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Consultants submit Biman share offloading report

The consultant report on commercialisation of Biman Bangladesh Airlines was presented formally yesterday with a recommendation to complete the offloading of 40 per cent share of the national flag carrier to the private sector by December this year, says BSS.

Finance Minister Shah A M S Kibria, Civil Aviation and Tourism Minister Engineer Mosharraf Hossain and Law Minister Abdul Matin Kashru were present in the presentation ceremony of the report by US based City Corp Consortium, a consultants' organisation. The City Corp has already submitted report on the present condition of the airlines including the audit report.

The City Corp has prepared the report with the financial assistance of the World Bank. The cabinet had decided to reorganise and commercialise the national flag carrier in June, 1998 to make it a profit earning organisation.

Comilla EPZ to be opened on Saturday

COMILLA, July 13: The third Export Processing Zone (EPZ) will be inaugurated on July 15, reports BSS.

The Export Processing Zone (EPZ), is located at old Airport road near Comilla Town. The work on the project is progressing satisfactorily.

The project is being built on 258 acres of land. It will have 208 Industrial Plots with facilities of ring road, helipad, recreation centre, new power generation and water supply.

Work of the main gate has already been completed.

Ganderia branch of Loyeds Ins opens

The Loyeds Insurance Company has opened its Ganderia branch.

The branch was inaugurated by Md Shahjahan, industrialist, at a ceremony in the city recently, says a press release.

The function was presided over by the Managing Director of the company, Md Maqbul Husain.

Speaking on the occasion, the chairman of the company, Fazlur Rahman, said the insurance industry is the very vision of national economy. Development of national economy is not possible unless this industry is conducted in the light of the value of 21st century, he added.

The Vice Chairman urged all to be more dedicated if they are to reach the desired goal and for this they will have to accept the state of the art technology.

The ceremony was attended by the high bank officials and businessmen.

Iran to join OPEC pact on more oil

TEHRAN, July 13: Iran will join OPEC in supplying extra oil if there is a consensus in the cartel to raise output but Tehran is not convinced oil prices will come down as a result, a senior Iranian oil official said today, reports Reuters.

"Iran will certainly go along if OPEC reaches a consensus there is a need for more sour crude," said Hoojatollah Ghanimifard, acting vice president of the National Iranian Oil Company.

"But we have to be sure what the problem is. The data shows that more sour crude will not push down prices."

Ghanimifard said that the largest discounts in a decade for some of OPEC's heavy, sour (high sulphur) crudes were proof that the cartel could not easily push down benchmark futures prices.

Light, low sulphur Brent crude on Thursday was priced at \$30 a barrel while US light crude was valued at \$30.60.

Prices for those crudes have been kept buoyant by low inventories in the West and a bottleneck in refinery supplies of gasoline in the United States. Iranian crude is valued at about \$26.50 into Asia.

Iran previously has said it has the capacity to raise output beyond the OPEC quota it was granted in June of 3.727 million barrels a day.

Saudi Arabia announced 10 days ago that it would add 500,000 bpd in conjunction with others in OPEC and since has been in consultation on how and when to deliver the oil.

Most industry experts believe only a handful of OPEC members have spare capacity to pump more oil and that countries like Iran and Venezuela already are running at full stretch.

SEC considers doing away with lock-in to ease share crisis

By M Shamsur Rahman

The capital market regulators are considering withdrawal of the much debated 'lock-in' on privately placed shares to ease the scrip crisis in the market.

In its weekly coordination meeting yesterday, the Securities and Exchange Commission (SEC) decided that the lock-in system may be relaxed for issues having large financial base and practising good corporate governance.

Currently there is a restriction on offloading shares bought in bulks through private placement system.

"Withdrawal of such restrictions should encourage more

companies to go public and meet the huge demand in the secondary and primary markets," one SEC official said.

The meeting also decided to evaluate the performance of the issue managers as some of them have recently been found to have concealed valuable information regarding some IPOs.

To further increase the number of shares in the market, the SEC will request the government to offload its shares held in different profitable multinational companies, officials said.

"Investors' response to new issues is noteworthy," one SEC

official said quoting its Chairman Manir Uddin Ahmad in the meeting. "This is reflected by the fact that new issues are oversubscribed by three to four times."

He said that entrepreneurs should issue initial public offerings (IPOs) to tap fund from the primary market.

SEC checks Meghna Cement price sensitive information

The SEC yesterday issued a letter to the Meghna Cement asking it to provide documentary evidences in support of a public statement by the com-

pany on Monday last.

In its public announcement, the company declared that it has successfully completed an expansion work to increase its production capacity from the present 300,000 metric tonne to 10,00,000 tonne.

"The new unit will commence commercial operation from July 11, 2000," the announcement said.

The SEC has asked the company to provide documents to substantiate the claims.

SEC officials said that such announcements need to be verified as investors take decisions based in such disclosures.

Azad reiterates call for duty-free LDC market access

Foreign Minister Abdus Samad Azad yesterday called upon the G-8 countries to accord duty-free and quota-free market access to all products from LDCs, says UNB.

He stressed this point at a breakfast meeting in Miyazaki, Japan of the Foreign Ministers of G-8 countries and the Foreign Ministers of NAM Troika — Columbia, South Africa, and Bangladesh — and the G-77 Chair, the Foreign Minister of Nigeria.

According to a message received here, the breakfast was hosted by the Chair of the G-8 Foreign Ministers, Foreign Minister Yohei Kono of Japan, Italy, Germany, the UK, Canada, Russia and France were represented by their respective Foreign Ministers. Deputy Secretary of the State represented the US.

The breakfast meeting represents the highest forum for close interaction between developing countries and major developed countries.

Azad also urged that efforts be focussed on areas where action was possible and progress a matter of priority. Such an approach, he said, would be to the advantage of all.

He also identified specific areas for action such as FDI and other private financial flows, debt relief schemes for LDCs, the need to meet long-standing UN targets and commitments on ODA, the need for greater coherence and consistency on part of international institutions in support of development and the involvement of target countries, particularly LDCs in decision making processes.

Azad called upon the private sector particularly the

transnationals to take a more enlightened approach to LDCs and expressed confidence that tangible results would emerge from the third UN Conference on LDCs to be held next year.

The Foreign Minister called for a timebound target for poverty eradication and diligent efforts for better governance at national and global levels.

On July 12, he along with the leaders of delegations of NAM Troika and the Chair of G-77 had a separate meeting with the Chair of G-8 Foreign Ministers.

The same evening delegations of NAM Troika and G-77 met over dinner to discuss issues to be raised with G-8 Foreign Ministers.

After the breakfast meeting he had a brief and separate exchanges with Foreign Ministers of G-8 delegations.



Md Shahjahan, industrialist, opens the Ganderia branch of the Loyeds Insurance Company at a function held in the city recently. Senior bank officials and businessmen were present on the occasion.

Admission in Singer Sewing School

Admission is going on in full swing at 84 Singer Sewing Schools throughout the country, says a press release.

The sewing activities reflect Singer's adherence to its social commitment focusing the slogan 'earn at home' to make the women of the society self-reliant.

Any one who wishes to assist the family financially, can take training from the skilled teachers of Singer Sewing School.

Interested women are asked to contact the nearest Singer approved Sewing Schools, Showroom-cum-Sales Centres, or Exclusive Sales Agent shop for details.

Oil climbs, awaits go-ahead for more supplies soon

LONDON, July 13: Oil prices ended firmer in choppy trade yesterday even though major producers appeared closer to unleashing more supplies soon in an effort to cool rampant prices, reports Reuters.

London benchmark Brent crude futures for August delivery closed 48 cents higher at \$29.70 per barrel while US benchmark crude futures ended 60 cents firmer at \$30.30.

OPEC heavyweights Saudi Arabia and Venezuela said after talks on Wednesday that oil markets appeared imbalanced and they remained committed to adequate and timely supplies.

The comments were made in a statement following a meeting in Riyadh between Saudi Oil

Minister Ali al-Naimi and his Venezuelan counterpart Ali Rodriguez, who is also OPEC's current president.

"They (the ministers) reiterated their firm commitment to a stable oil market which is adequately and timely supplied," said a joint statement.

"Towards this objective the two sides decided to work together with OPEC and with other producers to bring balance into the market."

It added: "They added that the current situation and the near future outlook for (refined) products point to an imbalanced market."

Saudi Arabia, the world's largest producer, announced nine days ago that it planned to lift output by 500,000 barrels

per day quickly, the third increase since March, to try to tame oil prices.

Traders said the market would continue to be volatile until it became clear when the extra oil would hit the market.

Algerian Oil Minister Chakib Khelil said on Wednesday that an early increase was likely but that complicate consultations were underway on how to share out the extra oil.

Non-OPEC Mexico waded into the fray on Wednesday, saying that it also will contribute to any output increase.

Mexico, along with OPEC's Saudi Arabian and Venezuela, was an architect of last year's pact to cut output to bolster prices that had plummeted to less than \$10.

China's industrial output grows by 11 pc in first half

BEIJING, July 13: China's industrial output grew by 11.2 per cent in the first six months of the year compared to the same period last year, the highest half-year growth rate in three years, the National Bureau of Statistics reported today, says AFP.

Industrial added-value totalled 1.0996 trillion yuan (132.5 billion dollars) from January to June as improved performances by state-run industries, increased industrial exports and a strong performance by high tech industries led the charge, it said.

State-owned industrial out-

put was up by 9.8 per cent in the first six months, an increase of 2.2 percentage points over the same period last year, while overall industrial exports rose by 27.2 per cent over the first six months of 1999 to 628.5 billion yuan (75.7 billion dollars).

The bureau calculated that growth in the state-owned industrial sector contributed 6.1 percentage points to overall industrial growth during the period, while pushing forward overall growth in the sector by 4.2 percentage points.

The State Economic and Trade Commission said earlier this month that Premier Zhu

Rongji's policy to make the state-owned sector profitable this year was on track.

National Bureau of Statistics report said industrial output for June was up 12.2 per cent over the same month last year.

"According to bureau calculations, the fast paced increase of industrial export trade pushed forward industrial output by 2.9 percentage points" during the period, the report said.

Growth in high-tech industries pushed forward overall industrial growth by 1.7 percentage points, it said.

Jalil asks entrepreneurs to produce quality goods

Commerce Minister Abdul Jalil yesterday called for the entrepreneurs to produce quality goods in competitive prices to increase country's share in world market that is now being laid open for all, says UNB.

"The competitiveness is gaining momentum gradually due to globalisation and liberalisation of trade," he said while inaugurating a 3-day exhibition of various products.

Conference and Exhibition Management Services (CEMS) has organised the fair "Mid Mix 2000" at the Winter Garden of Sheraton Hotel.

Electrical Appliances, handicrafts, scientific instruments and small and cottage industry products have been put on display in 22 stalls. The exhibition will remain open for visitors till Saturday from 10 am to 8 pm.

Jalil said organising fairs could contribute to exposition of products on the export market. The Export Promotion Bureau (EPB) in cooperation with private sector is taking part in various exhibitions abroad to exhibit Bangladesh products to the foreign buyers.

The government is also providing support to the entrepreneurs for diversifying export basket and expanding market, the minister told the function.

CEMS advisor HT Imam and chief executive Meherun S Islam also spoke.

India revises industrial production calculations

NEW DELHI, July 13: India said yesterday it had changed the inflation numbers used in calculating its index of industrial production (IIP), to reflect changes in the wholesale price index (WPI) basket made earlier this year, says Reuters.

Data released by the government showed that the IIP for April 2000 was revised to 154.5 from the figure of 162.6 issued last month. India in April changed its base year for calculating WPI to 1993/94 from 1981/82.

"In place of WPI in respect of the items of the old series dropped from the new series, the most appropriate WPIs available in the new series have been used for deflating the production figures of items reported in value terms," a government statement said.

"On account of the one-time revision, the growth rates under certain industry groups/used-based categories have undergone some changes," it said.

The statement said most of the new deflators were used in industry group 38 of the IIP, which represents other manufacturing industries.

India's industrial output growth slowed to 5.5 per cent year-on-year in May 2000 from 12.2 per cent in April.

S'pore's StarHub starts new IDD service in bid to gain market

SINGAPORE, July 13: Telecoms company StarHub said today it will slash budget call rates with the aim of capturing a bigger share of Singapore's lucrative international direct dialling (IDD) market, says AFP.

Its rates will be up to 80 per cent lower than its main rival and former monopoly holder Singapore Telecommunications, StarHub said.

Rates of StarHub's Internet-based IDD call service, I-Call 018 would be up to 80 per cent lower than Singapore Telecommunications Ltd's 013 service during the one month promotional period starting Wednesday, said William Tan, StarHub's general manager for telephony solutions.



Power Grid Company of Bangladesh (PGCB) signs a turnkey contract with Mahkota Technologies for construction of a 450 MVA 230/132 KV Supergrid Substation at Rampura in the city yesterday. Seen in the picture (from R to L) are: M Devaraja, Executive Director of Mahkota Technologies, ANM Rezwan, Managing Director of PGCB, Enayetullah Khan, Managing Director of Cosmos Group and other members.

—PGCB photo

Country adds rubber to its export basket

Rubber was added to the country's list of export items yesterday with the inauguration of its export to Russia by State Minister for Forest and Environment HN Ashiqur Rahman here, says BSS.

Speaking on the occasion, the state minister said there was a vast rubber market in the world and Bangladesh could earn thousands of dollars from its export.

He said the government of Prime Minister Sheikh Hasina attached top priority to the development of the forest sector, especially to rubber production.

The minister said the BFIDC was producing 500,000 kilograms of raw rubber in 15 gardens under three zones in the country, which was likely to double soon.

He urged the exporters to be careful about the prices of their goods during export.

"We must have to enhance the quality of our products by

undertaking necessary measures," he said, adding "modern technology and expertise can ensure the quality of the product."

The minister said the government would reorganise the BFIDC to make it a dynamic and self-reliant organisation.

Forest and Environment Secretary Mahfuzul Islam said: "The export of rubber was unthinkable a few days ago what is a reality now."

He said the sector had a bright future and it would help earn a huge amount of foreign currency after satiating local demands.

Presided over by Chairman of Bangladesh Forest Industries Development Corporation (BFIDC) Chinta Haran Saha, the inauguration function was also addressed by Director (Rubber) of BFIDC Momen Uddin Chowdhury and Managing Director of Rainbow Associates Mohammad Maruf Hassan.

Governor for speedy BB clearing system

Star Business Report

Bangladesh Bank Governor Dr Mohammed Farashuddin yesterday felt that the time-consuming clearing system of the central bank needs to be changed to provide faster and better services to the banks.

"We are still running our banking sector with the traditional system. To deliver better services, the banking system needs to be equipped with modern technologies," he stated while speaking as the chief guest at a day-long workshop in the city.

The workshop on 'Flora Bank : An Online Banking Software' jointly organised by the Bangladesh Institute of Bank Management (BIBM) and

Flora Systems Limited was held at BIBM auditorium yesterday.

The central bank governor said the local banks are facing stiff competition from the foreign banks as the latter are using modern technologies to provide better services to their clients.

Muhammad Islam, Director General of BIBM, chaired the workshop while MN Islam, Chairman and Mustafa Rafiqul Islam, Managing Director of Flora Systems Limited also spoke on the occasion.

MN Islam said foreign banks are using state-of-the-art technologies while the local ones are using old software.

Tobacco lawyers back away at smokers' damages claims

MIAMI, July 13: Bracing for what may be the highest civil penalty in US history, tobacco lawyers yesterday kept up attacks on lush values placed on cigarette companies by sick smokers demanding punitive damages up to \$196.8 billion, says Reuters.

Dan Webb, attorney for Philip Morris MO, N, said the world famous manufacturer of Marlboro cigarettes would not even fetch \$6.4 billion, its net worth, if forced to liquidate to satisfy punitive penalties to be taken up soon by six Miami jurors in the Engle class action suit.

Wall Street was so worried about the tidal wave of lawsuits facing Philip Morris USA, the domestic tobacco entity inside the global packaged-goods giant Philip Morris, that investors essentially valued the unit at zero, Webb said.

An attorney for RJ Reynolds Tobacco RJR N, the No 2 US cigarette maker best known for Doral and Camel cigarettes, said the company was very heavily indebted and would come up \$499 million short if obliged to sell current assets and pay current liabilities.

"Like many individuals, Reynolds is living paycheck to paycheck," attorney Jim Johnson told the jurors.

Reynolds last year reported net income of \$2.59 billion, including big gains from the sale of the company's international tobacco business, on revenues of \$7.57 billion.

Johnson said Reynolds was selling fewer cigarettes every year and has no prayer of paying the \$19.6 billion to \$37.5 billion apportioned as its share of the punitive damages sought

for an estimated 500,000 "or more sick smokers in Florida."

"Reynolds has little or no ability to pay a substantial punitive damages award," he said.

Johnson told the jurors Rosenblatt's true goal was to drive America's biggest tobacco companies out of business.

But Florida law bars punitive damages so severe as to destroy a defendant. In addition, Florida's government last spring capped at \$100 million the bond the tobacco companies must post while appealing the verdicts and any judgments.

The jurors, who have heard testimony since October 1998, have already found America's five biggest tobacco companies liable for fraud, conspiracy, selling defective products, and the lung cancer, emphysema and other ailments of Florida smokers.

Defence attorneys were expected to continue closing statements through Thursday and have argued in the high-stakes punitive damages phase of the Engle class-action that the companies have reformed poor practices and were weighed down by \$246 billion owed through 2021 under other legal settlements.

Philip Morris attorney Webb also told the jurors that a massive punitive damages award would be unfair, as well as a threat to the livelihoods of hundreds of thousands of industry workers.

"It will clearly be a bonus or reward to smokers on top of compensatory damages," Webb told the six jurors. "And you will be rewarding people, smokers, who will become instant millionaires."

230/132 kv supergrid substation contract signed

Power Grid Company of Bangladesh Ltd (PGCB) and Mahkota Technologies Ltd of Malaysia signed a contract yesterday for construction of a 450-MVA 230/132 KV Supergrid Substation at Rampura in the city, says UNB.

The turnkey contract value is Tk 610 million of which foreign currency component is about Tk 500 million, said a press release.

When commissioned in two years, the substation will help stabilise power supply in the city. It will be fed by 450MW Meghnaghat, 360MW Haripur and 210MW Siddirganj power stations.

The Rampura substation is a component of the Meghnaghat Associated Transmission Lines Project, whose foreign currency expenditures are being met from the 9th Power Project loan (US\$ 64 million) from the Asian Development Bank.

The implementation of associated 230KV Transmission Lines are going on in full swing under PGCB, added the press release.

Mexico repayment plans show economy doing well: IMF

WASHINGTON, July 13: Mexico's announcement that it will not draw on outstanding cash from a \$4.1 billion loan from the International Monetary Fund is a sign that the economy is doing well, a senior IMF official said yesterday, says Reuters.

"The IMF supports Mexico's intention to treat the current fund-supported programme as precautionary and to consider early repayment of outstanding liabilities to the IMF," Deputy Managing Director Eduardo Aninat said in a statement.

"Both are evidence of the solid performance of the Mexican economy over the last several years, which is a direct result of the firm pursuit of sound economic policies by the Mexican government," Aninat added.

Mexico said on Monday that it was considering repaying IMF cash ahead of schedule. Outstanding debts include money from the \$4.1 billion 1999 loans and cash paid out from a loan extended in 1995 to help Mexico overcome problems associated with the crash of the peso currency.

Aninat also said the smooth handling of Mexico's presidential elections earlier this month had sent positive signals to the international community.

S'porean non-oil exports up 11 pc

SINGAPORE, July 13: Singapore's non-oil domestic exports rose by 11.3 per cent in May from the same month a year earlier, according to government data released Tuesday, reports AP.

The monthly figure, considered a key economic indicator in Singapore, reflects sustained healthy demand from other Asian economies, the Singapore's Trade Development board said in a statement.

Singapore relies heavily on exporting goods manufactured here, and also re-exports goods made in other countries.

Economists had expected on average about 9.6 per cent growth for May, although individual estimates varied from 1.5 per cent to 14.5 per cent, a survey by Dow Jones Newswires showed.

Total non-oil domestic exports rose to 9.4 billion Singapore dollars (\$ 5.5 billion) in May from 8.3 billion Singapore dollars (\$ 4.8 billion) in April, the Singapore Trade Development Board said.

The higher year-on-year growth rate came mainly from strong demand for telecommunications equipment and non-electronics, which offset continued contractions in exports of disk drives and circuit boards, the statement said.