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# The Daily Star BUSINESS

DHAKA, TUESDAY, JANUARY 9, 2001

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## UK trade fair begins in city January 14

A three-day UK Trade and Education Fair 2001 begins in the city on Jan 14, providing scopes for the Bangladeshi businesspeople to seek potential joint-venture partners, says UNB.

Commerce Minister Abdul Jalil and British Trade Minister for Competitiveness Alan Johnson will jointly inaugurate the fourth such fair at Hotel Sheraton.

British High Commission and British Council are jointly organising the fair in collaboration with Trade Partners UK, the British government's trade promotion organisation.

Some 55 British companies and educational institutions from a wide range of sectors, including banking, oil and gas, agriculture, transport, construction, ceramic machinery and seafood processing, will participate in the fair.

As part of the fair, there will also be a catalogue exhibition showcasing the products and services of over 600 British exporters looking at Bangladesh for the first time.

This event will be of particular interest to the Bangladeshi businesspeople who may wish to obtain goods and services from Britain and seek potential joint-venture partners.

The Bangladesh-British Chamber of Commerce will have its largest ever trade mission here to coincide with the fair.

The Trade Fair will provide the opportunity for the businesspeople and others to see for themselves the wide range of goods and services that Britain can supply.

The education fair will enable potential students to discuss the opportunities that exist directly with a cross-section of British educational institutions.

## BECIP-Franlab report

### Gas reserves up in Habiganj, Bakhrabad fields

BECIP-Franlab, the Institute of French Petroleum (IFP) Consultancy company, currently working in Petrobranga for re-evaluation of the Bangladeshi gas fields, has presented and submitted their report on Habiganj and Bakhrabad fields recently, says a press release.

Four new wells have been drilled in Habiganj field recently.

Bakhrabad field has been re-evaluated on the basis of recent production data.

According to BECIP, the gas initial in place (GIIP) of Habiganj is now 4.6 TCF, which is almost 1 TCF more than the previous estimate of 3.66 TCF.

BECIP also calculated the recovery factor for Habiganj (without any compressor) at 70 per cent which is about 20 per cent higher than the previous calculation (i.e. 52 per cent).

For Bakhrabad, BECIP found that another 500 BCF recoverable reserves are still there which is about 150 BCF higher than previous estimate.

According to them, water production from Bakhrabad wells are not from the gas reservoir sands. Water has been produced from the wet sand above the pay reservoir due to poor cementation job.

BECIP also believes that the reserves in Titus, Rashidpur and Kallastia fields are much more than previous estimates.

BECIP is also planning to conduct the reserves study for these fields and has also criticised Intercomp-Kanata Management Ltd (IKM), a Canadian company, that previously estimated the reserves for those fields.

## Beximco Pharma holds Annual SalesConfce

The Annual Sales Conference 2000 of Beximco Pharmaceuticals Ltd and Beximco Infusions Ltd, was held at a city hotel on Sunday, says a press release.

Around six hundred marketing and sales personnel of Beximco, both from home and abroad, participated in the conference.

Salman F Rahman, Vice-chairman of Beximco Group, inaugurated the conference. In his inaugural speech, Rahman specially emphasised on human resource development to face the challenges of the new millennium.

Nazmul Hassan, Marketing Commercial, Director made a presentation on the activities of the 2000 fiscal year. He also presented several growth strategies for the Beximco Chemical Division for the year 2001.

It was announced in the conference that 15 new products were added to the portfolio of Beximco Pharma during the year 2000. Of them, 'Cox-B' for arthritis, 'Recur' for male pattern baldness, 'Aprelin' for depression and 'Inarzin' for vomiting have earned trust of both physicians and patients.

# Pvt co gets down to realising banks' classified loans

## After NBL, PDSC strikes new deal with Pubali Bank

Star Business Report

For the first time in the country, a private company has started realising the classified loans of different commercial banks, which have been stuck up for years as the banks even failed to trace the borrowers.

The company - Peoples Development Services Corporation Ltd. (PDSC) - started its activities some six months back and has already achieved some successes. In the last six months, PDSC realised about Tk 1.20 crore classified loans of National Bank Ltd. (NBL) from seven of its borrowers.

Encouraged by its initial success, the company yesterday signed an agreement with Pubali Bank Ltd. to work as its loan recovery agent.

Deputy Managing Director of

Pubali Bank Anwar Ali and PDSC Managing Director Md Abdur Rahman signed the deal on behalf of their respective organisations at the bank's Head Office in the city. Managing Director of the bank Khondokar Ibrahim Khaled, other high officials and directors of PDSC were also present on the occasion.

According to the agreement, PDSC will get 25 per cent commission from Pubali Bank on the realised amount of the classified loans. But if the company fails to realise at least 10 per cent of the classified loan amount, it won't be in a position to claim any commission.

However, it has not been finalised how many cases PDSC will be entrusted with, and the

company will sort it out with bank later.

According to the latest available figures, Pubali Bank's classified loan stands at Tk 725 crore as on December 2000. Of the total amount, Tk 250 crore remains unrealised with the public sector.

Speaking on the occasion, the Pubali Bank managing director said that initially the bank would offer the worst cases, where it has so far failed to trace the borrowers.

Khaled, who served Bangladesh Bank as the deputy governor, also said that the central bank has long been thinking of setting up an asset management company to recover the huge classified loans of the banking sector.

He, however, said that PDSC cannot be treated as an asset management firm, but it can be termed as a loan recovery agent.

Usually an asset management company purchases the classified loans from a bank and then realises it on its own. But in PDSC's case, it realises the loan on a commission-basis based on the agreement with a bank.

The company is currently dealing with 40 other NBL cases and in most of the cases, the bank failed to trace the borrowers. According to the deal, PDSC will get 15 per cent commission on the realised amount from NBL officials said.



An activist of Sri Lanka's main leftist party, the People's Liberation Front, hurls back a tear gas canister at police during a demonstration in the capital Colombo yesterday while protesting the rising cost of living and foreign mediation in the country's ethnic problems. At least 15 people were injured after police used tear gas and rubber bullets. The government has raised the price of diesel, which is commonly used in public transport by 26 percent in the past two months setting off a chain reaction of price increases. - AFP photo



Undated picture of a Lafarge cement plant near Beijing. Bertrand Collomb, Chairman and CEO of French cement group Lafarge, announced yesterday in Paris that his group made a friendly bid of 7.4 billion euros, comprising 3.8 billion euros plus debt, for Blue Circle of Britain to become the world cement leader. - AFP photo

# Lafarge offers US\$ 7.05b for Britain's Blue Circle

PARIS, Jan 8: The French cement group Lafarge is making a friendly bid of 7.4 billion euros, comprising 3.8 billion euros plus debt, for Blue Circle of Britain to become the world cement leader, it said on Monday, reports AFP.

Lafarge said that the takeover, worth 4.7 billion pounds (7.05 billion dollars), would make it the biggest cement producer in the world, with capacity to make about 150 million tons per year.

The offer concerns 77.4 per cent of Blue Circle which Lafarge does not already own, at a price of 495 pence per share amounting to 3.8 billion euros.

But Lafarge is also assuming Blue Circle debt, so the total value of the offer is 7.4 billion euros.

The price of shares in Lafarge rose by 4.32 per cent to 95.45 euros.

In London the price of shares in Blue Circle surged by 28.25 pence or by six per cent to 486.25 pence after Lafarge unveiled its bid, which followed a failed hostile move on Blue Circle last year.

Lafarge said that the Blue Circle board had approved the

terms and would recommend them to shareholders and the deal should be completed during the summer.

Lafarge President and CEO Bertrand Collomb said that the offer was for 100 per cent of Blue Circle and that the cost of the operation would be met by an increase of capital by Lafarge with preferential subscription rights of about one billion euros to be launched during January and by an increase of debt of 2.8 billion euros.

Collomb told a press conference that the offer "is altogether reasonable" and that the cost was unchanged from that of an earlier offer made on April 19 2000.

Lafarge planned to dispose of assets over 18 months, concerning notably "non strategic" interests held by Blue Circle in North America and property in Britain.

Lafarge said that it expected to generate savings through combining the two operations of about 100 billion euros per year within two years and that the effect on profits before goodwill from 2002 would be "very positive".

The deal would leave Lafarge with capacity to finance further growth of about 1.2 billion euros per year and the company should return to its current debt ratio from 2003.

In 1999, Lafarge, which employs 56,000 people in 70 countries, achieved sales of 10.5 billion euros.

Blue Circle chief executive Rick Haythornthwaite said the size of the deal reflected improvements in Blue Circle's own operations and a recovery of its business in Asia.

"Blue Circle has made enormous strides over recent years and has been committed to delivering the potential which we highlighted during Lafarge's offer last Spring," he said.

"This recommended offer fully recognises this value and the combined group will offer exciting opportunities for our employees."

Lafarge launched a hostile bid for Blue Circle last spring, but failed to persuade enough shareholders to rally to its cause, as the British company mounted a successful defence based on a large-scale return of cash to shareholders.

## JB performs better in cutting its classified loans

Star Business Report

Janata Bank (JB) has managed to reduce its classified loans to 31 per cent as on December 31, 2000 from 41 per cent a year ago.

The bank also realised Tk 804.69 crore defaulted loans in the year 2000 against its 1999 realisation amount of Tk 225.43 crore, according to a bank press release.

"Cooperation of the Finance Ministry and the Bangladesh Bank in realising the outstanding loan amounts, timely moves by different taskforces of the bank and other pragmatic steps helped JB achieve the loan realisation success," the release said.

Janata Bank's export business also set a new record in 2000, posting a 42 per cent increase from last year. Its export business also surged to Tk 3074.88 crore in 2000 from Tk 915.28 crore in 1999.

At the same time, the bank posted a 10 per cent rise in import business which stood at Tk 4764 crore in 2000.

JB's loans and advances also increased by Tk 604.39 crore to Tk 7562.28 crore in the year. Its deposits rose by Tk 1097.60 crore, showing a 12 per cent surge from 1999.

During the year, the bank introduced incentives for better efforts, computerised its branches, decentralised the administrative and financial activities and provided loans at easy terms to boost its overall performance, the release said.

## Kibria urges expats to help boost IT sector

Finance Minister Shah AMS Kibria urged the expatriate Bangladeshis IT experts to come forward in flourishing country's IT sector and making its access to the international market, reports UNB.

The minister made the call during a meeting with a team of expatriate Bangladeshi IT experts at his office here yesterday, said an official handout.

Advisor of the Standing Committee on the Information Technology Prof Jamilur Reza Chowdhury was also present on the occasion.

The Information Technology sector is now in a good shape as the present government has undertaken massive steps for development of the potential sector, the minister said.

# CIRDAP sees considerable rural development in Asia-Pacific

Star Business Report

Countries of Asia-Pacific region have made substantial progress in rural development and poverty alleviation in recent times and the process is continuing satisfactorily, Director General of the Dhaka-based inter-governmental organisation Centre for Integrated Rural Development for Asia and Pacific (CIRDAP) said yesterday, reports BSS.

"This region is the home of 950 million and three fourth of them live in the rural areas - late of these nations cannot be changed without improving the quality of life of the vast multitude," Dr Mya Maung said in an interview with the BSS.

CIRDAP, founded in Bangladesh in 1979, has come a long way over the more than two decades and rendered valuable contributions to the gigantic task of poverty alleviation which is inextricably linked with the broad issue of rural development.

Dr Mya, who is from Myanmar, has taken over the stewardship of the organisation six months ago succeeding his Indian predecessor. Earlier, a

Thai and before him Bangladeshis adorned this key position.

The Director General said there has been a lot of change in the area of rural development in the CIRDAP member countries over the years in approaches to rural development - particularly in orientation and thrust. These changes, he said, in most cases have been guided by innovative policy and actions largely corresponding to successive shifts in the development paradigm that have taken place since the late sixties.

Dr Mya stressed that these shifts have generated the present concept of development - the achievement of four-fold objectives of growth, equity, stability and sustainability.

CIRDAP assists national programme for promotion of the integrated rural development (IRD) and as a servicing institution it provides the member nations with technical and other support in the herculean task of rural development.

Since its establishment in July, 1979 CIRDAP has suc-

cessfully initiated 225 projects in research, action research, pilot projects, training and information communications.

"Member countries have appreciated the persistent efforts of the organisation in supplementing the rural development and its role as facilitating ideas and experience among the members", he said.

Dr Mya said the need for such an organisation to assist the vital rural development in the poverty-ridden Asian-Pacific region was felt for a long time and the CIRDAP is now playing as a catalysing role in promoting IRD in the populous region.

On the kind of present and future projects of the CIRDAP, the director general said macro-economic policy issues in poverty alleviation, participatory approaches to income generation and local resource mobilisation, gender development and environmental concerns including disaster management for sustainable rural development are the priority areas for current and future programmes.



Picture shows (from right to left) M Mahfuzur Rashid, Franchise Development Manager, New Horizons CLC, Obaidur Rashid, Sr Application Engineer, Oracle Corporation, AM Ehsanul Haque, Academic Director, MITCL, Engineer Tajul Islam, Contributing Editor, Computer Jagat, Pijush Kanti Roy, Deputy General Manager, Navana Computers Ltd, and Rezwanyur Rahman, Design Engineer, Intel Corporation, at an IT seminar for the students of New Horizons. - New Horizons photo

## New Horizons holds IT seminar

New Horizons CLC, the US-based IT training institute, organised an IT seminar in the city on Sunday, says a press release.

It was participated by a large number of students of New Horizons Dhammond Centre. A panel of highly experienced IT professionals spoke at the seminar.

AM Ehsanul Haque, Academic Director, MITCL, was the chief guest at the seminar. Rezwanyur Rahman and Mr Obaidur Rashid, successful IT professionals working in the USA, were the keynote speakers.

M Mahfuzur Rashid, Franchise Development Manager, New Horizons CLC, Pijush Kanti Roy, Deputy General Manager, Navana Computers Ltd, and Engineer Tajul Islam, Contributing Editor, Computer Jagat, shared their experience with the New Horizons students. Ms Shahrinul Naz, Project Manager, explained the features and benefits of the New Horizons Diploma Programme.

# US headlines tell of an increasingly sick economy

## Corporate America sees profit fall, job cuts

NEW YORK, Jan 8: The headlines each day tell of an increasingly sick economy: Montgomery Ward is closing its doors after more than a century in business, Xerox is eliminating 3,200 jobs, Ford and Chrysler are idling plants to work off unsold inventories, Apple Computer and Bank of America are lowering profit projections, says AP.

Worried the US economy is sinking fast, the Federal Reserve last week lowered interest rates a half a percentage point, and further rate cuts are expected in coming months.

But economists say it's too early to say unequivocally that there will be no recession, and most predict that there will be at least two more quarters of pain before the Fed's interest-rate medicine takes full effect.

"The Fed is in some ways a lagging indicator in that it follows the economy," said Sung Won Sohn, chief economist at Wells Fargo & Co. "Lowering interest rates is a validation, a proof, that the economy is weak."

The economic pain isn't evenly spread, with some industries hit worse than others, and some parts of the country, too. If you're lucky, you work for an oil company in Texas. If you're unlucky, you're with the auto industry in Michigan.

The Fed hopes that its interest rate cuts will boost consumer and capital spending, which have been the main engines of economic growth for the past 10 years. Some sectors will respond quicker than others, analysts say.

"Retail sales have obviously weakened," said David Orr, chief economist at First Union Corp in Charlotte, North Carolina. "What's hurting the most right now are the big-ticket, interest-sensitive consumer items like cars and TVs and other things that are postponable."

On the business side, "amid profit warnings coming out in machine-gun fashion," capital spending appears to be deteriorating, he added.

"One of the reasons the Fed did what it did was to try to reassure business managers that it was safe for them to continue those capital spending investments," Orr said. "I think they're looking for a psychological impact, hoping to forestall fear paralysing investment."

Another boost to the economy could come from the tax

cuts that have been promised by President-elect George W. Bush but it remains unclear when such cuts will be enacted, and there traditionally is a long lag time before tax-law changes have an economic impact.

A potential drag on any recovery are the continuing high prices for oil and natural gas, which have drained money from consumers' pockets while significantly raising the costs of fuel-dependent industries, such as electric utilities and the airlines.

So far in the slowdown, heavy industry has been hardest hit. In fact, Jerry Jasnowski, president of the National Association of Manufacturers, says "much of manufacturing is on the verge of recession."

In the worst shape, he said, are factories that make basic products such as paper and

steel. Battered by imports and rising production costs, LTV Corp of Youngstown, Ohio, last month became the ninth steel company to file for bankruptcy protection in the past two years.

Jasnowski said he expected the fed rate cut to stimulate the stock market, which "should help capital spending for equipment by giving firms greater confidence as well as the wherewithal to make such investments." He added: "That will help high-tech as well."

Still, inventories are piling up, especially among durable goods manufacturers, which will put a damper on first-quarter production, he said. That phenomenon can be seen in the auto industry, where December sales figures were depressed. General Motors

said its sales were off 18 per cent last month, while Ford's and Chrysler's were off about 15 per cent.

"We don't believe December is a one-month aberration," Ford sales analyst George Pipas said last week. "If we thought so, we would not have announced a first-quarter production cut on the magnitude we did."

Sohn of Wells Fargo analysed what industries have benefitted most from Fed rate cuts over the past two decades.

"The sectors that did the best were semiconductors, wireless telephones, retailing, financial services pharmaceuticals and communications equipment," he said. The reason, he added, is that lower interest rates reduce their cost of capital.

## Bangladesh-Nepal jt trade fair to be held in Panchagarh

PANCHAGARH, Jan 8: A 10-day Bangladesh-Nepal joint trade fair will begin at Panchagarh Bir Mukitjoddah Sirajul Islam Stadium on February 15, reports BSS.

The fair is being jointly organised by Panchagarh Chamber of Commerce and Industry of Bangladesh and Meechi Chamber of Commerce and Industry of Nepal.

M Delower Hossain, President, Panchagarh Chamber of Commerce and Industry, recently visited Nepal as a member of the delegation of the Federation of Bangladesh Chamber of Commerce and Industry (FBCCI). Hossain held talks with the president of Meechi Chamber of Nepal and finalised an agreement for holding a joint trade fair in Panchagarh.

The meeting also discussed the transit Bangladesh-Nepal problem through Banglabandh.