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The Daily Star BUSINESS

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Bangladesh takes part in 18th ITTF in Calcutta

Bangladesh is participating in the 18th International Travel and Tourism Fair (ITTF) which began at the Netaji Indoor stadium in Calcutta on Friday, reports UNB.

West Bengal Minister for Tourism, Youth Services and Environment Manabendra Mukharjee inaugurated the fair, the biggest Indian tourism event of its kind, said a message received in Dhaka.

A large number of potential tourists, visitors and information seekers visited the well-decorated Bangladesh pavilion and showed their keen interests in Bangladesh's tourism, culture, heritage and history.

The pavilion has been decorated with attractive posters and photographs of important tourist spots, jamdani saris, nakshi kanthas and other handicraft items.

Bangladesh Parjatan Corporation, Bangladesh Biman and two tour operators are participating in the fair.

More than 115 participants from all over India and other countries like Bangladesh, Nepal, Malaysia, UAE (Dubai), Singapore and Thailand are taking part in the fair.

IBTRA shifted to Mohammadpur

Islamic Bank Training and Research Academy (IBTRA) has been shifted to its own building at Babar Road, Mohammadpur, from 60/E, Purana Paltan, in the city.

A dua mahfil was organised on the occasion at the new premises, says a press release.

Principal Sarajul Islam, Asstt Member-Secretary of Shariah Council of the bank, conducted the mahfil.

It was attended, among others, by M Kamaluddin Chowdhury, Executive President, Abdur Raquib, Deputy Executive President of the bank, ASM Fakhru Ahsan, Director General of Islamic Bank Training and Research Academy (IBTRA), Nasiruddin Ahmed and Tajul Islam, Executive Vice Presidents and top executives of the bank.

S'pore bourse to limit new listings on falling demand

SINGAPORE, Aug 5: The Singapore Exchange (SGX) is looking to limit the number of new companies listed on the local bourse as investor appetite wanes, the Straits Times reported today, says AFP.

The newspaper report quoted the SGX as saying it "recognises that there may be a need to review the rate of admission of new companies in order to preserve a relatively stable market for IPOs (initial public offerings)."

The SGX was not available for comment.

The exchange voiced its concerns after shares of sporting retailer eWorldSports.com (eWOS) flopped in its debut Friday, closing at 29 Singapore cents (16.8 US cents) a piece, down 31 per cent from its offering price of 42 cents.

Close to 30 per cent of eWOS's share offering was not taken up earlier in the week. Two unnamed investors, who were allocated a combined 11 million shares of the IPO offering, made a paper loss of 1.5 million dollars based on Friday's closing price.

EU warns German, Dutch banks in price-fixing probe

BRUSSELS, Aug 5: The European Commission warned leading banks in Germany and the Netherlands on Friday that it has evidence they colluded to fix currency exchange charges in the 11 countries where the euro circulates, says AP.

The commission warned that the banks could face heavy fines if the charges are confirmed.

The 17 German and 15 Dutch institutions include some of the best-known names in European banking such as Dresdner Bank and Commerzbank in Germany, and ABN AMRO Bank and ING Bank in the Netherlands.

Mario Monti, the European Union's competition commissioner, said the bank investigation was one of his highest priorities.

"Banks are free to set the level of charges for exchanging currencies, but they cannot get together to fix those charges," Monti said in a statement. "This would be an infringement of competition rules which would be severely punished if it appeared that consumers had lost out as a result."

If found guilty of forming an illegal cartel, EU antitrust rules allow the commission to fine the banks up to 10 per cent of global revenue, although in practice such fines have never exceeded 1 per cent.

Export gains from processed leather up 16pc last fiscal

Buoyancy in global market

Export earnings from finished and semi-finished leather increased about 16 per cent in the last fiscal compared to previous fiscal's performance following buoyancy on the world market, reports UNB.

Processed leather fetched US\$195.05 million in 1999-2000, which was \$168.24 million in the previous year.

The sector also exceeded the year's target of US\$ 180 million by 8.36 per cent, as both prices and quantities got a boost.

The volume of exports increased to 197.02 million square feet in 1999-2000 from

186.93 million sq ft in the previous fiscal year. The price of leather exports in international markets also shot up to US\$ 0.99 per sq ft from US\$0.90.

An executive of a leading leather-exporting firm said that the international leather market went through a recession, as the demand for leather fell sharply in Asia, which imports bulk of Bangladesh leather.

Many leather goods factories in Asian countries were shut down, especially in Korea, following the 1997 financial crisis while many others suspended fresh import of raw leather and used previous

stocks.

"Global consumers restarted importing leather in 1999 after their stock finished while Korea resumed production in factories that had remained shut," he told UNB.

Another new market opened for Bangladesh leather export in Vietnam, giving a nudge to the year's trade, he said. Vietnam imported leather from Bangladesh through Hong Kong, Taiwan and other countries.

The executive said Vietnam's leather consumption rose following its trade agreement with USA. Export promotion officials said

that export earnings from the sector could be more if export of value-added leather goods was increased.

Incomes from leather good still remained insignificant last fiscal, according to figures compiled by the Export Promotion Bureau (EPB).

Even international leather fairs, organised by the Bangladesh leather and Leather Goods Exporters Association for the last two consecutive years, could not help much to expand the export basket.

2nd ONE Bank Branch opens at Agrabad

ONE Bank Ltd has opened its second branch at Agrabad in Chittagong.

The branch was inaugurated by Minister of Civil Aviation, Tourism and Public Works Engr Mosharraf Hossain as chief guest at a ceremony held at a local hotel in the port city recently, says a press release.

Al Haj ABM Mohiuddin Chowdhury, Mayor of Chittagong City Corporation, was also present as special guest.

Speaking on the occasion, Engr Mosharraf Hossain emphasised the need for transparency and accountability in loan sanctioning and strengthening the relative monitoring procedures to ensure proper use of disbursed loans.

He expressed the hope that the bank would continue to maintain a healthy relationship with its clients and take necessary steps to inspire their confidence.

In his address, ABM Mohiuddin Chowdhury viewed that all concerned, irrespective of political affiliations, must work together to step up the pace of the country's economic development.

The Chairman of the bank, Hefazatur Rahman, and Managing Director, Nurul Azim Chowdhury, also spoke on the occasion.

Certificate-giving ceremony of ICSMB held

The certificate awarding ceremony of the members of the Institute of Chartered Secretaries and Managers of Bangladesh (ICSMB) including the participants of the 4 batches of professional training course on shares, taxation, VAT management and corporate secretarial practice conducted by the Institute was held in the city on Sunday, says a press release.

Ghulam Rahman, Secretary of Commerce, attended the programme as chief guest and gave away the certificates.

The training course was designed to orient, adapt and develop the company executives in various functional aspects of corporate management as also with the tricky and technical regulatory formalities involved in shares registration and taxation management.

The training courses were organised as part of the comprehensive professional development programmes.

A total of 134 trainees, mostly from listed companies including banks and insurance, took part in the programme.

Speaking on the occasion, the chief guest lauded the activities of the institute particularly in developing the profession of company secretaries.

R Tareque Moudud, Executive Director of Securities and Exchange Commission, also spoke on the occasion from amongst the members.

The ceremony was also addressed by the office-bearers of the institute including Muzaffar Ahmed FICS, President AKA Muqtadir FICS, Vice President, MS Alam Mia FICS, Secretary and Mohd Sanaullah FICS, Treasurer.

been ordered by the parliament.

Yudono said that 84.8 trillion rupiah of the credits were misused by the recipients while the rest were extended in violation of banking regulations.

The BPK audit report showed that many of the loans were used for foreign exchange speculation, for lending through the interbank market.

The audit team chief Bambang Wahyuni was quoted by the Jakarta Post as saying that none of the banks had returned their loans.



Hefazatur Rahman, Chairman of ONE Bank Ltd, speaks at the 1st Annual General Meeting of the bank held on Thursday. Zahur Ullah, Vice Chairman, and Nurul Azim Chowdhury, Managing Director, is seen, among others, at the meeting.

Thai mutual funds struggling to stage a comeback

Scarred investors prefer to stay away

BANGKOK, Aug 5: The Siam Commercial Bank probably deserves a medal for bravery. It's launched a mutual fund when Thailand's stock market is plunging the depths and investors still painfully remember the losses suffered the last time they put money into these instruments, says AP.

Big hits when the Thai economy was roaring, many scarred investors now prefer to keep their money in banks even though the interest rate runs at less than 3 per cent.

But the Siam Commercial Bank took a bold step last week

by launching the Sathien Sap Mutual Fund at a time when the Stock Exchange of Thailand had plunged to a 21-month low.

The 5 billion baht (US \$122 million) closed-end fund, which will mature in 63 months, is investing 43 per cent of its assets in long-term government bonds, 35 per cent in long-term bank deposits and 22 per cent in stocks.

"People are not keen on funds that were launched one or two years ago, and might start selling the units," says Sukree Nitithumman, senior analyst for Adkinson Securities. "Funds that

are going to be launched now, and there are several of them, these will do better."

The rationale is that buying funds when the stock market is low the SET is hovering around 300 points these days means that changes of getting good returns one day are high.

Other banks, or their subsidiaries, that might launch new mutual funds are the Thai Farmers Bank and Krung Thai Bank, he said.

But officials at Krung Thai Bank denied they were coming out with new products and those at Bangkok Bank, the country's largest, said all eight existing funds were sinking and there were no plans for new ones.

A reporter for the English-language Bangkok Post said he had invested 100,000 baht (\$2,500) in one of the Bangkok Bank funds which now is worth some 20,000 baht (\$500). Millions of others have similar stories to tell.

"I have given up now, left it alone, but I hope the price goes up when the economy improves," the reporter said, speaking on condition of anonymity.

Sukree testified intrepid investors to put their money into funds that invest most of their money in bonds, including government bonds.



Photo shows (from left to right) Vice President of ICSMB AKA Muqtadir, FICS, Commerce Secretary Ghulam Rahman, ICSMB President Muzaffar Ahmed, FICS, Secretary MS Alam Mia, FICS, and Treasurer Mohd. Sanaullah, FICS, at the certificate-awarding ceremony held in the city on Sunday.

Weekly ReadyCash Prize Winners

The latest draw of the fortunate ReadyCash prize winners was held yesterday with ME Islam, Secretary of AIBL (ReadyCash), announcing the names of the prize winners.

Prizes	Winners	Card Number
A six-month free course from Aitech computer education	Alma Rahman	4477
A three-month free course from Genetic Computer School Shantinagar Centre	Zaqi Habib Khan	4296
Contact lenses from ATO USA vision, New Elephant Road	Syed M Hossain	4257
Proshika Internet connection and 10 hours browsing	Jahangir Habib	4512
FedEx free shipment	Md Bodaruzzaman	4476
Lunch at Hotel La-Vinci	Mohd Basharat Ullah	4500
Stop N'Shop gift box	Rowshan Ara	4507

Jobs report soothes US rate worries

WASHINGTON, Aug 5: US unemployment held steady at 4 per cent in July although the economy shed jobs at the fastest rate in nine years, the government said yesterday in a report that eased market fears about interest-rate rises, says Reuters.

The Labour Department said payrolls shrank by 108,000 last month contrary to expectations they would keep growing because of layoffs of temporary workers hired for the once-a-decade Census. There were 30,000 jobs created in June.

The July job losses stemmed from 290,000 Census employees leaving their temporary jobs. Private industry actually hired 138,000 employees after adding 242,000 in June in a clear sign the job market remains healthy.

Analysts said the intensely awaited report confirmed that the pace of US economic growth was slowing. Most thought it meant the Federal Reserve can call off its year-long campaign of ratcheting interest rates higher.

The Fed has pushed short-term rates higher six times since mid-1999 to try to engineer a so-called "soft landing" in which economic growth is throttled back just enough to keep inflation in check but without throwing the expansion off course.

Wall Street took the jobs report as an all-clear on any imminent rate rises, with 26 out of 29 pri-

mary dealers telling Reuters they were confident the Fed will keep its key federal funds overnight lending rate unchanged at 6.50 per cent when its policymaking Federal Open Market Committee meets on Aug 22.

But a few elements in the report kept analysts edgy, notably a 0.4 per cent rise in average hourly earnings on top of a 0.3 per cent pickup in June. Hourly earnings have climbed 3.7 per cent over the past year.

"The combination of stiffer oil prices, higher interest rates and a stronger dollar clearly is creating a slower growth pace but with no fear at all the economy is falling apart," said Robert Dederick, economic adviser to Northern Trust Co in Chicago. "It's just what Dr Greenspan ordered."

Financial markets were buoyed by signs of softer job creation which complemented other recent evidence that demand, as measured by consumer spending, was easing so the risk of inflation should be dampened.

Inflation-sensitive 10-year US Treasury notes gained 12/32 of a point. The yield, which moves in the opposite direction to the price, fell to 5.91 per cent from Thursday's close of 5.96 per cent. Prices for 30-year bonds gained 13/32 and the yield dropped to 5.71 per cent from 5.74 per cent.

IMF approves \$1b loan to Nigeria

WASHINGTON, Aug 5: The International Monetary Fund (IMF) approved a \$1 billion, one-year loan to Nigeria yesterday, restarting lending to the African oil producer after an eight-year gap, says Reuters.

An IMF statement said Nigeria would treat the loan as "precautionary" and did not intend to make any drawings "at this time." Nigeria hopes that cash from the IMF will unlock funding from other sources and make it easier to reschedule \$21 billion of hard-to-pay foreign debt.

"The Nigerian authorities are to be commended for the progress made toward restoring macroeconomic stability during their first year in office," said IMF Managing Director Horst Kohler.

But he said Nigeria urgently needed to speed up implementation of structural reforms to tackle, among other things, "serious deficiencies in the provision of power, telecommunications and petroleum that are obstacles to growth."

He said moving ahead with privatisation and tackling corruption were also critical.

Nigeria had originally hoped to get money from the IMF much earlier, but a lending programme was delayed after disagreements between the government and parliament about the 2000 budget.

The new loan was approved just before the IMF board's two week summer recess and before President Bill Clinton's state visit to Nigeria from Aug 25 to 27.

The IMF said in May that the parliament's budget was "not consistent" with the one that had been agreed on with the fund, forcing both sides back to the drawing board.

Nigeria's last economic reform programme with the fund expired in 1992. The idea of new money from it received a big impetus with the end of military rule last year and the election of a president who said he was determined to crack down on corruption.



Jose de Venecia, Jr. Chairman, Policy and Markets Inc. and former speaker of the House of Representatives of the Philippines, called on Abdul Awal Minto, President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), at Federation office yesterday. They discussed foreign investment potential in different areas of the agriculture sector in Bangladesh. MA Mumin, Vice-President, FBCCI, is also seen in the picture.

Occidental suspends output at Colombia's 2nd main oilfield

Rebels repeatedly bomb pipeline

BOGOTA, Aug 5: Occidental Petroleum Corp. suspended production and declared force majeure at Colombia's second largest oil field yesterday after Marxist rebels repeatedly bombed the pipeline that pumps crude from the field, reports Reuters.

It was thought to be the first time in more than 18 months that the US multinational had called force majeure at the 105,000 barrel per day Cano Limon complex, in northeast Arauca province, which it operates in association with state-run oil firm Ecopetrol.

The declaration is a legal move which allows the company to suspend contractual obligations and in some cases even crude export shipments until the security situation normalises. Oil is Colombia's leading export, earning some \$1.9 billion of the total \$5.15 billion export revenues in the January through May period, the latest date for which official figures are available.

The first declaration of force majeure at Cano Limon in July

1997 sent a shudder through US markets and energy officials since it was the starkest indication until that time of the risk posed by Colombia's warring rebel factions against the oil industry.

"We have declared force majeure," an Occidental spokesman at the company's corporate headquarters in Los Angeles told Reuters by phone. He was unable to say whether the move applied just to output at the field or also affected export commitments.

The decision was prompted after rebels blew up a section of the pipeline that transports crude from Cano Limon to the Caribbean lifting terminal at Covenas less than four hours after it had been repaired after a July 23 attack. Colombia's state-run oil company Ecopetrol and state security forces attributed the blast to Communist rebels. The pipeline has now been out of action 12 days. The longest outage this year.

Shortly before the Occidental announcement, Ecopetrol reported that export supplies

were exhausted at the one million barrel storage facilities at the Covenas lifting terminal.

That facility is used for storing both Occidental and Ecopetrol exports.

Colombia's two biggest Communist guerrilla groups have regularly targeted energy infrastructure in protest at what they see as the excessive involvement of foreign multinationals in the country's oil industry, which produces about 710,000 bpd of crude.

Government officials have frequently appealed to the guerrillas to cease targeting the country's main crude export pipelines in their three-decade-old war to topple the state a conflict that has cost 35,000 lives in just the last 10 years.

It was not clear whether the Revolutionary Armed Forces of Colombia (FARC) of the smaller National Liberation Army (ELN) was responsible for Friday's blast on the Cano Limon-Covenas pipeline at a point 27 miles (43 km) west of the field.



Md Fazlul Huq, Additional Secretary of Commerce, addresses the inaugural ceremony of the CEFE TOT on Business Restructuring course organised by Promotion of the Private Sector, Component-B, GTZ, in the city yesterday. Ricardo Meissner (sitting-1st from L), Team Leader, PPS-B,GTZ, Suphot Kulapranthong (S-2 from L), Managing Director of Ingka Co. Ltd, Thailand, and Sansana Siritarn (extreme right), Executive Director of the same company and trainer of this course, are also seen in the picture.

95pc of Bank of Indonesia credit misused

JAKARTA, Aug 5: More than 95 per cent of the 144.5 trillion rupiah (16.8 billion dollars) of central bank liquidity credits extended to Indonesian institutions between 1997-1999 were misused, press reports said today, reports AFP.

In a report to parliament, head of the Supreme Audit Agency (BPK) Satrio Billy Yudono said the government risked losing 138.4 trillion rupiah (about 16 billion dollars) in emergency liquidity credits extend by Bank Indonesia to commercial banks between 1997 and 1999, the Jakarta Post

said.

The figure accounted for 95.8 per cent of the total liquidity credit issued to 48 banks by Bank Indonesia during the period at the peak of the country's financial crisis.

Attorney General Marzuki Darusman who also received a copy of the audit report, said his office will investigate the 48 banks over the liquidity loans.

"We need to study BPK's report first and, if necessary, will immediately issue a travel ban on the bankers implicated in the loan scandal," Darusman said.

Bank Indonesia acting governor Anwar Nasution pledged full cooperation of the central bank in the investigation, adding that if necessary, central bank officials suspected of implication in the scandal would be suspended.

The findings came after an audit launched in February concerning the central bank and 48 banks which received credits.

Ten of the banks now have their operations frozen, 15 are in the process of liquidation, five have been taken over by the state and 18 others had their operations suspended. The audit had