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The Daily Star BUSINESS

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CCCI to hold Millennium Trade Fair in Jan

From Staff Correspondent
CHITTAGONG, Nov 18: The Chittagong Chamber of Commerce and Industry (CCCI) has planned to hold Millennium Chittagong International Trade Fair here in January 2001.

This was disclosed by the President of CCCI Chamber Saifuzzaman Chowdhury at a press conference held at the Chamber office today.

He claimed that CCCI deserves the appreciation for holding the first private sector international industrial fair.

Saifuzzaman informed that in addition to Asian countries, the Netherlands, France, UK and USA have shown keen interest to take part in the fair.

He said that an 'action plan' would be announced for turning Chittagong into a business hub of southeast Asia. He informed that efforts were also underway for establishing world trade centre in this port city.

Turning to a question, Director of CCCI Farid Ahmed Chowdhury, who accompanied Saifuzzaman, to the press conference, informed that a new schedule for holding the CCCI election would be announced soon on receipt of condonation for time extension from the High Court.

Oil demand to rise dramatically by 2020: IEA

RIYADH, Nov 18: The world's energy watchdog on Saturday forecast that oil demand will increase dramatically over the next 20 years and OPEC countries in the Middle East will remain key producers, reports AFP.

"The volume of world oil demand is projected at close to 115 million barrels per day (bpd) in 2020, compared to 76 million bpd in 2000," said Robert Priddle, executive director of the Paris-based International Energy Agency (IEA).

"There is a very strong role for oil that continues to grow in demand," he told reporters in Riyadh, where he is attending the 7th International Energy Forum -- at an advance launch of the IEA's World Energy Outlook-2000.

"The projections outlined here point to a fossil future, a continuing strong role for oil as a transport fuel and a further expansion of international oil trade."

"The main consuming nations... will become considerably more reliant on oil and gas imports," Priddle said, adding that the "physical world oil resource base is adequate to meet the projected increase in demand to 2020."

"But getting these resources onto the world market will demand large and sustained capital investment," he said.

Priddle said OPEC output from the Middle East would remain "critical, particularly over the period 2010 to 2020."

"There is little doubt that Saudi Arabia, Iran, Iraq, Kuwait, the United Arab Emirates and Qatar have the resources to produce what the world will need from them."

"The key will be for them to attract sufficient, sustained and timely capital investment."

Kenneth Chenault to take over as AmEx CEO

NEW YORK, Nov 18: American Express on Friday announced that 50-year-old Kenneth Chenault would become its new chief executive officer at the end of the year, a move that would make him the first African-American to take the reins of so powerful a US enterprise, reports AFP.

The announcement by the financial services giant was anticipated, but came several months ahead of schedule, as Harvey Golub, the current chief executive, had initially planned to retire in April.

But in a letter to employees, Golub hailed Chenault's exemplary leadership and said the company was in such good shape he was leaving early. He will stay on as chairman of American Express until he steps down in April.

The company's succession plans were disclosed one day after another US corporate giant, Coca-Cola, agreed to commit 192.5 million dollars to settle a class action lawsuit brought on behalf of 2,000 African-American employees who had accused the beverage maker of practising racial discrimination.

Lawyers for the plaintiffs called it the largest settlement ever reached in the United States in a racial discrimination class action and said it would force Coca-Cola to make major changes in the way it treats minority workers.

A civil rights activist in the 1970s, Chenault, the son of a dentist, ultimately decided to work for equality within the Establishment rather than to attack it from without.

Country still faces risks of rising inflation

World Bank update indicates

Star Business Report

The World Bank has said that the government has chosen to take on what appears to be additional risks with regard to macroeconomic stability.

"It is, to some extent, fortuitous that the sizeable growth in fiscal deficit financing and monetisation has not yet caused any major setback in macroeconomic stability," the Bank said in its recent macroeconomic update report.

The Bank also indicated that there is no room for complacency because of the current low inflation rate, as continued monetisation ultimately leads to inflation. It also pointed out that there is a substantial lag between the inflation and the monetary growth rates in Bangladesh.

The recent empirical work suggests that it takes nearly nine months for a one percent-

age point increase in the rate of inflation. It is therefore premature to conclude that the FY00 monetary expansion will not prove to be inflationary," the report said.

The fiscal policy stance pursued in FY00 and likely to be pursued in FY01 has increased the risks of destabilising macroeconomic performance.

The update said due to similar policy in the early and late '80s, macroeconomic stability suffered which later required corrective action.

"Bangladesh is increasingly relying on costlier suppliers credit to finance public sector projects which could be avoided by continuing the reforms stated in the governments Memorandum for Bangladesh Development Forum 2000-2001 together with improved project implementation capacity in

various line ministries," the report said.

Such actions would make available concessional foreign financing and high-quality foreign direct investments, which would obviate the need for relying on domestic financing and high cost quasi-commercial supplier's credit, the report said.

It observed that Bangladesh can overcome these risks through stronger macroeconomic surveillance and by diligently implementing its own reform programmes.

The Bank said that while the current political environment is not particularly conducive to comprehensive progress, it is still possible to proceed with selective reforms and take measures -- such as the passing of appropriate regulatory legislation for the energy and

telecommunications sectors, privatisation of Biman, facilitation of private infrastructure, and continuation of the financial sector reform programme -- which would create the conditions for further reforms.

"Without political will to implement these reforms, the country's poverty reduction aspirations will continue to remain a dream," the report said.

It said that the priority areas of reform include public administration, financial sector, budgeting and public expenditure management, police, judiciary and local government.

The report also said that there is pressure on the balance of payments as the official foreign exchange reserve declined to less than two months of imports.



The five-day 'Induction Course' for the newly-appointed officers of Janata Bank organised by the bank's training institute concluded on Friday. SA Choudhury, Managing Director of the bank, distributed certificates among the participants. S I Bhuiyan, General Manager, and Akram Hossain Khan, Director of the Institute, were also present on the occasion. — JB photo

Weekly ReadyCash Prize Winners

The latest draw of the fortunate prize winners was held last Thursday at the Sobhanbag Sports Style shopping centre. Managing Director of Sports Style, Shaiful Islam Manik, announced the names of the lucky prize winners.

Prizes	Winners	Card No
Lunch/Dinner for two at Park Town Cuisine	Anisur Rahman	6032
Hertz Rent-a-Car	Mrs. Farida Banu	6103
Lunch/Dinner for two at GREATWALL Restaurant	SM Kaiser Ali	6093
Lunch for two at Meal in the Box fast food center	Liaquat H Moghul	6054

The new ReadyCash card holders will become eligible for prizes as soon as they make their first transaction. The winners may collect their prizes from the Public Relations Manager of ReadyCash within 30 days of publishing the winners' list by producing their ReadyCash card transaction vouchers. For details, one may contact at 8125294-7. ReadyCash encourages its cardholders to read The Daily Star every Sunday for a new listing of prize winners.

EU, US to take India, Philippines to WTO over auto row

GENEVA, Nov 18: India and the Philippines will be brought before trade arbitrators by the world's two biggest trading powers, the EU and US, in separate cases over alleged investment restrictions in their automobile industries, the World Trade Organisation (WTO) said on Friday, reports AFP.

The WTO's dispute settlement body agreed Friday to set up panels to look into the complaints against the two countries.

The European Union has brought the case against India over conditions for the granting of import licences for automobile industry products, including issues such as the fixing of an investment minimum and the export of a certain number of products.

The panel will join up with a similar panel set up in July following a complaint by the US against India's investment regime for the automobile industry.

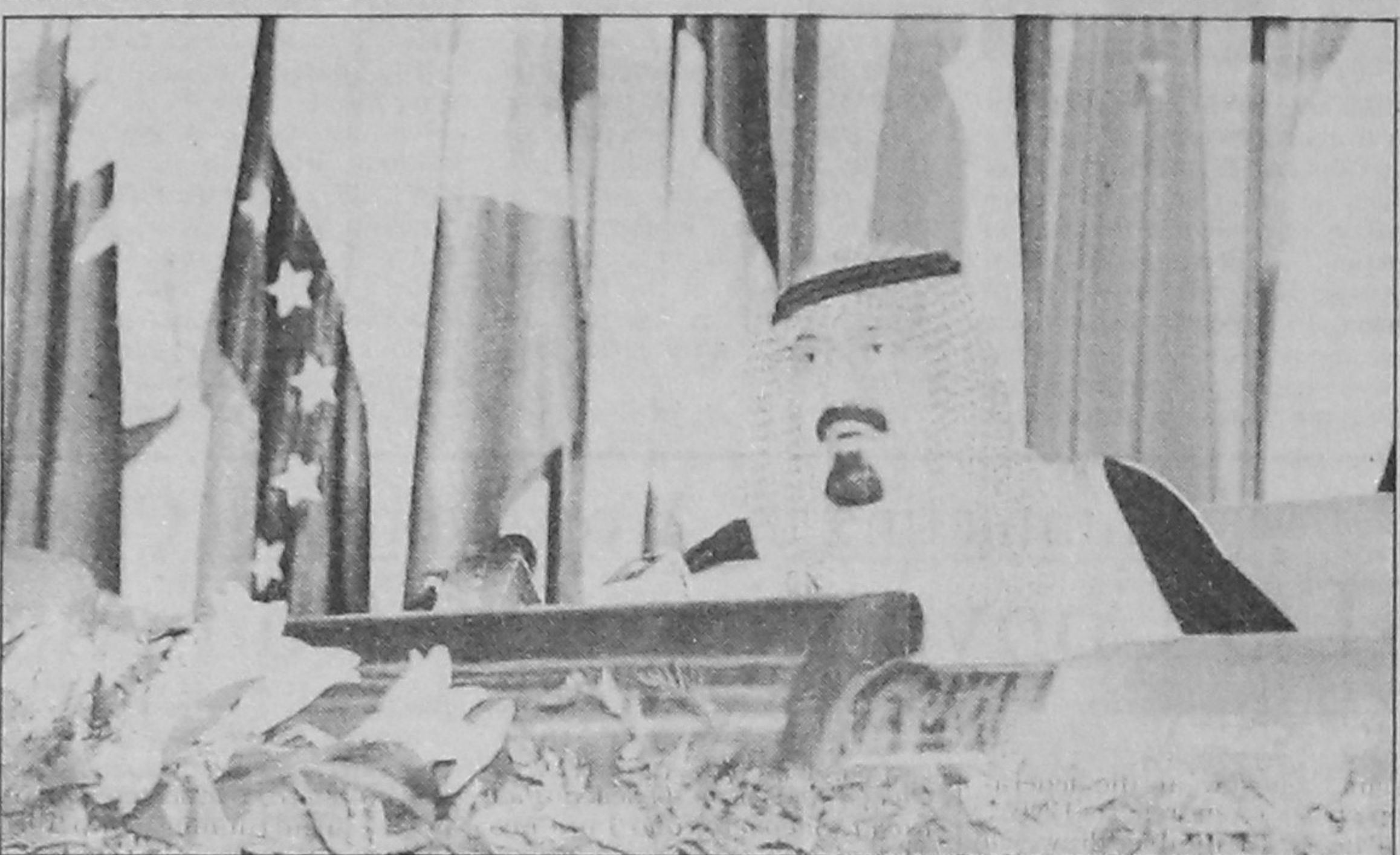
Meanwhile, the US has complained that automobile companies investing in the Philippines must use spare parts produced locally.

US Ambassador to the WTO Rita Hayes told a news briefing the US had been discussing the case with the Philippines over the last year and still hoped to resolve it without the dispute body's involvement.

"Hopefully before the panels are selected we will be able to resolve the issue," she told reporters.

The Philippines is among a number of developing countries which has asked for an extension on the transition period it needs to apply WTO investment measure agreements.

The deadline passed at the start of the year but the WTO's General Council has recommended in May requests for extensions be dealt with favourably.



Saudi Crown Prince Abdullah bin Abdul Aziz attends the opening of the 7th International Energy Forum in Riyadh on Friday. US Energy Secretary Bill Richardson yesterday called for oil at 20-25 US dollars a barrel, warning that at 30 dollars it was damaging the economies of the developing countries. --AFP photo

Asian oil consumers appeal to OPEC for relief

Talks with market heavyweights begin in Riyadh

RIYADH, Nov 18: Key oil dependent Asia nations appealed yesterday to OPEC to provide relief from prices running at over \$30 a barrel, says Reuters.

India and South Korea warned that fragile economic growth was at risk as they gathered for talks with the world's biggest oil exporters in Riyadh.

But opening gambits suggested there is little chance that oil cartel OPEC will provide any more oil -- at least for the moment.

Saudi Arabian Oil Minister Ali al-Naimi said the talks were not intended to end with a formal pact on a common oil price target.

"The intention is to have the parties understand each other and come to some kind of understanding," he told Reuters ahead of the opening ceremony.

OPEC has a target of \$22 to \$28 a barrel for oil prices which are currently around \$33.

The conference opens on

Friday with speeches by Saudi Crown Prince Abdullah and Oil Minister Naimi.

South Korea said its economy had been hit by skyrocketing oil prices. The country's deputy energy minister said he will ask OPEC to lift output to cool the market.

"If prices are not going down, I think they (OPEC) should raise production," Hee-Beom Lee told Reuters in an interview.

Asked if South Korea would ask OPEC nations to increase production at this weekend's meeting, he said: "Yes, I will. I will try."

He said high oil prices had drastically raised South Korea's petroleum-related import bill to an expected \$36 billion dollars for this year, compared to \$23 billion in 1999.

India's petroleum minister Ram Naik said on his arrival in Riyadh he supported OPEC's price band of \$22-\$28 a barrel but said he would propose discount rates for those devel-

oping countries importing oil.

"OPEC's price band of \$22-\$28 should be maintained", Naik said. "But I will propose to the conference a method for discounting rates for oil prices (to developing countries importing oil) and offer credit facilities."

Naik said oil prices above \$30 a barrel were harming India's economy.

We are suffering, there is a slowing down of development in the agricultural and transport sectors," he said.

But Norwegian Oil and Energy Minister Olav Akselsen, responding to the India's proposal, said any serious discussion of the idea was unlikely at these talks.

"That's a bit outside what we're here to discuss," Akselsen said. "India's proposal is more a question of development aid."

UAE Petroleum and Mineral Resources Minister Obaid bin Saif al Nasseri said that discounting crude prices was very

unlikely but arrangements on credit facilities may be possible.

OPEC's price control mechanism is designed to trigger changes in oil output to keep world crude prices within the \$22-\$28 range.

The cartel has raised crude output four times this year, putting an extra 3.7 million barrels a day on the market, but prices have remained stubbornly over \$30.

Iran, OPEC's second biggest producer, saw no need to pump yet more extra oil despite stubbornly high prices, oil minister Bijan Zanganeh said on his arrival.

"We are looking to stabilise the market but we think we have done everything we can. I don't think it's necessary now to do anything more," he said.

The forum brings together more than 40 leading oil producers and consumers including the United States and representatives of the European Union and Japan.

Nepal aims to boost tea output by new policy

KATHMANDU, Nov 18: With the new tea development policy coming into immediate effect, the Nepali government aims to increase the annual production of tea from the existing 8.3 million kg to 46.1 million kg in the next 10 years in order to boost tea export, according to government officials, says Xinhua.

Preliminary estimates show that of the targeted production within the next 10 years, nearly 12.4 million kg will be consumed in Nepal while the rest will be exported to markets abroad, which is expected to bring a profit amounting to 14 billion rupees (189 million US

dollars) annually. Mukti Sharma, executive director of National Tea and Coffee Development Board, told the press today.

Nepal exported 838,000 kg of tea worth 30 million rupees (410,000 dollars) to countries such as Japan, Germany and India in the fiscal year 1998-1999.

The new tea policy will expand the area for tea cultivation from the current five districts to eight and will seek to give many incentives to the tea farmers, said Minister of State for Agriculture Baldev Majgaya at a press conference.

Bank Indonesia chief, deputies resign

JAKARTA, Nov 18: Indonesia's central bank (Bank Indonesia) acting chief Anwar Nasution and all other deputy governors resigned en masse on Friday night to take what they called moral responsibility for several billions of US dollars in emergency support loans extended to bail out commercial banks in 1997-1999, says Xinhua.

Hopefully, our resignation will help speed up the settlement of the controversy over the emergency liquidity loans," Anwar said in statement at the meeting between the government, the House of Representatives and the central bank.

Soon after Anwar announced the resignation, chief economic minister Rizal Ramli said that a final agreement had finally been reached which saved Bank Indonesia from the threat of re-

capitalisation or liquidation, the Jakarta Post daily reported Saturday.

"We have agreed that Bank Indonesia will bear only 24 trillion rupiah (2.6 billion US dollars) of the disputed 144.5 trillion rupiah (16 billion US dollars) in emergency loans with the remainder taken up by the government," Rizal told reporters.

Rizal referred to the row between the government and Bank Indonesia over which should be responsible for the huge spending after the Supreme Audit Agency found in an investigative audit last year that the central bank had improperly extended 130 trillion rupiah of the loans and that 80 trillion rupiah of that sum had been misused by recipient banks.

Darsana Sugar Mills starts production

CHUADANGA, Nov 18: The Darsana Sugar Mills has started its production for the current season began on Friday, says BSS.

The mill has fixed a production target of 12,500 tons of sugar by crushing 1,20,000 tones of sugarcane during the current season.

The recovery percentage of sugar in the mills during the current crushing season has been fixed at 8.40 per cent. The working days of the mill during the current season will be 108 days.

KLM upgrades business class facilities

KUALA LUMPUR, Nov 18: KLM Royal Dutch Airlines (KLM) said Friday it had spent 133 million ringgit (35 million dollars) on new seat designs and food facilities for its business class passengers, reports AFP.

KLM's fleet worldwide had been enhanced with more comfortable business class seating, general manager for Malaysia, Singapore, Indonesia and Brunei Marcel de Nooijer was quoted as saying by Bernama news agency.

This meant fewer premium seats to sell but more personalised attention for passengers, he said after unveiling a plane with the new features.

KLM had also improved its menu for business class passengers, offering a wider selection of food and services, he added.

Earlier, Nooijer announced that KLM had increased its frequency on the Kuala Lumpur/Amsterdam route to seven times a week from four previously following a high load factor averaging 80 per cent per flight.

Juki Corporation chairman due in city today



Taka Yamaoka, Chairman and CEO of Juki Corporation, Japan, the world's leading producer of industrial sewing machine, arrives in Dhaka today on a 3-day official visit to Bangladesh, says a press release.

During the visit, he will go to different garment factories in Dhaka and Chittagong and meet the garments sector leaders.

Yamaoka has a long association with Juki. He is also the son of Ex-president and one of the founder members of the company Ken-ichi Yamaoka. He joined the then Tokyo Juki Industrial Co Ltd in 1966 and was installed as the Director and General Manager of Electronic Equipment Division in the same year.

He was installed as the Senior Managing Director in 1979, and thereafter, in 1983 as the President and Chairman of the board.

From 1999 he is the Chairman and CEO of Juki Corporation, Japan.

In 1953, Juki started selling industrial sewing machines and it has expanded its network all over the world, reflecting its corporate slogan "Technology with Heart".

Now Juki is considered as the world leader in industrial sewing machine and chip mounting equipment.

Jakartans hit by 40pc hike in cab fares

JAKARTA, Nov 18: Taxi fares in the Indonesian capital of Jakarta shot up by 40 per cent Saturday in a move many cab drivers feared would cost them their customers, reports AFP.

The hike, approved by city governor Sutiyoso (Eds: one name), brought the flag for Jakarta's 32 taxi companies to 3,000 rupiah (32 cents) from 2,000 rupiah, and the kilometer rate to 1,300 rupiah from 900 rupiah.

Sutiyoso, in comments carried by newspapers Saturday, said that for three months taxi companies would be barred from raising rental fees for drivers, to compensate for the anticipated drop in customers.

The taxi companies have been split on the fare hike, with up-market groups arguing they have to offset the rising cost of imported spare parts, and the down-market companies fearing loss of trade.