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The Daily Star BUSINESS

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Indian e-hardware export up 22 pc

NEW DELHI, Sept 22: India's electronic hardware export rose to 605 million dollars in fiscal 1999-2000 from 434 million dollars in the previous year, reports said today, reports DPA.

This was an increase of 22 per cent over the fiscal period from April 1998 to March 1999, and Indian government statement said.

The statement said the increase comes after two years of continuous decreases in exports from the electronics hardware sector, comprising consumer electronic goods, computer hardware, electronic components, telecommunication equipment, office and medical equipment.

The main turn-around has been in computer hardware, which saw growth of 93 per cent in exports, touching 140 million dollars as against 72 million dollars in the previous fiscal year.

Tk 1.46 cr loss in '99

Lexco fails to declare dividend at its AGM

Lexco Limited, a 100 per cent export-oriented leather industry of the country, failed to declare any dividend for the year 1999, says a press release.

At the company's 20th annual general meeting held at its head office in the city Thursday, the company chairman said as his firm incurred a loss of Tk 1.46 crore in 1999 due to abnormal recession in the international markets and various problems in the country's leather sector, the Board of Directors could not recommend any dividend for the year.

He hoped that the Board will not hesitate to declare proper dividend in the coming year if the conditions are congenial.

The AGM approved the annual report and accounts of the company in a cordial atmosphere, it said.

2 poultry, dairy feeds launched in local market

Two poultry and dairy feeds - Provia, a Dutch-made protein concentrate, and Grow More WSP, a multivitamin from UK - have been marketed in Bangladesh, reports UNB.

Noor-e-Madina Overseas Ltd and Rico Agrovet formally launched the products Thursday with a view to maximising production of milk, meat and eggs to help meet the country's animal protein requirements.

Fisheries and Livestock Minister ASM Abdur Rob, Director General of the Livestock Department Dr Nazrul Islam, Head of the Commercial Department of British High Commission Clive Allcorn, Commercial Secretary of the Royal Netherlands Embassy Hajo Provo Kluit, Noor-e-Madina Overseas Chairman Nurun Nobi and Rico Agrovet Chairman Ekramul Huq spoke at the launching ceremony at Dhaka Sheraton Hotel.

Leasing & Finance Company Assoc executive body formed



Chairman

An 8-member executive committee of Bangladesh Leasing and Finance Companies Association has been elected with M Aminul Islam, Managing Director of Industrial Development Leasing Company Ltd, as the Chairman.

The committee was formed recently for the 2000-2002 term, says a press release.

A Quadir Chowdhury, Managing Director of Phoenix Leasing Company Ltd, has been elected Vice-Chairman of the association.

Other members of the committee are M M Alam, Managing Director of United Leasing Company Ltd, Firoz U Haider, Chairman and CEO of CSP Finance (BD) Ltd, Sayeed Husain Jamal, Managing Director of Uttara Finance and Investments Ltd, Mafzuddin Sarker, Managing Director of International Leasing and Financial Services Ltd, Azadur Rahman Khan, Managing Director of Bay Leasing and Investments Ltd, and Md. Aluz-zaman, Managing Director of Prime Finance and Investment Ltd.

Market access to rich world a must for beating poverty

Kibria says at World Development Report launching

Star Business Report

Finance Minister SAMS Kibria yesterday stressed the need for market access of the goods, services and labour force of the developing countries to the developed world for effective poverty alleviation.

"For alleviating poverty, we must have economic growth and to achieve that we need to develop industries. But how can we develop our industries if international markets access is restricted in one form or other?" Kibria posed the question, while giving his remarks on the World Bank's World Development Report (WDR) 2000-2001 released in the city.

The theme of this year's report, the Bank's third publication focusing on poverty after 1980 and 1990, is "Attacking Poverty: Opportunity, Empowerment and Security".

The WDR suggested that within a rule-based trading system, industrial countries expand opportunities for reducing poverty by opening their markets for goods, services and labour of the least developed

countries (LDC). It also called for increasing aid and relief for the poor countries.

The finance minister said under the free-market doctrine, capital can move freely but the movement of another important element of production - the labour - is still restricted and this is working against the interest of the developing world.

Kibria said Bangladesh's efforts for alleviating poverty crucially hinges on the access of its goods to the developed nations. "Either our people will work here and goods enter the developed world freely or they should have the option to go there for work," he said.

World Bank Country Director Frederick Thomas Temple made the welcome address while Sector Director for South Asia Roberto Zagha presented the main findings of the report.

Research fellows of BIDS Dr Binayak Sen and Dr Mustafa Kamal Mujeri, Planning Division Secretary Dr Tawfik-Elahi Chowdhury, ADAB Presi-

dent Khushi Kabir and former adviser of the caretaker government and APEX Group Chairman Syed Manzur Elahi were the designated discussants.

Accentuating on democratic system for reducing poverty, Kibria said autocratic rulers promote corrupt practices, which is one of the main reasons for widespread poverty as identified in WDR.

Kibria, talking on the government efforts for reducing poverty, said that they had given due importance to agriculture, which remained neglected in the past, to feed 130 million people and facilitated investments for the sector's growth.

Listing supports such as credits and duty waiver on agricultural equipment, the minister said that government efforts paid off in the form of four consecutive bumper harvests.

Refuting criticism that the bumper harvests were the 'blessings of the God', Kibria

said, "Yes, God has been kind enough, but one can't ignore the steps taken by the government."

Shedding light on the NGOs' efforts for poverty reduction, the finance minister praised their role in creating social awareness but ruled out the notion that NGOs can solve all problems. "I don't share the view that the NGOs can address all the problems. In fact, this is an exaggerated view," he added.

While giving an overview of the report, World Bank's Sector Director for South Asia Roberto Zagha said this year's WDR is much less technocratic than the 1980 and 1990 reports. He also said that this year's report reflected the experiences of the poor.

For reducing poverty, the report suggested rapid growth through market reforms, simplification of the regulatory and tax systems, reduction of the public sector role, public administration reform and curbing corruption and harassment.

Bill Gates still the richest American

WASHINGTON, Sept 22: Bill Gates' fortune is bigger than the annual output of Peru, and the 400 richest Americans together have nearly as much as the gross domestic product Britain, Forbes magazine says, reports AFP.

The chairman and founder of Microsoft Corporation remained atop the list of richest Americans with a net worth of 63 billion dollars even though he saw 22 billion dollars in wealth disappear in the past year, Forbes said in its October 9 issue released yesterday.

Gates, 44, managed to stay ahead of high-tech rival Larry Ellison at Oracle Corporation, whose fortune grew by 45 billion dollars, Forbes said.

Ellison, 56, who founded the Silicon Valley business software giant, climbed from 12th in last year's ranking to the number two spot with 58 billion dollars five billion fewer than Gates, according to Forbes.

The largest ranking by Forbes only covers individual in the United States, but a report by the magazine in June ranked Gates the world's richest man, with Ellison second.

Another Microsoft co-founder, Paul Allen, 47, dropped from second to third on the latest list, with 36 billion dollars.

Investment tycoon Warren Buffet, 70, was ranked fourth (28 billion) with Intel co-founder Gordon Moore, 71, fifth (26 billion) and oil-industrial tycoon Philip Anschutz, 60, sixth (18 billion).

Five members of Wal-Mart founder Sam Walton's family, Alice, Helen, Jim John and S. Robson Walton, tied for seventh, richest with 17 billion each, along with Microsoft President Steve Ballmer.

Other prominent members of the list are 35-year-old computer company founder Michael Dell, ranked 13th with 16 billion dollars; Australian-born news Corp. chairman Rupert Murdoch ranked 16th (11 billion); CNN founder Ted Turner, ranked 25th (9.1 billion); Yahoo founders David Filo, ranked 37th with 5.5 billion; members of the Mars, candy fortune - Forrest, Jacqueline and John Mars - were ranked 33rd with seven billion.

Newcomers to the list included the Indian-born founder of fiber-optic giant Sycamore Networks, Gururaj Deshpande, ranked 32nd with 7.6 billion, and the company's president, Daniel Smith, ranked 33rd with seven billion.



Romo Rouf Chowdhury, Director of Rangs Group, presents a bouquet to S Hoshino, Service Manager from Mitsubishi Motor Corporation, who came to Bangladesh to launch Rangs servicing campaign, at a reception on the eve of the latter's departure yesterday. - Star photo

Pakistan optimistic after loan talks with IMF

ISLAMABAD, Sept 22: The Pakistani government yesterday concluded crucial talks with the International Monetary Fund (IMF) that may lead to an agreement on a lifetime three-year loan programme, Finance Minister Shaukat Aziz said, reports Reuters.

"With the Fund (team) we have agreed a three-year framework," Aziz told reporters. "It will be appropriate to reveal the exact programme and its shape only when the IMF board approves it," he said, declining to give more details.

He said he hoped Pakistan would be able to receive much-needed foreign funds as a result of talks with the IMF in the Czech Republic capital Prague where the IMF and the World Bank will hold their annual meetings shortly.

Aziz, due to leave for Prague on Friday, told a private ceremony earlier that talks with international finance institutions, including the IMF, the World Bank and the Asian Development Bank, had gone well but that Pakistan would have to deliver.

He did not say what conditions for winning IMF support could be, IMF support would be seen by other lenders as an endorsement of the government's economic management.

They key elements are the same which have been in the past, but previously our government have not been able to meet them for different reasons," Aziz said.

Pakistan has a credibility gap because several of its past loan programmes with the IMF fell through after successive

governments failed to implement agreed key economic and fiscal reforms.

The IMF suspended a \$1.56 billion loans programme for Pakistan last year when then prime minister Nawaz Sharif's government failed to meet agreed targets, particularly on taxation reforms.

Aziz, handpicked by military ruler General Pervez Musharraf to reform Pakistan's ailing economy, has carried out a tax survey to trace evaders and broaden the tax net despite strong resistance from powerful retailers.

Pakistani officials say the government has convinced a visiting IMF team that Islamabad would be able to meet a revenue target of 435 billion rupees (\$7.6 billion) announced in June in the budget for fiscal 2000-01 (July/June), which is about 90 million rupees up from last year's 345 billion rupees.

Past Pakistani governments have often scaled down initial revenue collection targets, thus distorting the initial budget estimates and causing larger than expected budgetary deficits.

Nepal central bank urged to back rupee

KATHMANDU, Sept 22: As Nepali rupee started to tumble again after a stability of over one-and-a-half months, commercial banks have urged the central bank for intervention to prop up the sliding currency. The Kathmandu Post said today, reports Xinhua.

The Foreign Exchange dealers association - a club of 11 commercial banks dealing with foreign currency transactions - formally requested Nepal Rastra Bank Thursday to float one million US dollars, said the English daily.

Nepali rupee depreciated by 0.2 rupee for one dollar Tuesday and further tumbled by 0.4 rupee Wednesday to be exchanged at a record low of 73.60 rupees for a dollar.

Nepali economists fear that continuous devaluation of the currency will have an adverse impact on Nepal's economic growth.

The fresh round of depreciation of Nepali rupee against the dollar is a direct impact of sliding Indian currency fuelled by soaring international petroleum prices. The Nepali rupee is pegged to the Indian rupee at 1:61.

India may announce steps today to contain oil pool deficit

NEW DELHI, Sept 22: The Indian government is expected to announce on Saturday a combination of cuts in customs and excise duties on petroleum products and hikes in domestic prices to contain its surging oil pool deficit, an official said, reports Reuters.

Oil Minister Ram Naik said in Jakarta that the government would decide on Saturday on action to tackle the soaring global crude oil prices and reduce losses incurred from subsidies.

The Press Trust of India (PTI) quoted Prime Minister Atal Behari Vajpayee as saying "hard decisions" would have to be taken to deal with the high global crude prices.

The oil pool deficit is expected to hit 235 billion rupees by end-March 2001 if no steps are taken right now," the official, who spoke on condition of anonymity, told Reuters.

The official said the deficit was worked out on an average price of \$30 per barrel.

India imports of a mix of

sour Dubai crudes and high-priced sweet crudes including Brent. Dubai crudes are priced around \$2-3 below Brent.

India imports about three quarters of its crude requirements. Oil is the largest component in the country's import bill.

India's oil pool deficit, the result of a cross-subsidy scheme that compensates oil firms for selling some products below cost, has widened as global crude prices have been on the rise since the beginning of the year but domestic consumer prices have not changed since late March.

Global crude prices are currently at 10-year highs of around \$34 a barrel.

The official did not specify the level of proposed excise duty cuts but said that the government expected the oil pool deficit to be around 110 billion rupees at end-March 2001 after the measures.

He said the Finance Ministry is working on a combination of cuts in excise duties on petro-

leum products, including those on diesel and petrol.

The excise duty on petrol is currently 32 per cent and on diesel 16 per cent.

The portion of the prices currently paid as excise duties would now be channelled towards reducing the oil pool deficit.

The federal government is currently incurring a subsidy of 5.30 rupees per litre on diesel, 171 rupees per cylinder of liquefied petroleum gas or cooking gas, 8.20 rupees per litre of kerosene and 2.65 rupees per litre of aviation turbine fuel.

The official dismissed media speculation that the government could issue bonds to oil firms in lieu of its dues to them.

"As of now, there is no such proposal to issue oil bonds," he said.

Junior Finance Minister Dhananjay Kumar said earlier this week that an issue of bonds to oil firms was unlikely as his ministry had received no request from the Petroleum Ministry.

Top Republicans struggle to break US budget logjam

WASHINGTON, Sept 22: With the Senate leader warning of an acrimonious lame-duck session, top Republicans in Congress yesterday tried to regroup to pass a federal budget after Senate Democrats joined by balking Republicans shot down part of their plan, says Reuters.

Complaints and accusations flew around the Capitol after the Senate's 69-28 rejection on Wednesday of a \$33 billion package to fund the Treasury Department, Postal Service, and Congress operations, and clearing a pay raise for lawmakers.

Senate Republican Leader Trent Lott of Mississippi said the bill's failure showed Democrats were determined to block a budget deal for next fiscal year, which begins Oct 1.

"When you have irresponsible actions like occurred on Wednesday it begins to lead inexorably to that possible result," said Lott, who raised the prospect of calling back law-

makers after the Nov 7 election. House Republicans were dead set against the idea, but some Democrats were gleeful.

"It seems to me if we have to have a lame-duck session, what a campaign issue we'll take out of here," said Sen. Tom Harkin, an Iowa Democrat, ticking off a list of legislation he said Democrats could remind voters that the Republican-led Congress did not complete.

"Republicans, trying to hold their slim majorities in the House and Senate, have struggled to fend off US President Bill Clinton's charges that Congress cannot get its work done, and have blamed Democrats for bringing action on legislation to a halt."

"We're not going to have none," House Republican Leader Dick Armey of Texas said of a post-election session. "We'll get this worked out."

Lawmakers acknowledged much work remained in the two or three weeks before Congress was slated to adjourn, with Clinton demanding some \$20

billion more in next year's budget and myriad disputes over policies.

Just two spending bills covering defence have been signed into law, leaving 11 covering domestic needs and foreign aid to be worked out.

In addition to sparring with Clinton, Republican leaders in the House and Senate appeared increasingly at odds with each other, with House members grouching that they were in this fix because the Senate failed to pass its spending bills on time.

Lott blamed that predicament on Democrats, saying their delaying tactics forced him to skirt chances for senators to offer amendments in order to pass bills.

Wednesday's rare case of a bill being voted down on the Senate floor - instead of being more tactically withdrawn by Republican leaders - happened when a block of Republicans opposed to giving lawmakers a cost-of-living raise joined Democrats in turning against the bill.

Global stocks go down on fears of inflation, profit plunge

NEW YORK, Sept 22: Stock markets sank worldwide yesterday, as telecommunications shares bore the brunt of a sell-off sparked by fears that rising energy costs and the weak euro will ignite inflation and slash corporate profits, says Reuters.

Bonds rose, however, as the US dollar eased up on its relentless surge this week and the United States drew closer to a decision to release oil from the nation's Strategic Petroleum Reserve to lower prices at the gas pump.

The Dow Jones industrial average resisted the bleak outlook that gripped markets from

New York to Tokyo, to score a higher finish.

But the day's losers far outnumbered winning stocks on the New York Stock Exchange, even as one of Wall Street's most influential market watchers, Abby Joseph Cohen, said investor's worries are "overdone" and will be "short-lived."

Both US and European telecom shares slumped a day after Sprint Corp. and its wireless unit, Sprint PCS Group, warned their results would fall short of expectations due to fewer new subscribers and rising costs.

The travails of the telecom companies are hurting the sup-

pliers of equipment to those," said Larry Wachtel of Prudential Securities. Telecom companies may cut back on their capital spending, hurting profits at equipment suppliers like Nortel Networks and Lucent Technologies.

The technology-laced Nasdaq Composite index fell 68.57 points, or 1.76 per cent, to end at 3,828.87.

However, a late bout of buying pushed the Dow Jones industrial average up 77.60 points, or 0.73 per cent at 10,765.52. The gain follows a six-session string of losses.

But market breadth was negative due to lingering concerns that sky-high oil prices and the weakness of the euro, Europe's single currency, would eat into the profits of US multinational companies.

"September has been a bad month in terms of corporate confessions and superimposed on that you have the energy situation and the euro situation," Prudential's Wachtel said.

In London, the FTSE 100 index closed at 6,199.2 down 80.7 points, or 1.29 per cent. Tokyo's benchmark Nikkei 225 stock average fell 147.26 points or 0.89 per cent.