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# The Daily Star BUSINESS

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## Sonali Bank plans 3 more branches in India

In the wake of increasing import and export trade volume on land routes between Bangladesh and India, Sonali Bank has taken a plan to open its branches in Shilliguri, Shilong and Malda, India, shortly, reports BSS.

According to the bank sources, the Sonali Bank has got permission from the Indian authorities to operate a full-fledged branch in Shilliguri. The Shilliguri branch is expected to start operation in late March next year.

Presently, the bank has only one branch in Calcutta.

The sources said the proposed Shilliguri, Shilong and Malda branches would help smooth holding of import and export trade between the two countries through using the land routes at Baruniari in Dinajpur District, Jalong in Sylhet district and Sona Masjid in Chapainawabganj district.

The sources further said that the operation of these branches would help facilitate the importers and exporters to process their document and letter of Credit (LC) transaction smoothly.

This will also enable the bank to ensure better management of its investments in the import-export trade between the two countries. Presently, such transactions are being processed by inter-banking arrangement consuming much time, the sources added.

## Workshop on forex held at StanChart Grindlays

A workshop on "Foreign Currency and Foreign Trade" was held recently at the office of Standard Chartered Grindlays Bank, says a press release.

Corporate banking officials of both Standard Chartered Grindlays and Standard Chartered Bank took part in the workshop.

The workshop was divided into four sessions namely Foreign Exchange, Foreign Trade, Foreign Investment and Standard Chartered Overview, New Economy and E-Commerce.

The main objective of the workshop was to enhance the knowledge of the participants about foreign exchange rate calculations and products, current scenario and operations of the foreign exchange markets, foreign trade and its tools. This included existing as well as forthcoming prospective foreign trade products.

At the concluding ceremony, Muhammad A. Ali, Chief Executive Officer of Standard Chartered Grindlays and Senior Representative of Standard Chartered Group, handed over certificates to the participants.

## DPRK rejects trip by US businessmen

SEOUL, Dec 10: North Korea refused at the last minute to allow the entry of a delegation of Seoul-based US businessmen seeking investment opportunities in the communist nation, reports said today, reports AFP.

The 12-member delegation from the American Chamber of Commerce (AMCHAM) in Korea was refused visas by the North Korean embassy in Beijing on Saturday and returned to Seoul, according to a senior chamber official quoted by Yonhap news agency.

## Siemens in power system deal with Baridhara Mosque

An agreement was signed between Baridhara Jama Masjid and Islamic Centre, Baridhara Residential Area, Dhaka, and Siemens Bangladesh Ltd yesterday, says a press release.

Under the deal, Siemens Bangladesh will provide on turnkey basis the complete power supply system of the Islamic centre. This will include electrical substation comprising switchgear, transformer and standby diesel generator with automatic mains failure panel to fulfil the centre's entire power requirement.

Besides having prayer facilities for both men and women, this centre will have the provision for a library and conference facilities for holding national and international seminars, and will be fully air-conditioned.

The agreement was signed by Badur Rahman, Secretary, Rural Development and Co-operatives Division, Ministry of LGED and Co-operatives and President of the Management Committee of the mosque, and Dr. Peter Albrich, Managing Director and CEO of Siemens Bangladesh Ltd.

## JBIC DG in city to review projects

Director General of the Tokyo-based Japan Bank for International Cooperation (JBIC) Yuji Morimoto arrived in the city yesterday on a three-day visit to review a number of the bank's projects, reports BSS.

Morimoto, who is in charge of the Overseas Development Assistance (ODA) operations to China, Mongolia, Vietnam, Laos, Cambodia, Sri Lanka and Bangladesh, will review, among other projects, the Chittagong Airport Development Project.

Currently JBIC is in dialogue with concerned officials of the

government about the measures to be taken to attract more aircraft and passengers at Chittagong Airport.

During his stay in Bangladesh, Morimoto is expected to meet the minister for finance and the minister for civil aviation as well as senior officials of the Economic Relations Division (ERD).

He will also pay a visit to Haripur Power Plant, being assisted by JBIC. JBIC extended SAPI (Special Assistance for Project Implementation) — a JBIC grant assistance to facilitate the project implementation,

to Haripur Power Plant.

As a part of the ongoing power sector reform, the SAPI to Haripur Power Plant is being carried out to suggest measures to efficiently run the power plant as a Strategic Business Unit (SBU).

With the cooperation of JICA (Japan International Cooperation Agency), SAPI experts are currently working on efficient management of the plant from technical, financial and administrative points of view.

Morimoto will leave Dhaka on December 12.



Muhammad A. Ali, Chief Executive Officer of Standard Chartered Grindlays and Senior Representative of Standard Chartered Group, is seen with the participants of the Foreign Exchange and Foreign Trade Workshop held at the offices of the bank recently.

## China mulls drastic steps to prepare for WTO

25,000 township govts to be abolished

BEIJING, Dec 10: China is mulling the elimination of some 25,000 township governments in a move expected to help cushion Chinese farmers from the upcoming impact of the country's entry into the World Trade Organisation (WTO), state press said Sunday, reports AFP.

"Institutional reform is the key to increasing farmer's incomes and reducing their financial burdens," Chen Xiwen, an expert at the Development Research Center of the State Council, was quoted by the China Daily Business Weekly as saying.

Reform should include the removal of some 25,000 township governments across China which would also work to invigorate county-level governments while giving farmers a bigger say in village-level management, he said.

Some of the biggest chal-

lenges facing China following its expected entry into the WTO early next year are seen as coming from the agricultural sector, on which some two thirds of China's population of 1.3 billion people live.

Competition by foreign imports is expected to be fierce due to China's outdated farming practices, small plots of land, lingering effects from a planned agricultural economy and imperfect market conditions.

"WTO accession will put Chinese farmers in a tight corner as cheaper foreign agricultural products flood in," Chen said.

According to Chinese statistics domestic wheat prices are currently 75 per cent higher than that on the international market, while the price of corn is 63 per cent higher and the price of cotton is 12 per cent

higher, the report said.

Such a situation has been due to high central government procurement prices that have been part and parcel of the government's long-term efforts to keep rural incomes rising.

Meanwhile, local governments have often engaged centrally-subsidised grain prices by levying "chaotic fees" and increasing taxes on local farmers.

Although China's rural incomes kept pace with double-digit economic growth for much of the 1990s, during the last three years per capita rural income has largely stagnated with rural incomes rising only 2.5 per cent in the first nine months of the year.

The government views income growth as key to social stability and has pledged to keep rural income growth on a par with growth in per capita urban income.

## India faces mail pile-up amid marathon postal strike

NEW DELHI, Dec 10: India's hundreds of thousands of postal workers refused to end an almost week-long strike on Sunday over better wages as the stoppage led to a mammoth pile-up of mail, reports AFP.

Union leaders spearheading the strike by around 600,000 workers, said it would not be called off until New Delhi accepted their demands — which include higher wages, pensions and new employment benefits.

The strikers are also demanding ranks equal to civil servants.

"The strike is on. We are waiting for an invitation from the government for another round of talks," said a spokesman from the National Federation of Postal Organisations on the sixth day of the strike.

He said the boycott, the second by Indian postal workers since May, will remain in place and there would be no work at India's estimated 150,000 post offices on Monday.

New Delhi has sought the help of the Army Postal Services, but rail mail workers have joined the strike, dealing a

crippling blow to efforts to sort out the mountains of abandoned mail across India.

Experts say even if the strike, which is backed by three national-level trade unions, is called off, it could take up to 10 days to clear the backlog and restore services to normal.

"The postal strike has not only affected the common man but trade, industry and banking services are severely hit," an official from the Federation of Indian Chambers of Commerce and Industry said.

## Japan faced with delicate task in complaints over China textiles

TOKYO, Dec 10: Japan's free-trade rhetoric with Asian partners is under threat from a complaint by Japanese textile companies against a flood of cheap Chinese imports, officials say, reports AFP.

Sectors of the Japanese textile industry are discussing whether to ask the Ministry of International Trade and Industry (MITI) to invoke article 19 of the General Agreement on Tariffs and Trade against the Chinese imports.

The article of the GATT, the precursor of the World Trade Organisation, allows quotas after a sudden spike in imports. It would be the first time Japan, which is stepping up a free-trade drive with regional partners, had invoked it.

In October, imports of Chinese textile goods soared 31.2 per cent year-on-year to be worth nearly 200 billion yen

(1.8 billion dollars).

The application (by companies to invoke article 19) has not been submitted yet but it is true that part of the textile industry is interested," said Akihiko Tamura, deputy director of WTO affairs at MITI.

"There is no consensus within the industry," he said.

But if the procedure is invoked, according to a European trade official in Tokyo, "it would be a major step back that contradicts the general trend of Asian integration."

Japan will start free-trade agreement (FTA) talks with Singapore early next year, and other prospective FTA partners are South Korea, Mexico and Malaysia. Apart from Singapore, all the possible partners have major textile sectors.

Some in Japan itself are worried about the consequences

of a move to limit Chinese textile imports, including Fast Retailing Co. (known by its UNIQLO brand), a hugely successful retailer of clothing "Made in China".

"Such a decision would be very bad for Japanese consumers," said UNIQLO marketing chief Genichi Tamatsuka, putting the prospect of anti-Chinese safeguards as "unlikely."

Any decision to erect safeguards would be temporary and with strings attached, said Japan External Trade Organisation chairman Noboru Hatakeyama, an influential proponent of Japan's shift towards bilateral FTAs.

"We require the industry to supply a restructuring plan," said MITI's Tamura.

The industry has already



Md Nazrul Islam Mazumder, Chairman of the Board of Directors of Exim Bank, inaugurates the bank's Gulshan branch yesterday.

## Number of Indian Internet users is anybody's guess

NEW DELHI, Dec 10: Discrepancies over the estimated number of Internet users in India is upsetting the business strategy of many a dot.com company, say software industry watchers and analysts, reports AFP.

"If you do not know what your potential market is going to be in terms of numbers, how will you draw up any business plan?" said Vineet Narang, Vice-president of New Delhi-based FCS Software solutions.

Studies by established market research agencies indicate the number could vary anywhere between two and five million.

"The discrepancy is because there is no clear definition of the Internet user," said Mohan Krishna, research director with

the Indian Market Research Bureau (IMRB).

An IMRB survey, which only counts core users — those who use the Internet at least once a week for 30 minutes and for more than just sending an e-mail — says there are 2.2 million Internet users in India.

Another survey by Gartner (India) puts the number at 3.1 million, while a third by NASSCOM, an association of software companies counts 4.8 million.

According to IMRB, other studies have counted people who have used the Internet just once in the past three months.

Sometimes, the number of Internet users are also hyped up intentionally — "just to keep the market going," Krishna said.

However according to

Narang, the recent shake-up in the Indian dot.com sector can partly be attributed to people rushing in to launch web sites and portals without a clue about who their customers or audiences are.

"Most people launched portals thinking they will click. So you had a plethora of portals offering you-name-it services and no or fewer-than-expected takers, making all business plans go awry," Narang said.

But even if one resolves the debate of numbers, "the figure of two to five million users is still too small to sustain the number of people launching e-business," said Arvind Mahajan, head of e-business strategy and consulting at Price Waterhouse Coopers.



A visitor (R) having a look at products put on display at the two-day Malaysian Soap Noodles Expo 2000, which began at a city hotel yesterday.

## New body of BHMMA Dhaka Circle formed

A new committee of the Dhaka Circle of Bangladesh Hardware and Machinery Merchants Association (BHMMA) was formed on Saturday for 2000-2002 term, says a press release.

Shaukat Ali Khan has been elected Circle President while Muhammad Ibrahim (Biddut) and Muhammad Ibrahim Vice-President and Treasurer respectively.

Among other leading businessmen of Nawabpur, Md Kamal Hussain Kamal, Motiur Rahman, Mohsin Ali, Abdur Rashid, Nur Muhammad were present at the election.

## Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against Taka to clients					
Currency	Selling TT & OD	Selling BC	Buying TT Clean	Buying OD Sight Export Bill	Buying OD Transfer
US Dollar	54.2500	54.2800	53.8150	53.6970	53.6250
Pound STG	79.2159	79.2597	77.4505	77.2807	77.1771
Deutsche Mark	24.9971	25.0109	23.9602	23.9077	23.8756
Swiss Franc	32.0721	32.0899	31.4248	31.3559	31.3139
Japanese Yen	0.4332	0.4335	0.4801	0.4791	0.4784
Dutch Guilder	22.1854	22.1976	21.2651	21.2185	21.1900
Danish Krona	6.4574	6.4610	6.3273	6.3134	6.3050
Australian \$	30.2878	30.3045	28.9417	28.8782	28.8393
Belgian Franc	1.2120	1.2126	1.1617	1.1591	1.1576
Canadian \$	36.1185	36.1385	35.1044	35.0274	34.9804
French Franc	7.4532	7.4574	7.1441	7.1284	7.1189
Hong Kong \$	6.9709	6.9748	6.8881	6.8730	6.8637
Italian Lira	0.0252	0.0253	0.0242	0.0241	0.0241
Singapore \$	31.6142	31.6317	30.6289	30.5618	30.5208
Euro	48.8901	48.9171	46.8621	46.7593	46.6967
Saudi Rial	14.5334	14.5114	14.3095	14.2781	14.2589

  

Bill buying rates					
TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
53.7512	53.3665	52.9181	52.4696	52.0212	51.1243

  

US dollar London Interbank Offered Rate (LIBOR)					
Buying (\$)	Selling (\$)	Currency	1 Month	3 Months	6 Months
53.6250	54.2500	USD	6.71750	5.57000	6.44875
77.1771	79.2159	GBP	5.99250	5.99000	5.94338
Cash/TC	Cash/TC	EURO	4.96276	4.95325	4.93113

  

Exchange rates of some Asian currencies against US dollars					
Indian Rupee	46.7306	Pak Rupee	57.6057	Thai Baht	49.6004
Malaysian Ringgit	3.7599	Indonesian Rupiah	9500.9600	Korean Won	1189.1192

**Amex notes on Sunday's market**

The interbank market was moderately active today because of weekend in the international market. The USD/BDT rate has remained at the previous range of 53.9450-53.95. The call money market was very active. Demand for call money was very high as individual clients have been withdrawing cash from banks before Eid and decreased the Taka liquidity of the market. The average call rates have gone up further from the previous range and reached around 9.25 per cent range.

The dollar tumbled against the euro in late New York trade Friday after Florida Supreme Court kept Al Gore's White House hopes alive by ordering a manual recount of disputed votes cast in the presidential election. The 4-3 decision in favour of Gore shocked markets, which had been looking for resolution in the month old dispute. The dollar, which had been gaining ground against the euro all session turned tail, sending the euro from lows near 88 cents to 88.70 in a matter of minutes. It remained under pressure in late trade, flirting with 88.90.

The US currency also pared its gains against the Japanese yen, closing just below 111, unchanged from Thursday's close. Sterling rose against the euro and the dollar on Friday amid merger-related buying, outperforming gains the dollar racked up against the single currency. The Swiss franc ended off lows against the dollar after the Swiss National Bank left interest rates unchanged, as expected, and said it detected no major inflationary pressure on the horizon.

In New York on Friday, the majors closed against US \$ at 110.99/111.09 JPY, 1.701/1.7025 CHF, Euro at \$0.8858/0.8862 and GBP at \$1.4492/1.4502.

## IPDC okays Tk 517m investment

The Board of Directors of Industrial Promotion and Development Company of Bangladesh Limited (IPDC) approved Tk 517 million industrial investment on Thursday, says a press release.

The approval was given at the 68th meeting of the Board held under the chairmanship of Al-Ameen Chaudhury, Secretary of the Ministry of Industries.

IPDC Directors and alternate from the government of Bangladesh, Commonwealth Development Corporation (CDC), International Finance Corporation (IFC) and Aga Khan Fund for Economic Development (AKFED) also attended the meeting.

The Board considered investments in sub-sectors like housing finance, mutual funds, telecommunications, poultry feeds project, PP kraft paper sack plant, textile spinning mills, gravure cylinder making plant for printing press, cold rolled project and textile weaving, dyeing and finishing projects.

Total approved financial assistance is Tk. 517.0 m comprising Tk 155.0 m equity and Tk. 362.0 m loan and lease.

The Board also approved the annual budget for the year 2001.

## Supply of urea to continue on holidays save Eid day

The supply of Urea from all the fertiliser factories and buffer go-downs under Bangladesh Chemical Industries Corporation (BCIC) would continue on government holidays except the Eid-ul-Fitr day, reports BSS.

All the dealers of BCIC have been requested to deposit their money for the allotment of the current month within December 20 next, as the transactions of banks will remain closed from December 22 to December 31, said a BCIC press release in the city yesterday.

BCIC has already sent its request letter to all dealers through deputy commissioners to make payment for the December allotment.

BCIC has adequate stock of urea in its go-downs and factories to meet increased demand of the farmers. In addition to the requirement for the month of December BCIC has made arrangement for meeting the demand of the coming three months through import and production in BCIC factories, the release added.

## Malaysian Soap Noodles Expo ends in city today

A two-day Malaysian Soap Noodles Expo is being held at Pan Pacific Sonargaon hotel in the city.

The fair, which began yesterday, will end today.

Six international and 4 national companies are participating in the exhibition.

The Expo was inaugurated by Mohd Yousuf Ahmad, High Commissioner of the Malaysian High Commission in Dhaka.

Aujan Chowdhury, Managing Director of Square Toilettes Ltd was the special guest on the occasion.

Speaking at a press conference organised by the Malaysian Palm Oil Promotion Council (MPOPC) on the occasion A K M Fakhru Alam, country manager of MPOPC, Ahmad Ibrahim, Director of Promotion and Marketing of MPOPC, Malaysia and Theo Vervoort of Unilever who are the biggest exporter of soap noodles to Bangladesh explained to journalists the importance and role of palm oil in soaps and the reason behind holding the exhibition.

The exhibition will remain open for public from 10 am to 8.30 pm.

This is the first time that such an exhibition is being held by the council in Bangladesh and will be held every year.

The exhibition is managed by Conference and Exhibition Management Services.

## WB suspends assistance to Ecuador

QUITO, Dec 10: The World Bank (WB) has decided to suspend all the assistance it was providing to Ecuador after the country's Constitutional Court declared an investment promotion law "unconstitutional" Friday, local press reports said Saturday, reports Xinhua.

All the assistance from the WB will be under suspension until the government finds an alternative to the Investments and Citizen Participation Promotion Law, also known as Trole 2, the reports said.