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DHAKA, SATURDAY, JANUARY 20, 2001

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Bangladesh to get Tk 214.36cr from Japan for debt relief

Bangladesh is to receive Japanese grant aid amounting to 4535.016 million yen (Tk 214.36 crore) for debt relief, says UNB.

An agreement to this effect was signed between Bangladesh and Japan in the city on Thursday.

Kiyokazu Ota, Charge d' Affaires (ad interim) of Japanese Embassy to Bangladesh and Dr AKM Masihur Rahman, Secretary, Economic Relations Division, signed the Exchange of Notes on behalf of their respective governments.

Under the exchange of notes, the government of Japan will provide Bangladesh with a grant assistance of the said amount with the intention of producing the same effect as debt cancellation.

When the repayment is made by a least developed country, Japan, instead of reducing the debt, offers the same amount as the repaid debt.

In this aspect, the grant will enable the recipient country to purchase commodities and equipment from all member countries of the Organisation for Economic Cooperation and Development (OECD).

This grant is to be utilised by the government of Bangladesh for import of commodities except the weapon, luxurious commodities as well as banned and restricted items in accordance with the Bangladesh Import Policy 1997-2000.

SAFE aims to form mutual fund at first AGM in Colombo

Members to gather at two-day meet Jan 22

By M Shamsur Rahman

The members of South Asian Federation of Exchanges (SAFE) will gather in Colombo next week with a view to establishing a South Asian mutual fund and holding the first annual general meeting (AGM).

Secretary of the Ministry of Finance and Treasury of Sri Lanka Dr PB Jayasundera will inaugurate the meeting where Lankan Securities and Exchange Commission Chairman Ken Blendra will be present as special guest.

The two-day meeting that begins on January 22 will also mark the fourth conference of the members after formation of the regional platform of the bourses a year back in the port city of Chittagong.

Bombay Stock Exchange Vice-chairman Deena Melia will present a concept paper on the fund which will operate on

all the member exchanges and professionally select the best-performing companies listed on all member bourses, said SAFE Chairman Amir Khosru Mahmud Chowdhury, who is also the President of Chittagong Stock Exchange (CSE).

The fourth conference will be the continuation of the second and third one, he said, adding "cross-boarder listing and trading was the theme of those conferences and a threadbare discussion was held on the issue in those gatherings," Khosru said.

"In this conference, we would like to put emphasis on floatation of a South Asian mutual fund which will pave the way for cross-boarder trading among the SAFE member bourses.

The proposed fund will be

managed by an offshore Asset Management Company (AMC) and this fund is expected to be a result of the investment of the citizens of all the SAFE countries," Khosru said.

The chairman said that the important ingredients for the purpose of commencing cross-boarder listing and trading are: regulatory capability among the member exchanges for which G-30 standards could be a beginning, logistical linkages of facilities like central depositories, trading system through e-commerce, e-trade etc.

These will also be thoroughly discussed, he said, adding that Secretary General of the Federation of International Stock Exchange (FIBV) Dr Thomas Krantz will present a paper on globalisation and deregulation and challenges facing the exchanges.

He said Deputy Executive Director-Marketing of Euronext Amsterdam, Rob F Sandelowsky, will present a paper on "Mergers and Alliances: The Euronext Experience".

Director of Sydney Operations of Deutsche Bank Global Securities Services, Richard Sawyer, will present a paper on cross-boarder clearing and settlement while Millennium IT CEO Tony Weerasinghe will present a paper on the new opportunities, new challenges of cross-boarder trading and clearing and settlement technology.

He said the European Commission, FIBV, Paris, Euronext Amsterdam and Deutsche Bank Global of Securities Services will also be represented in the conference.



FBCCI President Yussuf Abdullah Haroon inaugurates as chief guest the Grundig pavilion at Dhaka International Trade Fair (DITF) - 2001 yesterday. - Star photo

Dutch-Bangla Bank's operating profit grows by 128.30pc

The operating profit of Dutch-Bangla Bank Limited grew by 128.30 per cent in the year 2000 to Tk 242 million from Tk 106 million in 1999, says a press release.

It was disclosed by Managing Director Md Shaukat Ali at the annual conference of the bank's branch managers held in the city recently.

Deposit at the bank rose from Tk 3506 million in 1999 to Tk 6131 million, loans and advances increased to Tk 4589 million from Tk 2284 million and foreign exchange business grew by 110.43 per cent from Tk 5590 million to Tk 11763 million, said the MD, who inaugurated the conference.

The bank's loan classification rate was only 0.72 per cent.

The conference reviewed the bank's operational performance during the last year and adopted new business goals and action plans by setting branch-wise performance targets for the year 2001.

Qatar set to host key WTO meeting

GENEVA, Jan 19: The Gulf state of Qatar looks set to host the next Ministerial meeting of the World Trade Organisation (WTO), due before the end of this year, diplomats said yesterday, reports Reuters.

Qatar's ambassador to the WTO, Fahad Awaid al-Thani, told Reuters he understood recent soundings among the 140 member states by the body a ruling General Council chairman Kare Bryn of Norway had found "no opposition to us".

Another senior envoy said Qatar's endorsement at a Council meeting within the next few days was "virtually certain" since Chile, which had indicated possible interest, had effectively withdrawn and no other country had come forward.

Environment tech industry in Asia projected to grow 15 to 20pc

SINGAPORE, Jan 19: Asia's 22 billion US dollar environment technology industry is projected to grow 15 to 20 per cent annually to meet the needs of the region's burgeoning population, a Singapore official said today, reports AFP.

The next 20 years will see a rising demand for services, products and technologies to deal with new environmental problems, said Peter Chen, senior minister of state at the ministries of education and trade.

"With 36 of the world's largest cities located in Asia, housing over 2.3 billion people in towns and cities by 2020, (ET) environment technology is rapidly becoming one of the fastest growing industries in the region," he said.

Singapore is prepared to be a "springboard" for companies aiming for a share of the regional market, he said at the opening of a research and development centre and manufacturing facility for integrated water treatment firm Hyflux.



Fiftythree-year-old street vendor Sharif Alam carries toys and household goods as he makes his way through a busy road of Dhaka yesterday. Alam, who is the only earning member of his family, sells his items house-to-house in the capital from dawn to dusk and profits Taka 80 (1.42 USD) everyday. - AFP photo

China vows to ease forex rules ahead of WTO entry

BEIJING, Jan 19: China plans to liberalise its foreign exchange rules this year to prepare for its expected entry into the World Trade Organisation, state media reported on Friday, reports AFP.

The new rules will target both foreign enterprises in general and foreign banks, which currently face significant curbs on the kind of business they can do in China, the China Daily said.

The national foreign exchange administration's rules will be revised this year, as their content conflicts in some ways with WTO principles, Lu Naiping, deputy director of the State Administration of Foreign Exchange, said at a national conference in Beijing.

The paper gave few details about the upcoming changes, although it pointed out that foreign and domestic companies will have to receive the same treatment from the regulators once China joins the WTO.

China also plans to amend its rules to allow foreign banks to do business for all kinds of companies in China, the paper said.

This appears to be the result of one of China's key concessions made in order to gain

entry to the WTO, in which it promised to allow foreign banks to do local-currency business with Chinese companies two years after accession to the trade body.

Lu's comments mark a departure from the past nearly three years, when China has been busy tightening its foreign exchange regulations in response to worries that the Asian financial crisis would cause capital flight and put pressure on the local currency.

But in a sign that China has not completely lowered its guard, he reiterated that China will carry on its crackdown on activities that might destabilise the Chinese currency.

The administration will continue its fight fraud and illegal arbitrage in the foreign exchange markets, he told participants at the forex conference.

Official statistics indicated that some capital flight still exists and that China has not successfully plugged all its remaining regulatory loopholes.

China's forex reserves rose just 10.9 billion dollars to 165.6 billion dollars last year, even though it accumulated a trade surplus of 24.1 billion dollars in the course of the year.

India, ASEAN vow to step up co-op, focus on IT

NEW DELHI, Jan 19: India and the 10-member Association of South East Asian Nations (ASEAN) Friday pledged to work closely in several sectors, especially information technology and education.

"India will head the working group on HRD (human resources development) which will include areas of education and Information Technology (IT)," foreign ministry official S.T. Devare told reporters at the end of a two-day joint meet.

"ASEAN members are keen that New Delhi share its expertise as a leading power in the IT sector," he said.

"We will present to them concrete proposals in the next

two to three months."

Devare said other sectors in which the two sides would step up cooperation included tourism, culture and transport and communication, adding that their recommendations would be presented to the ASEAN ministerial conference in Hanoi in July this year.

India's combined IT hardware and software exports rose by 45.6 per cent to 185.50 billion rupees (four billion dollars) in the fiscal year to March.

India, which became a full "dialogue partner" of ASEAN in 1996, hopes for a better hold in the region not only to bolster trade, which is heavily tilted in favour of the grouping, but also

to cement military cooperation.

ASEAN groups Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

India's cumulative trade with the ASEAN nations in 1999-2000 totalled 7.4 billion dollars, with Indian imports accounting for 5.1 billion dollars.

The ASEAN officials' meet came on the heels of an eight-day trip to Vietnam and Indonesia by Indian Prime Minister Atal Behari Vajpayee.

ASEAN launched a new forum with China, Japan and South Korea last year while India remained on the fringes.

British public sector deficit hits record high

LONDON, Jan 19: The British public sector recorded its largest December budget deficit last year, official figures showed on Friday, reports AFP.

The public sector deficit was 9.452 billion pounds (14.7 billion euros, 14 billion dollars).

Analysts had expected a deficit of 8.9 billion pounds.

The government's preferred measurement of the state of current public finances, the public sector net borrowing, showed a deficit in December of 2.712 billion pounds from a revised 2.603 billion the previous month.

Chancellor Gordon Brown said in his pre-budget report in November that he expected a current budget surplus of 16.6 billion pounds during this financial year.

New WTO round likely in '01: Barshefsky

WASHINGTON, Jan 19: Outgoing US Trade Representative Charlene Barshefsky yesterday said she saw some chance a new round of world trade talks could be launched by the end of the year, says Reuters.

In her last speech before leaving office, Barshefsky said she was encouraged by the European Union's executive body was seeking a "slimmed-down" negotiating agenda from its member states for the proposed World Trade Organisation talks.

"This mandate will be extremely close to what we offered to Europe in Seattle, but which Europe turned down," she said.

Differences between the world's largest trading partners over the agenda were one reason that WTO talks failed to get off the ground at the trade

body's last ministerial meeting in Seattle in December 1999.

The United States complained the agenda sought by the European Commission, the EU's executive body, was too broad and contentious to finish within the goal of three years.

"The EU appears now to be moving to a much more slimmed-down version of what we've seen previously," Barshefsky said. "That is very much to the good."

If the EU also will agree to move faster on farm trade reform, "then I think a launch of a new round is possible, perhaps by the end of the year," she said.

The WTO is expected hold its next ministerial meeting in late 2001, most likely in the Gulf state of Qatar.

was badly tarnished by a scandal last summer, when the automaker acknowledged it had been systematically hiding driver complaints about defects for more than two decades, Mitsubishi had to recall 620,000 vehicles, and the company's president resigned in disgrace. Coming at a time when the ailing Japanese economy has been weighing on the new car market for years, the scandal further dragged down the automaker's sales. Mitsubishi Motors is forecasting a loss of 140 billion yen (US\$ 1.2 billion) for the fiscal year ending in March.

DaimlerChrysler took a 34 per cent stake in Mitsubishi Motors last year in a deal struck before the scandal surfaced. And Eckrodt - now No 2 at Mitsubishi - is an important part of the new face the automaker is trying to put on as it struggles to revive sales, corporate image and employee morale.

The two companies will develop cars and engines together, cooperate on technologies and suppliers and share platforms, or the basic part on which cars are built, they said without giving specifics.

The revival plan for Mitsubishi is expected about the same time DaimlerChrysler comes out with a similar plan for Chrysler - an alliance that some industry watchers view as turning sour. DaimlerChrysler has been forced to cut production plans for the Chrysler side as its revenue losses have grown.

Both denied there would be any change to the plan for Sweden's Volvo to buy 20 per cent in Mitsubishi Motors' truck subsidiary, although Eckrodt acknowledged DaimlerChrysler was still keenly interested in the Asian truck business.

"We are partners," Sonobe told reporters after the shareholders meeting. "We are approaching our responsibilities together, so we can achieve a turnaround at the company without wasting a single moment."

Eckrodt refused to comment on the scandal, saying he was addressing the future rather than the past. But he emphasized repeatedly he was working on achieving "openness and transparency" at the company.

Toru Shimano, an auto analyst with Okasan Securities Co in Tokyo, said there was hope for revival at Mitsubishi, although the plan was still too short on details and the recall scandal remained an overshadowing obstacle.

EU bows to trade plan criticism

Commission pushes back import liberalisation date

BURSELS, Jan 19: The European Commission, bowing to pressure from farm lobbies, yesterday pushed back proposed dates for liberalising imports of sugar, rice and bananas from the world's poorest countries, says Reuters.

The Commission last September put forward a proposal which would allow the world's 48 poorest nations to export all of their goods, with the sole exception of weapons, to the 15-nation EU free to duties or quotas.

Since liberalising agricultural trade often raises hackles in Europe, the Commission initially proposed that duty-free access for bananas, sugar and rice be phased in over three years, from 2001 to 2004.

But EU Trade Commissioner

Pascal Lamy's "everything but arms" proposal still ran into stiff opposition from the European sugar industry, and some EU member states raised concerns over its agricultural implications.

A British farm industry official said last month that some five million tonnes of sugar, representing up to 40 per cent of EU annual demand, could flood into the bloc and destabilize the market should Lamy's proposals be adopted.

The Commission on Wednesday proposed changes to the proposal to try to win quick approval in the Council, the EU institution where the bloc's governments are represented.

The Commission today gave Commissioner Lamy a political

mandate to go and discuss with the Council fine-tuning of our proposals," Lamy's spokesman Anthony Gooch said.

"Commissioner Lamy will propose that the transitional period for bananas be 2002 to 2006 and the transitional period on sugar and rice be 2006 to 2008," he said.

Access for these products to the EU market would be completely duty-free and quota-free at the end of that period, he said.

Before 2006, the Commission would look at ways of giving least developed countries enhanced market access for sugar and rice by opening temporary special quotas, he said.

"It's hard for us to foresee what the impact of our proposal will be in the medium-and long-

term. The idea is to bring these countries into the world trading system as much as possible, and that they benefit from this market opening," Gooch said.

"That would depend not only on the EU initiative... but also on their own capacity to develop their exports," he said.

A senior British sugar industry official said on Wednesday the industry remained deeply concerned by the Commission's proposal despite the proposed delay.

"It's of marginal help, but we can't concede the principle of allowing in sugar without assessing the damaging implications for the EU and UK sugar industries," Chris Carter, director of agriculture at British Sugar Plc, told Reuters in an interview in London.

Strife sidelines globalisation at Franco-African summit

YAUNDE, Jan 19: Concern at regional conflicts has overshadowed the Franco-African summit theme of "Africa and Globalisation", but intensive overnight diplomacy yielded minor deals aimed at reducing tensions across the continent, reports AFP.

Summit delegates from 51 African countries had been scheduled to discuss the wider challenges facing the world's poorest continent, ranging from trade, technology, foreign investment and HIV/AIDS.

But the killing of Democratic Republic of Congo President Laurent Kabila rewrote the agenda, leaving a small place for efforts to resolve tensions elsewhere - but not the issue of how Africa's fragile economies can meet the challenges of the global marketplace.

The first fruit of closed-door

talks late Thursday was an announcement that a "mini-summit" will take place next week in a bid to "ease relations" between Ivory Coast's President Laurent Gbagbo and his Malian and Burkinabe counterparts.

Relations soured between Gbagbo and Mali's President Alpha Oumar Konare and Burkina Faso's President Blaise Compaore in the wake of an attempted coup last week in Abidjan, which Gbagbo's aides blamed on the two neighbours.

The talks between security officials from the three countries are scheduled to take place in the Ivorian capital Yamoussoukro on Thursday, January 25, a diplomatic source said.

The source said Gbagbo felt he has been the "object of a plot" by his neighbours since his contested October election, marred by the exclusion of opposition leader and former premier Alassane Ouattara.

Meanwhile diplomats revealed overnight that the presidents of Nigeria and Cameroon, Olusegun Obasanjo and Paul Biya, are to meet February 19 in the Malian capital Bamako for talks on the disputed Bakassi peninsula.

Nigeria and Cameroon both claim possession of the 1,000 square kilometre oil-rich peninsula on the border of the two countries.

The dispute has led to frequent confrontations between the two sides, and is currently with the International Court of Justice in The Hague.

But brief talks on the conflict in Guinea, scene of incursions from Sierra Leone and Liberia since last September, failed to bear any fruit.