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The Daily Star BUSINESS

DHAKA, SUNDAY, DECEMBER 10, 2000

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India to offer 25 oil blocks for exploration

NEW DELHI, Dec 9: India will invite bids from private and state-run firms next week for the exploration of 25 oil blocks, Petroleum Minister Ram Naik said Saturday, reports AFP.

He told a business conference 16 of the oil blocks were located offshore and nine on land.

The minister said new oil sources needed to be developed quickly as domestic annual oil production was just 32 million tonnes, compared with annual consumption of 100 million tonnes.

India's total oil reserves are estimated at 28 billion tonnes out of which only 6.85 billion tonnes have so far been discovered.

Naik said the government was investing 75 billion rupees (1.6 billion dollars) to increase the output of the country's largest oil field Bombay High, located off the western Indian coastline.

New corporate sales manager of Scancem



Engineer Sauntra Mutsuddi has recently joined Scancem Bangladesh Limited as its Corporate Sales Manager, says a press release.

He worked in various reputed foreign engineering organisations including Nishimatsu Construction Co Ltd, Chivoda Corporation and Hivosh Corporation of Japan and Snowy Mountain Engineering Corporation International Pty Ltd of Australia in important positions.

He participated in training courses and seminars at home and abroad during his professional life.

Scancem Bangladesh Limited is the producer of world-famous Scancem brand cement, a company within the globally-renowned Heidelberg Zement Group, the third largest cement manufacturer of the world and the largest cement manufacturer in Europe.

Job, consumer data signal softer US economy

WASHINGTON, Dec 9: The US jobless rate rose off its 30-year low and a key gauge of consumer sentiment plummeted, underscoring a softening in the once-booming US economy, says Reuters.

But the government's monthly employment report, a crucial indicator of the economy's strength, also suggested on Friday that wage inflation has crept higher. Some analysts said this might constrain the Federal Reserve as it considers whether to give the economy a lift with a cut in interest rates.

The unemployment rate inched up to 4 per cent in November from October's 3.9 per cent rate, which had been a three-decade low. The Labour Department's report also showed a tepid 94,000 gain in payrolls outside the farm sector.

But in a more dramatic signal of potential economic weakness, the University of Michigan said on Friday that its consumer sentiment index for December slumped to 97.4 in the preliminary reading from a final November reading of 107.6.

"This morning's jobs figures are by no means a smoking gun for the Fed," said Richard Berner, chief US economist at Morgan Stanley Dean Witter in New York. "They don't give the Fed a clear call to ease."

Yet Berner noted job-market weakness always tends to lag slow-downs in the broader economy as employers, who have long been used to competing for workers, are reluctant to lay people off or shelve hiring plans in the early stages of a economic cooling.

He and other economists said the consumer sentiment figures were a loud and clear signal that steep losses in the Nasdaq Composite index are starting to worry Americans, which is likely to translate into slower consumer spending.

Financial markets showed a mixed reaction to the data. Stocks rallied on the assumption the Fed would be more likely to trim rates, but inflation-sensitive bond prices slid as investors fretted about the continued signs of wage inflation.

The Nasdaq composite index ended with a big gain of 163.67 points, or 5.95 per cent, at 2,916.32, according to the latest data, while the Dow Jones industrial average added 95.55 points, or 0.90 per cent, to 10,712.91.

The 94,000 increase in November non-farm payrolls fell short of the 140,000 projected by US economists in a Reuters survey. It followed an event slimmer job gain of 77,000 in October - which was downgraded, revised from the previous report of 137,000.

BGMEA wants key offices open during Eid holidays

Export, import, revenue feared to be hard hit

By Inam Ahmed

As corporate Bangladesh is bracing for long 'holiday' from December 22, the country's business associations may appeal to the government to keep some essential services open to facilitate trade and commerce.

"We will appeal to the government in a day or two to keep at least three key institutions open - Export Promotion Bureau (EPB), the ports and banks - so that the readymade garments (RMG) sector is not hit by this long holiday," said Redwan. "This is an uncalculated situation and we also demand that key organisations be kept open."

A top member of Bangladesh Shippers' Council, MR Ali, said the holiday will not only affect export-oriented industries, but also the import-dependent ones.

"We already have a congestion-like situation at the port and cargo clearance during Ramadan is quite slow. Now, if the operation at the anchorage remains suspended for so long on the eve of Eid, it will wreak havoc," said the Council member.

The special arrangement to keep banks open on December 30 will serve our purpose a little," said Engineer MA Taher, adding "it often takes days to negotiate a document or to open a L.C."

Besides, the revenue collection target for December may also be hit by the long holiday. An NBR official said as exports and activities in domestic industries will remain closed for a long period, collections from these two heads will dip.

Sinha, President of BGMEA. "If it is not possible to keep these offices fully open, they should run with a skeleton staff," said Sinha. "December is a crucial month for the RMG industry because of the quota ending period."

Redwan Ahmed, President of Bangladesh Exporters Association, also made similar observations.

"All exports will be hit by this long holiday," said Redwan. "This is an uncalculated situation and we also demand that key organisations be kept open."

The special arrangement to keep banks open on December 30 will serve our purpose a little," said Engineer MA Taher, adding "it often takes days to negotiate a document or to open a L.C."

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Asia must boost food output to stave off urban hunger: UN

BANGKOK, Dec 9: Over the next decade, hunger in Asia will become primarily an urban phenomenon, forcing Asian states to vastly boost food production to stave off starvation in their cities, the UN said yesterday, reports AFP.

By 2010 almost half the region's inhabitants are likely to reside in cities, a report by the UN's Food and Agricultural Organisation (FAO) said.

"Meeting the expanding and diversified food needs of the rapidly increasing urban population will be one of the greatest challenges facing Asia," it said.

"At present growth rates, food supplies to feed (Asian) urban areas must double every fourteen years" to avoid mass starvation, said an advance copy of the report, titled "Feeding Asian Cities."

The FAO predicted that the population of the Asia-Pacific region will rise by forty per cent by 2010 and that in the near future Asia will have most of the world's largest cities.

Rapid urban growth "is accompanied by an increase in both the number and proportion of poor households living close to or below the poverty line," it said.

Of the world's 800 million chronically undernourished people, over 500 million will live in Asia, it said.

Unless Asian states develop innovative new urban food supply and distribution programmes, many of these poor households will suffer from inadequate nutrition, it said.

Overcrowding and hunger in major Asian cities also could begin to threaten the environment and regional stability, the FAO said.

Asian cities "already face increasing pollution and high incidences of poverty-related diseases," the report said.

Staving off potential disaster will require a multifaceted response, the FAO warned.

Asian nations must utilize "the coordinated interaction of all parties - food producers, transporters, market operators and the myriad of retail sellers," the report said.

"It requires constant improvements in the quality of transport, communication and distribution systems... It requires a shared understanding among city officials of the problems of hunger."

And Asia must also work to boost food safety so that poor urban dwellers who try to feed themselves are not hit by food-borne diseases.

The FAO report was compiled from the results of a regional seminar on food security held in Bangkok from Nov 27 to 30.

Regional and local authorities along with non-governmental organisations and international aid groups from 27 countries, had met in the Thai capital for the seminar.

The Zonal Conference of Jessoro Zone of Golden Life Insurance Limited was held in the Zilla School auditorium recently. A.K.M. Mostafizur Rahman, Managing Director of the company, attended as chief guest along with Kazi Ataur Rahman, SEVP (ADS), and Mazzeul Islam, In-Charge, Bandhu Bima Prakalpa. The conference was presided over by Mohammad Ali, Head Master of Jessoro Zilla School.

- Golden Life photo

Higher oil prices hit Indian govt finances

NEW DELHI, Dec 9: Higher world oil prices will cost the Indian government 40 billion rupees (900 million dollars) in subsidies this year, Finance Minister Yashwant Sinha said today, reports AFP.

Indian, which imports nearly 70 per cent of its oil, raised the price of petroleum products after crude surged to a nine-year high, hovering at more than 30 dollars a barrel this summer before falling in the last two weeks.

But under political pressure the government raised price subsidies to offset part of the increase.



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Iraq hints at exporting oil, offers Palestine 1b euros

BAGHDAD, Dec 9: The Iraqi leadership criticised Saturday the UN Security Council's renewal of the oil-for-food programme but hinted it would resume crude exports under the four-year-old deal, reports AFP.

It also said Iraq wanted to set aside 1 billion euros (almost 900,000 dollars) of its oil revenues to support the Palestinians in their conflict with Israel.

A joint meeting of the decision-making Revolutionary Command Council and ruling Baath party, chaired by President Saddam Hussein, said the programme was no substitute for a lifting of the decade-old sanctions on Iraq.

"The (Security) Council has failed to meet its commitments to Iraq contained in its own resolutions," a government spokesman charged after the meeting, quoted by the official news agency INA.

"This puts into question the legality of these resolutions and their remaining in place, especially as the Council itself has not respected their contents," the spokesman said.

But the Iraqi leadership hinted it would resume exports, suspended since December 1 in a row over a pricing formula for exports, by saying Baghdad wanted 1 billion euros to be set aside for the Palestinians.

The meeting decided to set aside 1 billion euros of Iraq's oil revenues over one year "to support the Palestinians in their uprising against Israel," the spokesman said.

He gave a breakdown of 300 million euros for the families of dead and wounded Palestinians, and those whose property has been damaged in the conflict. The rest would go toward buying food, medicine and other essential goods.

Arab leaders at an October 21-22 summit in Cairo decided to set up two solidarity funds for the Palestinians, worth a total of 1 billion dollars.

US readying textile trade proposal for Singapore

WASHINGTON, Dec 9: US trade officials said yesterday that they hoped to deal with concerns of the domestic textile industry that could complicate efforts to reach a free-trade agreement with Singapore by the Christmas holidays, says Reuters.

"We know that textiles are an important issue," a US trade official told reporters during a briefing on the first week of talks with Singapore. "We believe we can make a proposal to Singapore to address (US manufacturers) concerns."

The American Textile Manufacturers Association, with member companies in 30 states, fears that a free-trade agreement with the Southeast Asian country could open the door to illegal transshipments from China, India and Indonesia.

Reducing the duty on apparel imports from Singapore to zero would increase the incentive for other suppliers to evade US quota restrictions by shipping their goods, through Singapore and labeling them as made in that country, said Cass Johnson, assistant director of trade for the manufacturers' association.

The group would like apparel and textile provisions left out of the agreement so duties on imports from Singapore remain where they are, Johnson told Reuters.

The US trade official, who spoke on the condition that he not be identified, said Singapore and the United States hoped to reach an agreement by Dec 23.

Meanwhile, the US International Trade Commission, an independent fact-finding agency, said on Friday it has been asked by the Clinton administration to do a quick study of the economic impact of a free trade agreement with Singapore.

That report will be delivered to the US Trade Representative's office by Jan 12, the ITC said.

With a population of only 4 million, Singapore is the United States' largest trading partner in Southeast Asia and its 10th largest in the world.

Two-day trade totaled \$34.4 billion in 1999.

Because Singapore's tariffs on most US products are zero and the average US tariff on Singapore products is less than 1 per cent, negotiations will centre on other trade areas.

Four Chinese conglomerates team up for WTO entry

BEIJING, Dec 9: Four large Chinese conglomerates that are all listed in Hong Kong have decided to cooperate in a broad range of fields ahead of China's entry into the World Trade Organization (WTO), state media said on Saturday, reports AFP.

China Everbright Holdings, China Resources (Holdings), China Merchant Holdings and China Travel Service (Holdings) Hong Kong signed the agreement recently. The International Business Daily reported.

"This move is aimed at preparing for the opportunities and challenges arising from China's entry into the WTO," unnamed executives at the companies were quoted as saying.

"It will promote the restructuring and development of Chinese companies listed in Hong Kong, and will help the long-term stability and prosperity of Hong Kong."

DCCI Presidential Award-giving ceremony held

The Dhaka Chamber of Commerce and Industry (DCCI) awarded its best officer, staff and associate employees the Presidential Award-2000 for outstanding performance in different Chamber activities during the year 2000 at a simple ceremony held at the DCCI auditorium yesterday, says a press release.

The Presidential Award for the Best Officer of the Year went to Ferdous Ara Begum, Joint Secretary (Research and Publication), the same for the Best Staff of the Year went to Kazi Mozahidul Islam, Junior Assistant, Accounts Section, while the Best Associate Employee (Special Award) was given to Md Abdus Samad and Hafizuddin Howlader respectively.

The event is the first ever in the history of DCCI and will continue in future.

DCCI President Aftab ul Islam presided over the meeting and distributed certificates, medals and crests among the recipients.

The programme, conducted by the DCCI Senior Vice-President A M Mubash-Shar, was also participated by a number of DCCI Board Members.

Kuwaiti oil earnings top \$8b in 5 months

KUWAIT CITY, Dec 9: Kuwait's oil revenues in the first five months of the 2000-2001 fiscal year have reached 8.29 billion dollars, 32 per cent more than estimates for the entire nine-month year, a think-tank said Saturday, reports AFP.

The independent Al-Shal Economic Consultants said the average price for Kuwaiti oil between July and November was 27.75 dollars a barrel, more than twice the 13 dollars adopted in the budget to calculate oil revenues.

Kuwait's OPEC production quota was 2.037 million barrels per day (bpd) in July to September, 2.101 million in October and was raised to 2.141 million in November.

The emirate's current fiscal year, which started on July 1 and ends on March 31, 2001, was reduced to nine months after parliament decided to bring forward the fiscal year to the start of April from next year.

Oil revenues are projected at 6.27 billion dollars on the basis of a production quota of just 1.98 million bpd and the conservative 13-dollar a barrel price.

The budget is projecting a deficit of 5 billion dollars, but Al-Shal predicts that the emirate would boast the largest surplus in two decades if oil prices remain strong.



DCCI President Aftab ul Islam, Senior Vice-President A M Mubash-Shar and Vice-President Muhammad Golam Mustafa (seated in the centre, right and left respectively) pose with the recipients of the DCCI Presidential Award-2000. The recipients are (Standing from right to left) Best Staff of the Year Kazi Mozahidul Islam, Junior Assistant, Accounts Section; Best Officer of the Year Ferdous Ara Begum, Joint Secretary (Research and Publication); Best Associate Employee (Special Award) Hafizuddin Howlader and Best Associate Employee Md Abdus Samad.

Weekly ReadyCash Prize Winners

The latest draw of the fortunate prize winners was held last Thursday at the Uttara Service Super Store. Managing Director of Service Super Store Kazi Jamil Islam announced the names of the lucky prize winners.

Prizes	Winners	Card No
Lunch/Dinner for two at Park Town Cuisine	Md. Khorshed Alam	6248
Hertz Rent-a-Car	Shahjahan Pathan	6291
Lunch/Dinner for two at GREATWALL Chinese Restaurant	Mirza M. S. Hossain	6280
Lunch for two at Meal in the Box fast food center	Riazul Islam Khan	6306

Prizes for Card Use (November 2000)

Prizes	Winners	Card No
Six-month computer course from Bhuyyan Computer Club	Md. Ali Afzal	4344
Free course from Genetic Computer School, Shantinagar Centre, TOEFI course from Innovative Center	Mohim Hasan	4775
Free Internet Connection and 30 hours browsing	Masud A.H.M. Toudhidul Murshed	4815
FedEx free shipment	Matiya Sultana	5980
FedEx free shipment	Pezwanul Haque	6518
FedEx free shipment	Kazi Zaul Hoque	4519
FedEx free shipment	A.K.M. Manzur Musherec	5568
FedEx free shipment	Shaikh Sharful Alam	5761
Free dinner for two at Sticky Fingers	James Subhro Roy	5583
Free dinner for two at Sticky Fingers	Md. Amanullah	5437
Free dinner for two at Sticky Fingers	Abul Kalam Azad	2959
Free dinner for two at Sticky Fingers	Hossain M. Shakhawat	5123
Free dinner for two at Vintage Restaurant	Md. Mustain Hossain	2089
Free dinner for two at Vintage Restaurant	Shoaib Bin Azad	6082
Free dinner for two at Vintage Restaurant	Shamima Chowdhury	5508
Free dinner for two at Vintage Restaurant	Jahangir Hossain	2732

ReadyCash encourages its card holders to read The Daily Star on every Sunday for a new listing of prize winner.

Sunday Business Solutions

Do you have business problems? Write to us at:

Sunday Business Solutions
The Daily Star, 19, Kawan Bazar, Dhaka, Bangladesh, email: dstar@bangla.net

Sarwar Ahmed MBA (sarwar@asia.com) hosts this column. He heads a business sector of a multinational company in Bangladesh.

The Daily Star has introduced a new business solution column which appears on Saturdays. While running your business you come across problems and wish someone would help. This column will provide you with insights to solve your problems.

EID BONUS

Q: It is nearly Eid time - and I am sure like most firms, our employees will ask for an Eid bonus in spite of agreements of paying bonuses at different times. What do you do for not giving out uncalled for bonuses? Harassed

A: The answer is simple - why not have bonuses paid in Eid? You can change your contracts with your employees to make the same bonus payments as you do every year - but time it with the two Eids (or for Durga Puja for the Hindus) and one at the end of the year (school bills, license renewal fees all pile up towards the end of the year, anyway).

In case you cannot do this for the time being, here are some other thoughts. A really first is your management's credibility with the rest of the organisation. Is there enough trust so that your people will believe you when you say, sorry we can't pay beyond our means? Even if there will be grumbling in the corridors, people won't grudge you the bonus.

However, if your trust level is way below normal - you can head for trouble. Dissatisfaction can turn nasty - cat-calls posters, name calling and the usual round of processions etc. can bring your business to a grinding halt - not to mention the further erosion of goodwill and trust - within and outside the organisation.

How do you build trust? It isn't easy and it takes time. Your business has to be transparent. Your dealings with your employees have to be perceived as fair, not arbitrary. This requires lots of hard work!

In case you cannot afford to give out a bonus (budget restrictions, etc.) - you can still give it out as an advance and adjust it with bonus to be paid later. Make it clear to your employees though! What more can you do? Think long term.

Build trust so that your employees have faith in you. That's a number one requisite. Can you share business information with your employees? If you are the kind who thinks this is a secret, then your employees will feel that they cannot be trusted. Nothing works more than giving feedback on business performance, provided the picture is real and not doctored for the benefit of the employees or the outside world.

Share your business successes - don't wait for an Eid to bestow a bonus. Give an unexpected bonus (if you don't have the heart to give one, give half, a quarter - anything when it is least expected - relating it with the business success. Your people will give their heads and hearts for you.

Business runs on the cohs of people. Benevolence at the time of festivals adds the oil to the cohs that keep your business running smoothly. Make use of Eid as an opportunity to create goodwill not grudges.

French jobless rate falls to lowest level since 1991

PARIS, Dec 9: France's unemployment rate posted another large fall to hit 9.4 per cent in October, its lowest rate since June 1991, the Labour Ministry said, reports Reuters.

Economists said the latest jobs data, coming after a slight slowdown in French gross domestic product growth in the third quarter and a weakening in business sentiment, was a reassuring signal.

"This is good news once more, confirming the employment dynamics in spite of a slight slowdown in activity. The jobless register exists are rather numerous, and the improvement concerns all categories of jobseekers," said Philippe Waechter, economist at Banque Populaire Asset Management.

Official government data for the euro zone's second largest economy showed the total number of unemployed fell by 54,700 to 2,215,500 in October from 2,270,200 in September, amounting to a 2.4 per cent drop on a monthly basis.

Based on International Labour Organisation calculations, the number of jobless fell 1.3 per cent, or 33,000, to stand at 2,457,000 in October, a 14.7 per cent decline from the same month a year earlier.

The October fall followed an unexpectedly-large 2.5 per cent September decline.

"This is good for consumer spending, in spite of a gloomier overall context due notably to the impact of the oil shock. And it shows that even if the latest French growth peak is behind us, we're on a trend of sustained growth," said Virginie Sue, economist at Meeschart Rousselet.

LatAm, Caribbean states to set up common trade goals

SAN PEDRO SULA, Honduras, Dec 9: Foreign ministers from 25 northern Latin American and Caribbean nations ended a regional meeting on Thursday, establishing committees to set common trade and environmental goals, says Reuters.

The officials from Central America, Mexico, Venezuela, Colombia and the Caribbean formed committees to define common regional policies for trade, air and sea transport, tourism and the prevention and management of natural disasters.

Policy-makers were gathered for the annual Council of Ministers for the Association of Caribbean States.

"We have advanced in the area of cohesion and integration of the Association and have progressed towards a new era driven by globalization and by our needs," said Barbados Foreign Affairs Minister Billie Miller.

Discussions for the approval of a zone for common trade and cooperation, tourism and air and marine transport were postponed until November 2001, the next time minister are scheduled to meet.

Miller said this week's meetings "reaffirmed the Caribbean identity and the need to progress along a common path."

The Association of Caribbean States was created in 1994 to help drive economic integration in the region, home to some 220 million people.