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The Daily Star BUSINESS

DHAKA FRIDAY, SEPTEMBER 29, 2000

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Govt to implement Wage Commission report soon

The government will soon implement the Wage Commission Report for industrial workers in Bangladesh, says BSS.

It was informed at a meeting of the Parliamentary Standing Committee on the Ministry of Labour and Employment held with its chairman Abdul Latif Mirza in the chair at the Jatiya Sangsad Bhaban yesterday, an official press release said here yesterday.

The committee members were also informed that Bangladesh had earned a total of Tk 72,734.85 crore from 1976 to 2000 as remittance from 30,11,890 Bangladeshi expatriates whose jobs were arranged in different foreign countries during the period.

They discussed in detail the measures already undertaken by the present government to expand the job market for Bangladesh workers abroad.

A seven-member parliamentary delegation led by the committee chairman Abdul Latif Mirza left here yesterday for Saudi Arabia, UAE and Bahrain to see the condition of the Bangladeshi workers in these countries.

The delegation members will also try to expand the job markets and secure jobs for Bangladesh workers there, the press release said.

Besides, another such delegation led by the committee member Sayed Wahidul Alam leaves here on October 5 for Malaysia and Singapore to explore and expand the job markets for Bangladeshi workers there.

The meeting was attended by the committee members Asaruddin Ahmed Khan, Fazur Rahman Khan, Nur Mohammad Afzal, Sayed Wahidul Alam and Alamgir Haider Khan.

Senior officials of the concerned ministry were also present at the meeting.

S Arabia, Indonesia to invest in Comilla EPZ

Saudi Arabia and Indonesia have decided jointly to invest in the Comilla Export Processing Zone, says a press release.

The company to be known as M/s Sabino Sky Camping Ltd will invest \$2.56 million equivalent to Tk 140.8 million. It is a 100 per cent foreign-owned industry.

An agreement to this effect was signed in the city on Wednesday. Md Abdul Aziz Sarkar, Member (Investment Promotion) of the Bangladesh Export Processing Zones Authority, and Kutubuddin, Managing Director of M/s Sabino Sky Camping Ltd, signed the land lease agreement. Other board members of BEPZA were also present on the occasion.

Incidentally this is the first project for Comilla EPZ and also the first investment in EPZs of Bangladesh both for Saudi Arabia and Indonesia.

The company will produce bags, tents and backpacks. It will create employment opportunity for about 700 Bangladeshi workers.

M/s Sabino Sky Camping Ltd is likely to export goods worth \$7.3 million in the 1st year which will subsequently be increased up to \$11.79 million in the 5th year of its operation.

The company has been allotted 20 industrial plots measuring 40,000 sq meters approximately. The Sabino is expected to start construction of their own factory building soon.

The Comilla EPZ situated at the old airport area covers an area of 258 acres of land. This EPZ will have 208 fully developed industrial plots. It will also have standard factory building of about 270,000m².

IBM launches e-Business course

IBM has recently launched its e-Business career course in the country, says a press release.

InterGlobal Business Systems Ltd has been appointed Authorized Training Provider (ATP) for introducing the world renowned IBM e-Business computer course. The IBM e-Business course will be offered from InterGlobal's IBM-ACE training center at Panthapath.

IBM will offer a complete and advanced e-Business or e-commerce course in the country, teaching all key areas in internet technology. The IBM e-Business curriculum offers six different modules, covering topics in e-Business Fundamentals, Web Publishing, Java Application Development, Web Server Administration & Security and Electronic Commerce.

Airbus sets sight on Biman's aircraft purchase plans

Star Business Report

As Biman Bangladesh Airlines plans to buy new aircraft for its fleet, Airbus Industrie yesterday argued its case, claiming that its A340-300 series could be the right choice for the national flag carrier.

David Velupillai, Regional Manager - Press Relations of Airbus Industrie, said that as Biman will need to change its wide-body DC-10 aircraft, which are getting older, the A340-300 would be the right choice as their replacement.

"It is actually up to Biman to decide which aircraft it will opt for. But I think A340-300 will be the best solution for Biman," he said, adding that the price of an A340-300 is around US\$ 130 million and its average capacity is 300 seats which is expandable.

Velupillai was briefing newsmen on the latest development of Airbus Industrie and its aircraft at a local hotel.

The government has already initiated a procurement drive for

two Airbus aircraft and also to sell two DC-10s. However, some aviation experts in the country questioned the rationale behind the move, saying that this would plunge Biman, suffering from chronic fund shortage, into more financial troubles.

They also said a properly-maintained aircraft can serve for a long time and the DC-10s in the Biman fleet can continue to fly for another 11 to 19 years without compromising safety and profitability.

However, Velupillai said the average life span of any aircraft is 20 years. But he observed that an airline can fly any aircraft for a longer time, but it would prove costly as the planes would consume more fuel and need frequent maintenance.

Replying to a question about the kickbacks in the purchase of A310 for Biman in the early nineties, Velupillai said he had no idea about such allegations.

When asked whether Airbus

Industrie would help Biman get financial assistance for procuring the A340-300, Velupillai said his company could refer the case to a bank for finance. But the availability of fund would depend on the negotiation between the bank and Biman, he added.

Airbus Industrie has taken a move to increase its aircraft production because of strong demand, the official said. "Production of the popular single-aisle A320 family is being increased from the current rate of about 20 aircraft a month to around 30 by early 2003. Production of its successful medium to very long-range wide-body A330/A340 family is also rising to almost 100 units a year," he said.

Velupillai said that Airbus planes already form the backbone of airline fleets in the sub-continent. Giving the figures to support his statement, he said Biman has three A310s and one more is expected to be added to its fleet by the year-end.

He also said India uses around 60 Airbus aircraft. Airbus Industrie also predicts an important market for some 330 airliners worth US\$ 27.8 billion in the Southwest Asian region up to the year 2018, based on a detailed analysis of the needs of carriers in Bangladesh, India, Nepal, Pakistan and Sri Lanka.

With an annual turnover of US\$ 16.7 billion in 1999, Airbus prides in about 48 per cent of commercial airliner orders. Boeing is the market leader with 52 per cent share and around US\$ 20 billion in turnover.

Airbus is an European company based in France and owned by leading European aerospace companies: the European Aeronautic Defence and Space Company (EADS) that holds 80 per cent of the share and BAE Systems of the United Kingdom with 20 per cent share.



Nasir A Chowdhury, Managing Director of Green Delta Insurance Co Ltd, and L B Shrestha, Managing Director of NB Group of Nepal, shake hands after signing an MOU in Kathmandu recently to float a joint venture general insurance company in Nepal. Azam J Chowdhury, Chairman of Green Delta Insurance Co Ltd (4th from left), and J B Shrestha, Chairman of NB Group (2nd from right), are among others seen in the picture.

— Green Delta photo

Green Delta, NB Ins sign MOU for jt venture co in Nepal

Green Delta Insurance Co Ltd of Bangladesh and NB Insurance Co Ltd of Nepal have signed a memorandum of understanding (MOU) to float a joint venture general insurance company in Nepal, says a press release.

Luxmi Bahadur Shrestha, Managing Director of NB Group Nepal, and Nasir A Chowdhury, Managing Director of Green Delta Insurance Co Ltd signed the MOU in Kathmandu recently on behalf of their respective organisations.

Under the accord, Green Delta will have equity participation and provide technical, professional and management support to the company under a Technical Services Agreement to conduct its insurance business in Nepal.

The Chief Executive Officer of the company as well as a mid-level executive will be deputed by Green Delta.

A three-member delegation led by Azam J Chowdhury, Chairman of Green Delta, along with Nasir A Chowdhury, Managing Director, and Shuabur Rahman, Senior Vice President of Green Delta, visited Nepal from 11th to 13th September 2000.

After threadbare discussions, both the sides agreed to run a joint venture business in Nepal in the name of NB Insurance Company Limited.

NB Group is one of the leading local entrepreneurs of Nepal having joint venture businesses with Bangladesh, Sri Lanka and Norway in banking, leasing and power sectors.

The signing ceremony was attended by J B Shrestha, Chairman of NB Group Nepal, Narendra Bhattarai, Managing Director of Nepal Bangladesh Bank Ltd, Shuabur Rahman, SVP, Green Delta Insurance Co Ltd, and other members of NB Group.

KAFCO earns \$2.5m from UK exports

The Karnaphuli Fertilizer Company (KAFCO), the largest joint foreign investment project in Bangladesh, recently exported its first ever shipment of granular urea, valued at over US\$2.5 million, to the United Kingdom, says a press release.

The bulk load will be discharged in two phases of 11,000 MT and 8,000 MT at Southampton and Newport respectively.

Despite KAFCO having been set up as a 100 per cent export unit, it is supplying over 1000 MT bagged urea per day to BCIC which will be used to help meet the growing demand in Bangladesh.

Carew posts Tk 3.83cr profit in FY 2000

The distillery unit of Carew and Company (BD) Limited earned a profit of over Tk 3.83 crore in 1999-2000 fiscal.

In last four years, total profit of the company, an enterprise of Bangladesh Sugar and Food Industries Corporation, stood at over Tk 13.26 crore.

The unit earned profit of Tk 2.24 crore in 1996-97, Tk 3.57 crore in 1997-98 and Tk 3.60 crore in 1998-99, said a press release today (Thursday).

At the same time, the unit paid a total of Tk 99.36 crore to the government exchequer in last 4 years as excise duty on their products.

Debt reduction will boost New Economy: Summers

CAMBRIDGE, Mass, Sept 28: Cutting the public debt is more important than ever because it will help America preserve its edge in a high-tech New Economy, Treasury Secretary Lawrence Summers said yesterday, reports Reuters.

"In today's world, when the investment potential is greater, the benefits of increased saving and reduced government debt are greater," Summers said in a speech at Harvard University.

Summers spoke just hours after the White House announced that the United States will post a record \$230-billion surplus in fiscal 2000 ending on Saturday.

Surpluses have become a hot issue in this year's presidential election campaign, with Democratic nominee Al Gore arguing that they should be used for debt reduction and for some limited, "targeted" tax cuts. Republican nominee George W Bush has called for broader tax cuts to

return the surpluses to taxpayers.

Summers stressed that the decision about what is done with the surplus has far-reaching consequences.

"I am convinced that the choices our country makes in the next five to 10 years will be as significant for our country's economic future as the choices we've made in any five-year period since the period immediately after the Second World War," he said.

"I say that because the magnitude of the budget surpluses that are now projected means that budgetary choices will be choices whose consequences can be measured in the trillions of dollars for the first time," Summers added.

He said the United States currently was enjoying "a virtuous circle" of rising budget surpluses that lead to lower interest rates and foster more investment

spending and growth.

This in turn has helped in promoting a new economy in which information industries have taken on a heightened role that has benefited the US economy.

Summers said he felt the domestic economy was on solid footing, but that there were some areas of concern. "When I think about our economy, I think that we're blessed with relatively sound fundamentals but the things that I think need to concern us are our relatively low rate of saving and our consequent dependence on foreign capital," Summers said in response to a question after his speech.

He said the danger after a prolonged period of good times is that people grow complacent, losing sight of the perils of economic life and entering into "unrealistic and unsustainable spending plans."



Md Abdul Aziz Sarkar, Member (Investment Promotion) of Bangladesh Export Processing Zones Authority, and Kutubuddin, Managing Director of M/s Sabino Sky Camping Ltd, sign a lease agreement in the city on Wednesday to set up an industry in Comilla EPZ

— BEPZA photo

IMF-WB meeting ends ahead of schedule

Protesters claim victory

PRAGUE, Sept 28: Anti-globalisation protesters and international financiers seemed to declare a draw yesterday, as the IMF and World Bank ended their formal meeting early and exhausted activists went home, says Reuters.

Demonstrators hoping to ruin the annual meetings of the IMF and World Bank clashed briefly with police outside of Prague's Hilton Hotel in the morning but were beaten back and arrested by the dozen.

Later protests across town seemed to lose focus and barely reacted to the announcement that South African Finance Minister Trevor Manuel, chairman of the IMF/WB meetings, told a hall almost empty of delegates that the last day of formal proceedings would be cancelled.

IMF Director Horst Koehler told CNN television that the cancellations were "not at all" con-

cerned with violence that rocked the city on day earlier and left dozens injured.

"Our very efficient chairman made a proposal to the plenary whether we should end today, and we agreed," he said.

World Bank Vice President Mats Carlsson admitted the demonstrations had encouraged the decision to move the closing ceremonies ahead a day.

"We are having a consensus on many of the development issues, but it probably is also prompted by the demonstrations yesterday," Carlsson told Reuters Television.

Protesters take credit, lose steam. Protest organisers took credit for the meeting being cut short, but demonstrators had clearly grown tired and bored.

"They were not comfortable, meeting in Prague, and... they should never feel comfortable

meeting to discuss the future of the world without the consent of the people," said Chelsea Mosen, spokeswoman of the umbrella protest group INPEG. "We are trying to achieve the abolishment of the IMF and the World Bank, so if there is anything we can do to disrupt their meetings, I think that is wonderful."

Earlier, a crowd of activists attacked police outside the glass-fronted hotel where many delegates are staying, but they were dispersed. Nearly 100 protesters were detained on the scene, bringing the total since Tuesday to more than 600.

Later several hundred tired-looking Czech and foreign protesters gathered at the central Namesti Miru Square, where they reviewed coverage of Tuesday's clashes splashed over the front pages of Czech daily newspapers.

Asian stocks relish break from recent losses

SINGAPORE, Sept 28: Major Asian bourses were flat to firmer today taking a respite from recent losses on the back of high oil prices and a slumping euro that triggered a slew of profit warnings from US multinationals, says Reuters.

Domestic factors took centre-stage but early gains were pared in some markets by investors playing it safe after a daily parade of US earnings confessions had unnerved Wall Street.

The Euro main'ained a lonely, steady vigil as Denmark's decision on whether to adopt the ill-starred currency. Dealers suspected that whatever the outcome, the Group of Seven rich nations might find reason to repeat last Friday's intervention assault.

At 0701 GMT, the euro EUR was at \$0.8614, off an overnight high of \$0.8855 but well above last week's record low \$0.8439. European stocks were called to

open lower after the Nasdaq failed to hold early gains, with technology stocks again expected to come under pressure as profit worries bred pessimism.

"The sentiment is negative," said a trader in Frankfurt. "People are looking for a reason to come back to TMT but almost every day there are more (profit) warnings."

Japanese shares conceded all early gains as a tentative rebound from recent 18-month lows petered out.

Investors selected stocks to dress up their portfolios before half-year book closings but remained generally cautious on the murky outlook for US corporates.

The market is under pressure from the three E energy, or crude, prices, the euro and earnings. With third quarter results about to come out in the US, investors are not so eager to take positions now," said Hirokyu

Nakai, senior executive officer at Nippon Global Securities.

The Nikkei 225 average .N225 finished 0.08 per cent down at 15,626.96, still down more than 20 per cent from April 1.

But Taiwan stocks bucked the regional flat trend, tumbling to an 18-month low as electronics counters succumbed to late selling after the tech heavy Nasdaq .IXIC shed 0.89 per cent overnight.

The Nasdaq ended at 3,656.30, while the Dow Jones Industrial Average .DJ closed virtually unchanged at 10,628.36.

Taipei's benchmark TAIEX.TW11 failed to cling to early gains, diving 2.27 per cent to end the day at 6,564.57. Hong Kong's stock market was largely lifeless, except for some light profit-taking in blue chips, as investors awaited interim results from hot Internet counter Pacific Century CyberWorks 0008.HK.

US hopeful of deal to avert EU trade sanctions

WASHINGTON, Sept 28: US officials hope to reach an agreement this week with the European Union to avert, at least temporarily, threatened EU sanctions against US goods in a heated trade dispute over a multibillion dollar programme of tax breaks for American exporters, says Reuters.

US and EU officials said yesterday they were cautiously optimistic that negotiators meeting in Brussels would hammer out a deal, which could put threatened EU sanction of \$4 billion or more a year on hold for months, and possibly until the middle of 2001, while the World Trade Organisation (WTO) reviews the case.

Both sides don't want this to escalate, a US trade official said. The EU has charged that the so-called Foreign Sales Corporation (FSC) programme, which does out tax breaks to big US exporters like Boeing Co. BAN

and Microsoft Corp. MSFT.O, among others, violated global free trade rules. The Geneva based WTO agreed, and gave Washington until Oct 1 to replace it.

In response, the White House drew up legislation to replace the FSC with a system that would exclude certain categories of foreign-source income from US taxation.

The benefits of the new system would total between \$4 billion and \$6 billion a year. But unlike the FSC, companies would receive the tax breaks directly, rather than through offshore subsidiaries.

The legislation was overwhelmingly approved by the US House of Representatives on Sept. 13 but aides said there was little chance of Senate passage before Oct. 1.

Some senators are demanding a full debate on the FSC replacement, and Minnesota Democratic Sen. Paul Wellstone has proposed

an amendment that would roll back the bill's increase in defence industry subsidies.

Deputy US Treasury Secretary Stuart Eizenstat warned senators against letting the process drag on.

US farm groups frustrated
US farm groups yesterday expressed frustration with the Clinton administration's continued delay in revising trade retaliation on the European Union (EU) but held out little hope for action soon.

Chris Garza, a government relations aide for the American Farm Bureau Federation, said the White House appears worried that revising the \$308.2 million retaliation list in a pair of beef and banana disputes could provoke the European Union into moving against the United States in a third dispute over billions of dollars in tax breaks for US exporters.