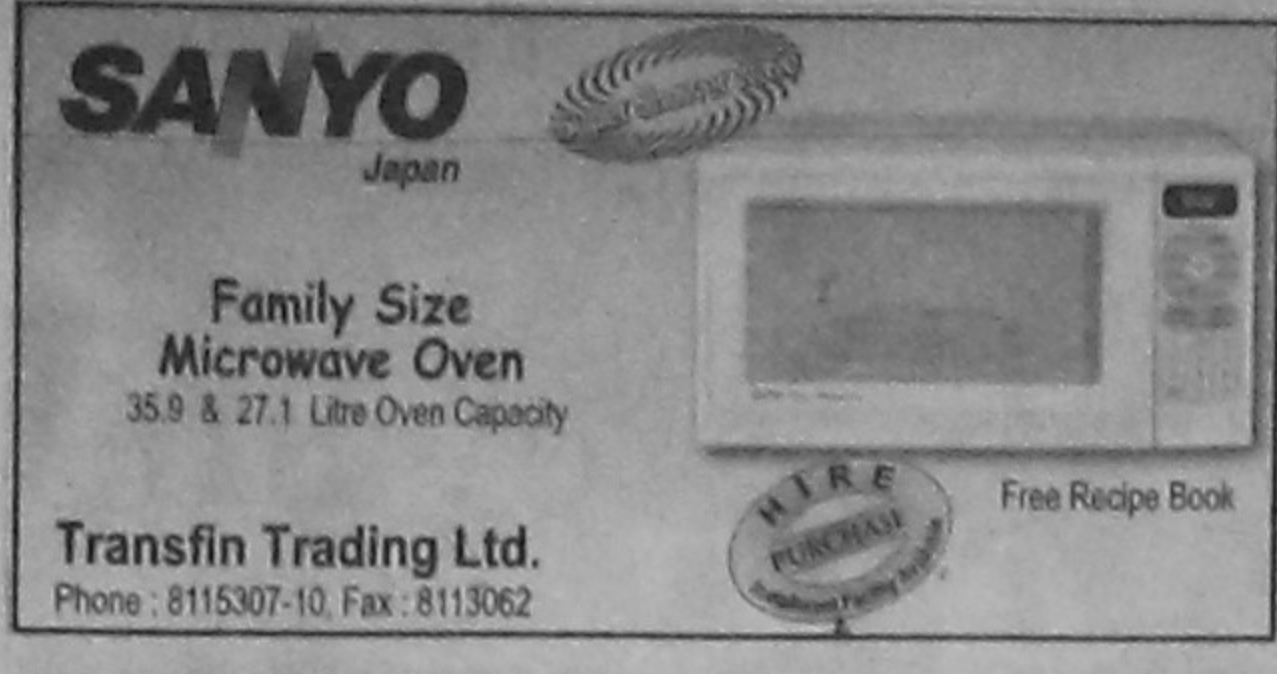


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## US court supports injunction against merger of Swedish, US tobacco cos

WASHINGTON, Dec 24: 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 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 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.

## Insider dealing charges

### Soros asked to stand trial in France

PARIS, Dec 24: A Paris judge has ordered American financier George Soros to stand trial on insider dealing charges in connection with a hostile bid for part of the French bank Societe Generale 12 years ago, court officials said Friday, reports AFP.

Soros was committed for trial in December 19, along with three other leading businessmen including Jean-Charles Naouri, former cabinet director of the late Socialist finance minister Pierre Bérégovoy.

The other two named in the order are Lebanese financier Samir Traboulsi and French banker Jean-Pierre Peyraud. Seven others connected to the case have been amnestied or had charges against them dropped.

The four are suspected of having benefitted from privileged information in 1988 in advance of a stock-market raid by a French investment company - Marceau Investissements - which ended up acquiring 10 per cent of Societe Generale's capital.

The raid provoked a political storm at the time because of allegations it was conducted with the knowledge of the Socialist government of the time. Societe Generale had been privatised by the outgoing right-wing government in 1987.

According to Le Monde newspaper Friday, Soros made 2.2 million dollars dealing in Societe Generale shares in the run-up to the raid, and Peyraud 4.6 million dollars.

The trial is to take place next year, the court officials said.

## Two new cases of mad cow disease found in French Rhone region

LYON, France, Dec 24: Two cases of bovine spongiform encephalopathy (BSE), or mad cow disease, were discovered this week in the central Rhone region, where more than 300 cattle must be slaughtered, a veterinary official said yesterday, reports AFP.

The first case was detected on Wednesday among a herd of 70 milk cows in La Chapelle-sur-Coise, according to an official from the veterinary services directorate (DSV).

The second, found Thursday among 179 cows in Saint-Laurent-de-Chamousselle, brought to four the number of BSE cases confirmed by the French food safety agency AFSSA in the Rhone river valley in recent months.

Experts say that eating meat from cattle infected with mad cow disease can lead to a fatal human form of the brain-wasting illness, called variant Creutzfeldt-Jakob Disease (vCJD).

On Thursday, the agriculture ministry announced that the year's total of 144 BSE cases - which did not include the two most recent ones, was nearly five times the figure for 1999.

The sharp increase in the number of cases registered nationally this year is partly explained by a new government testing programme started in June. The programme, initially intended to cover 48,000 animals, was broadened last week to include all cattle more than 30 months old.

# SAFE decides to float regional mutual fund

Star Business Report

The South Asian Federation of Stock Exchanges (SAFE) has decided to float a regional mutual fund, President of the federation Amir Khosru M Chowdhury MP said.

The mutual fund will comprise blue-chip stocks of the member countries.

"The concept paper for the mutual fund is ready and it will be finalised at the upcoming SAFE Conference in Colombo in January," Khosru said Saturday while speaking at a reception by the Chittagong Stock Exchange (CSE) to the non-resident Bangladesh professionals attending the Tech-Bangla Conference on Technology Transfer 2000 in Dhaka.

Khosru, who is also the CSE president, urged the NRBs to participate in the first regional mutual fund.

Inviting the NRBs to invest in the country's stock market, Khosru said the CSE has introduced state-of-the-art screen-based on-line real time trading system.

He said in a bid to tap the global investment, the CSE took up the initiative to form SAFE.

He said the long-term SAFE agenda is to enable cross-border listing and trading that will help smaller economies to set up bigger industries in their countries through raising funds from the member countries.

Speaking on the occasion, CSE Chief Executive Officer (CEO) Maruf Matin said Bangladesh has a low rate of lowest savings, which is causing investment dearth.

Inviting the NRBs, he said the CSE is working to initiate Internet-based trading which will enable the NRBs to invest in the Bangladesh capital market through the net.

Dr. Mahub Hoque, Co-ordinator, IT Infrastructure, Tech-Bangla, Dr M Abdullah, Co-ordinator, Tech-Bangla, USA, and Professor Dr Jamilur Reza Chowdhury also spoke on the occasion.

The agreement calls for prior consultations between management and labour unions when the two banks merge.

The two banks, which are relatively healthy, agreed on Friday to merge into a 127-billion-dollar "super bank."

The government plans to inject 7.1 trillion won (5.8 billion dollars) into six weak banks including two large ones - 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, Kwangu, 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.

He warned of concerted anti-government protests by KFIU members if police move into the compound.

The merger was part of a government drive to consolidate South Korea's debt-weakened banks, which have been under pressure to boost profitability through mergers.

The walkout forced the closure of many branches at Kookmin and HCB, which control about one third of South Korea's retail banking.

Financial authorities said they expected the strike to lose steam over the weekend and Christmas Day, with striking workers camping out overnight in freezing temperatures.

The bank employees have set up tents and other makeshift dwellings, making the compound resemble a refugee camp.

Heads of Kookmin's 590 branch offices have denounced the merger as a breach of an earlier agreement struck by the government, management and labour unions.

SINGAPORE, Dec 24: Oil companies in Singapore are raking in huge profit margins by keeping gasoline pump prices high despite falling oil prices, The Straits Times newspaper said Sunday, reports AP.

Singapore pump prices have been frozen since August despite a wholesale price drop of one-third for the benchmark unleaded gasoline 95 RON, the newspaper said.

The 95 RON price has dropped from a peak of US \$ 40.65 a barrel earlier this year to a current price of US \$ 26.55 a barrel, the newspaper said.

It added that the price for Brent crude oil has fallen by more than 40 per cent since September.

The report quoted energy information service Platt's, a unit of financial ratings agency Standard & Poor's.

Unleaded gasoline costs about 1.50 Singapore dollars per (US \$ 3.30 per gallon) at the pump in Singapore, The Straits Times said, noting that this was one of the highest gasoline prices in Southeast Asia.

## Striking ROK bank staff in tense standoff with police

ILSAN, South Korea, Dec 24: Thousands of striking South Korean bank staff reinforced their defence line with clubs and rocks today in a tense standoff with riot police, says AFP.

The protestors shouted anti-government slogans as police helicopters with loudspeakers hovered above, urging them to end a sit-in at the compound of a bank education center in a northern suburb of Seoul.

Some 3,000 riot police blocked off the hillside compound where 15,000 bank staff have been holed up in tents to protest the merger of Kookmin Bank and Housing and Commercial Bank (HCB).

The protestors went on strike on Friday when the two major banks announced their marriage. Bank staff insisted the merger would lead to massive job cuts.

"We are prepared to fight to the end or to victory," Korea Financial Industry Union (KFIU) spokesman Park Hee-Min said in a weekend statement.

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## S'pore gas pump prices sky-high despite oil price drop

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President of the South Asian Federation of Stock Exchanges (SAFE) Amir Khosru M Chowdhury MP speaks at a reception by the Chittagong Stock Exchange (CSE) to the non-resident Bangladesh professionals, who attended the Tech-Bangla Conference on Technology Transfer 2000, in the city on Saturday. --CSE photo

## Myanmar to introduce law on controlling money laundering

YANGON, Dec 24: The Myanmar government is drawing a law, aimed at controlling illegally-earned money and property in the wake of rising organised transnational crimes in the world, says Xinhua.

The law is being drafted with the involvement of scholars from the country's Attorney-General's office in accordance with one of the clauses on control of money laundering, apart from the 1988 United Nations Convention on Narcotic Drugs and Psychotropic Substances, state-run newspaper The New Light of Myanmar reported Sunday.

Although transnational and organized crimes have increased in the world, Myanmar has not faced such crimes at present, Myanmar Deputy Home Minister Brigadier-General Thura Myint Maung was quoted as saying.

"The law needs to be extensive in case they break out in the country in future," Min

Maung stressed here on Saturday at a coordination meeting on introducing the law.

Money laundering is one of the organized crimes which also include drug trafficking, arms and human smuggling, black marketing of nuclear technology, crimes related to computer and cyber space, piracy and corruption.

Meanwhile, Myanmar voiced support for the drafting of a convention on combating organized crimes across national boundaries at the 20th Conference of Police Chiefs of the Association of Southeast Asian Nations held in Yangon in May this year.

Presently, there exists a property examination committee in Myanmar, empowered by the country's Narcotic Drugs and Psychotropic Substances law, to confiscate capital as well as movable and immovable property from drug-related offences.

## Sino-US trade seen hitting record

BEIJING, Dec 24: Two-way trade between China and the United States should reach a record \$73.5 billion this year, with China racking up yet another enormous trade surplus, the government's Xinhua News Agency said Sunday, reports AP.

The estimate was based on statistics for the first 10 months of the year, which showed the two countries exchanged goods and services worth \$61.3 billion - as much as all of last year, the report said.

That amounted to a 23.4 per cent increase from the January-October period last year, the report said.

According to the statistics, the balance of trade still remains overwhelmingly in China's favour.

The US bought \$43.4 billion worth of Chinese-made shoes, clothes, toys and other goods in

the first 10 months of this year, up 27 per cent from the same period last year.

During the same time, China spent \$ 18 billion on US goods, mainly aircraft, farm products and electronics, 15 per cent higher than last year, the report said.

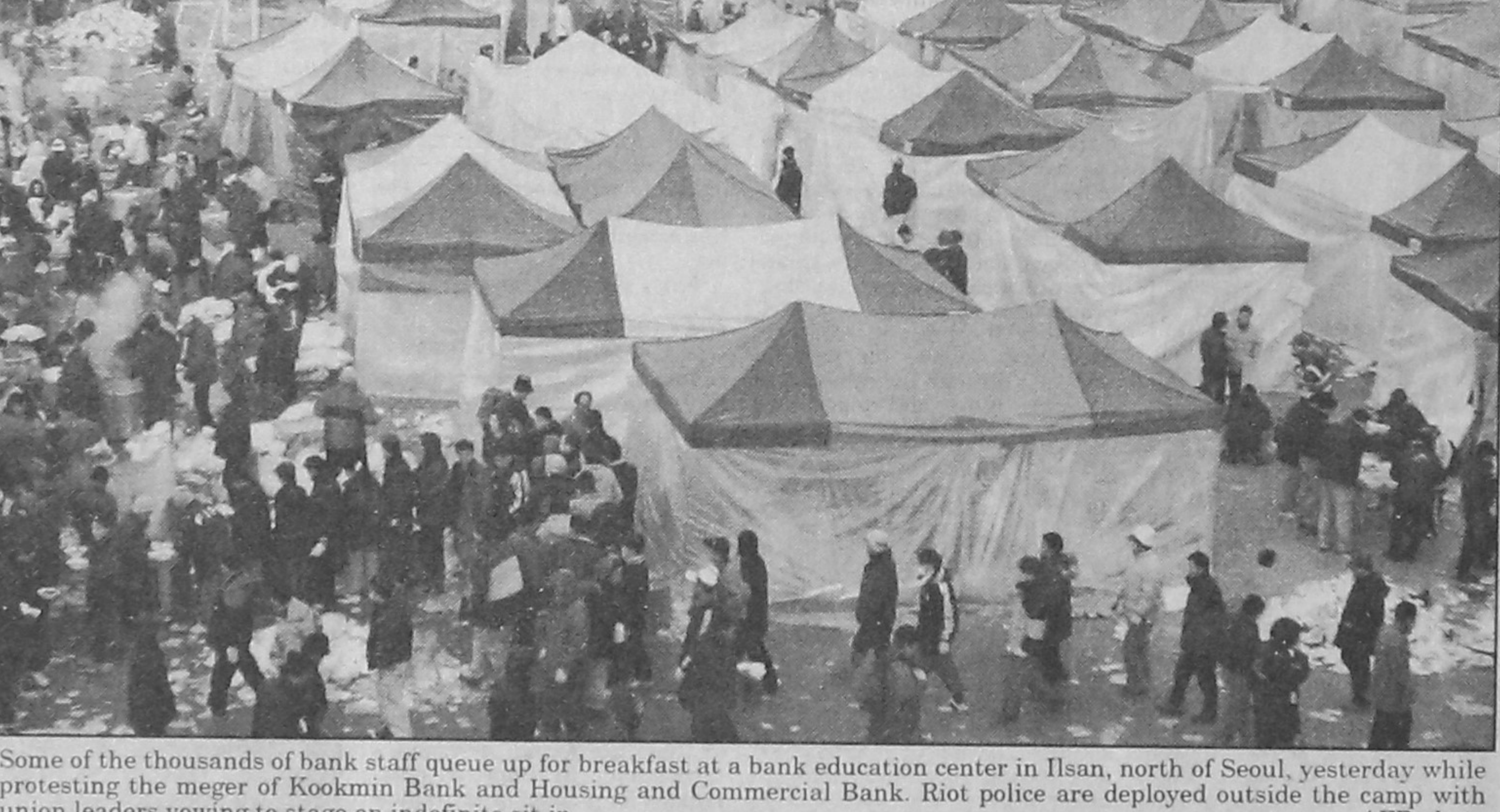
China now appears poised to pass Japan as the country running up the largest trade surpluses with the United States.

Last week, the US Commerce Department announced America's deficit with China rose 4 per cent in October to a record \$ 9.1 billion, the biggest US deficit ever with a single country.

Meanwhile, US investment in China grew by \$7.3 billion in the first 11 months of this year, bringing total US investments since China opened to the world two decades ago to \$59.7 billion, Xinhua said.



Some of the thousands of bank staff queue up for breakfast at a bank education center in Ilsan, north of Seoul, yesterday while protesting the merger of Kookmin Bank and Housing and Commercial Bank. Riot police are deployed outside the camp with union leaders vowing to stage an indefinite sit-in. --AFP photo



A woman shows off a Santa Claus doll she bought outside Beijing's Southern Cathedral yesterday. China has become one of the world's biggest, if not the biggest, producer of Christmas toys and decorative items, with exports of Christmas handcrafts increasing by 30.5 per cent to 820 million US dollars in the first 10 months of this year. --AFP photo

## China becomes top Xmas toy maker

BEIJING, Dec 24: Santa's elves no longer come from the North Pole, but places called Guangdong, Zhejiang and Jiangsu in China, says AFP.

China has become one of the world's biggest if not the biggest producer of Christmas toys and decorative items.

From January to September each year, coastal Chinese provinces like Guangdong, Zhejiang and Jiangsu hum with activity in preparation for the holiday.

Everything from artificial trees, Christmas stockings, angels, and ornaments adorning homes in the United States, Europe and elsewhere are more likely to come from China than any other country.

Cheap labor and increasingly competitive designs and quality have helped China overtake places such as the Philippines, Thailand and Taiwan as top maker of Christmas merchandise in the past few years, industry officials said.

And orders are going up year by year.

In the first 10 months of this year, China's exports of Christmas handcrafts increased by 30.5 per cent to 820 million US dollars, compared to the same period last year, according to statistics from China's Light Industry Handicrafts Import and Export Chamber of Commerce.

The figure is greater than the entire amount of exports in 1999.

"This year business is very good because the US economy

is good and consumer spending is quite high," said Cai Rong, manager at the Jiangsu Arts and Crafts Import and Export Group Corp, which specializes in making Christmas stockings in the eastern coastal province of Jiangsu.

Christmas products made in China are mainly exports to the United States, Europe, South America, Middle East, Japan and South Korea.

Millions of people unable to earn a decent living in the countryside are working in factories whose main job for most of the year is churning out Yuletide goods.

In some areas, every household in an entire village would be busy sewing Christmas stockings from January to September, the peak season, while the men continued to work in the fields.

The modern-day Santa's helpers have no idea what Christmas is about, but their lives depend on it.

"They rely on Christmas to survive," Cai said.

Cai says her company pays its workers an average of 800 yuan (96 US dollars) a month because it requires skilled labor, but admits many firms pay as little as 400 yuan (48 dollars) for as much as 12 hours of work a day.

"The local governments can't do anything about it because they want people to set up factories and invest in their cities, but if they enforce the labour laws, the investors will leave," Cai said.

Hong Kong and Taiwan factory owners have the worst reputations, but in recent years big buyers such as Walmart have sent representatives to check for child labour, inadequate fire prevention systems and other poor work conditions.

But salaries are something that have proven difficult to check, with some companies reported to have falsified payrolls and time cards.

However, part of the success of the industry in China is due to the growing entrepreneurial spirit of its companies, Cai's enterprise, for example, designs 70 per cent of its products.

"Our products, in foreigners' eyes, are getting better and better. We used to make items with a wholesale price of no more than 30 to 40 US cents to make. Now we make things costing at least two dollars," said Cai. "Sears, K-Mart and Walmart order our products. We even sell to Macy's."

Her company sends staff to international trade shows and shopping malls in foreign countries to check out the latest styles and gauge the tastes of consumers.

"Every year we change our styles. No longer do we stick to the traditional colours of red and green. We introduce more fashionable colours like purple and peacock blue and we're using a variety of products including satin and velvet," Cai said.

Toys make up a big part of the picture.

China has one-tenth of the world's toy market, selling 5 billion US dollars worth of toys in a world total of 50 billion, according to Ma Yin, a spokesman at the China Toy Association.

Eighty per cent of the toys made in China are exported, he said.

Most Chinese toymakers now make Christmas presents for overseas customers, the state-run China Daily cited the State Textile Industry as saying this week.

One out of every six toys in the United States is made in China, according to the China Daily report.

But it may take years before China becomes a big market for the massive amounts of Christmas items it makes.

While they are growing fond of the holiday, Chinese people's spending power remains limited.

Many people are laid off and they're worried about all the health reform and housing reform. White collar workers can't afford to buy a gift for their child," Ma said.

In a Carrefour supermarket in Beijing, shoppers were seen buying one or two small ornaments along with their normal shopping. Only the occasional shopper is seen with a cartful of Christmas items and then he is usually planning a company Christmas party.

"Most families still cannot afford to celebrate Christmas," Ma said.



He said the FHA programme since 1993 had helped more than four million US citizens buy their own home.

## Putin calls for more open privatisation

MOSCOW, Dec 24: Russian President Vladimir Putin said Saturday that Russia needs to amend privatisation laws to make the sell-off of state property more transparent, apparently responding to criticism of sales in the 1990s that enriched a few influential insiders, says AP.

Putin met with State Property Minister Farit Gazizullin in the Kremlin on Saturday to discuss privatization results for this year and plans for 2001.

Putin said he approved of the overall results, presidential spokesman Alexei Gromov was quoted by the Interfax news agency as saying. Putin then proposed a new law on privatization "based on the principles of openness and transparency," Gromov said.

A coterie of Russian businessmen with Kremlin connections won stakes in some of Russia's biggest companies for unusually low prices in privatization deals in the 1990s that many observers described as rigged.

Putin has vowed to distance the tycoons from the influence they enjoyed under his predecessor Boris Yeltsin.

Some moguls have come under investigation for tax evasion and fraud in recent months but others appear to have retained influence with the government.

## Clinton announces \$1b cash boost to help homeless Americans

WASHINGTON, Dec 24: US President Bill Clinton yesterday announced one billion dollars in new grants aimed at helping more than 200,000 homeless people in the United States to get off the streets, says AFP.

"This is the largest amount even dedicated to helping homeless Americans rebuild their lives," said Clinton, noting the measure would also help families from varied social and economic class to live in diverse communities.

In addition to expanding opportunity for more Americans, this will also help to break down destructive barriers of race and class," he said.

The steps were taking now will create a new opportunity for the homeless, for hard-pressed working families, and for those struggling to buy their first home. I can't think of any better way to celebrate this holiday season."

He noted that the grants would fund programmes such as Continuum of Care, which helps homeless families with transitional and permanent housing, drug treatment and medication, job training and child care.

Other operations such as that of the Emergency Shelter Grants programme which provides for transitional housing, helping communities maintain emergency shelters, will receive funding from the grant.

Clinton noted that his administration had in the past three years secured almost 200,000 new housing vouchers, boosting poorer families' attempts to find "decent and affordable housing."

The Democratic president, who is due to hand over to Republican president-elect George W Bush on January 20, said his administration was also taking action to increase Federal Housing Administration loans by almost nine per cent.

He said the FHA programme since 1993 had helped more than four million US citizens buy their own home.

## IMF, WB write off more debt of Nicaragua

MANAGUA, Dec 24: The International Monetary Fund and the World Bank has agreed to forgive even more of Nicaragua's foreign debt only days after cutting it by nearly three quarters of the total amount owed, government officials said Saturday, reports AP.

The institutions decided to forgive an additional billion dollars, government officials said.

On Thursday, the World Bank announced it would cut Nicaragua's debt by \$3.3 billion under the Heavily Indebted Poor Countries program. But the institutions later agreed to increase the amount to \$4.5 billion, government officials said.

The move was an effort to help the Central American country continue to recover from Hurricane Mitch, which killed more than 9,000 people, left 2 million homeless and caused \$10 billion in damages in 1998.

The Sandinistas, who governed Nicaragua in the 1980s after coming to power by revolution, ran up a foreign debt of \$12 billion, half of which had previously been forgiven. The party, which had close ties to Cuba and the Soviet Union, was deposed in a 1990 election.