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Canada calls for moratorium on HIPC debt repayments

PRAGUE, Sept 23: Canada today called for a moratorium on debt repayments for poor countries that commit themselves to effective, corruption-free governance, reports AFP.

Canadian Finance Minister Paul Martin, in a speech prepared for delivery here, told International Monetary Fund policymakers that a debt relief scheme they launched four years ago with the World Bank was moving too slowly.

He recalled that the IMF last year had made a commitment to stepping up the pace of the heavily indebted poor countries initiative (HIPC) which offers relief to impoverished nations that adhere to IMF economic reforms and draft action plans to eliminate poverty.

"We made a commitment last year to faster action and we must make good on this commitment," Martin told a meeting of the IMF's International Monetary and Financial Committee.

"Too many heavily indebted countries have still not benefited from the faster, deeper and broader debt relief promised under the enhanced HIPC initiative..."

"We must ask ourselves whether we cannot be more. For example, why should we not consider an immediate moratorium on debt payments from eligible reforming HIPC countries?"

He said the moratorium could be extended to countries "committed to principles of good governance and are not in conflict."

But the actual cancellation of the debt would not take place until countries have been deemed finally eligible for relief under HIPC. Such an approach, according to Martin, would "create an incentive for countries to continue to implement good policies."

New millennium packaging for Philips bulbs in Bangladesh

Bangladesh Lamps Limited, the leading manufacturer of electric light bulbs and official licensee of Philips Lighting products, has officially launched the new Philips international millennium packaging for all bulbs from today, says a press release.

The new Millennium packaging line will consist of four main categories: Classicline (clear bulbs), Softone (argenta and milky bulbs), Partytone (coloured bulbs) and Practitone (all special bulbs).

This will replace the existing packaging line. The change in packaging features stylish colours, which will increase the brand strength by re-aligning the product with global standard.

The Millennium packaging has manifested itself in Philips' commitment to continuous quality improvement and meeting customer preferences.

Philips has also introduced Product Enquiry Service along with the new packaging, which will from now on be available at all retail outlets throughout Bangladesh.

New station manager of Emirates



Majid Al Joker recently joined Emirates-Bangladesh as its Station Manager.

Prior to his present assignment, Joker served in Cairo and Bangkok.

Born and brought up in Dubai, he has completed various courses including those on Airport Management, Passenger Service, Cost Control, Reservation and Ticketing, says a press release.

Speaking about his mission, Joker said: "We'll continue to run a smooth operation here. The CAAB is very helpful. We can make Dhaka one of the best stations with the support of the CAAB, Biman and Emirates Manager in Bangladesh."

"The airport staff of Emirates is very dedicated and we have good relations with the relevant authorities," he said.

Majid Al Mualla, Manager-Bangladesh, Emirates said, "We are happy to have him here. He brings with him energy and vigour to give our operations a further boost."

ADB mulls funding Ex-Im bank to help ease capital crunch

Star Business Report

The Asian Development Bank (ADB) will explore the possibility of funding the establishment of an export-import bank to help ease working capital constraints facing the industrial sector, especially the garment industries.

ADB would also assess the opportunities for supporting the development of information technology (IT), e-commerce and e-banking, the Bank's Resident Representative Suphit Suphaphiphat said yesterday.

He also cautioned that Bangladesh seriously needs to implement the legal reforms and improve project implementation record to avoid diversion of ADB resources to other countries.

The ADB Resident Representative was speaking at the monthly luncheon meeting of the Foreign Investors' Chamber of Commerce and Industry (FICCI) at a local hotel yesterday.

Suphaphiphat also said the Bank has formulated its new Poverty Reduction Strategy, approved in 1999, and also adopted a new private sector development (PSD) scheme to attain this goal.

The major strategic thrust of ADB's PSD is to support its developing member countries in creating enabling trading conditions, generating business opportunities in ADB-financed public sector projects and catalysing private investments through direct financing, credit enhancement and risk mitigation instruments," he said.

Expressing his concern over the low revenue-GDP ratio, Suphaphiphat said that Bangladesh would require renewed emphasis on the private sector's development role to fund the growing current and development spending.

In Bangladesh, the revenue-GDP ratio is only about 9 per cent, one of the lowest among the developing countries. In India and Pakistan, the same stands at 15.5 per cent and 18.9 per cent respectively.

With the slide in official development assistance, the higher investment requirements will have to be funded by the private sector including the foreign investors, he observed. "Only a reinvigorated private sector can face the uphill task of providing jobs to the labour force, which is growing by about three million per year," he said.

Replying to a question on corruption and inefficiency of the public sector machinery, Suphaphiphat suggested that the private sector and civil society keep their pressure on the government for improving the situation.

However, FICCI President Wali Bhuiyan said even after repeated attempts by the private sector, the situation has not improved.

Mahbubur Rahman, President of International Chamber of Commerce (ICC), Bangladesh Chapter, Orwel Ray Wilson, an internationally-certified professional speaker on business issues, and Hans G Winsnes, General Manager of Sonargaon Hotel, also spoke on the occasion.

Trading of Z group companies begins on DSE tomorrow

Star Business Report

The Dhaka Stock Exchange (DSE) will begin trading of 63 companies under a newly formed Z group from tomorrow, making a clear distinction between the good and bad scrips.

The bourse has classified the bad companies by adding the group Z to its existing 'A' and 'B' categories.

The move came as many companies, which had been bundled together under group B for having bad performance records, tried to outfox the regulators, have now decided to launch group Z for companies which have been out of operation for more than six months. The Z category shares will also comprise companies with negative net worth.

"Such companies will not enjoy the benefits of the netting system and their share settlements will be made under trade-for-trade system directly between the buyer and the seller within a day of trading," according to a draft regulation expected to be gazetted this month.

The new regulation will come into force from the very publication date of the gazette.

Under the new trading system, a buyer will not be allowed to trade on a 'day netting' basis. He will rather have to deposit the full amount with the broker before purchasing shares. In case of selling such scrips, the buyer will have to deposit the shares first, sources said.

The netting system will however continue for companies with strong fundamentals. Under this system, shares are bought and sold electronically and the balances are settled by depositing the scrips and money at the end of the day.

Following introduction of the separate boards, many companies held their pending AGMs without declaring any dividends with a view to getting promoted to group A, Securities and Exchange Commission (SEC) officials said.

They also said that three companies held their AGMs and were promoted to group A after the classification was enforced.

"These companies included many which were out of operation but continued to remain in group A, giving wrong signals to the investors," an SEC official said, justifying the need for the new Z group.

"But now the companies which are not in operation and whose businesses are almost in the red, will be included in this fresh group, giving a clear indication to the investors," he said.

Currently a total of 240 securities, including 10 mutual funds and 10 debentures, are listed with the DSE.

Of the 220 listed companies, 143 will remain in Board A, 15 in Board B and 62 in Board Z, according to the latest review of the bourse.

(Group Z)				
Sl. No	Name of companies	Accumulated loss after adjustment of revenue reserve, negative and exceeded paid up capital	Failed to hold AGM regularly	Not in operation for more than last six months
1	AB Biscuit	✓	✓	
2	Ahad Jute	✓		
3	Al Barake Bank	✓		
4	Amam Sea Food	✓		
5	Arbee Textile	✓		
6	Azadi Printers	✓		
7	Bangladesh Plantation	✓		
8	Bangla Process	✓		✓
9	BCIL	✓	✓	
10	Bd. Autocars	✓	✓	
11	Bd. Monospool Paper	✓	✓	
12	Bd. Zipper	✓	✓	
13	BEMCO	✓		
14	Bengal Steel	✓		
15	BSC	✓		
16	Dandy Dyeing	✓		
17	Delta Millers	✓	✓	
18	Desh Garments	✓		
19	Dhaka Vegetable Oil	✓	✓	
20	Dulamia Cotton	✓		
21	El Camellia	✓		
22	Eagle Box	✓		
23	Gem Knitwear	✓	✓	
24	Gemini Sea Food	✓		
25	GMG Ind. Corp.	✓		
26	Highspeed Ship	✓		
27	Islam Jute	✓		
28	J H Chemical	✓	✓	
29	Jute Spinners	✓		
30	Karim Pipe	✓		
31	Kohinoor	✓	✓	

32	Chemical	✓		
33	Libra Pharmaceuticals	✓		
34	Mark bd. Limited	✓		
35	Maq Enterprises	✓	✓	
36	Maq Paper	✓	✓	
37	Metalex Corp.	✓	✓	
38	Modern Industries	✓		
39	National Oxyzen	✓	✓	
40	Olympic Industries	✓	✓	
41	Orion Infusion	✓		
42	Padma Printers	✓		
43	Perfume Chemicals	✓	✓	
44	Petro Synthetics	✓		
45	Pharma Aids	✓	✓	
46	Phoenix Leather	✓		
47	Quasem Silk	✓		
48	Quasem Textile	✓		
49	Rahim Textile	✓		
50	Rahman	✓		
51	Chemicals	✓		
52	Renwick Jajneswar	✓		
53	Rose Heaven Ball Pen	✓	✓	
54	Rupali Bank	✓		
55	Rupon Oil (Suspended)	✓	✓	
56	Saleh Carpet	✓	✓	
57	Shayampur sugar	✓		
58	Sonali Paper	✓		
59	STM (ORD)	✓		
60	Texpick Industries	✓		✓
61	Therapeutics	✓		
62	Tripti Industries	✓	✓	
63	Tulip Dairy & Food Products	✓		
64	UCBL	✓	✓	
65	Zeal Bangla Sugar Mills	✓		

Weekly Asian Currency Roundup

Units tumble on high oil, weak euro

HONG KONG, Sept 24: Asian currencies faltered over the past week as rising oil prices, a profit warning by US microchip manufacturer Intel and an ailing euro dampened sentiment, says AFP.

While the region's most-watched currency, the Japanese yen, hit a record high against the euro midweek, it fell slightly against the US dollar as falling shares prompted investors to buy dollars.

But other currencies fared even worse over the week. The Philippine peso fell to a new record closing low on Friday, the Thai unit was quoted Friday at a 28-month low, while the Taiwan dollar hit its lowest level for this year.

Japanese yen: The yen hit a record high of 90.09 against the euro on Wednesday before Friday's intervention by the European Central Bank, the US Federal Reserve and Bank of Japan to shore up the ailing currency.

The Japanese unit fetched 92.56 to the euro, up from 92.98 a week earlier.

Against the dollar, the yen stood at 107.29 yen, down slightly from 107.07 in the previous week.

Australian dollar: The Australian dollar rose by almost a cent on Friday to 54.67 US, finally showing signs of a rebound after a fortnight in which it plumed new lows in harmony with the euro.

The local dollar closed last Friday at 55.25 US cents and by Thursday had dropped under 54 cents for the first time in its history.

Singapore dollar: The US dollar rose to 1.7487 Singapore dollars from 1.7394 a week ago.

Hong Kong dollar: The dollar traded at 7.8285-7.7685 from 7.7984-7.7986 in the previous week.

Indonesian rupiah: The Indonesian rupiah fell sharply against the dollar to close Friday at 8,735 to the greenback, compared to last Friday's close of 8,375.

Philippine peso: The Philippine peso fell to a new record closing low of 46.155 pesos to the dollar on Friday from 45.590 pesos to the greenback on September 15.

South Korean won: The won weakened further against the dollar, closing Friday at 1,134.70 won to the dollar, against 1,119.90 won the previous week, amid pessimism about prospects for the South Korean economy.

Taiwan dollar: The Taiwan dollar fell 0.1 per cent against the greenback over the week to close at 31.295 Friday, the lowest level this year.

Thai baht: The Thai baht continued to fall against the dollar.

The Thai unit was quoted Friday at its 28-month low at 42.93-95 baht to the dollar, compared to the previous week's close of 41.90-95.



Japan's toy giant Bandai employee Riko Anzo displays a handheld video game console, "Wonder Swan Colour", at the annual Tokyo Game Show in Makuhari, suburban Tokyo yesterday. The game is equipped with a 2.8-inch 4096-colour LCD display on its 95-gram small body. Bandai will put it on the domestic market in December with a price of 64 USD.

— AFP photo

Rich world must provide spl trade concessions to LDCs

Tofail at CPD-CTPL workshop on WTO & Bangladesh

Star Business Report

Industries Minister Tofail Ahmed yesterday said developed nations must provide special trade concessions to the least developed countries (LDCs) to help them compete in the globalised system of trade.

He observed that LDCs including Bangladesh are still deprived of duty- and quota-free market access despite repeated pledges by the rich world to award the poor nations with these facilities. Exports from the LDCs are rather facing more and more hurdles in the face of new issues like labour standards and environmental issues raised by the developed economies, Tofail said, adding that these could well be regarded as hinges to global free trade.

The minister also observed that the developed world should allow free movement of labour along with goods in the post-liberalised trading era.

Speaking on the occasion, CPD Executive Director Dr. Debapriya Bhattacharya, who chaired the inaugural session, said understanding the WTO rules and obligations has become important for the country, as it has emerged from a predominantly aid-dependent nation to one relying increasingly on trade.

He was speaking as chief guest at a 'Policy Appreciation Workshop on WTO and Bangladesh' jointly organised by the Centre for Policy Dialogue (CPD) and Ottawa-based Centre for Trade Policy and Law (CTPL) in the city yesterday. The workshop, which includes six working sessions, is being participated by representatives of the government agencies and different trade bodies. Four CTPL experts are attending the workshop as resource persons.

Tofail said that in spite of the trade barriers, Bangladesh exports are rising due to special government incentives. "The government is upbeat about better US market access, as this very issue will be talked during the ensuing state tour of the Bangladesh prime minister to the United States," he added.

David Preston, Canadian High Commissioner, Dennis Brown, Senior Associate of Centre for Trade Policy and Law (CTPL), Canada, and Commerce Secretary Gulam Rahman also spoke on the occasion.

He pointed out that although the country has more than doubled its exports in a few years' time, it is still far from taking pride in its export diversification successes. He said that efficient management of the economy was a must to compete in a liberalised environment.

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Policy Appreciation Workshop on WTO and Bangladesh
Organised by
Centre for Policy Dialogue (CPD) Dhaka
in collaboration with
Centre for Trade Policy and Law (CTPL) Ottawa
Dhaka: September 24-26, 2000



Industries Minister Tofail Ahmed speaks as chief guest at a 'Policy Appreciation Workshop on WTO and Bangladesh' jointly organised by the Centre for Policy Dialogue (CPD) and Ottawa-based Centre for Trade Policy and Law (CTPL) in the city yesterday.

— Star photo

Vajpayee's US tour gathers \$5.6b investment windfall

NEW DELHI, Sept 24: Indo-US economic ties were the big winner from Prime Minister Atal Behari Vajpayee's recent US visit, with 5.6 billion dollars in business agreements being inked in the power sector alone, says AFP.

PTK Bhowmik, a senior advisor in the Confederation of Indian Industry (CII) who accompanied Vajpayee as part of a high profile business delegation, said the 11-day trip had brought a foreign investment windfall.

"The long-term potential is even bigger. This visit really heralds the beginning of a new trade relationship," said Bhowmik, who described the 5.6 billion dollars of direct investment in the Indian power sector as "a very reasonable achievement."

The investment is earmarked for roughly a dozen small to mid-size projects in Indian states such as Maharashtra, Haryana and Gujarat.

Indian industry chiefs said the number of signings were testament to a new impetus in Indo-US commercial and economic relations.

"There was an accent on cooperation in knowledge-based industries and other areas of technical research and development. All this is likely to yield dividends," said NR Narayana Murthy, chairman of software giant Infosys Technologies.

Underlining the growing hi-tech relationship, Microsoft chief Bill Gates, dubbed "William the Conqueror" by the local media, visited India while Vajpayee was in the United States and unveiled a new list of multi-million dollar projects.

Indian industrialists hoped Vajpayee's visit would encourage US businesses to follow through on their in-principle agreements.

"We hope the pace of US investments will now be faster. If we do the follow-up there should be no reason for US investors not to invest money in the power, telecommunications, IT and road sectors," Bhowmik said.

"We expect 15 billion dollars worth of foreign direct investment (FDI) to flow into India in the next five years," he added.

According to Indian government figures, the national Foreign Investment Promotion Board approved US investments worth some 12.4 billion dollars between 1991 and 1998, of which only 1.6 billion dollars actually materialized.

The hope among US investors is that Vajpayee's visit will push India to further reduce bureaucratic hurdles to setting up projects here, some of which require up to 40 separate government approvals.

During the visit, the Export-Import Bank of the United States signed three agreements with Indian financial bodies worth almost one billion dollars to back US exports to India.

Under a 500 million dollar memorandum of understanding with the State Bank of India, financing will be made available to small and medium-sized Indian businesses.

Another memorandum covers a 150 million dollar credit facility, under which Bank of America would be designated a guarantor lender, as well as 150 million dollars to enable the Industrial Development Bank of India.