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ING Barings says S'pore Telecom set to be Asia's leading player

SINGAPORE, Dec 11: Singapore Telecommunications Ltd. (SingTel) is set to become the leading telecom player in Asia, Dutch banking group ING Barings said Monday in a report, reports AFP.

The city-state's dominant carrier strategy of investing its strong cash holdings in high-growth areas across the region is expected to pay dividends. "We expect Singapore Telecom to continue its offshore strategy, and we think the investment portfolio will grow by at least one billion Singapore dollars (\$80,000 US) and mature over the next few years."

SingTel has strategic stakes in mobile operators based in Thailand, the Philippines and India, and also has investments in Taiwan and Indonesia.

The bank issued a "buy" recommendation on the stock, setting a 12-month price target of 3.83 Singapore dollars. The shares closed Monday at 2.78 dollars a piece, up 11 cents from Friday's close.

Liberalisation of the local telecom market in April, one year ahead of schedule, would only have a marginal impact on the carrier, the bank said.

Handloom, silk units sickening Production hit hard by high raw material cost

By Nazrul Islam

Two traditional base units of the textile sector linkage industry - handloom and silk - are faced with acute crisis in producing fabrics, which is badly affecting the country's economy.

A recent Textile Ministry report revealed that the conventional handloom units, the second largest employment generators in the country's rural areas, have been reduced to half as far as their size and production are concerned.

These handloom units play an important role in the country's economy, accounting for more than 60 per cent of the total fabric production," the report said.

But ironically enough, these units have tumbled in producing half their capacity since this sub-sector is faced with severe problems including high rates of raw materials, said an official.

The ministry identified that high price of thread and other

raw materials for the handlooms, scarcity of fabric processing chemicals and their supply, marketing hitches, dearth of capital and credit facilities are hindering the production of the handloom units across the country.

Presently, the handloom units are producing some 55 crore metre fabrics of different kinds against their production capacity of 105.5 crore metre per year.

Similar conditions are also persisting in the silk yarn production units, another important component of the textile sector. Production in these units has fallen mainly because of widespread poverty.

Urban women, who are engaged in the silk production, are widely poverty-stricken and find it really hard to carry on with their business without financial support.

Though the government took steps towards making the sub-

sector more productive, the country is still far from recouping its lost glory in silk production, said a senior official in the Silk Board.

Officials at the Bangladesh Handloom Board said that the government had planned to reduce duty on raw materials to improve the conditions of the rural weavers by providing supports. Weavers are being trained on semi-automatic machines to improve their designs and quality of weaving, they said.

The Board also undertook four projects at a cost of Tk 89.92 crore to better both the quality and quantity of handloom goods. These include a Tk 24.42 crore project for setting up Mirpur Benarashi Pali in Dhaka, Tk 50 crore micro-credit project for small and marginal weavers across the country, setting up of Ishardi Benarashi Pali in Pabna and another Tk 13.25 crore credit scheme for weavers affected in the 1998

flood.

Bangladesh Silk Board has in the meantime taken several measures to improve silk output and the condition of the rural poor people engaged in it.

The government has chalked out an elaborate and sustainable programme for the overall development of silk production and to regain its past glory. Under it, six projects are being implemented at a cost of Tk 32.1 crore.

Meanwhile, a Tk 13.95 crore World Bank-financed project aims at introducing new technology in silk industry through strengthening the existing national institute. The project is expected to be completed by 2002.

The Ministry of Textiles has projected a cost of Tk 58,061 crore for the development of the country's linkage industries to meet the internal and export demands following expiry of the quota system in 2005.



Hans G Winsens of Sonargaon Hotel and ECSR Muttupulle, CEO of Vanik Bangladesh Limited, exchange the documents of the recently-signed deal under which the hotel came under Vanik Credit Card network. Also present were Atique Rahman (Director of Operations) and AKM Monirul Islam (Financial Controller) of Sonargaon Hotel along with IC Ivor Pratab (Senior Vice President) and Sanjayat Rahman of Vanik Bangladesh. - Grey photo

Vodafone to buy 15 pc stake in Japan Telecom

TOKYO, Dec 11: Vodafone PLC, Britain's major telecom carrier, is in the final stage of talks to acquire a 15 per cent stake in Japan's third-largest telecommunications company, a Japanese news media said Monday, reports AP.

Vodafone, the largest mobile phone operator in Britain, is considering purchasing shares in Japan Telecom Co. for at total 275 billion yen (\$2.5 billion). Kyodo News agency said, quoting unidentified industry sources.

Mina Tajima, a spokeswoman of the Tokyo-based Japan Telecom, said the media report was "speculation." She refused to discuss other details, including whether any talks between the two companies were going on.

Kyodo said the deal would make Vodafone the second-largest shareholder in Japan Telecom. It would share the spot with British Telecommunications PLC and AT&T Corp. of the United States, which each hold 15 per cent.



An Iraqi worker carries a sack of imported goods provided under the UN oil-for-food yesterday in Baghdad. Iraq has accepted the renewal of the UN oil-for-food accord for another six months, clearing the way for a resumption of crude exports suspended since December 1. The programme, launched in December 1996, allows sanctions-hit Iraq to export crude oil in six-monthly phases to finance imports of essential goods for its 22-million population. - AFP photo

WB open to North Korean participation

TOKYO, Dec 11: The World Bank is ready to do business with North Korea to help the Stalinist nation continue its emergence from isolation, the Bank's president James Wolfensohn said Monday, reports AFP.

Asked if North Korea could join world financial institutions if it was no longer branded by the United States as a state sponsor of terrorism, Wolfensohn said: "The answer is yes. It is possible."

"It seems at the moment there is a strong political desire to include North Korea in the group of nations that participates in the Bank and the (International Monetary Fund)," he told a news conference in Tokyo.

New dy executive president of IBBL



Nasiruddin Ahmed, an eminent banker, has recently been promoted to Deputy Executive President of Islamic Bank Bangladesh Limited, says a press release.

Prior to his present assignment, he was the Executive Vice-president and Incharge of Operations Division of the bank. He joined the bank as Executive Vice-president.

Nasiruddin is a career banker having 30 years of service to his credit. He joined the then State Bank of Pakistan in 1970 as an Officer. He served in the Agrani Bank in various important capacities including Branch Manager, Zonal Head and Divisional Head for a long time. He is a Diploma Associate of the Institute of Bankers, Bangladesh and has attended training on different aspects of banking.

India to go ahead with power reform despite protests

NEW DELHI, Dec 11: Indian Prime Minister Atal Behari Vajpayee defended Monday a new electricity bill that has triggered protests from power workers fearing the impact of privatisation, reports AFP.

"A new electricity bill is on the anvil... power sector reforms have now entered the stage of consolidation," Vajpayee said at a function here.

Power workers including engineers, threatened an indefinite general strike last week, in case a one-day agitation on Tuesday fails to dissuade the government from going ahead with the privatisation of the energy sector.

The electricity bill is expected to be introduced in the current session of parliament, which ends on December 22, marking the first step towards privatisation.

India needs an estimated 252 billion dollars of investment in the next decade to generate an additional 100,000

megawatts of power to meet its shortfall.

Of India's total generation capacity, nearly a fifth is lost in transmission, distribution and large-scale theft.

"Nearly 80,000 villages do not have access to power... the number of households that have electricity is below 50 per cent," Vajpayee said, adding that bold initiatives were needed to improve the situation.

Since power generation is so capital intensive, the government alone cannot meet all the demands for funds, he said.

State governments are being encouraged to reform so that production and supply become commercial enterprises that are self-sustaining even while benefiting consumers," Vajpayee said.

Top mutual fund eyes insurance business
BOMBAY, Dec 11: India's largest mutual fund, the state-

owned Unit Trust of India (UTI), plans to break into the insurance sector, officials said Monday, reports AFP.

"We are definitely keen to enter the insurance business. Plans are on the drawing board," UTI chairman P.S. Subrahmanyan told AFP on the sidelines of a management school conference.

Subrahmanyan said UTI was looking at both the life and general insurance sectors, but declined to put a time frame on the plans or who would be UTI's partner in any future venture.

"Many people are talking to us," he said, adding that the plans were part of an expansion strategy to build UTI into a major financial service provider.

Unlike several other interested companies we did not believe in signing in-principle agreements for the insurance business early on as there was a lot of uncertainty about government policy.

Sonargaon Hotel comes under Vanik credit card network

Vanik Credit Cards, the only local credit card in Bangladesh, has added The Pan Pacific Sonargaon Hotel to its network, says a press release.

Vanik Credit Cards also went online this month. This new development allows them to provide a superior service to their customers and merchants. Vanik Credit Cards are accepted at over 1500 outlets.

Japan's current account surplus falls in Oct

TOKYO, Dec 11: Higher oil prices pushed Japan's broadest measure of trade 28.6 per cent lower in October from the same month a year ago, the government said Monday, reports AP.

The current account surplus decreased to 769.1 billion yen (\$6.93 billion), measured before adjustment for seasonal factors, the Finance Ministry said.

The current account measures trade in merchandise, services, tourism and investment. It is calculated by determining the difference between Japan's income from foreign sources against payments on foreign obligations. It excludes net capital investments.

Imports in October grew 26.7 per cent from a year ago to 3,392 trillion yen (\$30.55 billion) - a record high figure for a single month.

That sharply outpaced the 7.4 per cent growth in exports and led to the decline in the overall trade surplus, the ministry said. Exports totaled 4,266 trillion yen (\$38.43 billion).

The growth in the value of energy poor Japan's imports to the record high was largely due to more expensive crude oil. Imports, mainly from the Middle East, grew 52.4 per cent on year in value, but only 7.4 per cent in volume, the ministry said.

Crude prices averaged \$31.57 a barrel, up 39.9 per cent from a year ago in October. In yen terms, prices averaged 21,420 yen a barrel, up 41.9 per cent, the ministry said.

Steady growth in imports of electronic equipment, especially from Asian and European Union, also helped boost overall imports.

'Economy class syndrome' sufferers to sue 6 airlines

SYDNEY, Dec 11: At least five major airlines are facing legal action by passengers who suffered "economy-class syndrome", blood clots caused by prolonged sitting in cramped conditions, their lawyer said Monday, reports AFP.

In what is believed to be the first action of its kind in the world, Australian law firm Slater and Gordon, renowned for its successes in class actions against big business, is acting on behalf of 10 people aged from their early 20s to late 60s.

One is the widower of a young woman who died from the syndrome, known as deep vein thrombosis (DVT), after a Qantas flight from Australia to Britain in September.

Another is a young Melbourne woman, Rebecca Brown, who is to sue British Airways over the severe leg cramps she suffered on a flight to London three years ago.

Brown, 24, complained that her leg cramps turned out to be

blood clots that spread to her lungs as soon as she left the flight and she had to spend most of what should have been a European holiday in a London hospital.

The x-rays at hospitals showed seven clots in my lungs which could have easily gone to my brain and killed me," Brown told the Australian newspaper.

"I am totally amazed more people don't know how dangerous long distances can be."

Another passenger, Alan McCarthy, 49, is suing Emirates Airlines because he had never heard of the condition before he collapsed when a blood clot blocked his left lung two weeks after he returned to Australia from a trip to Ireland.

Air France and Air New Zealand are also among the growing list of airlines, which will be issued with writs early in the New Year, Slater and Gordon lawyer Paul Henderson said Monday.

In each of the 10 cases, it is

claimed the airline failed to warn passengers they were exposed to the risk of developing potentially fatal blood clots as a result of sitting for extended periods in cramped conditions.

The condition, by no means unique to airlines or even to long distance travel, is the result of sitting without adequate physical movement for excessive periods of time, doctors say.

But the case comes at a time economy class passengers are complaining of increasingly cramped cabin space caused, they believe, by airlines trying to squeeze more passengers in. Qantas, for one, denies this.

Slater and Gordon solicitor Paul Henderson said the legal action followed the death of Welsh woman Emma Christoffersen, 28, after she left a flight from Melbourne in London in October.



Dr. Shoab Ahmed, Additional Secretary (Banking), Ministry of Finance, hands over loans from BKB Employees Welfare Fund to the employees of the bank for purchasing household and other essentials at Krishi Bank Bhaban Sunday. President of the Fund Managing Director Murshid Kuli Khan, Deputy Managing Director Dr. Muzibur Rahman Khan and other general managers were also present on the occasion. - BKB photo

EU, ASEAN hold first ministerial meeting in over 3 years

VIENTIANE, Dec 11: The European Union and ASEAN kicked off their first ministerial talks in more than three years today, with the atmosphere soured by the issue of Myanmar and the failure of senior European ministers to turn up, says Reuters.

Security concerns also hung over the meeting after a mysterious blast was heard in the sleepy Lao capital Vientiane on Sunday evening. Diplomats said it was not known what had caused the blast, which resulted in no damage or casualties.

Vientiane has been shaken by a series of unexplained bomb attacks this year which have killed at least one person and wounded several. Nobody has claimed responsibility.

Foreign ministers from the Association of South East Asian Nations are attending the talks in Vientiane, but the Europeans are represented mainly by junior ministers.

The official excuse was that the crucial EU summit in Nice,

which has dragged on well past its scheduled conclusion, prevented senior ministers from attending.

But the turnout also illustrated the chilly relations between the two blocs since ASEAN controversially admitted Myanmar in 1997, shortly before the region was battered by an economic crisis that also sapped its political clout.

Gerard Depayre, leader of the European Commission's delegation to the summit, insisted that the EU's level of representation was not intended as a snub to ASEAN.

"There is the unfortunate coincidence with the Nice summit... but behind the level of representation I can assure you there is no hidden motive or intention," Depayre said.

At a colourful opening ceremony, after ministers were sprinkled with petals by women in traditional dress, Lao Prime Minister Sisavath Keobouphang said in a speech that the meeting would inject new life into relations between the two blocs.

"I am convinced that this meeting will be conducted in a spirit of amity and mutual understanding, and will be made a brilliant success for the common benefits of peace and co-operation for the well-being and prosperity of our regions."

Depayre told reporters that while the EU remained deeply concerned about human rights violations in Myanmar, this should not be allowed to undermine relations with ASEAN.

The meeting in Laos marks the first ministerial talks between the two sides since Myanmar joined ASEAN.

"Regarding Myanmar, there has been no weakening of the EU position," he said.

"On the other hand, after three years of interruption, we considered that we should not hold our very important relationship with ASEAN hostage to the situation in one country."

But Myanmar is likely to be at the top of the agenda of the meeting, officials say.

Senior officials from the two blocs met at the weekend to try

to hammer out agreement on some contentious points in the communiqué to be issued when the meeting concludes on Tuesday.

Officials said there was some disagreement over how the communiqué should deal with the issues of human rights, Myanmar, the internal stability of Indonesia and the need for a new round of WTO talks.

They said the communiqué was likely to recognise the need for dialogue between Myanmar's military government and the opposition, and a visit to Myanmar in January by an EU troika was under discussion.

Myanmar's opposition National League for Democracy won elections in 1990 by a landslide but has never been allowed to govern. Its leader, Nobel laureate Aung San Suu Kyi, has been under de facto house arrest for nearly three months.

Armed Lao police were posted at intersections throughout Vientiane as the meeting got under way.

Lanka seeks foreign funding with peace offers

Focus on Paris aid group meeting

COLOMBO, Dec 11: Sri Lanka is preparing for a crucial meeting of its international donors with a promise of peace as the economy is buffeted by ever-escalating military spending that is steadily draining foreign reserves, says AFP.

The Paris aid consortium meeting which has been delayed by over a year is finally set to meet next week and review the island's economic political management amid unprecedented defence expenditure.

"It is not going to be a pledging conference, but the meeting is crucial for Sri Lanka to get the support of the international community," finance ministry officials said.

Sri Lanka's deputy finance minister G.L. Peiris has been preparing the ground here, meeting Colombo-based diplomats and outlining the latest peace moves that are expected to figure in Paris.

Peiris told diplomats the government was trying to

"reach some understanding" with the rebel Liberation Tigers of Tamil Eelam (LTTE) to end decades of fighting that has claimed over 60,000 lives.

Officials said the centrepiece of Colombo's presentation will be the Norwegian-backed attempts to open a dialogue with the Tamil Tigers and the government's radical constitutional reforms.

Attempts by the Tigers to wrest back the northern peninsula of Jaffna in April and May saw the government pour millions of dollars in new military hardware to stall the rebel offensive.

The LTTE was prevented from taking back Jaffna, but the country's balance sheet appears in tatters. Defence spending has over-shot targets by nearly two thirds.

The budget deficit is expected to widen to 8.7 per cent of gross domestic product this year compared to an original target of 7.5 per cent, Peiris noted.

The effect of the budget crisis is already being felt in the market.

Bank interest rates zoomed to 28 per cent Thursday with short-term lending rates going beyond 30 per cent in sharp contrast to the official estimate of inflation that is said to be running at an annual 5.5 per cent in November.

"The central bank figures appear very impressive," said a diplomat who heard Peiris say Sri Lanka's fared the best economically in South Asia.

"But the signals from the market place and the business community suggests the contrary," an Asian diplomat said. "I am trying to figure out how inflation can be so low while interest rates are five or six times higher."

Latest central bank figures show the economy grew by an impressive 6.5 per cent in the first nine months of the year compared to the corresponding period last year.