current account fell 18.2 per cent in May from a year earlier to 840.2 billion yen (\$7.85 billion), after rising for the previous three months on robust exports of semiconductor components and automobiles.

Imports, especially from Asia, are increasing because

Japan's economy is improving. Japan's imports of raw materials from Asian nations to produce semiconductors is also pushing up imports," said Jun Inoue, an economist at Fuji Research Institute.

An increase in imports points to improved domestic demand as Japanese companies and consumers buy goods from abroad, but the surplus itself reflects the country's reliance on exports as it recovers from its worst recession in decades.

The trade surplus in goods alone was 723.4 billion yen down 24.1 per cent from a year earlier.

The currency market paid little attention to the data, choosing to focus instead on the course of monetary policy in both Japan and the United States.

While remarks by Federal Reserve Chairman Alan Greenspan overnight provided

little clue to the possibility of a US rate hike in August, the yen was underpinned by the chance that the Bank of Japan may end its zero interest rate policy at a meeting next Monday.

Ministry officials have said they expect the surplus in Japan's current account to decline in the months ahead, given the improvements in domestic economic activity and a stronger yen.

"Looking at the trend in the trade account, the decline in the current account surplus is likely to continue," a Finance Ministry official said.

Rising global oil prices were also seen as a major driver of the declining trend.

"The trade surplus decreased as a rise in imports spurred by rising oil prices, exceeded an increase in exports," said Kenji Arata, an analyst at MCM Asia Pacific.

Printing defect plagues new euro notes

BERLIN, July 12: As if the euro's shrinking exchange rate wasn't bad enough, millions of the newly-printed notes turned out to be worthless before even reaching people's pockets, reports AP.

The European Central Bank, which controls monetary policy in the 11 European countries using the common currency, on Tuesday acknowledged a problem at a Munich-based printer that reportedly made 325 million 100-euro notes — roughly US \$ 32 billion — nothing but scrap paper.

"These banknotes will not be brought into circulation," an ECB statement said, explaining that a security design meant to foil counterfeiting of the money on color copiers was misprinted.

The printing problem was just the latest blow to the beleaguered euro.

The common currency has shaken consumer confidence across Europe and fallen out of favour with speculators as it slipped in value to 95 cents against the dollar since being launched at \$1.16 in January 1999.

The euro is currently used as a non-cash currency by businesses, government agencies and money markets.

But in 2002, euro cash will finally replace national currencies and be used for everything from vending machines to groceries.

In preparation, printers began running off reams of the new currency in mid 1999. By September 2001, the job will be completed with 14 billion notes in the vault of Europe's central banks.

The error in the 100-euro notes wasn't discovered until most of the money had been delivered to Germany's central bank, the Deutsche Bundesbank.

The ECB said Tuesday that the problem was isolated at its Munich-based printer Giesecke and Devrient GmbH, one of two euro-printers in Germany.

Ne other euro-using countries have their own printing presses; Luxembourg has none. The European bank insisted Tuesday that the notes will be ready on time, noting that euro notes have tighter quality standards than standard paper money and coordinating production in 10 countries was "a demanding and challenging task."

According to Tuesday's edition of the Frankfurter Allgemeine Zeitung, the glitch may have cost 65 million marks (\$31.2 million) and could cost another 65 million marks (\$31.2 million) for reprinting the notes.

Unemployment hits 20-year low in Britain

LONDON, July 12: Britain's unemployment rate has fallen to a 20-year low, according to government statistics released Wednesday, reports AP.

The Office for National Statistics said 1,098,000 people claimed unemployment benefits in June, the lowest level since February 1980. That works out to an unemployment rate of 3.8 per cent — the lowest since 1975.

Unemployment calculated by International Labour Organisation standards — which includes people not receiving benefits — fell by 47,000 between March and May to 1,668,000, or 5.6 per cent. That is 0.5 per cent lower than a year ago.

The number of people working was up 126,000 over the three months to May, by 346,000 over the year and by more than a million since the spring of 1997, the government said.

Average earnings also increased, by 4.6 per cent in the year to May.

The government said the figures were a vindication of its New Deal "welfare to work" policy.

"Full employment is within our grasp," said Education and Employment Secretary David Blunkett.

Argentina wants Mercosur to scale back tariffs

Call for opening up market to the world

BUENOS AIRES, July 12: South America's Mercosur customs union stands at an average of 30 per cent to the world and scale back its common external tariff in order to make the combined economies of Brazil, Argentina, Uruguay and Paraguay more competitive, a high-level Argentine official said, reports Reuters.

The common external tariff for imports of goods into the world's third-largest trade bloc currently stands at an average 14 per cent and should scale down to 11 per cent by year's end under an agreement between the top two partners: Brazil and Argentina.

But any reduction in import tariffs is bound to encounter resistance from the sectors they shelter with industry likely to argue any lowering of import costs would be harmful to its competitiveness.

"Our view is we shouldn't transform Mercosur into a closed fortress, but rather a common market that is open to the world," Consumer Defence Secretary Carlos Winograd told Reuters.

"We should basically seek a uniform tariff that scales down in order not to create handicaps to regional competitiveness," he added.

Analysts say Mercosur's current tariff regime, which in the case of autos is above 30 per cent, is harmful to regional competitiveness in that it prevents industry from equipping itself with the latest technology at low costs.

This is a key issue for Argentina which pegs its peso at par the US dollar which means its products are much more expensive in the marketplace of its neighbouring nations. Argentina asked Brazil

Monday to freeze plans to hike tariffs on capital goods for the telecommunications and high tech sectors, currently varying between 8 and 10 per cent.

The common external tariff is also a powerful weapon for the Mercosur member nations to punish the European Union and United States for protectionist barriers to the region's exports.

But a reduction in the tariff would facilitate the full entry of Chile into the customs union, giving Mercosur a stronger hand to play in free trade talks with the EU and North American Free Trade Agreement.

Chile is an associate member of Mercosur and maintains a 9 per cent external tariff. A reduction in Mercosur's tariff should be accompanied by an elimination of subsidies, the source of many internal trade rows, Winograd said.

Hyundai sees 35pc gain in US sales this year

DEARBORN, July 12: Despite a slowing US car market, Korean automaker Hyundai expects to end the year with a 35 per cent gain in US sales and extend growth into next year with a new sport utility vehicle and midsize sedan, reports AP.

The head of Hyundai's American sales arm said Tuesday that the company was turning around its fortunes from two years ago, when US sales hit an all-time low and buying a Hyundai was close to a mark of shame.

"Even though we've improved our image, we have a long way to go," said Finbarr O'Neill, the Northern Ireland native who serves as president and CEO of Hyundai Motor America. "We offer entry-level products, but our ambition is not to be solely an entry-level company."

Hyundai offers four models of small and mid-sized cars in the United States that are often

cheaper than their competitors. The company, along with Korean competitor Kia and Daewoo, have benefitted from larger automakers, especially General Motors Corp, putting their energies toward larger cars and trucks.

Through June, the Korean automaker had sold 123,471 cars in the United States, a 73 per cent improvement over last year, putting it ahead of Mazda and slightly behind Mitsubishi. Even with slower sales for the rest of the year, Hyundai expects to sell 220,000 vehicles this year, a 34 per cent increase.

That's a far cry from 1998, when Hyundai sold 91,000 cars, with 25 per cent going to less-profitable fleet sales. O'Neill said at the time, more than 60 per cent of Hyundai's dealers were selling less than 10 cars a month.

O'Neill said the company was already fixing quality

problems that had plagued it for years, but the company's image was so bad consumers "had to make excuses to their neighbours about why they owned a Hyundai."

The big move was to offer a far better warranty on new cars than other automakers. Hyundai now offers a 10-year, 100,000-mile warranty on engines and transmissions, a 5-year/60,000-mile warranty on most other parts and roadside assistance.

The warranties, O'Neill said, convinced dealers that Hyundai was serious about the US market and got the company back into consumers' minds. Since it began the warranties in 1998, Kia and Isuzu also have started similar warranty programmes.

Hyundai still comes in near last place for initial quality among automakers, according to a recent survey by J. D. Power and Associates.