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Govt to offer every facility to vegetable growers, exporters

High-level Finance Ministry meet decision

The government will provide all assistance for the production, marketing and development of agricultural products like vegetables, fruits and flowers to boost their export, says UNB.

The decision was taken yesterday at a high-level meeting at the Finance Ministry keeping in view the vast opportunities of earning foreign currency by exporting agricultural products.

Chaired by Finance Minister Shah AMS Kibria, the meeting was also attended by Agriculture Minister Matia Chowdhury and Civil Aviation and Tourism Minister Engineer Mosharrat Hossain.

The meeting decided to take some steps to provide commercial and marketing facilities to the cultivators and exporters of such products, said an official handout.

The steps include subsidy to the exporters on the airfreight fare of agro-products, increasing cargo space in Bangladesh Biman, establishing cold storage and documentation counter for the exporters in the Biman's cargo complex.

The meeting also decided to provide assistance for manufacturing improved quality packaging products for exporting agricultural products so that foreign airlines are interested to carry those.

Considering the easy transport of these perishable products from remote corners, the meeting decided to reconsider logically the rate of import duty and taxes on refrigerated vans and containers.

The exporters of agricultural products can use the existing facilities from the Export Diversification Project in order to create new markets besides strengthening existing ones.

The government will also assist them from Industrial Development Equity Fund for infrastructural development of the exporting firms at private sector.

Agriculture Secretary Dr AMM Shawkat Ali, Finance Secretary Dr Akbar Ali Khan, Commerce Secretary Golam Rahman, NBR Chairman Zakir Ahmed Khan, EPB Vice Chairman AB Chowdhury, Managing Director of Hortex Foundation Dr Abul Kashem, President of Bangladesh Fruits, Vegetables and Allied Products Association ASM Ahsanuzzaman Chowdhury and high officials of Civil Aviation and Bangladesh Biman also attended the meeting.

5-day suspension ends

Exporters resume shrimp purchase

The exporters of frozen foods at a joint meeting have decided to resume purchasing shrimp from yesterday said a release of the Bangladesh Frozen Foods Exporters Association (BFFEA), reports BSS.

Shrimp purchase remained suspended for five days on the pretext of low quality of shrimp sold by the suppliers of rural areas.

Held at BFFEA Khulna Regional Office yesterday, the meeting was presided over by President of BFFEA Kazi Shahnewaz. It was attended, among others, by Principal Scientific Officer (PSO) S N Chowdhury, Deputy Directors of Dhaka, Chittagong and Khulna offices of Fish Inspection & Quality Control (FIQC), leaders of the BFFEA and Shrimp Merchant Association of Natun Bazar and East Rupsha, and suppliers' representatives.

NZ happy with WTO ruling against US

WELLINGTON, Oct 26: Prime Minister Helen Clark yesterday hailed news that Australia and New Zealand appear to have won the first round of World Trade Organisation (WTO) action against the United States over lamb imports, says AFP.

The London Financial Times reported that a WTO dispute panel had criticised the decision last year by the US to impose three years of quotas and tariffs on lamb imports from Australia and New Zealand.

CSE, Rotary Club of Agrabad hold seminar on role of IT

Rotary Club of Agrabad in association with Chittagong Stock Exchange (CSE) held a seminar on 'Role of IT in Development of Professional Efficiency' at CSE conference room in observance of Rotary Vocational Month on Tuesday.

Rtn. Syed Mahmudul Huq, President of the Rotary Club of Agrabad, presided over the seminar.

Wali-ul-Marooof Matin, CEO of Chittagong Stock Exchange, was the guest speaker and presented the key-note paper on the role of IT in developing professional efficiency, says a press release.

Tapash Kumar Chowdhury, Central Head, APTECH, was present at the seminar as discussant.

Iraq may halt 5 per cent world oil export in euro payment row

DUBAI, Oct 26: Iraq is likely to suspend oil sales worth five per cent of world crude exports from November 1 if Washington objects to a plan by Baghdad that it be paid in euros rather than in dollars, an Iraqi source said today, says Reuters.

Iraq is unlikely to implement oil contracts if the United States objects to euro payments for Iraqi oil and Baghdad insists payment be made in euros, the source told Reuters.

"I see a problem," he added. "This is a political issue and not a technical matter."

He indicated any suspension would be from November 1.

Iraq was the sixth biggest oil supplier to the United States in August, providing 749,000 barrels per day (bpd), US government figures show. Its UN-monitored sales account for five per cent of world oil exports of about 45 million bpd.

Benchmark Brent crude oil in London jumped 50 cents to \$31.85 a barrel on the news before easing slightly to \$31.70.

The world's largest oil exporter, Saudi Arabia, has said previously it would increase its own exports to cover any Iraqi shortfall.

The West's energy watchdog, the International Energy Agency, has said it would consider releasing emergency stocks in the event of a supply

shock such as an Iraqi export halt.

The United Nations sanctions committee will meet on October 30 to discuss a proposal from Iraqi oil marketer SOMO that from November 1 all letters of credit for crude oil payment must be opened in euros rather than dollars.

The committee, which is to receive a written UN staff report on the issue by Thursday, is split on whether it should allow a switch to euros or even whether it has any right to weigh in on the matter, diplomats in New York have said.

The Middle East Economic Survey (MEES) reported on Thursday that a serious possibility existed that Iraqi oil sales could be suspended next week due to delays at the United Nations over whether to approve Baghdad's euro proposal.

MEES said one indication of how Baghdad would react would be whether state oil marketer SOMO is given permission by Iraq to submit its November price formulae in the next 24 hours.

If it does -- it can be taken to mean that a compromise is possible and it intends to go ahead with its export schedule, the newsletter said.

Lifters of Iraqi barrels have told Reuters that they have no objection in principle but they

are worried about becoming bogged down in a procedural wrangle.

Baghdad has been exporting about 2.3 million barrels per day (bpd) of oil in the current eighth phase of a UN humanitarian oil-for-food exchange.

The eighth phase of the exchange ends on December 5, Iraq's oil exports at current prices fetch around \$60 million a day.

Oil-for-food revenues are currently deposited in a dollar UN escrow account at Banque Nationale de Paris (BNP) in New York. That account, after nearly four years of the programme, now stands at around \$10 billion, said industry sources.

But BNP cannot issue a new, standard euro format for letters of credit until instructed to do so by the United Nations, customers said.

Oil firms lifting Iraqi barrels in early November must now get the necessary UN mandated paper work in place.

Some industry sources have said Washington dead set against euro payment, was proving the main stumbling block at the UN.

But Baghdad was also playing politics as well, they added.

The Iraqi government decided last month to halt trading with the dollar and replace it with the euro or any other currency.

Part-1

Hundi business thrives as banking system fails to deliver service

Illegal channel handles more than double the legal remittance

By Monjur Mahmud

In his early days in Dubai, Altaf Hossain used to send his salary home through a bank. But things are not the same today.

"I truly believed that illegal money transaction through hundi was a bad thing and so I preferred to stay on the legal path," said Hossain who worked as a maintenance engineer with Dubai Electricity Company at Jebel Ali Industrial City, UAE.

But it definitely cost Hossain a lot to stay the same. He had to spend at least three to four hours on a single transaction to complete the remittance process, and this -- squeezing out time on a working day -- was pretty tough for him to manage. Despite this, he still believed in banks.

But he always had to wait long to get receipt confirmation from his family. Sometimes it even took several weeks for the money to reach his bank in Dhaka. As Hossain's family was totally depended on his salary, it proved an ordeal both for him as well as for the dependants.

"When I decided to use the hundi channel for getting rid of the hassles involved in remit-

ting my hard-earned money to my family," Hossain said. "Most of my friends and colleagues are familiar with hundi and over 80 per cent of them take to this channel to send money home."

Like Hossain, almost all Bangladeshis working in Dubai can save around 50 per cent of their earnings, ranging from Tk 15,000 to Tk 125,000 per month. Around 100,000 Bangladeshis are now doing different types of jobs in the UAE.

The Daily Star talked to 14 Bangladeshi overseas workers who were in Dhaka between September and October to share their experiences in sending money home. Hundi is today the main channel of sending money from abroad due to higher than official exchange rate and better service with no formalities, they observed.

According to their conservative estimates, the inflow of money through the hundi network is more than double the figure handled by the official channel.

Sheikh Masuduzzaman, who works as a poultry supervisor

on the outskirts of Seoul, South Korea, said hundi is such an efficient system that he can even send money to his relatives in Dhaka within an hour.

"It often happens that the hundi operators first pay my family here in the city and after getting confirmation of the payment over telephone, I pay the hundi dealers in Seoul," he stated.

Bangladeshis working in South Korea can save up to 70 per cent of their incomes -- ranging from Tk 50,000 to Tk 130,000 -- and more than 80 per cent of them use the hundi channel. "If there's no significant difference between the bank rate and the unofficial rate of dollar, we prefer to send the money through banks," Masuduzzaman added.

Prof. Muinul Islam, Director General of Bangladesh Institute of Bank Management, who conducted a survey on 'Overseas Migration and Hundi System: The Case of Bangladeshi Migrants in Singapore,' said: "We found that all the 100 respondents remit their money by using the hundi channel."

Asliqur Reza, working at a perfume factory in Paris, said: "My family gets more money by selling dollar in the open market. Why should I opt for the official channel?"

Abdur Rahman, a cab owner in the New York, sent US\$ 10,000 six months ago. The money, supposed to reach Dhaka within 24 hours, actually got home after 21 days. "Some of my friends underwent similar bitter experiences in sending money through banks," he mentioned.

"Hundi now control 70 to 80 per cent inflow of the foreign remittance, as wage earners have increasingly become dependent on this unofficial channel," said Kefayet Ullah Masud, President of Bangladesh Money Changers Association (BMCA).

"People get around 9 to 10 per cent higher rate in the korb dollar market. Besides, there are so many hassles in getting the official service. If people don't get good rate or service, then why should people send money through banks?" asked Masud.



Picture shows the Bangladeshiya Cha Sangshad (BCS) luncheon meeting with new chairman of Bangladesh Tea Board (BTB) at a city hotel on Tuesday. -- BCS photo

BAT Code of Conduct announced

British American Tobacco, Bangladesh, the largest cigarettes manufacturing company of the country henceforth will discourage smoking by non-adults and refrain from displaying advertisements at places like schools, hospitals and places of worship. It will also display health warnings on the front and back of all cigarette packs in contrasting colours.

This was stated by Paul Kiritham, Managing Director of British American Tobacco, while announcing the Code of Conduct of the company at a press conference in a city hotel on Wednesday.

The Code of Conduct among others include proof of age (minimum 18) for participation in all BAT sponsored social, cultural, musical and sporting events have been mandatory and publicised.

Paul Kiritham said the company had introduced the Code of Conduct as a strategy for far marketing, advertisements and promotion. He said the company firmly believed that smoking was the choice of the adults and those under the age of 18 should not smoke.

"British American Tobacco, Bangladesh does not want to attract non-adults to smoking and does not want to mislead the consumers about its products through advertisements and promotion," the BAT Managing Director told the press conference.

According to the Code of Conduct the health warning clause would be on the front and back panel of the pack. There would be two health warning clauses for any tobacco advertising in television or radio. Both the warnings would be in Bangla. Tobacco advertisement on television and radio would be shown/broadcast only between 10 pm and 6 am when programming is primarily directed at adults. There would not be any tobacco advertisement during movies at cinema hall. The size of health warning clause on all tobacco communication would be 10 per cent of the total communication area, in the media.

JBIC executive dir due in city tomorrow

Yoshihiko Kono, Executive Director of Japan Bank for International Cooperation (JBIC), arrives in the city tomorrow on a three-day visit to Bangladesh, says UNB.

During his stay, he will conduct a study on information technology (IT) policy, potential growth of the IT sector, participation of NGOs in the development of IT and the general condition of IT sector in Bangladesh.

The main purpose of his visit would be to integrate development assistance with IT in developing countries as well as to find ways to tackle the so-called "Digital Divide" that is likely to handicap the growth potential.

In this connection, he will meet secretaries of different ministries, heads of different NGOs in the country and other concerned officials, besides visiting some rural areas where the impact of IT development is evident.

EU, Japan, Canada warn of new trade fight with US

WASHINGTON, Oct 26: The European Union, Japan and Canada warned President Bill Clinton yesterday that he risked sparking a new trade fight by signing legislation giving American steel makers and other companies the proceeds of duties imposed on their foreign competitors, says Reuters.

In a rare joint call, ambassadors for the three major trading powers urged Clinton to veto the measure, which won final congressional approval on Oct 18 as part of a broader agricultural spending bill.

"We view this section of the bill as a serious violation of US obligations under the anti-dumping and countervailing duty codes of the WTO (World Trade Organisation)," said Japan's Ambassador to the United States, Shunji Yanai, Canada's Ambassador Michael Kerwin and EU Ambassador Günter Burghardt.

"We therefore strongly urge you to veto this measure, thereby avoiding the gratuitous creation of another serious trade problem with your WTO partners," they wrote.

Despite the 11-hour appeal for a presidential veto, White House officials said Clinton still planned to sign the agriculture spending bill, which includes provisions exempting food and medicine from US sanctions on Cuba.

The measure, spearheaded by West Virginia Democratic Sen. Robert Byrd, calls for the US government to give affected American companies the proceeds of anti-dumping and countervailing duties imposed on Japanese, European and other foreign producers accused of selling their products in the US market at below fair-market value.

The duties total about \$40 million a year, according to

government estimates.

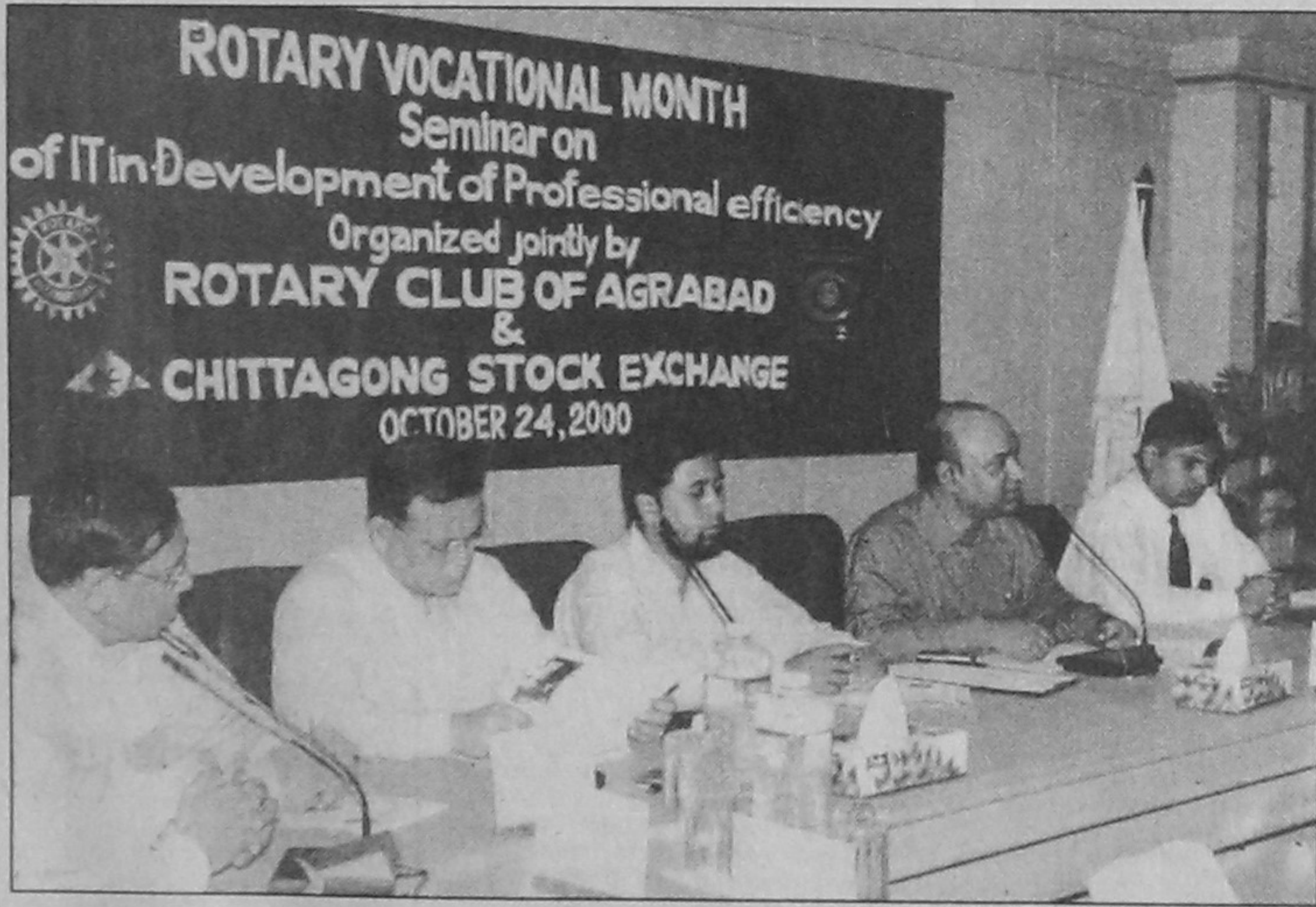
Byrd and his backers argued that the measure was needed to help a wide range of cash-strapped American industries, from steel producers to ranchers and apple growers.

US trade officials called the Byrd measure ill conceived, and warned that it could spark a backlash in the Geneva-based WTO and prompt US trading partners to adopt similar mechanisms.

"We don't like this provision," said White House spokeswoman Nanda Chitre.

"But in the end we support the conference report," she added referring to the final spending bill that emerged from a House-Senate conference.

Opponents hoped Congress would quickly push through legislation to overturn the Byrd provisions, but aides said they would probably have to wait until next year.



Rotary Club of Agrabad and Chittagong Stock Exchange jointly held a seminar on 'IT development of professional efficiency' in observance of Rotary Vocational Month at the CSE conference room in Chittagong on Tuesday. -- CSE photo

Telecom, computer firms create most market wealth in Asia

HONG KONG, Oct 26: Telecommunications and other "new economy" industries are creating the most market wealth in Asia, which traditional businesses lag behind, according to survey of regional companies released Thursday, says AP.

Telecoms giant China Mobile (Hong Kong) headed the list of 100 top creators of stock market wealth compiled by Stern Stewart and Company, a New York-based consulting firm that helped develop the Fortune 500 ranking system, and the monthly magazine CFO Asia.

China Mobile's executives declined comment on the award, saying they were at a sensitive stage in dealmaking.

Only one of the top 10 Asian creators of market value added -- the total market value of a company minus all its capital -- was a traditional business. Second-ranked Hutchison Whampoa of Hong Kong, a conglomerate owned by tycoon Li

Ka-sung, has diverse holdings which include telecoms as well as ports, retail outlets, property and infrastructure.

Sectors that leverage intangible assets, such as knowledge, and make good use of their balance sheets are good wealth creators. These include telecoms, Internet and computer firms," said Alan Thompson, Singapore-based senior vice president of Stern Stewart.

Real estate developers, mainly in Hong Kong, dominated the list of companies that had lost the greatest market wealth. With property prices still well below the peaks reached before markets collapsed during the Asian financial crisis, many are still struggling to recover.

By traditional measures, such as return on earnings, the majority of companies ranked high on the market value-added list were dismal performers. Of the top 100 only 34 earned more than they spent on oper-

ating and capital costs.

Electronics firms, including sixth-ranked Samsung Electronics of South Korea, were among the few whose market value was matched by strong earnings.

Semiconductor Manufacturing Co of the world's largest chip foundry, ranked fourth. The company announced earlier this week that its third-quarter 2000 profit rose 227 per cent to 20.06 billion Taiwan dollars (US \$626 million) on growing foreign orders.

Taiwan's second largest chipmaker, United Microelectronics Corp, ranked ninth. UMC posted a third-quarter net profit of 14.55 billion Taiwan dollars (US \$455 million), a more than fivefold increase from the same period last year.

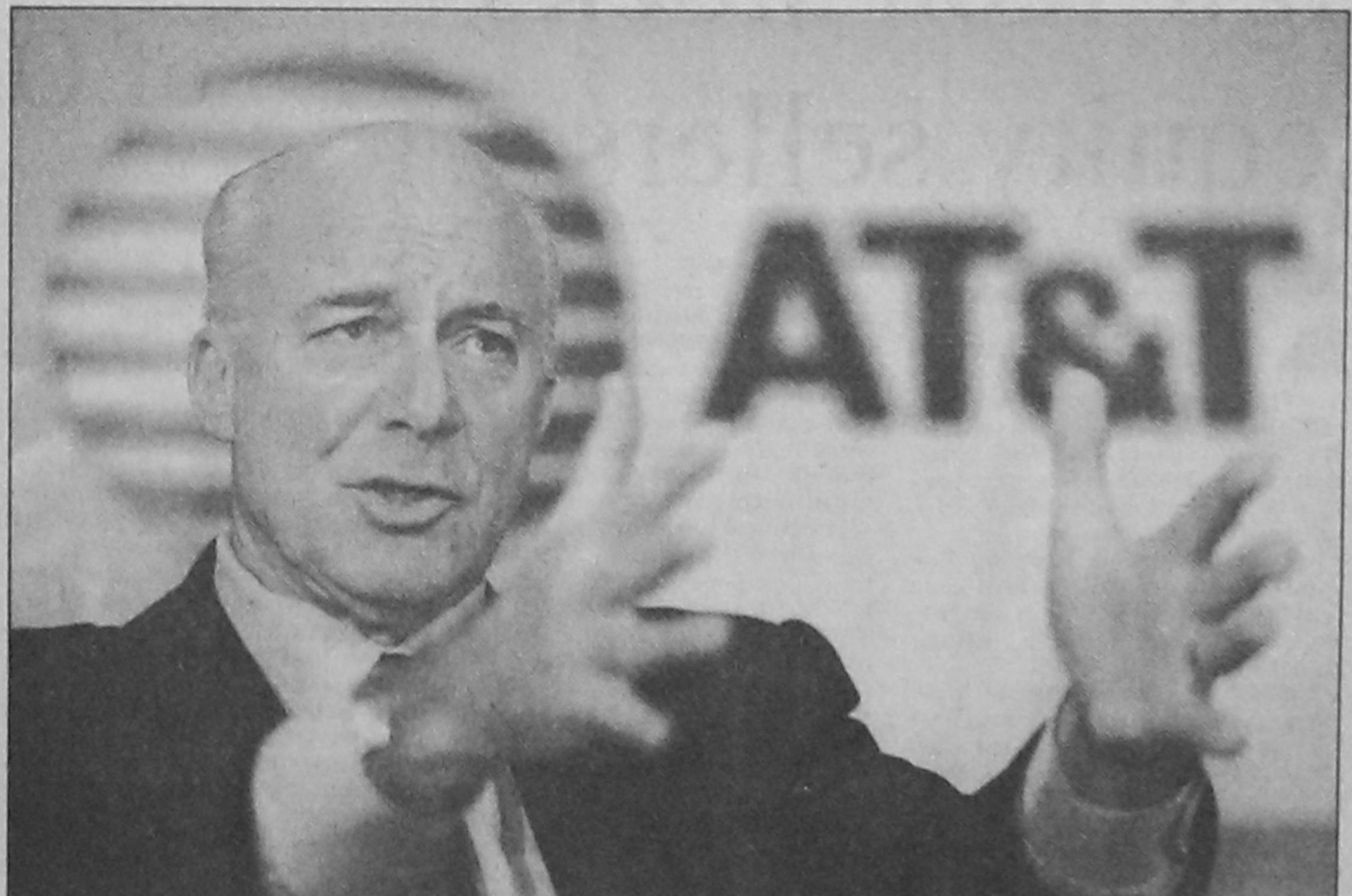
But in most cases the companies ranked highest in the survey did so because investors had high expectations for their future economic performance,

not for earnings or dividends paid.

Telecoms, media, computers and other information technology shares appeared to show the most promise as measured by those criteria.

Taiwan's Korea Telecom Corp. and SK Telecom Co of South Korea ranked third and seventh, while Cable-and-Wireless, HKT and parent company Pacific Century CyberWorks of Hong Kong ranked fifth and 10.

The survey was based on market value at the end of 1999. Since then, CyberWorks has acquired Cable-and-Wireless HKT and has seen the value of its shares plummet from about 22 Hong Kong dollars (US \$2.82) in mid-February when it launched its bid for Hong Kong's largest telecoms firm to around 6.00 Hong Kong dollars (77 US cents) this week. Based on share prices as of the end of September, CyberWorks ranked 15th in market value added.



AT&T Chairman Michael Armstrong discusses plans to create a family of four new companies, each operating under the AT&T brand, at a press conference in New York Wednesday. Upon completion of the company's plan, AT&T Wireless and AT&T Broadband will be represented by independent, asset-based common stocks. AT&T Consumer will be represented by a tracking stock of AT&T. AT&T's principal business unit will be AT&T Business. -- AFP photo