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# The Daily Star BUSINESS

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## Japan looks upon Bangladesh as model ODA recipient

### Outgoing ambassador stresses industrialisation

Japan considers Bangladesh as a model recipient of overseas development assistance (ODA) and suggested it to pursue industrialisation as a 'national strategy' to meet the requirement of the coming century, says BSS.

Kazuyoshi Urabe, the outgoing Japanese ambassador to Bangladesh, in an interview with the agency has expressed the hope that Japan will extend appropriate future assistance which may help solve issues Bangladesh will face in the next century, creating employment opportunities and increasing food production.

He underlined that Japan's assistance to Bangladesh, of course, should contribute to strengthen the overall bilateral relations including private sector economic relations and human exchanges as well.

Urabe, who left Dhaka for Tokyo on Thursday to take up higher responsibilities at home, gave his opinion in reply to several queries by the news agency.

Although the ambassador gave Bangladesh high marks for its success in agricultural, he however opined that this (agriculture) is not 'sufficient to provide enough employment opportunities.' 'It will be necessary for Bangladesh to pursue industrialisation as a national strategy' to create job opportunities for the millions, he observed.

Bangladesh, whose industrial production constitutes only 18 per cent of the GNP, ranks lowest (ratio of industrialisation to GNP) among Asian countries except Cambodia.

The ambassador expressed his hope that the Bangladesh

government would take all the measures and policies to 'encourage industrialisation'. The measures should include policies to 'attract export-oriented foreign investments as well as policies pursuing domestic financial reforms, which will transform domestic saving into domestic investment,' he observed.

Ambassador Urabe mentioned that a recent comprehensive assessment of our ODA found Bangladesh as a 'model case' and added that 'we will now consider how effectively we can extend assistance to Bangladesh on the basis of the result of this assessment.' He said that till last year, Japan extended to Bangladesh an assistance of approximately 971 billion yen (equivalent to about Tk 44,700 crore).

Describing 'harmful, violence, inadequate infrastructure and red tape' as the major impediments to 'all economic activities including investment,' Urabe, however, said 'Japanese businessmen appreciate Bangladesh's policy on foreign investment and they also value the hard working people of this country.'

He said with the improvement of the factors which impede investment from Japan will grow even more.

Japan has nearly a billion US dollar investment in Bangladesh that includes enterprises set up both within and outside the Export Processing Zone (EPZ). It stands second as an EPZ having an investment of 72 million dollars by 13 companies.

He said Japan's position is fourth in terms of investments outside the EPZ where 40 companies have put in 860 million US dollars. He said recently major Japanese companies such as YKK have decided to invest in Bangladesh. 'Japanese investment in Bangladesh is expected to be revitalised with the recovery of the Japan's economy,' the ambassador commented.

Urabe, who had highly appreciated the 'remarkable success' of Bangladesh in increasing agricultural production to the level of self-sufficiency, however noted that 'agriculture alone will not be sufficient to provide enough employment opportunities. Bangladesh must pursue industrialisation to provide jobs and meet the challenges,' he said.

Replying to a question on the follow-up action of Prime Minister Mori's visit to Bangladesh in August, the ambassador said at least two seminars were held in Tokyo last month.

The Board of Investment (BOI) held the first seminar on November 10 while the second one, held on November 15 on natural gas, was attended by State Minister for Energy and Mineral Resources Prof Rafiqul Islam.

Besides, there have also been various 'follow-ups in the areas of economy, development cooperation and human exchange,' he added.

Japan is Bangladesh's number one donor.

## Court blocks Swedish-US tobacco merger

WASHINGTON, Dec 23: A US court has temporarily blocked the proposed acquisition by Swedish Match North America of National Tobacco Company, sellers of loose leaf chewing tobacco, the Federal Trade Commission announced here Friday, reports AFP.

The FTC, which had sought a preliminary injunction from US District Court Judge Thomas Hogan, had argued that the transaction would give the two firms 90 per cent control of the US chewing tobacco market and would impede competition. 'Consumers have won and competition has been preserved,' said Richard Parker, director of the FTC's competition bureau.

Swedish Match North America, a subsidiary of Swedish Match AB, markets its products under the Red Man brand. National Tobacco sells under the Beech Nut brand.

They are respectively the first and third largest suppliers of loose leaf chewing tobacco in the United States, according to the FTC.

It said the court had found that a unilateral price increase was likely once Swedish Match eliminated one of its primary direct competitors.

The court's decision, issued December 14, now paves the way for the FTC to seek a permanent injunction on grounds that the acquisition would violate US antitrust law.

## Canadian GDP rises 0.5pc in Oct

OTTAWA, Dec 23: Canada's economy grew by 0.5 per cent in October compared to September, after levelling off at the end of the third quarter, Statistics Canada said Friday, reports AFP.

The national statistics office noted the economy's strength went hand in hand with the recent bump in the country's employment.

After a slight hiccup in September, the production and telecommunications sectors have moved back to lead the pack toward economic expansion.

If the economy were flat for the remainder of the year, economic growth in 2000 would show a 4.6 per cent annual gain, according to Statistics Canada.

## New garment owners' group for separate zone outside Dhaka

### Progressive Forum seeks to fight in next polls

Star Business Report

The unplanned growth of garment industries in the city without adequate safety measures being a constant threat to the workers, a new group of garment owners yesterday urged the government to set up a separate garment zone outside Dhaka with all infrastructure facilities.

This zone will eventually develop into an orderly and planned garment city linked with Dhaka city as well as the ports by spacious roads, said Engineer M Abu Taher, President of the new Progressive Forum, at a press conference.

Though recent fire incidents are hurting the country's image, mere threat to punish the factory authorities will yield little results, Taher said.

The Progressive Forum, Taher said, has been formed due

to failure of the current Bangladesh Garment Manufacturers' and Exporters' Association (BGMEA) leadership to solve problems afflicting the garment sector.

Taher also declared his candidature for the top BGMEA post in the upcoming election scheduled for February 22.

The forum also placed an eight-point charter of demands to solve the existing problems and prepare the country's RMG sector to face the post-MFA challenges.

Leaders of the Progressive Forum Kamaluddin Khan, Delwar Hossain, Ramzul Siraj, Mostafa Kamal, Md Aziz and Captain Moyeen were present among others, at the press conference held at a city hotel.

Taher, a former leader of the garments exporters' group

called Forum and led by incumbent BGMEA President Anisur Rahman Sinha, said that he has resigned from the Forum group as it has 'failed to live up to the promises it made before taking over the Association.'

He also said that out of about 3000 garment units, some 1000 are now lying closed, 1500 desperately struggling to survive and only 500 units are performing well.

If elected, he also promised to pursue the Bangladesh Bank for developing a system to segregate defaulted loans caused by factors beyond control of the garment exporters in block accounts so that such loans would not pose hurdles for the availability of finances for raw materials.

Taher, who is the chief of the

BGMEA Standing Committee on Quota Policy and Management, also said that they would maintain the current quota policy except for the adjustment in free quota. 'Quotas should only be made available to garment owners and not to specialised textiles mills, TCB and terry towel industries,' he said.

He also said that a group enjoying 50,000 quota or above and a single unit getting more than 10,000 quotas should not qualify for free quota.

Progressive Forum's other demands include easing customs clearances, fighting power failure, ensuring duty- and quota-free access to the US market, simplifying multi-tier licensing system to one single licence and developing a voluntary code of conduct for labour relations.

## EU seeks WTO consultations on US anti-dumping law

BRUSSELS, Dec 23: The European Union and eight other WTO members are seeking formal WTO consultations over US legislation that allows anti-dumping duties to be paid to the US companies that filed the original complaints, the European Commission said Friday, reports AFP.

'Our unprecedented joint action will send a very clear signal to the United States of the need to repeal legislation that so clearly flies in the face of the letter and spirit of the WTO law,' the commission said.

In a statement, the commission said the so-called 'Byrd amendment' provision 'is not a US-EU problem, but a US-rest

of the world problem.'

The eight other countries joining the EU action are Australia, Brazil, Chile, India, Indonesia, Japan, South Korea and Thailand, said the EU's executive branch, which negotiates trade agreements on behalf of the 15 EU member states.

Named after the US senator who proposed it, the Byrd amendment allows for duties collected from anti-dumping and anti-subsidy cases to be distributed to the firms which first brought the cases, ostensibly to cover expenses, manufacturing investment and technology acquisition.

The Byrd amendment was signed into law by President Bill

Clinton on October 28 despite protests by the EU and other World Trade Organization members.

Brussels argues that the reimbursements are 'an illegal response,' because they provide a remedy not allowed under WTO rules. It also sees the legislation as 'a clear incentive' for companies to lodge cases, leading to an increase in trade litigation.

The Byrd amendment also makes it more difficult for exporters subject to an anti-dumping or anti-subsidy order to secure an undertaking with the US authorities, such as on minimum prices, the commission's statement said.

## Axiom, ICT sign MOU to offer IT jobs in US

ICT Consultants Inc, a US company, has signed a memorandum of understanding (MOU) with Axiom Technologies Ltd, master business partner of Aptech Bangladesh Ltd, says a press release.

Under the terms of the MOU, ICT Consultants would offer jobs in the USA to computer professionals chosen by Axiom Technologies from South Asian countries including Bangladesh.

Ashif Mahmud, President of ICT Consultants, and Rizwan Bin Farouq, Executive Director of Axiom, signed the MOU on behalf of their respective companies.

Farouq termed the signing of the MOU a significant event for the IT professionals of Bangladesh. 'We are now paving the way for qualified IT professionals of the country to source employment in the USA IT industry under the H1-B programme.'

Ashif Mahmud said, 'ICT Consultants considers Bangladesh as a rapidly evolving source for high quality human resource in the areas of computer programming, systems analysis, developers and software engineers.'

The joint efforts of Axiom and ICT Consultants will provide ample opportunities to the IT professionals in Bangladesh and the neighbouring countries to get jobs in the US market.

Axiom Technologies Ltd, one of the leading IT education and service providers of Bangladesh, started its operation in October 1997 as master franchise for Aptech Computer Education.



Rizwan Bin Farouq, Executive Director of Axiom Technologies Ltd, and Ashif Mahmud, President of ICT Consultants, exchange documents of a signed memorandum of understanding recently.

— Axiom photo

## Weekly ReadyCash Prize Winners

The latest draw of the fortunate prize winners took place last Thursday at the Diamond office of ReadyCash, M E Islam, Secretary of American International Bangladesh Ltd, (ReadyCash), announced the names of the lucky prize winners.

Prizes For New Card Holders	Winners Card No
Lunch/Dinner for two at Park Town cuisine	Md. Sadique 6423
Hertz Rent-a-Car	Sk. Brown Lincoln 6396
Lunch/Dinner for two at Greatwall Chinese Restaurant	Md. Zakir Hossain 6431
Lunch for two at Meal in The Box fast food centre	Mrs. Jharna 6409

New ReadyCash Card holders will become eligible for prizes as soon as make their first transaction. Winners are requested to collect their prizes from the Public Relations Manager of ReadyCash within 30 days of publishing the winners' list by producing their ReadyCash card transaction vouchers. For details, please contact at 8124294-7.

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

## Euro zone industrial output falls

BRUSSELS, Dec 23: Industrial production in the euro zone fell by 0.1 per cent in October from the figure for the previous month, and rose by 3.8 per cent over 12 months, the EU statistics office Eurostat said on Friday, reports AFP.

The figures for September and August were revised to show monthly increases respectively of 0.6 per cent and 0.4 per cent.

## Russian economy grows 7.7pc

MOSCOW, Dec 23: Russian gross domestic product (GDP) grew 7.7 per cent year-on-year in the first 11 months of 2000, according to provisional figures from the ministry of economic development cited Friday by Interfax news agency, reports AFP.

Over the first 10 months, GDP climbed 6.5 per cent, the ministry said.

## EU vows to defend Airbus against US complaints

PARIS, Dec 23: European trade supremo Pascal Lamy vowed Saturday to staunchly defend Airbus against US claims that it is being unfairly subsidised, reports AFP.

US President Bill Clinton's argument that loans granted to Airbus amounted to subsidies and so infringed World Trade Organisation (WTO) rules 'doesn't hold water,' said Lamy, the EU trade commissioner.

Clinton made his comments after Airbus launched production of its A380 superjumbo -- formerly the A3XX -- on Tuesday.

'In a case like this, people try by various means to call the rules of the game into question. It is normal.'

'But we are here to be the shield. We are solid, we have

our position, and I can tell you we will defend Airbus,' Lamy said.

Lamy also noted that the United States supported Airbus competitor Boeing with military credits from the Pentagon.

'We haven't done it with military credits, we have done it with repayable credits,' he said. In the case of the A320 aircraft, Lamy said that the European funding for Airbus had been paid back, with interest included.

A US official indicated this week that Washington may be ready to take the case to the WTO.

EU officials have countered that the move is linked to Boeing's efforts to disrupt the A380 programme to protect its monopoly of the jumbo-jet market.

## Staff strike paralyses two major ROK banks

### Govt urged to scrap planned merger

SEOUL, Dec 23: Thousands of bank employees afraid of massive job cuts entered their second day of an indefinite strike here today, urging the government to rescind the planned merger of South Korea's two major banks, says AFP.

Some 15,000 employees from Kookmin Bank and Housing and Commercial Bank set up hundreds of tents and other makeshift dwellings making the Kookmin Bank's education centre in Koyang look like a refugee camp.

'We are prepared to fight to the end or to victory,' Korea Financial Industry Union (KFUI) spokesman Park Hee-Min told journalists.

'We will never let up until the announcement of the merger between Kookmin and Housing and Commercial is declared null and void,' Park said.

He warned of stiff resistance

from the strikers should the government use police to end the sit-in.

The government on Saturday held an emergency meeting of economic ministers and reaffirmed it would push ahead with ongoing banking sector restructuring despite labor unrest, officials said.

It also issued a fresh warning against the 'illegal' strike. The court has issued arrest warrants for union leaders at the two banks.

The banks, which control about one third of South Korea's retail banking, have been forced to shut most of their branches due to the walkout.

Financial authorities said they expected the strike to lose steam over the weekend and Christmas Day with striking workers sleeping in tents in chilly weather.

The two banks, which are relatively healthy, on Friday

agreed to merge into a 127-billion-dollar 'super bank' as mainstay of government efforts to revamp the country's ailing banking sector.

The government plans to inject 7.1 trillion won (5.8 billion dollars) into six weak banks including two large banks -- Hanvit and Seoulbank -- to clear them of bad loans and combine them under a government-led holding company.

The four other weak banks are Peace, Kwangju, Cheju and Kyongnam.

South Korean financial institutions are saddled with 76 trillion won (64 billion dollars) of bad loans, accounting for 12.3 per cent of all loans.

They have already set aside 37.4 trillion won as provisions to cover half of the bad loans.

The government has already spent 100 billion dollars since the 1997 Asian crisis to support the financial sector.

## UN strikes deal on US dues cut

### Turner offers \$34m to help break impasse

UNITED NATIONS, Dec 23: The United Nations reached a deal yesterday to cut American dues to the world body after media magnate Ted Turner offered \$34 million to help Washington break the political impasse, reports Reuters.

The 189-member General Assembly is expected to approve the accord on its \$1 billion annual regular administrative budget and \$3 billion peacekeeping budget late on Friday after final details are completed following marathon overnight talks.

Declaring himself 'extremely pleased,' US ambassador Richard Holbrooke told reporters: 'This is a tremendous achievement for the United Nations.'

British Ambassador Jeremy Greenstock said Turner's contribution was crucial in 'lubricating the first year' of the deal. 'Clearly the United Nations has recognized Turner as a government,' he joked.

Russia helped also by offering to pay more than its assessed contribution, which is based on each nation's ability to pay -- except for the United States, Greenstock said, most countries finally agreed that the American share of the budget should be reduced so that one nation did not totally dominate the world body.

The United States currently owes the world body more than \$1.5 billion, having given itself a unilateral deduction in payments over the last few years.

The new arrangements would cut the US share of the UN administrative budget from 25 per cent to 22 per cent, as Congress demanded. Washington's share of the peacekeeping budget would fall from 30 per cent to about 26-27 per cent, a bit higher than Congress mandated.

Holbrooke now has to lobby conservative Republicans in Congress, such as Senator Foreign Relations Committee chairman Jesse Helms, an outspoken critic of the United Nations, to approve the deal.

Turner, the founder of CNN television, will be paying \$34 million to the US State Department so the Clinton administration could break its political deadlock with Congress and the 188 other countries at the United Nations.

The funds were to help make up the gap in the administrative budget next year caused by the US cuts. Many nations, such as Russia, South Korea, Brazil, Chile, Iran, Czech Republic, Poland, Thailand and Singapore, will be allowed to stagger their respective increases over three years.

Turner started the United Nations three years ago with a \$1 billion gift for humanitarian projects. Holbrooke said Turner offered him the money six weeks ago during a discussion over the UN crisis.

'With his characteristic vision and energy, he said if the \$34 million difference that this amounts to its the make or break, I will contribute that money on a one-time basis,' Holbrooke told reporters.

The United Nations does not allow individuals to pay a government's debt. But Washington permits gifts earmarked for special purposes, with the approval of Congress.

Diplomats privately, however, commented that while the Turner contribution was an ingenious idea it was embarrassing for an individual to bail out the world's richest nation.

Congress had refused to pay most of the debt Washington owes to the United Nations until the rate of US payments was cut. The resolution now before the General Assembly contains a non-binding provision for Washington to clean up its arrears over the next three years.

Under a bill Helms sponsored in the US Congress, which President Bill Clinton signed, Washington refused to

remit funds earmarked for the world body until US rates were cut.

More than \$72 million, the second of three payments that could total \$926 million, can be paid to the United Nations next year by Congress because of the US payment cuts.

'For the United Nations, this is something very considerable because we have had a real problem in terms of US-UN relations over the last six years,' Greenstock said.

Japan, now paying some 20.5 per cent of the budget, is to get a rate decrease to just under 20 per cent, diplomats said. With an economy less than half the size of the United States, negotiators said the Japanese parliament would not swallow Tokyo paying nearly the same rate as Washington.

Britain also gets a 10 per cent increase because its economy had increased during the years under consideration.

Holbrooke, who for nine months has been caught between a hostile Congress and nations angry at the US debt, wants to settle the controversy before President Clinton leaves office in mid-January. The new administration of President-elect George W Bush is known to want the issue out of the way soon.

## Rhone-Poulenc launches new medication for acne treatment

Modern treatment of acne, a common problem in young adults, is now available in Bangladesh.

There are various forms of treatment of acne -- both topical and systemic medication can be used. Surgical action may also be taken, if necessary.

Rhone-Poulenc Rorer Bangladesh Limited, the largest multinational pharmaceutical company in our country, has recently introduced a new medication RETIN-A (Tretinoin BP 0.05%) cream for the treatment of acne, says a press release.

RETIN-A (Tretinoin BP 0.05%) cream is very effective in the treatment of all common forms of acne.

Acne patients will get excellent result with this medication. But patients should consult with doctors before using this medication, the release added.