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# The Daily Star BUSINESS

DHAKA, FRIDAY, AUGUST 11, 2000

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## Three-day Sony product show begins Aug 17

By Staff Correspondent

A three-day Sony product exhibition starts at Dhaka Sheraton Hotel from August 17. The show will showcase some latest Sony products with new and updated features.

The new products include digital camera, latest digital video disk (DVD), glassrom and television with three-dimensional sound systems.

The exhibition will remain open for the public from 10 am to 9 pm on August 18 and 19. A Rangs Electronics Ltd official said that the response of the visitors will help the company determine the viability of these latest Sony products in Bangladesh.

The launching day of the exhibition which is scheduled to start at 4 pm, will be only for the Rangs Electronics Ltd staff. A press briefing and a seminar for Rangs staff will also be arranged at the same venue on the opening day of the exhibition. Six officials of Sony International, Singapore, are also going to participate in the seminar. Rangs Electronics Ltd has been arranging such yearly exhibitions of Sony products since 1994, concerned officials said.

## First Security Bank branch opens at Khatunganj

CHITTAGONG, Aug 10: Labour and Employment Minister M A Mannan Wednesday said the commercial banks can play a very vital role in developing an economy and making a nation wealthy, reports BSS.

The minister said this while inaugurating the second branch of the First Security Bank at Khatunganj here. Presided over by Chairperson of the Bank Begum Nasim Sikder, the function was also addressed by Managing Director Sarwar Jamal.

Chittagong City Mayor A B M Mohiuddin Chowdhury was also present at the function. The commercial banks have to take initiatives to earn credibility of the borrowers and improve quality of customer services, Mannan said.

## Kibria for using technology, research to boost production

Finance Minister Shah A M S Kibria Wednesday stressed the need for using advanced technology and research in achieving the maximum benefit in the economic activities including industrial and commercial ventures, reports BSS.

He said this is an important aspect of development of a country and expressed the hope that the Asian productivity organisation (APO) could play a vital role towards this direction.

The finance minister told a delegation of APO society for Bangladesh led by Sharif Afzal Hossain that such organisations can also take a leading role in the development of human resources and other assets of a country like Bangladesh.

Kibria said that productivity is important for a developing economy because it helps increase the wages of the workers and also facilitates investment of the savings.

## Onus, Horizon launch new software

Onus Private Limited and Horizon Software Pvt Ltd have jointly launched their new generation software products for local and international market.

The product launching ceremony was held at a city hotel on Saturday, says a press release.

Tofail Ahmed, Minister for Industries, was the chief guest on the occasion. AB Chowdhury, Vice-President of EPB, and Dr Chowdhury Mozfar Rahman, head of the Department of Computer Science and Engineering of BUET, were the special guests at the ceremony.

Dr Zubaidur Rahman, Chairman of Millennium Group, Mahmud Hossain, Managing Director, and Fokhriz Zaman, Technical Director of the two software enterprises, were also present on the occasion.

The four newly-launched products were displayed in the ceremony. The products are e-mab, Onus Bank 2.0, Onus Business System 2.0 and e-binimoy 1.0.

# Govt offloads its shares in four multinationals

Star Business Report

The government yesterday offloaded its shares in four multinational companies Berger Paints Bangladesh Ltd, Siemens (BD) Ltd, Van Ommeren Tank Terminal (BD) Ltd and International Oil Mills Ltd.

Prior to this offloading, it held 42.33 per cent shares of the British paints company Berger, 31.66 per cent stake in the German company Siemens and 50 per cent shares of Dutch firms Van Ommeren and International Oil. The total sale value of the government held stakes in the companies are Tk 37.30 lakh against their combined face value of Tk 4.58 crore.

Privatisation Commission Chairman Kazi Zafarullah handed over the share transfer documents to the executives of the four companies at a function held at a city hotel. Industries Minister Tofail Ahmed and envoys of the British, German and Dutch missions were also present on the occasion.

Speaking on the occasion, Kazi Zafarullah said the government is offloading shares of the profit-making companies to emphasise its seriousness about the privatisation programme.

He mentioned that the upgrading of the Privatisation Board to a Commission through a law, has given it bigger powers for settling legal, financial and other regulatory issues.

He said the Commission now has the quasi-judicial authority for adopting different options of privatisation, which is expected to accelerate the pace of privatisation in the country.

Zafarullah said that offloading of government shares in six more companies were under way. Speaking as chief guest, Industries Minister Tofail Ahmed said that the pace of the privatisation drive was rather slow because of the country's political culture.

He said that every member of

the parliament is in favour of privatising the state-owned enterprises, but the hard reality is that the ruling party opposes its own decision when it loses power and sits in the Opposition.

In their speeches, the diplomats advocated for political and economic stability and improved law and order situation to ensure a better investment scenario in Bangladesh.

They said divestment of government shares is a positive move, but internal stability is more important for tapping foreign investment.

In his speech, British High Commissioner Dr. David Carter said that investment by multinational companies sends positive signals to other investors while closure of their businesses hits the existing trading climate in any given economy. He also called for radical changes to reduce public sector stakes in businesses.

"I don't understand why 25 per cent of the assets are being held by the public sector when private sector generates over 90 per cent of the profits," the high commissioner said.

He also said that issues like economic and political stability and improvement of the law and order situation were essential for increasing foreign investment in the country.

Speaking on the occasion, German Embassy representative Lenferding said that German-Bangladesh trade figures were far less than the existing potentials.

Charge de Affairs of the Netherlands Embassy Jan Mass said that the state's role is not to get involved in businesses but to support it by providing necessary regulations. He said that by engaging itself in businesses, the government spends thousands of crores of taka in subsidising its state-owned enterprises.



Mahfuz Anam, Editor of The Daily Star (3rd from right), and Desmond Quiah, Country Manager of DHL Worldwide Express (5th from right), exchange the agreement papers following the signing of a contract to launch Bangladesh Business Awards on Wednesday. Also seen in the picture are Syed Fahim Munaim, Managing Editor of The Daily Star (4th R), and other officials of both the organisations.

-- Star photo



MA Mannan, Minister for Labour and Employment, inaugurates the Khatunganj Branch of First Security Bank Ltd on Wednesday. Al-haj ABM Mohiuddin Chowdhury, Mayor, Chittagong City Corporation, was present as special guest. Nasim Sikder, Chairperson, First Security Bank Ltd, and Md Sarwaruzzaman Khan, Managing Director of the bank, are seen in the picture along with the directors.

--First Security Bank photo

## Bangladesh to get Tk 100cr German project fund

Bangladesh will receive Tk 100 crore from Germany for implementation of various projects under an agreement signed in Dhaka yesterday, says UNB.

German Ambassador Uwe Schramm and Economic Relation Division (ERD) Secretary Dr A K M Masihur Rahman signed the agreement on behalf of their respective governments.

The agreement was signed following the commitment made by the German government at the end of last year. The grants will be available without any repayment obligation.

## 6th Premier Bank branch opens at Mitford Road

Premier Bank opened its 6th branch at Mitford Road, Imamgonj, Dhaka, on Monday, says a press release.

The opening ceremony, which was presided over by the Chairman of the bank Dr HBM Iqbal MP, was held at the branch premises and was followed by a milad mahfil.

Mohammad Hanif, Dhaka City Corporation Mayor, was present as chief guest in the function and formally inaugurated branch.

Hajee Mohammad Selim, MP, graced the function as special guest. Kutubuddin Ahmed and Shaifur Rahman, Directors, were present. Managing Director of the Bank MA Yussouf Khan, Adviser Sahazada Syed Nizamuddin Ahmed and Deputy Managing Director Abdur Rob also attended the ceremony.

In his speech, Mohammad Hanif appreciated the bank's 'Service First' Motto. He also expressed his optimism that the bank would cater to the needs of the business community of the locality.

Hajee Mohammad Selim appreciated and thanked the Board of Directors and Management of the bank for opening a branch at Imamgonj.

Dr HBM Iqbal, the bank's Chairman, stated that people from all walks of life will be benefited by the fast and quality services of the bank since it has adopted modern technology in its branch operation.

## Moore hopeful of global trade round launch by 2003

WELLINGTON, Aug 10: WTO Director-General Mike Moore said today he is hopeful a new round of global trade liberalisation talks will be launched before his term expires in 2003, reports Reuters.

"I'd hope so. It depends whether it's right... I believe we can do this but in 1982 when (the launch of the Uruguay Round) failed, we couldn't get it going until '86 and there was a vacuum. I promise you there is no vacuum and the homework is being done." More told reporters after meeting New Zealand government officials in Wellington.

Leaders of WTO meeting in Seattle last December failed to launch a new global trade round, as many countries had sought.

They were unable to reach agreement on an agenda amid opposition from developing coun-

tries and violent protests outside the meeting venue from anti-free trade campaigners.

More said negotiations were under way on several fronts to build consensus for another round of global trade talks.

"I'd make the case that had we launched in Seattle, we wouldn't be that much further in terms of our timetable than we are now," Moore said.

However, he said the old differences remain and agriculture trade policy was still one of the most difficult subjects.

"I think we've made very good progress in Geneva. One thing we have been able to achieve is enhanced market access for least developed countries (LDCs)," Moore said.

More said he remained confident China would join the WTO before the end of the year.

We're working it through, it's extremely difficult. We believe we can get it through this year," he said.

Jordan, Georgia, Croatia, Albania, Oman, Lithuania and Taiwan should also gain membership this year, Moore said.

"Vietnam looks more interesting than it did. In the last six months (there has been) quite a movement with the American agreement and there is reason to lift our play in terms of Russia," said Moore, a former Prime Minister of New Zealand.

Moore said while he remained a proponent of multilateral free trade, there was also a place for regional agreements as long as they are GATT compatible.

"In fact in Africa, there is a desperate need for Africa to regionalise itself," he said.

## Choppy times await emerging markets, says IMF

WASHINGTON, Aug 10: Emerging markets face choppy conditions in the coming months as investors wait to see if the US economy is heading for a soft landing, the International Monetary Fund said yesterday, reports Reuters.

A new IMF report on emerging market finance said a poor second quarter meant IMF staff were less optimistic about financing prospects than earlier this year.

"The tight link between the

performance of emerging and US asset markets has tempered our optimistic outlook for emerging markets financing from a quarter ago. We expect overall financing flows to moderate in coming quarters," it said.

"While we expect the syndicated loans market to remain supportive, we expect conditions on bond and equity markets to be choppy, with issuers exploiting windows of opportunity.

The IMF has produced internal reports on emerging market finance, but this was the first time it had made its quarterly survey available to the public.

Its annual International Capital Markets report, a full survey on the prospects and performance of world capital markets, will be released on Sept. 11.

In Wednesday's report the IMF said issuance of emerging market bonds, equities and syndicated loans fell to \$54.6 billion in the second quarter from \$71.5 billion in the first quarter. It gave no forecasts for the rest of the year.

Both quarters were higher than quarterly levels throughout 1999 as developing countries started to recover from the financial crisis of 1997-99 and investors began moving back to emerging markets.

The IMF said the weaker second quarter came as investors rebalanced their portfolios to take account of volatile financial markets and higher interest rates in industrialised countries.

"The potential for further negative impacts from each of these sources remain as much a concern as it did a quarter ago. In addition there remains the risk of a sharp correction of the US dollar," it said.

## Proper policy guidance could make SOEs profitable

Industries Ministry review meeting told

State-owned enterprises (SOEs) in the country could have made profits in addition to creating huge employment if these were guided by correct and consistent policies since their inception, reports BSS.

This was revealed at a high-level review meeting of the past, present and future of the SOEs under the Ministry of Industries held in the city on Wednesday with Industries Minister Tofail Ahmed in the chair.

Chairmen and directors of BCIC, BSEC and BSFC, Additional Secretaries of the Ministry and Secretary Al-Ameen Chowdhury attended the meeting, according to an official press release.

After privatisation of a good number of enterprises, Bangladesh Chemical Industries Corporation (BCIC) owns 19 enterprises, Bangladesh Steel and Engineering Corporation owns 12

enterprises and Bangladesh Sugar and Food Industries Corporation has 14 sugar mills and one distillery.

While reviewing the prevailing situation in the paper sector, the meeting was informed that Khulna Newsprint Mills (KNM) got Tk 11 crore subsidy every year up to 1992-93 since its inception to reduce consumers' cost. After that it was discontinued. The royalty for goach wood was six paise in 1992 and then it was refixed at Taka 15 per cft, which increased the production cost substantially. The Sundarbans Forest Authority is supposed to supply 48 lakh cft goach per annum for producing 48,000 tons of newsprint at KNM. But they are supplying only 18 lakh cft, reducing the mill's productivity by 50-60 per cent. BCIC authority also informed the meeting that due to sale price policy in 1992-93, KNM had to bear huge

losses which have spiralled to Tk 302 crore at present.

Urging a solution to convert KNM into a viable industry, the minister said, it is true that during the BNP regime, KNM newsprint was sold at Tk 19,000 per tonne against the market price of Tk 50,000 per tonne. He said, most of the SOEs suffered losses due to inconsistent policy of the previous governments. He said, the previous regime also allowed duty-free import of newsprint and imposed high duty on pulp import to discourage local paper and newsprint industry, where pulp is being used as raw material.

The industries minister said at present the production cost is Tk 33,000 per tonne, but the selling price is 29,000 per tonne while the imported price of the same quality newsprint is Taka 55,000 per tonne. He asked the BCIC to make a leak-proof plan for KNM.

# Rodriguez warns OPEC members against quota violation

Oil prices sharply up as US supply hits 24-yr low

ABU DHABI, Aug 10: OPEC President Ali Rodriguez yesterday warned OPEC members that excess production beyond agreed quotas would be "very, very dangerous" and return prices to renewed volatility, says Reuters.

"If we violate the agreement, the situation will be very, very dangerous for us and will return to volatility of the market," Rodriguez, who is also Venezuela's Energy Minister, told reporters.

Rodriguez, who is accompanying his president Hugo Chavez on a 10 country OPEC tour to promote the organisation's first summit in 25 years from September 27-29, also said there was no crude crunch as perceived by some market watchers.

"Non-OPEC production is increasing (at) this moment. We increased production by over 2.4 million barrels per day (bpd) in

the last two (OPEC) meetings and now we are seeing some OPEC overproduction according to secondary sources," Rodriguez said.

He said there was a deficiency in gasoline stocks and lower refinery crude runs last month, not declining crude supplies.

"Maybe in this quarter, the market will need a lot of heating oil. If there is a problem with refineries, it will impact prices again, but the problem is not crude supplies," Rodriguez said.

However, oil prices soared on Wednesday with September Brent in London hitting a contract high of \$30.15 as US crude stocks were reported falling to their lowest level since 1976.

Asked if OPEC would likely increase oil output during a September 10 meeting in Vienna, Rodriguez said the group was

being "flexible" and was analysing the market.

If prices remained within a \$22-\$28 band -- the basis of a price band mechanism informally agreed by OPEC members in June -- then there should be no increase.

"But if we see prices rise abruptly, then maybe we would increase in September. We're handling the situation with objectivity. We want to stabilise the market," Rodriguez said, adding that the group would need to study market reports before reaching a decision.

Asked if he thought OPEC should be cautious about an increase in September, Rodriguez said: "Yes, yes."

Wednesday he stressed the need for discipline to maintain market stability.

The Saudi move, without OPEC consensus, caused cracks within the organisation, with Rodriguez championing hard against unilateral acts that went against the price mechanism.

Meanwhile, another report from London says: World oil prices charged up to and over the \$30 per barrel mark yesterday amid renewed concerns about dwindling supplies in the US, where a report showed crude stockpiles falling to their lowest level in 24 years.

London's Brent crude futures for September delivery last traded \$1 higher at \$29.90 per barrel, having briefly topped \$30 a barrel at the start of the day, while US benchmark futures flew \$1.23 higher to end at \$30.35.

## Exchange Rates

Following are yesterday's Standard Chartered Bank foreign exchange rates (indicative) of major currencies against Taka.  
Central Bank USD/BDT rate: Buying-BDT 50.85/Selling-BDT 51.15.

TT/OD	BC	Currency	TT Clean	OD Sight	OD Transfer
51.2500	51.2500	USD	50.8650	50.6964	50.6279
0.4785	0.4779	JPY	0.4619	0.4608	0.4598
30.2800	30.2989	CHF	29.6073	29.5466	29.5065
30.2304	30.2481	SGD	29.1272	29.0545	29.0252
34.7156	34.7361	CAD	33.8862	33.8123	33.7563
5.5725	5.5758	SEK	5.4745	5.4638	5.4564
31.0887	31.1069	AUD	28.7871	28.2135	28.1811
13.6321	13.6401	MYR	13.2496	13.2135	13.1956
6.6057	6.6065	HKD	6.4912	6.4735	6.4649
13.7226	13.7095	SAR	13.4230	13.3663	13.3681
14.0696	14.0779	AED	13.7045	13.7045	13.6860
0.0461	0.0462	KRW	0.0452	0.0452	0.0452
76.7791	76.8234	GBP	75.2028	74.9370	74.8828
47.4608	47.5477	EUR	45.7919	45.6088	45.5323

Usance export bills

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
50.7601	50.4469	50.0289	49.5481	49.0255	47.8549

Exchange rates of some Asian currencies against US dollar

Indian Rupee	Pak Rupee	Tha Baht	Mal Ringit	Indo Rupiah	Sing Dollar
44.96/45.06	53.15/53.35	41.25/41.29	3.7999/3.8001	8915.8935	0.4547/0.4554

US Dollar

BUYING	SELLING	1 Month	3 Months	6 Months	12 Months		
Cash notes	50.6650	51.2600	USD	662	6.71125	6.8925	7.0425
T C	50.6150	51.2600	GBP	6.08156	6.2025	6.32054	6.51

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