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The Daily Star BUSINESS

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DCCI calls for duty-free access to bridge trade gap India still a preferential market for Bangladesh: Gujarat team

Star Business Report

While the Bangladeshi business community called for allowing duty-free access of local goods to the Indian market for reducing the huge trade imbalance, a business delegation from India yesterday claimed that there is already a substantial preferential market access for Bangladesh to India.

The business delegation said that Bangladesh needs to diversify its exports and include goods and services suitable for the Indian market. It should also seek to increase production of items which have already found a steady market in India.

"India can also import energy for which there is a huge

market there," said Jagat Shah, who is leading a 14-member business delegation from Gujarat, adding that such endeavours could turn the current trade deficit into surplus in favour of Bangladesh.

The delegation was exchanging views with local businessmen at the Dhaka Chamber of Commerce and Industry (DCCI) conference room yesterday.

Earlier, DCCI President Benajir Ahmed pointed out that Bangladesh is currently suffering from a huge trade imbalance to the ratio of 1:13 with India which can be narrowed down by availing duty-free en-

try of certain goods to Indian market.

He said that the official import from India was US\$ 836.13 million in 1999-2000 against an export of US\$ 64.88 million. "So we have a total trade imbalance of US\$ 771.25 million."

"So the trade gap is huge and by increasing bilateral trade, we may narrow down the gap to a reasonable level," Ahmed said.

The DCCI president hoped that frequent meetings between the business communities of the two countries with an open mind can help resolve the issues which hinder growth of trade from Bangladesh to India.

Following the deliberation of Ahmed, head of the Indian delegation Jagat Shah claimed that Bangladesh enjoys a minimum tariff preference of 50 per cent on 2003 tariff lines, covering 72 per cent of its current exports to India. He said India has also lifted quantitative restrictions on a preferential basis and given relaxation in Rules of Origin criterion from 40 per cent to 30 per cent.

Shah also pointed out that at present 75 per cent of Bangladesh exports to India comprise of garments, a segment in which India itself is one of its competitors in the global market.

Koyes Sami becomes chairman of SWIFT users' group

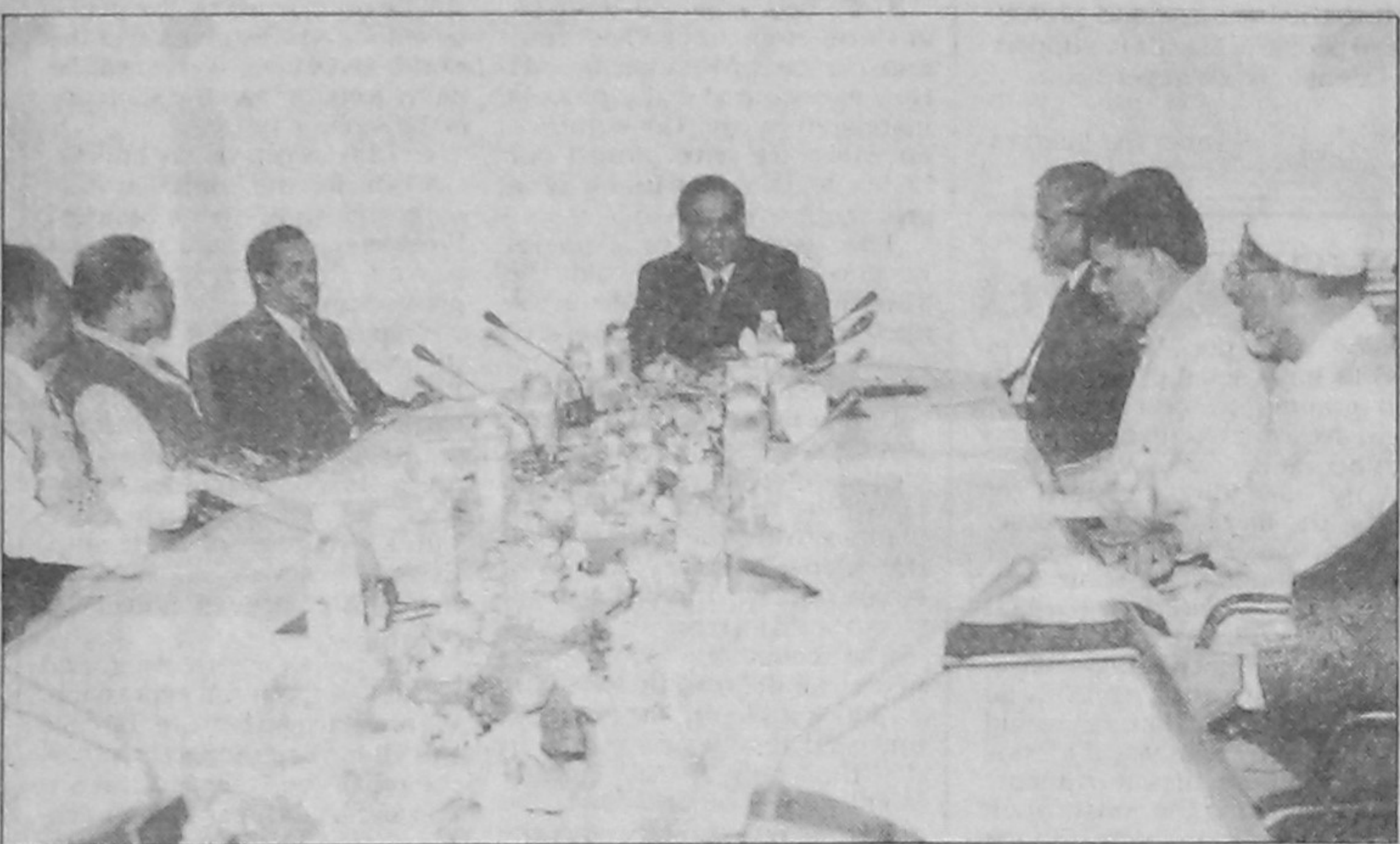
C.M. Koyes Sami, President and Managing Director of Arab Bangladesh Bank Limited, has been elected unanimously Chairman of SWIFT users' group in Bangladesh. This is an additional responsibility of Sami to his present assignment, says a press release.

SWIFT, having its headquarters in Brussels, was established in 1973 with the mission of creating a shared worldwide data processing and communication link and a common language for international financial transactions. At present, the organisation provides secure messaging services and interface software to over 7000 financial institutions in 192 countries. The average daily turnover of payment messages on SWIFT is estimated to be above US\$ 5 trillion.

In Bangladesh, 20 commercial banks, both from public and private sectors are members of the SWIFT.



Shariqul Islam (extreme right), Resident Executive Director of Transcom Group, receives the best trophy from Dr Shahadat Hossain, President of the Chittagong unit of Bangladesh Medical Association (BMA), for the best stall opened by Transcom Group at the Millennium Exhibition & Fair organised by the BMA-Chittagong unit at Chittagong Club on Friday. The trophy was handed over at the installation ceremony of the BMA unit's executive committee on the same day and at the same venue. - Star photo



A conference of branch managers and executives of Mutual Trust Bank Limited was held at the Head Office of the bank on Saturday. Mosharrar Hossain, Managing Director, presided over the conference, which reviewed the performance of the bank for the year 2000 and set business target for 2001. - Mutual Trust Bank photo

ROK sees DPRK leader's visit to China as heralding reform

SEOUL, Jan 21: South Korea has welcomed North Korean leader Kim Jong-Il's visit to China as an important sign that the impoverished country may follow Beijing's reform path, reports AFP.

"It is very meaningful that Kim Jong-Il visited China to inspect Shanghai, the symbol of China's economic reform, and meet with Chinese leaders," South Korea's foreign ministry said Saturday in a statement. The trip prompted widespread speculation in Seoul that North Korea, one of the most isolated regimes in the world, was preparing to launch Chinese-style reforms in an attempt to rebuild its devastated economy.

"We see reform and openness as a trend of the era and believe that the development achieved through economic reform policy will serve as a reference to North Korea's economic development," the ministry said.

The South Korean statement coincided with an announcement in Pyongyang that Kim had held a summit with Chinese President Jiang Zemin at the end of his six-day visit to China.

The two leaders informed each other of the situation in their countries in a friendly atmosphere and exchanged views on the issue of further developing the relations between the two countries and on major international matters of mutual concern and reached a

consensus of views on them," said the North's official Korean Central News Agency. "Kim Jong-Il expressed the belief that the Chinese people will certainly score new achievements in realising the targets for development set in the tenth five-year plan," it said.

North Korean television stations also extensively advertised Kim's economic fact-finding tour of Shanghai, China's financial capital.

The North Korean leader was spotted at several high-tech companies in the city.

He was also seen watching the lively trading floor at the stock exchange, which has played a key role in raising funds for the reform of state-

owned enterprises. During his summit with Jiang, Kim praised China's 20 years of economic reforms. Chinese foreign ministry spokesman Zhu Bangzao said.

"Kim stressed that the big changes that have taken place in China, and in Shanghai in particular, since China began the reform and opening up drive prove the policies of the CCP (Chinese Communist Party) are correct," Zhu said.

Analysts believe Kim's surprise visit to Shanghai shows the leader is studying how to open up North Korea's devastated economy to foreign investment without threatening his own hold on power.

Eber Rice, a political counsellor at the Canadian embassy in Seoul, told a recent Seoul seminar that North Korea made its decision to start opening up "kicking and screaming." North Korea's economy is in dire straits, devastated by long periods of mismanagement, the withdrawal of Soviet-era subsidies and a series of natural disasters that have led to severe famine in recent years.

With his country's economy collapsing, Kim Jong-Il has slowly moved to end decades of hermit-like existence for his country since his landmark summit with South Korean President Kim Dae-Jung in June last year.

Kim has shown a keen interest in the high technology that North Korea desperately needs to modernise.

US, Mexico, Canada boost tariff removal

WASHINGTON, Jan 21: The United States, Mexico and Canada have accelerated the reduction of tariffs on some 867 million dollars worth of goods under the North American Free Trade Agreement, the US government announced Friday, reports AFP.

Tariffs on footwear, chemicals, pharmaceuticals, auto parts and batteries were reduced January 1, US Trade Representative Charlene Barshefsky said.

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HP launches its new product line-up

Hewlett-Packard Company, a leading global provider of computing and imaging solutions and services for business and home, recently launched its exciting new product line-up ranging from the new e-PC for commercial desktop computing to all-in-one printer and new large format printers with industry-leading speed, says a press release.

The launch was announced by Marketing Manager for Emerging Countries, HP Singapore Sales Pte Ltd, David Ong at a press conference on January 17 at the Pan Pacific Sonargaon Hotel.

HP's authorised wholesalers, Multlink International Co Ltd and Flora Limited, which jointly organised the press conference were also present to grace the event.

HP has unveiled the HP Brio BA410 business PC, the simple solution for small and medium-sized businesses (SMB). "With the BA410, SMB can concentrate on managing their businesses and let HP take care of

their PCs," said Ong. "In addition, the flexible configuration allows customers to select the features they want, while still retaining expandability options to accommodate their growing business needs."

In addition to the DeskJet lines include the new latest and fastest DJ990Cd Professional Series printer which incorporated HP Photorel 3 Colour Layering Technology and print speed of up to 17 pages per minute (ppm) black and 13 ppm colour.

To further demonstrate Hewlett-Packard's commitment in Bangladesh, a three-day product and sales training programme held in Singapore early last year was attended by support engineers from HP's Authorized Wholesalers in Bangladesh.

The training aimed to raise the level of support proficiency for HP's breadth of products by providing channel partners with the ability and the training to offer hardware support and system maintenance.

BP to sell off 5,000 stations worldwide

LONDON, Jan 21: British-based oil giant BP will sell off 5,000 petrol filling stations worldwide, a spokesman for the group confirmed Sunday, reports AFP.

The closure programme will take up to three years and is expected to raise up to one billion pounds (1.56 billion dollars), reported the Sunday Times, which first revealed the deal.

BP has 28,000 stations worldwide, with 18,000 in the

United States -- via Arco and Amoco -- and 8,000 in Europe.

At the moment we don't have an exact number, but our best guess at this would be something of the order of around 5,000," the spokesman told AFP without providing details on which countries would be most affected.

Britain's Sunday Times reported the move was designed to pay for the cost of the group's rebranding and would provide a surplus.

The newspaper speculated the sell off would mainly affect the United States Amoco sites. None of Arco's filling stations in the United States, which are mainly west of the Rockies, will be affected. Only 50 filling stations in Britain, out of around 1,500, will be sold, the paper reported.

"Some will be sold to other oil companies, and others sold as property to be redeveloped," Sir John Browne said in an interview with the Sunday Times.

"Five thousand is not a huge amount. It's called adjusting the portfolio."

"As people's way of life changes, traffic patterns and new communities are built. You have to think about that in advance of it happening, otherwise you could have a station with nobody coming to it."

BB T-bill auction held

The 124th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held here yesterday, reports UNB.

A total of Tk 1288.50 crore, Tk 166 crore, Tk 5 crore, Tk 9 crore, Tk 171 crore and Tk 33.75 crore were offered for the 28-day, 91-day, 364-day, 2-year and 5-year bills respectively.

Of these, a total of 1476.50 crore including Tk 1288.50 crore, Tk 166 crore, Tk 5 crore, Tk 4 crore and Tk 63 crore of 28-day, 91-day, 182-day, 364-day and 2-year bills were accepted respectively.

Lankan funeral parlour gets lift from Internet

KOTTHMALE, Sri Lanka, Jan 21: When an undertaker in this central region wanted to make trendy coffins and improve his embalming techniques, he turned to a local radio station he once saved from an untimely demise.

The undertaker, Victor Wijewickrema, 56, threw a lifeline to Kothmale Community Radio (KCR) by buying 27,000 rupees (490 dollars at the time) of airtime when the station was being threatened with closure in 1996.

Now, apart from making better coffins, he is set to fill his coffers thanks to an internet interface KCR added nearly two years ago in a unique experiment.

The station has gone from being KCR to KCR (Kothmale Community Internet Radio) and become a showcase project of UNESCO, which gave it 50,000 dollars for computer hardware and IT training.

With the investment, the community radio station was able to start searching the worldwide web for its listeners.

Nearly two years ago, Wijewickrema asked the KCR to browse the Internet for funeral services in a bid to learn more about the business which his father started over 45 years ago using gamboge and salt.

Wijewickrema said he wanted his son, Iran Sameera, 27, to learn new techniques, and with the help of the station located an undertakers college in the United States.

Sameera is now a student at the American Academy McAlister Institute of Funeral Services in New York, and his family is bracing itself to become Sri Lanka's most up-to-date undertakers.

After finishing his first year he returned with a host of equipment and accessories that would make other undertakers

green with envy. Wijewickrema is now looking for bigger premises for a funeral home, which in Sri Lanka is often euphemistically called a "florists."

"We don't want to be called florists anymore. That is a bit of deception. We want to be called a funeral home," he said, adding however that he will retain the business name "Thusitha," described as a heavenly place in Buddhist texts.

Next to his parlour is a literal graveyard for four old hearses, while parked in front is a new Buick used for luxury services and a converted Toyota for more down-to-earth funerals.

Sitting at a cluttered desk with a poster of the Titanic in the background, Wijewickrema opens dozens of thick volumes on embalming techniques and pulls out jars of chemicals which he says other undertakers lack.

He offers to play a videotape to demonstrate the new skills he has acquired thanks to his son, the radio station and the Internet.

"I helped the radio four years ago, because I wanted people here to benefit from the service the station is doing," Wijewickrema said.

The KCR broadcasts a daily one-hour program to the central region which focuses on Internet resources. Listeners, many of them farmers and students, can either phone or send in their questions by mail.

"We sometimes print out the information listeners request and mail it back to them because we can't always answer every question on the air," station controller Sunil Wijesinghe said.

UNESCO local senior programme specialist Stella Hughes said KCR was a unique project trying to bridge the digital divide and blend new

Int'l leather fair begins in city January 27

By Monjur Mahmud

The third Dhaka International Leather Fair (DILF) 2000 kicks off in the city on January 27 to prop up the industry that fetches more than a thousand crore taka annually from exports.

Prime Minister Sheikh Hasina is expected to inaugurate the three-day gala exposition at Sonargaon Hotel jointly organised by Bangladesh Finished Leather, Leather goods, and Footwear Exporters' Association (BFLFEA) and the Export Promotion Bureau (EPB).

"In a bid to attract more foreign buyers, we have already started campaigning abroad quite early this year and we are organising the fair in a better planned way," said MA Sattar Bhuiyan, Chairman of BFLFEA.

So far 27 foreign companies have confirmed their participation in the fair while as many as 50 local firms will also take part in it, Bhuiyan told The

Daily Star yesterday.

Last year, as many as 60 local participants displayed footwear, leather bags and other leather goods, crust and finished leather while 25 foreign companies from Australia, Africa, Brazil, Germany, Italy, USA, Taiwan and India exhibited high-tech machinery.

Leather follows the garment and frozen food sectors in terms of fetching foreign exchange for Bangladesh. But unlike garment, the industry boasts of more than 85 per cent value addition.

Leather worth \$93.36 million was exported during July-November period of the current financial year, exhibiting a 4.22 per cent rise from the target and 15.54 per cent jump from last fiscal's corresponding period.

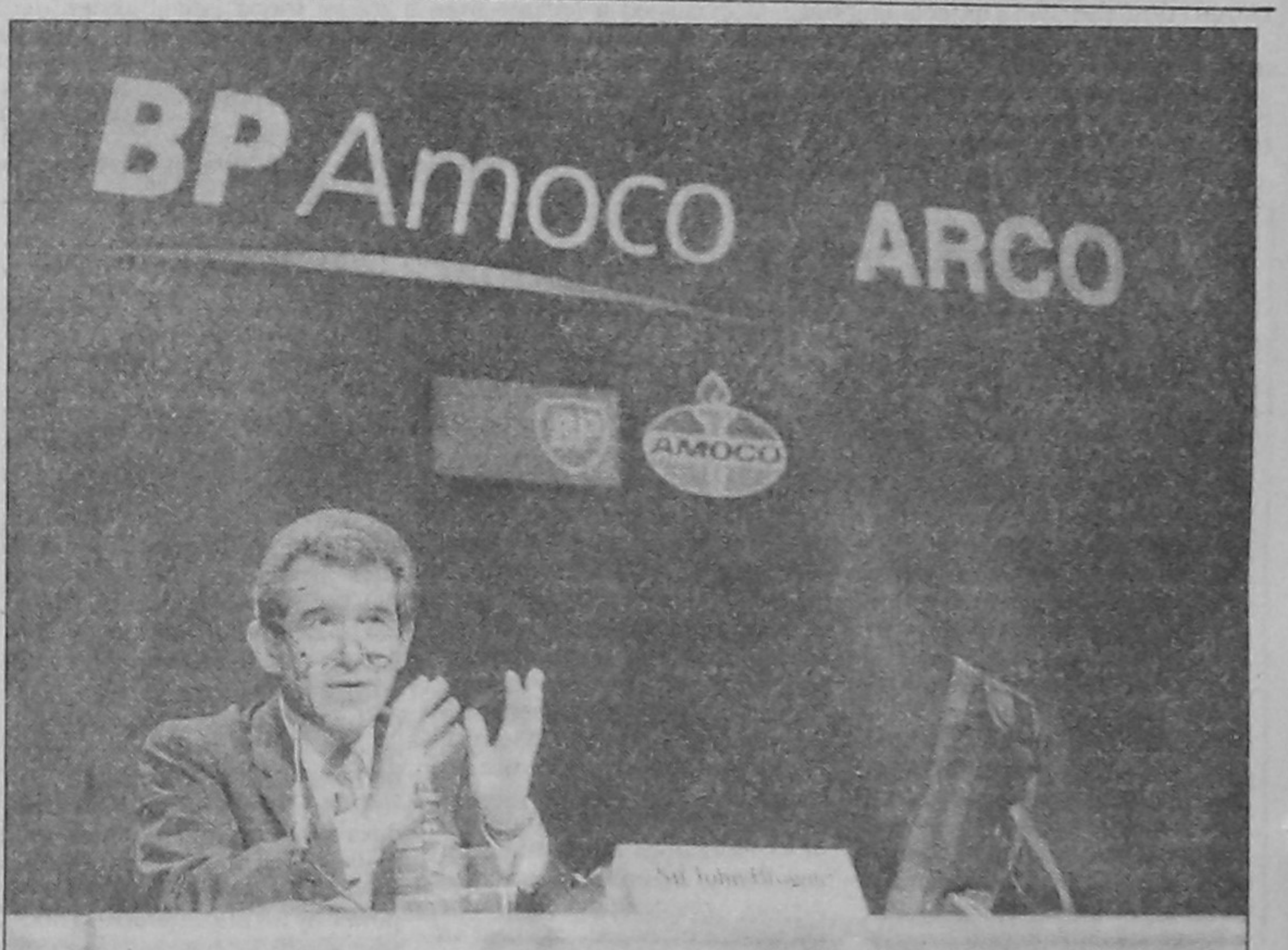
Crust and finished leather alone earned US\$ 195 million in the last financial year. Besides, footwear fetched another

\$51 million.

The country is now capable of producing 180 million square feet of leather annually. More than 80 per cent of the country's annual production is exported as semi-finished and finished leather, leather goods and footwear," said Sattar Bhuiyan.

The quality of footwear, leather goods and accessories has significantly improved over the last few years, he said, adding that there are 15 large scale modern shoe factories, producing high-quality footwear. Over 50 manufacturers are producing various leather items such as travel goods, suitcases, briefcases and fashion products like belts, wallets, handbags and card holders for the overseas market.

Besides, 2500 small manufacturing units across the country are producing footwear for the domestic market.



A file photo shows BP Amoco chief executive Sir John Browne answering questions during a press conference at the Mermaid theatre in London April 1, 1999. British-based oil giant BP is to sell off 5,000 petrol filling stations worldwide, the group's chief executive Sir John Brown told Britain's Sunday Times in an interview yesterday. -AFP photo

Pressure mounts on Japanese economic planner to resign Bribe-taking accusation from small business

TOKYO, Jan 21: Pressure mounted Sunday against a Japanese Cabinet minister accused of accepting bribes from a small business organisation, with major newspapers saying the chief economic planner would likely step down within a few days, says AFP.

The uproar over Fukushima Nukaga is another blow to the embattled, scandal-tainted administration of Prime Minister Yoshiro Mori. The leader appointed Nukaga last month in a Cabinet shake-up aimed at boosting confidence in the unpopular administration. "Mori was aware of the allegations against Nukaga and appointed him anyway. Mori should be held accountable," opposition politician Naoto Kan said during a talk show on Japan's TV Asahi.

Nukaga, the state minister

for the economy, industry and information technology, admitted in December that his secretary accepted money from a business organisation KSD. But Nukaga said the secretary returned the contributions, totalling 15 million yen (\$128,000), and denied that he was asked for political favours.

The corruption charges against Nukaga have already ensnared several LDP lawmakers and led to the arrest of Upper House legislator Takao Koyama.

The Nihon Keizai newspaper, a major business daily, said a movement was growing within Japan's ruling coalition supporting Nukaga's resignation before Parliament convenes on Jan 31. Other newspapers had similar reports.

Kazuhiko Koshikawa, a spokesman for the prime minister, said such reports were "just rumors." But he added that a major faction within the ruling Liberal Democratic Party had discussed the problem of Nukaga.

Phone calls to Nukaga's offices in his constituency in Ibaraki prefecture (state), 112 kilometres (69 miles) northeast of Tokyo and in the capital rang unanswered Sunday. He has reportedly rejected pressure from his peers to resign.

Since Mori took over last year in April, support for Mori's administration has plummeted to near-historic lows through repeated verbal gaffes evoking Japan's militaristic past.

The resignation last year of several Cabinet officials amid charges ranging from marital infidelity to bribery also sullied the administration's image.