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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.

"It could be the end-game of

the European Union had

# B The Daily Star BUSINESS

DHAKA, MONDAY, OCTOBER 16, 2000

## 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.

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 its 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

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.

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

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



Sheikh Ahmed bin Saeed Al-Maktoum (centre), Chairman of Dnata, and Akbar Al Baker (right), Chief Executive Officer of Qatar Airways, sign a landmark contract under which Dnata Airport Services will manage passenger, cargo and ground handling at Doha International Airport. Ismail Ali Albanna, Dnata's Director-Airport Services, is also seen. -- Emirates photo

## China faces huge WTO task despite new entry hopes

BEIJING, Oct 15: China faces a huge task to get ready for entry to the World Trade Organisation, despite the top US trade negotiator saying it could still join this year, business executives and diplomats said, reports Reuters.

US Trade Representative (USTR) Charlene Barshefsky met Premier Zhu Rongji late last week, emerging with a pledge that China would stand by its WTO accession deals and clutching the hope it could enter the world trade club this year.

Barshefsky met representatives from US firms on Friday while officials from the two countries held lower-level talks to flesh out issues raised at meetings with Zhu and Chinese trade minister Shi Guangsheng, a USTR spokeswoman said.

But foreign business executives and western diplomats were guarded in their optimism, saying only the next round of multilateral talks would show whether China would back talk with action.

The last such talks in Geneva ended last month with WTO members charging China with backtracking on its agreements and Chinese anger over what Beijing saw as erosion of its ability to usher its state-owned firms into a new global era.

It has also pledged to allow foreign firms the right to import and export, phased in over three years.

The European Union had

its own areas of concern, including China's failure to award insurance licences to more European companies after signing a bilateral accord in May.

There are problems on sectoral issues between us like distribution and insurance services and there are problems on horizontal issues affecting the relationship between the WTO as a whole and China, European External Relations Commissioner Chris Patten said on Thursday in Brussels.

"We'd like to see them resolved soon but really it's up to China," he said.

US investment bank Salomon Smith Barney said in a recent report that one of the most arduous tasks was simply matching all the terms between the various bilateral agreements with China.

The European Union and the Americans have been working under different assumptions, said another Western diplomat.

It has to be put into a unified framework. Of course, you have the Chinese also — they have a preference for choosing the assumption that suits them best.

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

EU Trade Commissioner Pascal Lamy is scheduled to meet Chinese trade minister Li Shu on October 23 and 24 to discuss the issue. Western diplomats said.

The European Union had

## 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 Matiul 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 Matiul 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 resisted it.

Russia and France have been followed by Turkey and Arab countries in ignoring the flight ban in recent weeks.

Moscow and parts 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 trip 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.

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



(From left) Singer Bangladesh Chairman Mahbub Jamil, Directors of International Leasing And Financial Services Ltd Ahmed Karim, Jamal Uddin Ahmad, M Matiul 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. -- Int'l Leasing photo

## 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 on the national accounts, said Nikko Salomon Smith Barney economist Yukari Sato.

But the report had fallen short of hopes that it would finally "clear the mist 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 specific 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 Masao 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 express way 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. -- Asiatic photo

## Asian currencies go from bad to worse