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Dhaka to join trade fair in UAE

Bangladesh will join, for the first time, the month long Dubai Shopping Festival in United Arab Emirates (UAE) in March 2001 to promote the country's product in the Middle Eastern countries, officials and organisers said reports BSS.

Commerce Minister Abdul Jalil is expected to open the Bangladesh pavilion in the fair where 32 Bangladeshi enterprises would take part with their products of different sectors like leather, textiles, cosmetics, electronics, handicrafts, ceramics, food and beverage and agricultural products including tea.

State Minister for Youth and Sports Obaidul Qader will be present at the inaugural function of the pavilion on March 3.

The initiative will increase Bangladeshi export to the UAE to a certain degree and we expect the participants would earn some 10 million dollars in retail sales during the month long festival, Sajur Rahman, the organiser of Bangladeshi Pavilion said here.

He added that Bangladesh's participation in the festival would boost Bangladesh exports in the Middle East, as Dubai is the most important commercial destination in that part of the world.

Officials said that currently Bangladesh exports to the UAE goods worth about 42 million dollars while the balance sheet is largely tilted to the Middle Eastern country due to petroleum import.

New DMD of Uttara Bank



Md. Abdus Sattar has been promoted to the rank of Deputy Managing Director (DMD) of Uttara Bank Limited, says a press release.

Prior to his promotion, he was the Assistant Managing Director of the same bank.

Sattar started his Banking career in 1971 as Probationary Officer in the erstwhile Eastern Banking Corporation (Now Uttara Bank Limited) under Bank Officials Training Scheme conducted by the then State Bank of Pakistan.

He was promoted to the rank of Deputy General Manager in 1993 and General Manager in 1999.

He was made the Assistant Managing Director in 1999.

BB T-bill auction held

The 120th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held here yesterday. says UNB.

Tk 1,673 crore, Tk 14.50 crore, and Tk 19 crore were offered respectively for the 28-day, 364-day and 2-year bills. However, only Tk 1,468 crore of 28-day bill were accepted.

No bids were offered for the 91-day, 182-day and 5-year bills while the offers for the 364-day and 2-year bills were not accepted.

Due to inactivity of the bills, an amount of Tk 1,470 crore will retire in next week. So the net amount of the issuing bills will stand at Tk 2,50 crore during the subsequent week. says UNB.

Vodafone buys Eircell Irish mobile business for 4.5b euros

LONDON Dec 21 : British mobile phone giant Vodafone announced on Thursday it had agreed to buy the Eircell mobile phone business of Irish operator Eircell for 4.5 billion euros (4.1 billion dollars), says AFP.

Vodafone said that under the deal, which is subject to regulatory and shareholder approval, it would pay 0.9478 of its own shares for each two Eircell shares, valuing Eircell stock at about 4.2 billion euros.

Vodafone would also assume Eircell debts of 250 million euros under the deal, which the British company expects to complete in the first half of 2001.

The acquisition gives Vodafone a strong foothold in the Irish cellular phone mobile market. Eircell controls about 60 percent of the burgeoning Irish market of around 1.8 million cellular phone users.

B The Daily Star BUSINESS

DHAKA, FRIDAY, DECEMBER 22, 2000

EDF remains unutilised as procedures not ready yet

The much touted Equity Development Fund (EDF), introduced to spur software and agro-processing industries, remained unused as procedures have not yet been finalised to channel the fund through banks, says UNB.

Half of the fiscal year has already passed, but not a single taka of the Tk 100 crore budgetary allocations could be channelled so far as the fund is yet to be made available to banks, officials said.

They said the finance minister, on several occasions, advised the software entrepreneurs to avail of the fund for their ventures, but the response so far is also not encouraging.

Meanwhile, the official name of the EDF has been changed to Equity and Entrepreneurship Fund (EEF).

Bankers said they are not even aware of how the fund,

currently lying with the central bank, would be disbursed and from when.

Bangladesh Bank officials said they need an agreement with the government to act as an agent to channel the fund through banks. As there has not been any provision for a separate institution to deal with the fund, the central bank requires a legal coverage to handle this through banks.

The draft agreement has already been sent to the Finance Ministry for its endorsement.

After having the ministry's go-ahead, the central bank would issue newspaper advertisements and circulars to as many as 50 banks, including the foreign ones.

The central bank will have separate agreements with the interested banks for channelling the fund and draft modalities for this have already been pre-

pared.

"In fact we're ready. We'll start the process as soon as we get approval from the ministry," said a central bank official.

He said since local market for software is quite insignificant, they expect response from the non-resident Bangladeshis (NRBs), who have expertise in software industries and have access to international IT market.

Joint collaborations of local entrepreneurs and NRBs are most welcome for the fund, the official said.

In case of agro-processing sector, the EEF will give special focus on non-traditional areas having enough export potential.

Dhaka Chamber President Attab Ali Islam, a forerunner in IT sector, said channelling would not be of much use unless telecom infrastructure is improved.

He stressed the need for deregulation of telecom and access to fibre optic cable line to give a boost to the software industry.

Besides ensuring fund support to entrepreneurs, government should go for wide computerisation in its machinery to create a sound domestic market for software.

"If not so, what will the entrepreneurs do with the money? Rather, they will turn loan defaulters," he said.

Bangladesh Agro Processors Association president Amjad Khan Chowdhury said still they don't know the whereabouts of the fund.

"It could be very useful for the growth of the sector. But we don't know where and how it is available," said the leading food processor who owns the Pran Group.

Handing over of state-owned textile units to workers delayed again

By Rafiq Hasan

The handing over of the eight state-owned textile mills to the workers and employees has been delayed once again, according to sources.

The date for handing over the ownership of the units to the workers of the units was earlier scheduled on January 1, 2001, but it was later changed for unknown reasons.

"We have completed all process to hand over the mills to the workers" said a high official of the Bangladesh Textile Mills Corporation (BTMC) yesterday while talking to the Daily Star.

The BTMC official said the workers were not fully prepared to take over the mills which may have delayed the handing

over of the mills.

A fresh date for handing over might be fixed in March next year, the official said.

When contacted, a worker leader who is involved with the handing over process however said that the process for take over was almost complete with three mills already registered with the joint stock company. The process for the rest five mills would be completed very soon.

According to him, these mills would be ready for the hand over by January next year.

He further alleged that the BTMC authority was not willing to hand over those mills to the workers and employees and the

The handing over of the Na-

corporation quickened the process following directives from the prime minister.

The BTMC will hand over the mills to the workers in the presence of State Minister for Textile A K M Jahangir. Prime Minister Sheikh Hasina may also be present at the function.

Out of the eight mills to be handed over, four are located in Tongi. These are: Monno Textile Mills, Fine Cotton Mills, Meghna textile Mills and Olympia Textile Mills. The rest are Laxmi Narayan Textile Mills in Narayanganj, Dhaka Cotton Mills in Postogola, Pylon Industries in Chittagong and Karolin Silk Mills in Chittagong.

The handing over of the Na-

tional Cotton Mills in Chittagong is being delayed because of a legal battle over its ownership. Some local people have been claiming shares in the mill.

Source said that the mills would be handed over to the workers in the form of public limited companies. The BTMC has prepared the memorandums of association and articles of association accordingly and applied to the Registrar of Joint Stock Company to convert the mills into public limited companies.

The workers and employees of each mill will have to form a company.

Nomura Securities to tie up with Nippon Life Insurance: report

TOKYO, Dec 21 : Japan's biggest broker Nomura Securities Co. Ltd. is considering starting life insurance businesses by concluding a tie-up with Nippon Life Insurance Co., newspapers said Thursday, says AFP.

Talks between Nomura and the nation's largest life insurer have entered a final stage, the Sankei Shimbun said.

The Nihon Keizai Shimbun said Nomura had already agreed to sell Nippon Life Insurance's variable annuities policy through all of its branches.

The policy is a pension product for which the benefits vary depending on investment performance, the business daily said.

Nomura is likely to begin sales late next year, it said.



A M Anisuzzaman, Chairman of the Board of Directors of Uttara Bank Limited, presides over the 17th annual general meeting of the company at the Officers Club in the city yesterday. The retiring Directors Golam Rahman, Md. Abdur Razzaque, Md. Lutuf Rahman, Md. Abdul Momin and Sarwar Badius Salam were re-elected at the meeting which approved the annual report-1999 along with profit and loss account.

— Uttara Bank photo

Asian investors scurry for cover as US storm clouds gather

TOKYO, Dec 21: Bears crossed the Pacific and trampled Japan and other Asian stock markets today as global investors grew increasingly worried about the fallout from a rapidly slowing US economy.

The only thing we can do at the moment is wait for Nasdaq's volatility to subside," said Hidenori Kawasaki, an equities trading manager at Kokusai Securities.

Korean stocks were the worst hit, with the key composite index plunging more than three per cent and the technology Kosdaq market at a record low, while Tokyo shares sank to 23-month lows.

The euro rose to a fresh five-month high of 102.70 yen as yen selling intensified, reflecting a sharp drop in Japanese stocks and falls in Japanese government bond yields.

The worst thing is that everyone's stopped guessing where downside support is, said Toshiyuki Segawa at Sakura Securities. "Investors are having to answer margin calls and I see the situation getting worse."

Hong Kong's blue chip Hang Seng Index index shed 2.73 per cent in early trade before paring losses to be down 1.73 per cent at 14,672.19.

The Australian benchmark index S&P/ASX200 also fell more than two per cent in early trade, and by noon was down 1.86 per cent at 3,184.8.

Sentiment towards the yen remained soft given weakness in Tokyo shares and European operators were seen buying back euro against the Japanese yen. The market seemed nervous about lifting the euro to key resistance of 103 yen. The dollar broke above 113 yen.

Investors concerned over the US economy on Wednesday shed their stock, dollar and oil holdings and beefed up on bonds, igniting similar sell-offs across global markets a day after the Federal Reserve expressed caution over an economic downturn.

Investors spurned stocks for the safety of lower yielding US government bonds. Weakness in the high-tech sector severely dented the Nasdaq, which ended 178.93 points off at 2,332 - its seventh biggest point drop.

But pension and other state funds were seen buying select shares to support the market and by midday the KOSPI was down 1.37 per cent at 507.17.

Taiwan's TAIEX was down almost three per cent around midday at 4,803.17, and brokers said they expected state funds to enter later to prop up the index.

Hong Kong's blue chip Hang Seng Index index shed 2.73 per cent in early trade before paring losses to be down 1.73 per cent at 14,672.19.

The Fed left interest rates unchanged on Tuesday but said the risks of economic weakness now exceed the risks of inflation.

Financial markets expect the Fed to begin cutting short-term interest rates as soon as January, and slash them by at least 50 basis points by mid-year.

Oil traded at eight-month

lows as another bout of nerves among dealers surveying a

build in global inventories sent

prices of London Brent futures plummeting to \$24.50 a barrel.

US oil prices collapsed 8 per

cent to \$25.77 a barrel but oil

steamed in Asia on Thursday at \$25.90, up 13 cents on the off-

hours ACCESS system.



An unidentified passerby looks at the NASDAQ Marketsite in Times Square in New York while the financial news passes by on the building behind him December 20, 2000. The NASDAQ Composite fell more than seven percent in one of the broadest sell-offs in market history 20 December, 2000. The index fell 180.08 points (7.17 percent) to 2331.63 at the closing bell. The tech-heavy Nasdaq slumped to its lowest level since 23 March, 1999. — AFP photo

Kibria asks businessmen, NGOs to invest in rural areas

Finance Minister Shah A M S Kibria has urged the entrepreneurs and NGOs to help

generate employment in rural areas to reverse the urban migration trend causing an abnormal pressure on major cities including Dhaka, says BSS.

Inaugurating the loan disbursement (ninth phase) under the 'Ghar-e Phera' or return home programme for slum dwellers introduced by the Bangladesh Krishibank (BKB) in the city yesterday, he said rural industrialisation was a key factor for employment generation in villages.

Any countryside in Bangladesh is almost within six hour's journey from Dhaka and therefore, the entrepreneurs could consider setting up their units there, he said.

Kibria was critical of the concentration of activities of NGOs in urban slums saying it appeared that those voluntary organisations wanted permanent existence of such makeshift living structures for their own existence.

The minister urged the NGOs to undertake measures to generate employment in villages saying development of slum dwelling people was never possible as long as the slums exist as the makeshift structures were the cause of underdevelopment.

"Slum is inhuman and at the same time slums are becoming centres of crime ... a slum boy is destined to jail or violent death," he said adding that moreover the cities are too small to house unlimited

population.

Agriculture Minister Moti Chowdhury, Finance Secretary Dr Akbar Ali Khan and additional secretary of Banking Division and former BKB managing director Dr Shobek Ahmed, who formulated the Ghar-e Phera scheme, also spoke on the occasion.

BKB chairman Dr Mirza Abdul Jalil chaired the function while BKB managing director Mursheed Kuli Khan spoke on the occasion.

A total of 2,039 families or 12,000 slum dwellers were sent back to villages in nine phases under the programme in which they received soft loans for their rehabilitation and income generation at their ancestral homes since the programme was introduced last year.

'Pakistan lagging behind key targets linked to IMF loan'

KARACHI, Dec 21 : Pakistan's low revenue collection and high bank borrowing may affect the release of a second tranche from a recently approved International Monetary Fund standby loan, analysts warn Thursday, says AFP.