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# The Daily Star BUSINESS

DHAKA, MONDAY, SEPTEMBER 18, 2000

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## Dhaka to receive Tk 650cr Danish grant for transport sector

Bangladesh will receive 924.20 million Danish kroner (equivalent to approximately Tk 650 crore) as grant from Denmark under an agreement signed on Saturday, says UNB.

Under the umbrella agreement, the contribution will be used for implementation of the 14-sub components under 3 components of the sector programme support to transport sector in Bangladesh.

The name of the components are Inland Water Transport, Major Roads and Minor Roads and District Maintenance system. For each of the sub components, separate agreements will be signed, said an official hand-out.

The objectives of the transport sector programme support are establishment of rehabilitation and maintenance systems for major and minor roads and waterways which will address a network approach, and environment problems, poverty reduction and promotion of women's

## Apple launches new line of desktops

Apple Computer has introduced an entirely new line of desktops including the revolutionary new Power Mac G4 Cube, and all-new iMac family and dual processor Power Mac G4s, says a press release.

The G4 Cube delivers the performance of a Power Mac G4 in an eight inch cube suspended in a stunning crystal-clear enclosure.

The G4 Cube is less than one fourth the size of most PCs, yet houses a 450 MHz PowerPC G4 processor with Velocity Engine that reaches supercomputer speeds of over three billion calculations per second (GigaFlops).

The G4 Cube includes a 450 MHz PowerPC G4 processor with Velocity Engine, (configurable to 500 MHz through the Apple Store); 64MB of memory expandable to 1.5GB; 20GB of storage (configurable up to 40GB through the Apple Store); a slot-loading DVD drive on the top of the G4 Cube for easy access; two FireWire and two USB ports; 10/100BASE-T Ethernet and a 56K V.90 modem.

The entirely new iMac line starts at a breakthrough price of Tk 60,000 and features four new models in stunning new colours.

The new iMac colours are Indigo, Ruby, Sage and Snow, and join the prized Graphite colour in the line. The new iMac family offers fast PowerPC G3 processors now running at up to 500 MHz and larger storage up to 30GB. The iMac DV models also include iMovie 2, the next version of the world's most popular, easy-to-use consumer digital video editing software.

The new iMac family includes four new models: the iMac, the world's best Internet appliance at a breakthrough price of Tk 75,000 the iMac DV, bringing desktop video editing to an under Tk 95,000 iMac with FireWire and iMovie 2; the iMac DV+ with more speed, storage, and a DVD drive, the ultimate iMac featuring a super fast 500 MHz PowerPC processor, massive 30GB hard disk drive, 128MB of DRAM, and available in Graphite and Snow.

## Aptech holds seminar at Eden College

Aptech Computer Education organised a seminar on 'Information Technology and E-commerce' at Eden Girls College auditorium in the city on Saturday, says a press release.

Mrs Minfar Chowdhury, Vice Principal, Eden Girls College, was the guest of honour.

Rizwan Bin Faruq, Executive Director of Adom Technologies Ltd, stressed the need for meeting new demands of information technology and focused on the contribution of APTECH to produce e-commerce professionals in the country.

Saiful Islam, Managing Director of APTECH Mirpur Centre, in his speech stated that computer education is the best way to ensure a rewarding career.

Fiza Huq, the best student of APTECH Dhanmondi Centre, stressed the role women could play in every sector by taking proper IT education. According to her, women need to be technically skilled today to ensure proper utilisation of the country's workforce.

The seminar was followed by a question-answer session. Ten students from Eden College received raffle draw prizes. Students were also invited to APTECH Dhanmondi centre to attend the free workshop on 'E-commerce and IT-based Computer Education' to be held in October.

# DCCI sets up office for SME e-biz promotion with EU

By Monjur Mahmud

Dhaka Chamber of Commerce and Industry (DCCI) has set up an office for the small and medium enterprises (SMEs) with a view to promoting and popularising e-commerce with the European Union (EU) and 43 other developing countries.

The Chamber has established the Technology and Trade Information Promotion System (TIPS) National Bureau in Dhaka in cooperation with Devnet, a Rome-based non-government organisation (NGO).

Devnet is responsible for execution of the European Community (EC) project for expansion of TIPS, DCCI sources said. TIPS has its bureaux in EU and 43 developing nations of Asia, Africa, Latin America and Eastern Europe, said a TIPS official.

TIPS aims at contributing towards building the capabilities of SMEs through establishment of technological and trade promotion systems with EU, Bangladesh's largest export market and an important source of quality products and technological know-how, the official stated.

In order to promote EU-Bangladesh business cooperation, TIPS offers trade query services for the local and European clients. Its Dhaka office has direct electronic link with the TIPS database in Rome. The office collects, processes and disseminates trade offers and

requests, which are gathered directly from companies, to different SMEs.

It also comes up with information on EC-backed business cooperation programmes, particularly with regard to how local companies can participate in the same. TIPS has links with European chamber and business bodies.

"We are offering assistance to companies and organisations based in EU, which are keen to obtain information on various markets, conditions of doing business and possible partners," the project official went on.

TIPS Bangladesh Bureau provides services including trade, technology, services and consultancy offers and requests, policy news, training and workshops, bids and procurements, research and development.

The sectors which will be covered by TIPS are agro-based industries, biotechnology, business opportunities, building and construction, chemicals, electronics, energy, environment, food processing leather, machinery, mining and metallurgy, packaging, pharmaceuticals, textiles, tourism and transportation.



A delegation from Bangladesh Employers' Federation led by its president A S M Quasem met Minister for Labour and Employment M A Mannan at his office on Sunday. Secretary, Ministry of Labour and Employment, Serajul Islam, and other high officials of the ministry were also present.

—BEF photo

## US, China stand on edge of new economic era with trade vote

WASHINGTON, Sept 17: The United States and China stand on the edge of a new economic era, with the Senate poised to vote on a bill revolutionising trade between the world's most powerful economy and its most populous nation, says AFP.

Senators are widely expected to pass legislation Tuesday, which will slash US tariffs on Chinese exports in return for Beijing's promise to throw open its vast market to American firms.

US businesses hope to reap billions of dollars in profits with the passage of the bill, a milestone that China must clear in its exhausting 13-year campaign to join the World Trade Organisation.

President Bill Clinton will savour a sweet victory when the bill, granting permanent normal trade relations (PNTR) to China becomes law, as he has made its passage a priority of his final

year in office.

Speedy passage of PNTR has been all but certain since Thursday, when the senate rejected an amendment, which would have punished China with non trade sanctions for allegedly sending military technology to US adversaries.

"We have cleared the final hurdle and moved one step closer to enacting one of the most important pieces of legislation in a generation for US-China relations," said Senator Max Baucus, a key backer of the bill.

But the long battle to push PNTR through the Senate has exposed the deep fault lines in relations between the United States and China, and the widespread suspicion over Beijing's true motives.

Although an important boost for Clinton's policy of engaging China, the bill has highlighted the widespread uncertainty among the political elite over how

the United States should deal with an emerging China.

Senator Fred Thompson of Tennessee, who framed the rejected weapons bill, tapped a seam of deep concern, arguing that China had the potential to emerge as a superpower intent on challenging the United States.

"They are engaging in activities that pose a mortal danger to the welfare of this country," he said.

"If we ever get in a position in this country where we place the trade dollar above our national security, we won't be a great power for very long."

Powerful labour unions lined up against the legislation, fearing that the opening of China's market could suck blue-collar jobs out of the United States.

The bill also sparked an outcry among activists and senators concerned about China's human rights record.

## Review of JBIC-assisted projects held

The progress of all the on-going projects financed by Japan Bank for International Corporation (JBIC) was reviewed in the city yesterday, says BSS.

The review meeting was held at Economic Relations Division of the Ministry of Finance with Additional Secretary Faisal Ahmed Choudhury in the chair.

Representatives from different ministries and agencies including the project directors attended the meeting.

Chief representative of JBIC Dhaka Office Yasunori Onishi, the representatives (the new and the outgoing) and other local staff members participated from the JBIC side.

Project-wise discussions were held with the representatives of the ministry and the PD making presentations on the progress of the projects. While some of the projects were on schedule others were running much behind the schedule. The issues delaying the progress were discussed and measures suggested expediting the implementation of projects.

With regard to procurement and employment of consultants, it was emphasised in the meeting that the relevant provisions of JBIC guidelines should be strictly followed. The reporting system by the executing agencies be also improved so as to provide detailed information on the progress of the projects, a point that due coverage is given to the Japanese/JBIC assistance in all possible occasions.

It was decided in the meeting that from now on such monitoring meetings would be held at ERD on a quarterly basis. Desh expressed gratitude to Tomonori Sudo, the out-going representative of JBIC Dhaka office for his contribution to the economic development of Bangladesh and warmly greeted Tomohiro Hamada, the new representative.

## EC to invest in different sectors of Chittagong

CHITTAGONG, Sept 17: The visiting European Parliamentary delegation leader Joaquim Miranda said here yesterday that the EC was interested in investing in different sectors in Chittagong, reports BSS.

Joaquim said this while exchanging views with Chittagong City Corporation Mayor A B M Mohiuddin Chowdhury at the latter's office.

The delegation has been visiting Bangladesh on the invitation of Prime Minister Sheikh Hasina. The delegation members are Bob Vander Boss and Michael Wood.

European Commission Ambassador to Bangladesh Antonio d'Souza was also present, perity.



General Manager of Rangs Industries Ltd Lt Col (Rtd) Mokhesur Rahman inaugurates the new showroom of Rangs at Senpara, Mirpur-10 in the city recently to sell electronic products of Toshiba, Canon Camera, BPL and Pioneer brands. Rangs Manager (finance and accounts) Nurul kader Chowdhury, Assistant Manager Monir Ahmed Khan and other officials of the company are also seen.

## WB, IMF to meet amid good times, bitter protests

Policymakers gather in Prague this week

WASHINGTON, Sept 17: Sober-suited World Bank and IMF policymakers open an annual round of discussions next week in Prague, where their projections of flourishing global growth will be bitterly dismissed by protesters who insist the two institutions do more harm than good, says AFP.

"The outlook for the world economy is the best we have seen in over a decade," International Monetary Fund executive director Horst Koehler said in a recent speech here.

IMF staff economists foresee a 4.75 per cent expansion in global growth this year, up from 3.3 per cent in 1999.

The IMF's just-released annual report found that Asian economies staggered by a financial crisis in 1997-1998 are fast recovering and that Russia too is on the mend.

Japan meanwhile is showing signs of emerging from recession, activity has picked up in Europe and Brazil and the United States appears headed for a non-inflationary "soft landing" after years of soaring growth.

As a result, said an IMF senior official, "The envi-

ronment for discussions in Prague is favorable and we can work for a further implementation of reforms and structural change."

But on the streets of the Czech capital, the environment is likely to be anything but favorable to the policymaking committees of the Bank and the IMF, which convene September 24 and 25 respectively after several ministerial sessions.

Czech authorities are bracing for demonstrations by an estimated 20,000 protesters who accuse the Bank and the Fund of trampling on the rights of the poor, catering to big business and pursuing policies that degrade the environment.

Organisers hope to build on the fervor generated by protests against the World Trade Organisation in Seattle last December and by demonstrations here in April that disrupted World Bank-IMF meetings. "The World Bank and the International Monetary Fund claim to be working to eliminate poverty but their real purpose is to force developing nations to embrace corporate globalization," said Njoku Njorgoe Njehu, head of the Washington based 50 Years is Enough Network.

## Southeast Asia 'will emerge stronger' from crisis

Corruption, cronyism seen as biting issues

SINGAPORE, Sept 17: Southeast Asia will emerge stronger from the 1997 financial meltdown, but corruption and cronyism will be tough to eradicate, Singapore's founding father Lee Kuan Yew says in his memoirs, says AFP.

The former Singapore prime minister wrote in the second volume of his memoirs entitled "From Third World to First: The Singapore Story," formally released over the weekend, that a rush to liberalisation without adequate safeguards may have contributed to the crisis.

Currency turmoil first erupted

in Thailand in mid-1997, snapping the region's phenomenal growth streak. Governments fell, hundreds of banks and businesses collapsed and vast numbers of people lost their jobs or suffered diminished living standards as a result of the crisis.

Most of the 10 members of the Association of Southeast Asian Nations (ASEAN) were rocked by the crisis, but regional economies began to rebound in 1999.

"ASEAN leaders will learn from this setback to build stronger financial and banking systems, with sound regulations and rigorous supervision," Lee said.

"Investors will return because the factors for high growth will remain for another 10 to 20 years," he said.

"Cronyism and corruption will be difficult to erase completely, but with adequate laws and supervision, excesses can be checked."

A similar crisis is unlikely to emerge so long as "the pain and misery" are not forgotten, he added.

In his memoirs, Lee dismissed Western critics' charges that cronyism and corruption were solely to be blamed for igniting the crisis.



Sheltech (Private) Limited yesterday organised a function to mark the successful completion of Sheltech Monihar project. Sheltech Managing Director Dr. Toufique M Seraj, Chairman Tapan Chowdhury, former Secretary Kazi Jalal Ahmed, former chief architect of the government Shah Alam Zahir Uddin, Advocate Kazi Anifur Rahman and Advocate Lutfel Alam, among others, were present.

—Sheltech photo

# Reform risks lock Asian stocks in bear trap

HONG KONG, Sept 17: Asian stocks are caught in a bear trap with technical charts showing most of the region's markets imprisoned in their worst down trend in two years, reports Reuters.

Not one of emerging Asia's eight major equity indices from Singapore to South Korea are positive for the year and all are below their 200-day moving averages, a key bear market signal.

Some analysts view the slide as a chance to buy cheaply into Asia's rocky, technology-led recovery story, but others say plunging prices reflect investor concerns over the pitiful progress on corporate reform, slower earnings growth in 2001 and political risks.

"We're starting to see some realism coming back into valuations in Asia," Paul Chanin, vice president of regional strategy research at Salomon Smith Barney, told Reuters.

"In Korea particularly, markets have fallen because of disappointment with the pace of reform coupled with a reassessment of valuations in the technology sector," he said.

"In Southeast Asia there's a less sanguine view now of the political situation in some of these countries... In that environment people are looking for safe havens," Chanin added.

Equity prices in Singapore, Malaysia, Thailand, Indonesia, the Philippines, Hong Kong, Taiwan and South Korea have crumbled 23.6 per cent on average so far this year.

Thailand has been the worst performer. The benchmark SET Index, SETI is off 39.14 per cent for the year and some 17.7 per cent below where it ended 1998 the official starting point of Asia's recovery.

The Korea Stock Price Index, KS11 (KOSPI) is not far behind down a

dismal 38.90 per cent after coming top of the class in 1999 with an 82.8 per cent surge, fuelled in large part by the tech-stock bubble.

With sentiment on Asia so low and returns so poor, Merrill Lynch says Asia has underperformed all emerging markets across every asset class so far this year many analysts say international investors are unlikely to make a rapid return.

"You do need foreign fund managers' confidence to push these markets forward and that is still absent," said Graham Bibby, managing director of Richmond Asset Management in Hong Kong.

"In Asia, there have been two euphorias, technology definitely with the Internet bubble and secondly with China and the WTO which has kept Hong Kong bubbling away," said Sean Darby, Asian equity strategist at Dresdner Kleinwort Benson.

Stripping out the distortion of 1999's Internet bubble which added 53 per cent to Asian markets on average effectively returns regional indices to the more sedate growth rates expected given heavy corporate debts and a sluggish reform pace.

These problems remain unresolved, as Goldman Sachs analysts reported in their latest Asia Pacific economics research.

They called for a more decisive push on debt restructuring in Korea, warned investors of slow institutional reforms in Indonesia, recommended underweighting Thailand and advised avoiding Philippine peso assets while debt and political risks run high.

Meanwhile, earnings growth, which boomed in 1999 and 2000 as companies have shifted to profit from loss is expected to decline and knock stocks at a more fundamental level.

## CEMEX launches e-biz strategy

CEMEX, S.A. de CV (NYSE: CX), recently announced the launch of CxNetworks, a new subsidiary that will build a network of e-businesses as an integral element of its overall e-enabling strategy.

CxNetworks will leverage CEMEX's assets on the Internet and extend the reach of the company into marketplaces that complement its core business, says a press release.

"CxNetworks is important to the future of CEMEX," said Lorenzo H. Zambrano, Chairman and CEO. "Its success will add enormous value to our overall efforts to enable the company not only by helping us provide a broad range of online services and products to our customers and by creating the new networks that are integral to success in the digital age, but by contributing to the building of an e-culture throughout CEMEX."

"I think you're going to get a slew of bad earnings coming through in 2001 and a sharp downward correction, mostly in Korea and Taiwan," Darby said.

Surging oil prices, now hovering near 10-year highs, also have inevitable implications for the region in terms of inflation, rising import costs and falling exports.

"Regional financial market valuations could experience considerable stress this winter," analysts at Standard Chartered Bank said in a briefing note to clients on Friday.

However, some analysts said if stock prices sink much lower, a round of share buy-backs could be triggered among corporates, similar to those that set a stable floor for markets and encouraged investors back in during late 1998.

William Overholt, Asia head of strategy and economics at Nomura International in Hong Kong, notes that volatility comes with the territory in Asia. Investors just have to manage it.

Richmond Asset's Bibby concurs: "The thing with these markets is that they always move in steep steps. They'll rally for a year to 18 months and then fall for a year to 18 months."

"Take Indonesia. It can have rallies of 200 per cent over that kind of timeframe, but if you'd bought and held for the last five years, you would have lost money," he said.

The Jakarta Stock Exchange ended at 442.09 on Wednesday when trade was suspended after a bomb blast at the exchange compared with 495.32 at its September 17, 1995 close, its 742.95 life high in July, 1997 and its post crisis peak of 720.05 on June 22, 1999.