



## Nitol Rider Motor Cycle launched

Star Business Report

Nitoy Motors yesterday launched its own brand motor-cycles in the country under a special credit scheme.

It has set up a factory at Mouchak to assemble four-stroke 100 CC and 125 CC motorcycles under the brand name 'Nitol Rider Motor Cycle'. Under its credit scheme, a customer can own a 125 CC bike by making a down-payment of Tk 29,000. The balance amount can be paid in 48 equal installments of Tk 1488.

Speaking at the launching ceremony, Communications Minister Anwar Hossain Manju said the credit scheme will help meet the transport demand of the common people.

He observed that motorcycles will have a good market because of the road conditions in the country. The two-wheelers will be an easy mode of transport because of the severe traffic jam, he said.

Abdul Matlib Ahmad, Chairman of Nitol Group, said reduction of VAT on motorcycles from 15 per cent to five per cent and lowering of registration cost can help boost motorcycle demand in the country.

## Sheraton offers spl Year-end Package

As part of the year-end celebrations, Dhaka Sheraton Hotel is offering a special package to guests who will be staying at the hotel between December 7 and January 5, says a press release.

The Year-end Special Package will enable guests to enjoy a very special room rate with attractive inclusions during the holiday season.

At only \$50 for single occupancy and \$55 for double occupancy, guests can enjoy the following:

- Accommodation in newly-refurbished Superior Rooms
- Complimentary buffet breakfast at the Bithika Restaurant
- Complimentary fruit basket on arrival
- Free use of fitness centre
- Free access to swimming pool

Free enrollment to Starwood Preferred Programme which will give guests an opportunity to earn points and miles in 700 hotels and more than 29 airlines.

The above room rate is subject to all government taxes and service charge. The offer is limited to all Bangladeshis nationals and foreign residents with valid work permit.

## Spain registers unemployment surge in Nov

MADRID, Dec 6: Spain's registered unemployment climbed for the third straight month in November, rising to 9.19 per cent from 9.11 in October, the government said today, reports Reuters.

"It shows that the economy is slowing down," said Victor de la Morena, an economist at broker All Trading in Madrid. "It's not good news, but it's not concerning."

He added the additional 26,736 people claiming unemployment benefit was in line with market expectations.

Latest economic data has shown Spain's buoyant growth is starting to slow. Last month the European Commission predicted that Spain's economic growth would ease to 3.5 per cent in 2001 and 3.3 per cent in 2002 from 4.1 per cent this year.

Economists said the seasonal impact of waning tourism tends to lift unemployment in the winter months.

## Maruti may hike prices by 5pc

NEW DELHI, Dec 6: India's largest carmaker Maruti Udyog Limited (MUL) is likely to hike prices of its models by about five per cent, sources said yesterday, reports AFP.

Maruti, a joint venture between Japan's Suzuki Motor Corp and the Indian government, has been facing higher input costs in the last few months due to a falling rupee, which makes imports of Japanese components dearer.

A company source told AFP that higher sales tax recently imposed by most Indian states had also made a price hike inevitable.

He said the hike would likely affect prices of all Maruti's small cars including its wildly popular 800 cc runabout, as well as bigger Zen and Alto models.

But the prices of Maruti's luxury car Baleno would not be hit, he said.

Maruti's small cars still hold a lion's share of the Indian market despite the entry of several global auto giants such as Hyundai, Ford, Daewoo, Fiat and General Motors.

# Poverty in micro-credit area falls by 2pc every year

Large-scale survey findings reveal

Star Business Report

Dr Binayak Sen, a senior research fellow of BIDS, yesterday said evidence suggests that the rate of rural poverty reduction was higher in the second half of the '90s compared to the first half.

Mentioning a large-scale survey, he said poverty in the micro-credit research area declined by about 2 per cent every year during 1991-92 to 1998-99 period.

Speaking at a city seminar on "Long-term Impact of Micro-credit Programmes: An Analysis of Panel Household Survey Data From Bangladesh" organised by the Bangladesh Institute of Development Studies (BIDS), he said during the period the

country witnessed a substantial decline in poverty.

There has been a sharp increase in inequality in the distribution of rural income. Per capita income, rural consumption and expenditure in real term went up by 2.6 per cent per year during this period. Dr Sen said at the seminar presided over by Acting Director General of BIDS Zaid Bakht.

The seminar also observed that micro-credit had a positive impact on poverty alleviation.

It mentioned that the poor people of the country could increase their savings and income through various micro-credit programmes.

They said that the number of micro-credit recipients has been on the rise.

Micro-credit activities also led to improved health, nutrition, family planning and women empowerment status in rural areas of the country, the discussants observed.

In his paper "Micro-Credit and Household Savings", Dr AM Latif of BIDS said economic literature suggests that rural credit and rural institutions affect rural savings in a number of ways and that credit-saving relationship is a very close one.

He hoped that increased availability of credit would enable the rural households to

undertake larger productive activities, which will increase their income and savings.

In her research paper on "Micro-Credit and Women's Empowerment", Dr Rita Afsar, research fellow of BIDS, mentioned three dimensions of women empowerment -- economic, political and social.

She said that most women are not directly involved in income generating activities.

A senior economist of the World Bank, Dr Shahidur Rahman Khandaker, said the micro-credit programmes has a solid impact on the per capita income of the rural people, particularly women.

# Bangladesh registers strong industrial growth this year

High oil puts brake on South Asian economic expansion: WB

WASHINGTON, Dec 6: South Asian economies are profiting from improved agricultural and industrial output but high oil prices and uncompetitive exports are acting as a brake on further growth, the World Bank said yesterday, reports AFP.

In its annual survey of developing economies, the Bank painted an upbeat picture of medium and long-term growth for India, Pakistan, Bangladesh and Sri Lanka, while projecting a 5.5 per cent expansion in 2001, following projected growth in 2000 of six per cent.

Better than expected agricultural sector performance in all nations except Sri Lanka had boosted growth outlooks, it said.

India and Bangladesh also boasted growth in industrial production of more than 10 per cent in 2000, the figures for Bangladesh represented a strong comeback from disastrous floods in 1998.

"Recent steps to make South Asian economies more open to capital flows and strengthen the financial system have also supported growth," said the report.

But it warned of a catalogue of factors which will drag on future economic prospects.

"Recent developments in oil markets will restrain growth in the near term," the report said.

"South Asia is one of the more energy import-intensive regions, with crude oil and other energy commodities con-

stituting 20 per cent of total imports in India and 15 per cent in Pakistan."

High oil prices were expected to mean more pressure for the Pakistan government as it struggles with external financing difficulties, the Bank said.

In the long term, India and Pakistan also face major challenges in fulfilling their growth potential, owing to high levels of domestic debt and large fiscal deficits, the report said.

Both countries were also advised to reduce unproductive subsidies and pay more attention to infrastructure development and investment in human capital.

"Also much remains to be done to improve the competi-

tiveness of the region's export industries," it added.

The World Bank estimates growth for South Asia between 2000 and 2010 to reach 5.4 per cent, about 0.3 percentage points higher than in projections prepared a year ago.

At a press briefing on the release of the report, World Bank chief economist Nicholas Stern hailed as "impressive" an increase in India's annual growth rate from 3.5 to six per cent and said it goes higher with reforms in the power distribution sector and public administration.

"With a further deepening in reforms, it is possible to go significantly above six per cent," he said.

## Europe's growth challenged by global slowdown

FRANKFURT, Dec 6: Evidence mounted again yesterday that Europe's strongest growth in a decade was being challenged by a slowdown in the world economy, reports Reuters.

This will curb demand for its exports and stall a crucial engine of the region's recent expansion. Official projections are resolutely robust, but this danger has already prompted downgrades by private forecasters.

That's the bad news. The good news is that data so far points only to a moderation in regional growth, with no reason to fear that the numbers mask a swing from fragile boom to destructive bust.

Risks exist, but they look less dramatic than those sapping confidence in the United States, which has helped the euro climb four cents in barely a week to current levels around \$0.88.

Even oil prices are going in the right direction to calm inflation and foster growth, falling by two dollars to a four month low of \$28.50 as markets negotiations proceed between the United Nations and Iraq which could see Baghdad resume exports.

Fresh European Commission sentiment surveys on Tuesday confirmed that confidence dipped slightly in November, chiming with the latest Reuters eurozone services and composite indices.

Both indicate slower growth ahead, albeit at levels that remain respectable compared with Europe's sclerotic past.

Plus, unemployment continued to fall and the view from the factory floor was quietly confident.

"Fears that the European economic boom will end just two years after it started are too dramatic," said Reinhard Kniss at the German Federation for Industry (BDI), which speaks for some of the largest manufacturers in Europe.

"The main motor of the export boom will lose momentum, but this is due to the US economy and we see no signs of a hard landing or spillover effects for the eurozone," he said.

The European Commission said its monthly economic sentiment indicator for the euro zone fell slightly to 103.2 from 103.3 in October, with gains in Germany, France and Belgium offset by declines elsewhere in Euroland.

Unemployment also continued to decline in October, with the jobless rate dropping to 8.9 per cent from 9.0 per cent in September, the European Union statistics office Eurostat said.



Bugging business?

A number of vendors have set up makeshift shops on most footpaths and over bridges in the city ahead of Eid, making movement of the pedestrians difficult. — Star photo

## Turkey to get \$10b from WB, IMF

ANKARA, Dec 6: Prime Minister Bulent Ecevit said today that the International Monetary Fund (IMF) would provide 10 billion dollars to underpin reform of the Turkish economy, marking a turning point in a two-week financial crisis sparked by problems in the banking sector, reports AFP.

The figure, amounting to about three times the funding given by dealers in financial markets as the amount needed to restore confidence in the Turkish currency and reform policy.

Overnight, the World Bank had signalled in Washington that it was about to consider assistance amounting to five billion dollars, and the United States also expressed support for Turkey.

In Ankara, before Ecevit spoke to a press conference, stressing that the government was still aiming to reduce inflation to 12 per cent next year, the Turkish bank regulatory board had announced action over two banks in trouble.

It said that management of Demirbank was being handed to a central fund which has already taken over administration of 10 ailing banks, and that it was withdrawing the banking licence from Park Investment Bank.

Ecevit declared: "Talks over additional financial resources with the IMF to support a strengthened economic programme have ended in full agreement."

He said: "The details of these

additional resources amounting to 10 billion dollars will be revealed by the treasury under secretary and IMF officials shortly."

Ecevit also said that the Turkish privatisation office would announce by December 14 the terms of a tender for the privatisation of 51 per cent of Turkish Airlines (THY).

He said measures would be announced for the partial privatisation of Turkish Telekom and for privatisation in the electricity sector.

The crisis, sparked by concern about bank reform, had caused the central bank to suspend tight monetary policy.

## Tofail off to Calcutta to attend seminar

Industries Minister Tofail Ahmed left for Calcutta yesterday to attend a two-day international seminar on "Indo-Bangladesh Relations: The New Millennium" aiming to exchange ideas and strengthen trade relations between the two countries, reports UNB.

Calcutta-based Centre for Research in Indo-Bangladesh Relations will organise the seminar to be attended by investors, businessmen, politicians, academicians, diplomats and media personnel from the two countries.

The minister is expected to return home Sunday.

## ADB okays \$140m power loan to Bangladesh

MANILA, Dec 6: The Asian Development Bank (ADB) said today it had approved 158.6 million dollars in loans for Bangladesh and Cambodia to improve their power supplies, reports AFP.

Bangladesh gets a 140 million dollar loan to build a 450-megawatt combined cycle power plant, the first privately-funded power project in the country.

"This will be the most efficient plant in the system, providing energy at the lowest cost," said ADB Project Officer Paolo Lombardo.

ADB is to lend 50 million dollars and the rest will be loans from a syndicate of commercial banks guaranteed by the ADB as well as a loan package from commercial banks under an ADB complementary financing scheme.

US independent power producer AES Corp. and a state-owned Bangladeshi financial institution would provide the balance of the project cost.

Cambodia was granted an 18.6 million dollar soft loan to expand or replace power generation and distribution systems in eight provincial capitals.

## Expatriates remit Tk 6.20cr in Nov

Bangladeshi nationals living abroad remitted about Tk 6.20 crore during the month of November through 7260 foreign money orders, raising the total remittances received during this fiscal to over Tk 28.30 crore, according to a handout, reports UNB.



Monwarul Islam Shahi, Director of Navana Ltd, recently attended the Tokyo Motor Show 2000. At the show, he met Hiroshi Okuda (2nd from right), Chairman of the Board of Directors, Toyota Motor Corporation, Japan. In Tokyo, the Navana Director introduced two key clients - Zahiruddin of Soudia Coach Service and Humayun Kabir of Sakura Poribahan Pvt. Ltd - to Hiroshi Okuda. Navana is the sole distributor of Toyota and Hino vehicles in Bangladesh. — Navana photo

# S Korean foreign investment falters on sell-off delays

SEOUL, Dec 6: South Korea's November foreign direct investment data showed today delays in selling off public and private firms have put the government's \$16 billion target for the year in jeopardy, reports Reuters.

Foreign direct investment plans of \$1.54 billion in November were down 50.5 per cent from the same month last year, the Ministry of Commerce, Industry and Energy said.

LG Electronics and Dutch firm Philips Electronics in late November agreed to merge their television and monitor tube business in a deal that will provide LG with \$1.1 billion.

That put the level for the first 11 months at \$13.71 billion, up just 2.6 per cent from the same period last year, when the year's tally reached \$15.5 billion.

South Korea has billions of dollars worth of companies, both private and public, it hopes to sell, but union opposition and failed talks with would-be buyers have stalled progress.

Workers at Korea Electric Power Corp (KEPCO) have stonewalled plans for the giant utility to spin-off parts of its

business and earlier this week threatened to strike in protest.

Daewoo Motor is also among the companies creditors had hoped to sell this year, but promising talks with US auto giant Ford collapsed in September and the company is again at the bargaining table, this time with General Motors.

"It doesn't help when high-profile deals get delayed or fall through and there have been a number of those in the past two years," said Richard Samuelson, head of research at UBS Warburg in Seoul.

Analysts said delays in high-profile asset sales had not helped South Korea's campaign to attract foreign investment and spur reforms in the wake of the 1997 Asian financial crisis.

"Korea's big problem is that there are competing markets and there are costs involved, like technology transfers and employment that might have occurred," Samuelson said.

The ministry said foreign direct investment in November fell short of a \$2.0-2.5 billion target as deals were delayed due to problems stemming from labour issues.

It attributed November's sharp year-on-year fall to a

high base effect as top conglomerates in 1999 sought foreign investment to meet the government's year-end debt-to-equity ratio requirement of 200 per cent or lower.

Foreign investment plans from Japan in the first 11 months rose 47.3 per cent to \$2.03 billion from a year ago.

Investment from the EU fell 30.0 per cent to \$4.02 billion and plans from US firms fell 38.0 per cent to \$2.18 billion.

Investment in the services sector increased 5.1 per cent from a year ago to \$7.27 billion, while manufacturing sector investment rose 0.8 per cent to \$6.44 billion, the ministry said.

Analysts said foreign direct investment into South Korea would remain steady as government-led restructuring yielded asset sales at cheap valuations.

"Even though the November number shows some showing, I still think it's a good number," said Lim Ji-won, economist at JP Morgan.

As long as we see the restructuring process continuing, we'll see a stable flow," she said.



## 210 MW Khulna Thermal Power Plant Extension Project Invitation for Tender

1. The Government of the People's Republic of Bangladesh has decided to implement one 210 MW Steam Turbine Power Plant Project in Khulna under Supplier's Credit on turn-key basis within the existing Khulna Power Station premises.
2. To implement the said project, Bangladesh Power Development Board (BPDB) now invites sealed tender from eligible tenderers for complete design, engineering, manufacture, inspection, testing, supply, delivery to site, construction, erection, testing and commissioning on turn-key basis including two (2) years warranty period of the said power plant project in Khulna consisting of one unit of 210 MW at site conditions of 35° C ambient temperature, atmospheric pressure 1.013 bar, 98% RH and 32.2° C cooling water temperature at condenser inlet including necessary auxiliaries and ancillaries.
3. All works under the turn-key contract shall be completed within a time period of 1095 days from effective date of contract.
4. Interested eligible tenderers may obtain further information from the office of the Director, Design & Inspection-1, BPDB, 9B, Motijheel Commercial Area, Dhaka-1000.
5. A complete set of tender documents will be available for purchase by any eligible tenderer with effect from 18-12-2000 on submission of a written application to the Director of Purchase, BPDB, WAPDA Building (9th floor), Motijheel C/A, Dhaka-1000, Bangladesh and payment of Tk. 20,000 (twenty thousand) only (non-refundable) in the form of Pay Order or Demand Draft in favour of the Director, Directorate of Purchase, BPDB.
6. Interested tenderers may visit the sites for which they are requested to contact Secretary, BPDB for finalizing the necessary formalities for such visit.
7. Bid documents will be available for sale during office hours till previous day of the closing date of the tender.
8. Bidding procedure
- 8.1 A pre-bid meeting between BPDB and the intending bidders, who have purchased the tender document, will be held before submission of tender and the date, time and venue shall be confirmed later on.
- 8.2 A two-envelope bidding procedure will be followed for the project. One envelope marked "Technical Proposal" will consist of Technical Bid only, without any reference to price and the other envelope marked "Financial Proposal" will consist of "Financial Bid". Failure to follow the above procedure the bid shall not be considered.
- 8.3 The Technical Proposal and Financial Proposal must be delivered to the following address not later than 11:00 AM local time on 19-03-2001 (closing date). Bid submitted beyond schedule time will neither be received nor be accepted.

### Secretary

Bangladesh Power Development Board  
WAPDA Building, (1st floor)  
Motijheel Commercial Area  
Dhaka-1000, Bangladesh  
Phone: 9554209, 9567350  
Fax: 880-2-9564765  
E-mail: chpbd@bol-online.com

- The Technical Proposal will be opened immediately thereafter in presence of tenderer representative, if any.
- 8.4 The Technical Proposal for the project must be accompanied by a bid bond of the sum not less than US\$5,00,000 (five hundred thousand) in the form of an irrevocable and conditional bank guarantee issued by a schedule bank in Bangladesh payable in favour of the Secretary, BPDB.
9. Bids submitted by Fax, Telex, Cable, E-mail & by Post/Courier will not be accepted.
10. BPDB reserves the right to accept or reject any or all the tenders without assigning any reason thereof.

### Secretary

Biddut/Jana-1060(5)/2000-2001  
GD-1123

Bangladesh Power Development Board  
Dhaka, Bangladesh