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SingTel profits seen surging on resilience, expansion

SINGAPORE, Oct 15: Resilience and a successful expansion strategy are expected to ring up Singapore Telecommunications Ltd (SingTel) earnings in the current and next fiscal years. US investment house Goldman Sachs said, reports AFP.

Earnings for fiscal 2001 are forecast to grow 15 per cent and 16 per cent for fiscal 2002, Goldman Sachs said in a report received Sunday. SingTel's fiscal year ends on March 31.

SingTel stock's valuation was raised to 2.78 Singapore dollars (1.60 US) a share, up from its previous estimate of 2.54 dollars.

Adding the value of overseas investments to the value of SingTel's core business would bring the carrier's shares to 3.20 dollars a share, Goldman Sachs said.

The investment house cited SingTel's ability to withstand competition at home following the liberalisation of the industry in April, a strong growth in the domestic market and a potential for lower depreciation charges.

Goldman Sachs also credited the 859 million Singapore dollars (493.6 million US) SingTel received from the government as compensation for the liberalisation of the industry two years ahead of schedule for the robust projection.

Rival StarHub Pte Ltd was paid 1.08 billion Singapore dollars.

SingTel's successful ventures outside of the island-state was likewise expected to contribute to the government-controlled company's earnings, the investment house said.

Dnata wins management contract in Qatar

Dnata Airport Services has won a landmark contract to manage the passenger, cargo and ground handling at Doha International Airport on behalf of Qatar Airways, says a press release.

The management contract is Dnata's third international ground handling operation following joint ventures operating in Pakistan and the Philippines.

Sheikh Ahmed bin Saeed Al-Maktoum, Chairman of Dnata, signed the contract with Akbar Al Baker, Chief Executive Officer of Qatar Airways.

Sheikh Ahmed stated: "Dnata has been operating successful joint ventures with our partners in Pakistan and the Philippines for the past years and I am very pleased that the company is now gaining recognition within the Gulf region."

"We now look forward to managing the ground handling operation for our neighbours in Qatar."

Dnata will send an eight-member team headed by David Parker, General Manager-Ground Handling, to Qatar. Parker was previously heading Gerry's Dnata, a joint venture ground handling operation at Karachi, Lahore, Islamabad and Peshawar in Pakistan.

DHL to help US citizens cast votes in Nov

Hong Kong, DHL Worldwide Express announces that it will assist US citizens to cast their votes in the upcoming US Presidential and Congressional elections in November 2000, says a press release.

This will come at no cost to the voters.

US citizens overseas can either mail or drop off their absentee ballots to designated offices, and DHL will deliver them to its office in New York, from there the ballots will enter the US postal system.

Collection boxes will be available at DHL service centres around the globe, as well as at other selected locations such as The American Chamber of Commerce.

No airwaybills, receipts or other documentation are required for this service. The deadline for DHL to receive absentee ballots in November 1, 2000 in order to ensure the absentee ballots arrive before the actual polling day of November 7, 2000.

"This is the third consecutive presidential election that DHL has worked with the US authorities to offer this service," said Charles Longley, Chief Executive Officer of DHL Asia-Pacific/Middle East.

DHL Worldwide Express is the world's leading air express service, linking more than 85,000 destinations in 228 countries and territories.

DHL has a fleet of over 260 aircraft. In Asia-Pacific/Middle East, DHL serves 51 countries and territories, operates more than 1,300 stations, employs more than 18,000 personnel and operates about 3,900 transport vehicles.

Flood crop losses figure Tk 970cr, vegetables affected most

Novartis estimate says
Star Business Report

The continuing floods in the country's southwestern region has so far caused a total crop loss of Tk 970 crore, including Tk 310 crore in investment losses and Tk 660 crore in potential yields, according to Novartis Crop Protection.

According to its field reports, flood has caused at least half a million tons of aman losses. If paddy and vegetable yield losses are taken into account, then the farmers seem to have lost Tk 660 crore. This includes Tk 400 crore for rice farmers

and Tk 260 crore for vegetable growers," said the Novartis bulletin.

Rice producers have lost Tk 190 crore on their current investment, said the bulletin, adding that other crops, mostly vegetables, account for the other Tk 120 crore.

Quoting field reports, the bulletin said that in Bogra and Natore regions nearly 50,000 acres of crop lands were totally devastated by floodwater where some 75,000 tons of paddy were to be grown.

In Jessore, the loss is 400,000 tons paddy on an extent of 260,000 acres and in Dhaka region the damage is estimated at 45,000 tons on 30,000 acres of land.

In all these regions, especially in Jessore, vegetables were badly hit. In Dhaka region, vegetables on about 25,000 acres of land were damaged and another 5,000 acres of seedbeds went under water.

In Bogra, chili farmers lost Tk 5 crore in crop losses and prices also doubled to Tk 1200

per maund. Vegetables worth Tk 5 crore on 5000 acres of land were also lost in the district.

In Jessore, nearly half of the crops were lost, sending an investment of Tk 68.5 crore end up in ruin, the bulletin said.

Farmers are now desperately looking for money and hybrid vegetable seeds to recoup winter crop losses. According to estimates, sale of local variety seeds has dropped by as much as 40 per cent in different areas as farmers are looking for more vegetables to get them through.

Alamgir calls upon India to reduce tariffs

Seminar on sub-regional cooperation held

State Minister for Planning Dr Mohiuddin Khan Alamgir yesterday urged India to reduce tariffs on Bangladesh goods to minimise the huge trade imbalance between the two neighbouring countries, reports BSS.

Speaking at a seminar on Prospects of Sub-regional Cooperation in Trade at a local hotel, he said Bangladesh has already reduced tariffs on foreign goods including those from India.

"Now India, one of the biggest exporters to Bangladesh, should reduce tariff for ensuring easy access of Bangladeshi products to India."

Dr Alamgir, who was presiding over the session, said negotiation is continuing for a quite long time and we are optimistic about better outcome

for mutual benefit.

He also underscored the need for materialising the proposed transit facilities among Bangladesh, India, Nepal and Bhutan and said if it really takes place, all the four countries would be benefited.

Especially the seven eastern states of India, landlocked Nepal and Bhutan would have better opportunities for boosting regional and international trade, he said.

"Bangladesh would also benefit from the transit through minimising the trade gap with India."

Dr Alamgir said the countries concerned could avail themselves of the opportunities to use Chittagong port. If necessary Chittagong port would

be developed for regional uplift, he added.

The state minister said there are a number of trade barriers hindering the growth of bilateral and multilateral trade and business in the region. As a big country, India has to sacrifice more, he said.

President of American Chamber of Commerce Forest E Cookson said Bangladesh should deal India with an increased and balanced volume of bilateral trade for boosting the economy.

Among others, the function was addressed by former Secretary Dr Faruq Sobhan, Dr Karen L Casper, Dr Mohammad Musa, Syed Ferhat Anwar, Dr Salahuddin Ahmed and Prof Rahim B Talukder.

Singer World chief visits Int'l Leasing

Stephen H Goodman, President and CEO of Singer World Corporation, USA, visited International Leasing And Financial Services Limited yesterday, says a press release.

He was accompanied by Kamal Shah, Regional Vice President, West Asia Region.

Goodman had a meeting with the members of the Board of Directors of International Leasing, Singer Bangladesh Chairman Mahbub Jamil and the directors M Matul Islam, Jamal Uddin Ahmad and Ahmed Karim were present.

The delegates expressed their satisfaction over the performance of the company.

Singer Bangladesh Limited is a shareholder of International Leasing. It has 45 per cent shares. Muslim Commercial Bank Ltd 30 per cent, Shaw Wallace Bangladesh Ltd 17.5 per cent and Matul Islam and Associates 7.5 per cent in the leasing company.

BB T-bill auction held

The 110th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held here yesterday, reports UNB.

Some Tk 1209.50 crore, Tk 4 crore, Tk 4 crore, Tk 61.08 crore, Tk 4 crore and Tk 44.30 crore were offered for the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year bills respectively.

Of these, Tk 1125.50 crore, Tk 2 crore, Tk 49.08 crore and Tk 4 crore in total of Tk 1180.58 crore of 28-day, 91-day, 364-day and 2-year bills were accepted respectively.

The ranges of the implicit yields were 6.05-6.20 per cent, 6.40 per cent, 7.48-7.51 per cent and 8.49-8.50 per cent per annum respectively.

The bids offered for the 182-day and 5-year bills were not accepted, said a Bangladesh Bank press release.

The amount of premature encashment on October 9 and 12 was Tk 53 crore and due to maturity of the bills, the total amount of Tk 1300.50 crore will retire this week.

On that account, the net amount of the issuing bills will stand at Tk 172.92 during the week.

'Iran planning economic aid to Iraq'

TEHRAN, Oct 15: Iranian state television said today that the international embargo against Iraq was finished following the visit to Baghdad by Tehran's Foreign Minister Kamal Kharazi, says AFP.

"The embargo is now shattered," it said in a commentary, adding that Iran was planning to give "economic aid" to the Muslim people of Iraq.

Kharazi flew into Iraq on Friday in defiance of UN sanctions slapped on Baghdad after its 1990 invasion of Kuwait. Iran opposes the strict sanctions regime, including the air embargo, but had previously respected it.

Russia and France have been followed by Turkey and Arab countries in ignoring the flight ban in recent weeks. Moscow and Paris say the embargo does not include private non-commercial flights.

But Washington and London insist all flights must be approved by the UN sanctions committee.

Kharazi's visit, expected to end today, is the first by an Iranian foreign minister to Baghdad in a decade as the two sides try to patch up remaining differences from their 1980-1988 war.



(From left) Singer Bangladesh Chairman Mahbub Jamil, Directors of International Leasing and Financial Services Ltd Ahmed Karim, Jamal Uddin Ahmad, M Matul Islam, CEO of Singer World Corporation Stephen H Goodman, Regional VP Kamal Shah are seen at a meeting of the members of the Board of Directors of International Leasing in the city yesterday.

Japan's first balance sheet raises questions about financing

TOKYO, Oct 15: Japan's first-ever national balance sheet, while ambitious in scope, raises a host of questions about the government's debt-laden finances after a decade of economic drift, says AFP.

The government advertised last Tuesday's report as an exercise in transparency as it prepares some day to tackle its mountain of debt. But economists said many aspects remained frustratingly opaque.

It was helpful in pulling together hundreds of separate sources of information, said Nikko Salomon Smith Barney economist Yukari Sato.

But the report had fallen short of hopes that it would finally "clear the mists which shroud the fiscal situation," she said in a report.

The balance sheet "does not consolidate Japan's sprawling public corporations, nor does it provide a realistic treatment of contingent liabilities and asset quality," Sato said.

In sum, the balance sheet provides a good deal of data and a basic framework to explore the government's true fiscal obligations, but the big picture remains elusive.

The balance sheet showed the Japanese state's liabilities exceeded its assets by up to 776.5 trillion yen (7.1 trillion dollars) as of March 1999.

It consolidated all of the central government's general account budget with 38 special accounts.

The purpose of creating the balance sheet was to increase the transparency of government finances and to hold the government accountable, a finance ministry official said.

"We believe this thoroughly covers the country's finances, but it has shortcomings, so we will be asking for public inputs and criticism," the official said.

The ministry used three different calculations to factor in the present value of future public pension obligations, and so derived three different figures for the liabilities.

The worst debt figure of 776.5 trillion yen was arrived at by counting all pension benefits to be paid as liabilities.

That was not the only confusing aspect of the report, said JP Morgan chief economist Masataka Kanno.

The problem is that most of the assets are evaluated on the basis of book value, but most of the book value is cost minus depreciation, so it is not a market value," Kanno said.

"A normal road in the street cannot be sold so it has no economic value. An expressway with exclusive use can collect money so it has economic value. The government just added book values - it is very unrealistic," he complained.



John A Smetanka, Senior Country Executive of American Express Bank in Bangladesh, shakes hands with Steve Wallace, Country Director of CARE Bangladesh, after handing over a cheque for \$15,000 as donation from American Express Foundation at a function held at CARE's office in the city recently.

Asian currencies go from bad to worse

SINGAPORE, Oct 15: The aftermaths of the '97 crisis have meant the outlook for Asian regional currencies has never been that bright, but things have recently taken a turn for the worse, says Reuters.

High oil prices and now the worry over global demand for electronics have lately compounded the effect of a stubbornly strong US dollar.

These new factors, analysts say, are only helping unmask some of the nagging structural problems Asian governments have yet to address.

And growing uncertainties in the political pit of the Philippines, Indonesia and Thailand are likely to keep the cauldron on the boil.

"Not only do they (Asian economies) have their own problems, but the external environment has worsened and I can't see that changing for the better in the medium term," says the next six to 12 months," said Mansoor Mohi-uddin, regional currency strategist at UBS Warburg.

Despite lingering doubts about their resolve to restructure debt-ridden corporate and troubled financial sectors, Asian economies rode the tide of strong global growth backed by a booming US economy and low oil prices earlier in the year.

All that changed as oil prices swelled and the US Federal Reserve jacked up interest

rates, pushing the dollar higher.

As a result, growth rates are flattening out across the region, trade surpluses are shrinking, and high oil prices are fuelling inflationary upticks.

In a recent research report, Merrill Lynch said while export growth was still strong in Asia, a lack of foreign capital inflows, dormant domestic bank lending, and an easing world economy would affect both growth and exports.

Analysts said some of the currencies might have hit a technical floor, as they have already exceeded their year-end targets.

But they predict tough times ahead as the US economy shows signs of slowing, the threat of more US rate hikes remains, and oil prices refuse to subside.

And with most analysts expecting a soft landing for the US economy, the dollar is not likely to shed much of its strength any time soon.

"The dollar will correct as the economy slows down and I believe the huge current account deficit they have will be priced in eventually. But that is likely to happen in a couple of years," said David Simmonds, regional currency strategist at Citibank.

Outflows from the equity markets, tracking the global sell-off in technology shares, are making the outlook even worse.

Nonura Asia, looking at flows of open-end retail mutual funds in the US and Japan, said US investors pulled out \$75.2 million in the week ending October 6.

It said year-to-date cumulative flows slipped further into negative territory of \$1.4 billion, compared with a net outflow of \$180.1 million for the whole of 1999.

Japanese investors pulled out \$49.5 million in August - the third straight month of withdrawals. But year-to-date flows remain well in positive territory at \$519.3 million. Last year ended in an overall outflow of \$353.5 million.

However, some analysts believe demand for electronics in general, and DRAMs and microchips in particular, was not likely to fall as much as the jitters on Wall Street suggest.

"I believe the techs have been rather oversold. I still think DRAM prices will rebound at some point and the demand will remain strong," Simmonds of Citibank said.

He said the Korean won KRW and Taiwan dollar TWD, given their sensitivity to their equity markets, could hit weaker levels of 1,140 and 31.50 respectively in the short-run.

But a medium-term rebound in equity markets could push the won back to around 1,100 and the Taiwan dollar to 30.50, he said.