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# The Daily Star BUSINESS

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## Taxi cab owners see 'business boom' in the offing

Assoc to set up drivers' training institute in Gazipur

By Shahrar Karim

Although it is still a 'mystery' whether taxi cab operation is a viable business option, companies engaged in the affair are adding new cabs to their fleets.

Visioning 'business boom' in the near future, the Taxi Cab Owners' Association has taken an initiative to set up a drivers' training institute in Gazipur to have them properly trained.

"We can easily foresee that some 2,000 taxi cabs, which is the government limit for the capital city, will ply the city streets by the end of this year. For this growing service sector, we need trained drivers, and that's why we have launched the drive to set up a training institute," said General Secretary of Taxi Cab Owners' Association Anwarul Islam Tarek.

Currently, there are 16 companies operating in this sector with 1500 taxi-cabs.

Anwarul Islam, who is also the Managing Director of Navana Taxi Cab Ltd, said that cab companies have already earmarked fifty lakh taka for the institute.

"Major international players in the transport sector like

British Petroleum, Mobil, Bridgestone etc., who have stakes in Bangladesh, also promised to provide financial help for the institute," Islam said.

Many people who have made small investments in taxi cabs mostly complain that they are not getting 'reasonable' return on their initial investments ranging from Tk 2,20,000 to Tk 3,50,000 a car. However, the operators think that the return is 'quite reasonable' as individual investors are getting Tk 5,000 to Tk 10,000 every month.

"On an average, an individual gets Tk 7,000 every month against his or her investment of Tk 350,000 after deducting the monthly instalment and other costs," claimed Managing Director of Navana Taxi Cab Ltd Anwarul Islam Tarek.

MA Hannan, Managing Director of Cosmo Cab Ltd, also echoed Anwarul Islam's view.

When the taxi cab operators are upbeat on their business, the drivers have mixed opinions.

A section of the cab drivers

share the view of the operators. However, there are others who think that the return is very negligible on an investment of about Tk 350,000.

"At the end of the month, the owner of a taxi cab gets about Tk 4000 which is nothing taking into consideration the investment and risk," said a driver of a yellow cab. With such rate of return, the owner will have to wait seven years to recover his initial investment, he said, adding that there is always the risk of accidents that would cost the owner additional money.

They also said only long-distance trips are profitable and so, they prefer to avoid short ones.

However, there are other taxi drivers who claim to be earning enough money and are able to hand over Tk 11,000 to Tk 13,000 to owners every month.

"I never refuse any trip. Whatever the distance may be or wherever the passenger wants to go, I take the trip and that's why I am able to earn enough in this city," said another driver of a black cab.

Although the cab drivers are not supposed to refuse any trip, this is a major problem that the passengers are facing these days. Most taxi cabs refuse to take trips to places like Mirpur and Gulshan, especially after dusk.

Recently, some organised gangs hired cabs in the guise of passengers and then took the cars to outskirts of the city and then snatched money from the drivers and took away different parts of the cars.

"Yes, this is a problem and we are fighting it with the help of the law enforcers. But still, we request the drivers not to refuse any trip. Passengers should also inform us about any trip refusal," Anwarul Islam said.

Besides, he also said plans to set up check posts at the entry points of the city are under consideration so that they can avoid the such risks.

However, taxi cab operators and drivers univocally said that traffic jam and other 'peculiar problems' are hindering the smooth growth of this sector.

## Three new ICB subsidiaries to launch operations this month

By Monjur Mahmud

The newly-formed three subsidiaries of Investment Corporation of Bangladesh (ICB) for asset management, merchant banking and stock broking are expected to launch formal operations by the end of this month.

According to ICB sources, the subsidiaries -- ICB Capital Management Limited, ICB Asset Management Company Ltd and ICB Securities Trading Company Limited--had already been registered with the registrar of joint stock, last month under the Company Act, 1994.

"We will launch formal operations of the subsidiaries after the government notification. We have completed all preparations but as per the ICB ordinance no sub-subsidiary can commence business until it

has been notified in the official gazette," said a top ranking ICB official.

ICB subsidiaries were formed to meet ADB conditionality for releasing the second tranche of its loan for the capital market development programme.

ICB Capital Management Ltd will work as a merchant bank and its activities will include underwriting, debenture management, issue managing, trustee and investing in placement. The authorised capital of this company will be Tk 100 crore with Tk two crore paid up capital.

ICB Asset Management Company Ltd will be responsible for operating the new mutual funds. The authorised capital of the company will also

be Tk 100 crore with Tk three crore paid up capital.

ICB earlier sought permission from the Securities and Exchange Commission (SEC) to float its ninth mutual fund and submitted a prospectus of the proposed fund.

Half of the Tk 10 crore ninth mutual fund would be raised through pre-IPO placements, while Tk four crore would come directly from the market through public subscriptions. The Corporation has kept reserved the rest Tk one crore for non-resident Bangladeshis (NRBs).

"Floating of the ninth mutual fund is being delayed as the new subsidiary is yet to launch operation. The new company will take responsibility

of the fund," said another ICB official.

He said ICB has eight mutual funds worth Tk 17.50 crore. All these funds are being traded above their face values. Despite prevailing depression in the market, these funds have offered dividends ranging from 12 per cent to 100 per cent over the past few years.

Another subsidiary, ICB Securities Trading Company Ltd, will take responsibility of transacting the securities of ICB and all of its subsidiaries in the capital market.

Although new subsidiaries are going to commence operations by the end of this month, the responsibilities of ICB unit fund and existing mutual funds will remain with the ICB parent company.

## Frequent strikes in Ctg keep businessmen worried

Delayed export shipment causing financial losses

CHITTAGONG, Bangladesh, Jan 22: Bangladesh businessmen said Monday they were increasingly concerned about their livelihoods after this port city was hit by another general strike, reports AFP.

"We are worried as frequent hartal (strikes) force us to face financial losses" because exports could not be shipped out as ordered, Feroze Ahmed, president of the Tea Traders Association of Bangladesh, told AFP.

He added: "We have to pay our bank interests whether we make profit or not... frequent strikes in this port city have become a big impediment to export business and a major cause of concern."

According to police, Chittagong, the gateway to Bangladesh, had suffered 1,200 hours of general strikes over the past two years by opposition political parties, mostly over local issues.

It had suffered 84 hours of stoppage since the beginning of the year.

Monday's opposition strike was called to press Prime Minister Sheikh Hasina Wajed quit and to urge the repeal of the Public Safety Act which protesters had labelled a "black law."

The opposition accuses the government of using the law to harass its opponents, a charge the government denies.

Normal life was disrupted Monday with most shops, private offices and businesses shut, while many vehicles remained off the streets.

The law, enacted just a year ago, aims to establish fast track courts to try people accused of extortion, kidnapping, ransom and damaging vehicles.

It was backed by the business community who have been the victims of such crimes.

Ex-prime minister Khaleda Zia's Bangladesh Nationalist Party-led four-party opposition

alliance, which includes the main faction of the Jatiya Party of jailed ex-president Hussain Muhammad Ershad, the fundamentalist Jamaat-e-Islami party and the extreme rightwing Islami Oikya Jote enforced the stoppage.

Mahbub Ali, leading businessman and a leader of the Bangladesh Garment Manufacturers and Exporters Association -- the country's largest foreign exchange earners -- said large quantities of exportable ready-made garments were just sitting at the port.

"This has led to the erosion of confidence among foreign buyers... a spree of strikes in the new year will force many foreign buyers to rethink whether to continue their business with us or not," Ali told AFP.

"I fear these actions will leave a bad impact on the prospect of garment exports," he added.

Ahmed too said that weekly

tea auctions were faced with obstacles.

"We are scared and our politicians must be sensible if they want to protect the prospect of investment and future of this port city," well-known entrepreneur Nader Khan, said.

The Chittagong Chamber of Commerce and Industry claimed that a day's general strike cost 2.8 billion taka (53.3 million dollars) in lost trade, industrial production and other factors.

The government says it costs the country 25 million dollars daily in production losses alone.

Chittagong Port chairman Golam Rabbani said he was facing difficulties in coping with shippers because of the stoppages and a nine-day holiday for the Muslim festival of Eid.

"Because of strikes we have been operating around the clock and on weekend holidays too to clear the backlog quickly," he said.

## Coca-Cola to invest \$49m in Ethiopia

ADDIS ABABA, Jan 22: US multinational Coca-Cola is prepared to invest 49.2 million dollars in Ethiopia, the state news agency ENA said late Sunday, reports AFP.

ENA said the drinks giant's director for Africa and the Middle East, Robert Leadsay, had made the announcement, citing "favourable conditions created in the country for investment" at a reception for an Ethiopian trade mission in Atlanta, Georgia, where the company is headquartered.

Coca-Cola International is attracted by Ethiopia's "lucrative market owing to its nearly 63 million population and a huge labour force," the agency said.



Dr AKM Shabub Alam (centre-right), Managing Director of Beximco Systems Limited, and Tulika Sinha (centre-left), Zonal Manager, ETB-East, NIIT Antilles NV, are seen at the inauguration ceremony of the new NIIT centre at Mohammadpur recently. Among others, Sanjeev Shrivastava, Location Head Bangladesh, and MAM Faruq, National Marketing Manager BCL, are also seen in the picture. — NIIT photo

## Arroyo gets down to business, markets up on Estrada's fall

MANILA, Jan 22: New Philippine President Gloria Arroyo on Monday began her official duties with a renewed appeal for national unity as financial markets rejoiced over the downfall of her disgraced predecessor Joseph Estrada, reports AFP.

Ruling out a government purge, Arroyo, 53, buckled down to work after a flag-raising ceremony and a solemn welcome from an honour guard at Malacanang Palace less than 48 hours after being installed as the Southeast Asian country's 14th president.

It was a homecoming for the former vice president -- she lived as a teenager in the palace when her late father Diosdado Macapagal was president in the early 1960s.

The petite new leader, wearing a conservatively cut gray business suit accented

with a gold necklace, was dwarfed by military officers whose mass defection to the opposition last week abruptly ended the scandal-ridden 30-month rule of Estrada.

In a brief speech, she ruled out a purge of the bureaucracy and professed respect for the civil service, repeatedly invoking her respected father's memory.

"We must stand together. We must heal the nation," she said.

"I have no grandiose dreams to be a great president but I want to be a good president. Help me become a good president," she told palace staff and guards.

After the welcome, she went into a command conference with the armed forces leadership and new cabinet appointments were announced.

The new president, who has a doctorate in economics and served as a trade and industry

under-secretary, is seen as a business-friendly figure with a professed goal of eradicating severe poverty in the nation of more than 75 million people.

Cheers and clapping erupted after the opening bell sounded at the Philippine Stock Exchange trading floor in the Makati financial district -- a bastion of the anti-Estrada movement -- and buying began in earnest.

The composite index surged to as high as 1,953.63 points -- up 34.5 per cent or more than 500 points from its close Friday of 1,452.93 -- before settling down to the 1,700 region in late morning trade.

"We have regained the confidence of the investors as months of crisis and uncertainty are now over," a dealer with a local stock brokerage said.

The Philippine peso, which hit a record low of 55.75 last week during a standoff between pro- and anti-Estrada forces, spiked to 46 per dollar and settled around 47-48 to the dollar in morning trade. The currency had already surged late Friday after Estrada's downfall became apparent.

On the other side of Manila, Estrada maintained his silence and stayed in seclusion at his suburban mansion as state prosecutors prepared to file criminal charges using evidence gathered during his aborted impeachment trial.

Before his downfall, Estrada was being tried by the senate on charges of taking bribes from illegal gambling syndicates, siphoning off government funds and protecting key cronies implicated in illegal activities.

## DCCI training course on marketing starts

A 5-day training course on 'Marketing is Everything' has begun at DCCI Business Institute on Sunday.

DCCI president, Benajir Ahmed, inaugurated the course.

The training course was organised by the DCCI Business Institute (DBI) with the technical and financial support of German Technical Cooperation (GTZ).

GTZ Senior Consultant and BAS Project Coordinator Michael K Nathan, BAS Project Manager and DBI In-charge, Md Emdadul Haque, DCCI Deputy Secretaries (Training) Hasanur Rahman Chowdhury and Shahzada Basunia also attended the opening.

Speaking on the occasion, the DCCI President expressed his hope that the training course would provide functional knowledge to the participants to help them become confident to deal with complex as well as competitive business scenario.

Michael K Nathan gave a brief resume of the GTZ Programme and said that the Programme offers a package of services like dissemination of business information, business consultancy need-based training, business matching, project preparation etc.

DBI In-charge Md Emdadul Haque explained the training module of the course and informed that DCCI will soon offer longer courses on different branches of business management including MBA Executive Programme.

A total of 32 participants from private enterprises are attending the training course.

## NIIT opens new centre at Mohammadpur

NIIT has set up a new Education Centre at Mohammadpur in the city.

Earlier NIIT opened two more centres in Old Dhaka city and Comilla town, says a press release.

The new centres will offer the NIIT's latest e-technology curriculum which would help students prepare themselves for the emerging job opportunities in e-commerce and web development.

NIIT, with its education revenues of US\$ 135 million, today ranks among the top 7 independent IT education and training companies in the world.

It has firm plans to become the "Number 1 IT Education and Training Company" in the world by the year 2004 and has plans to set up 1000 new centres all over the world in the next year.

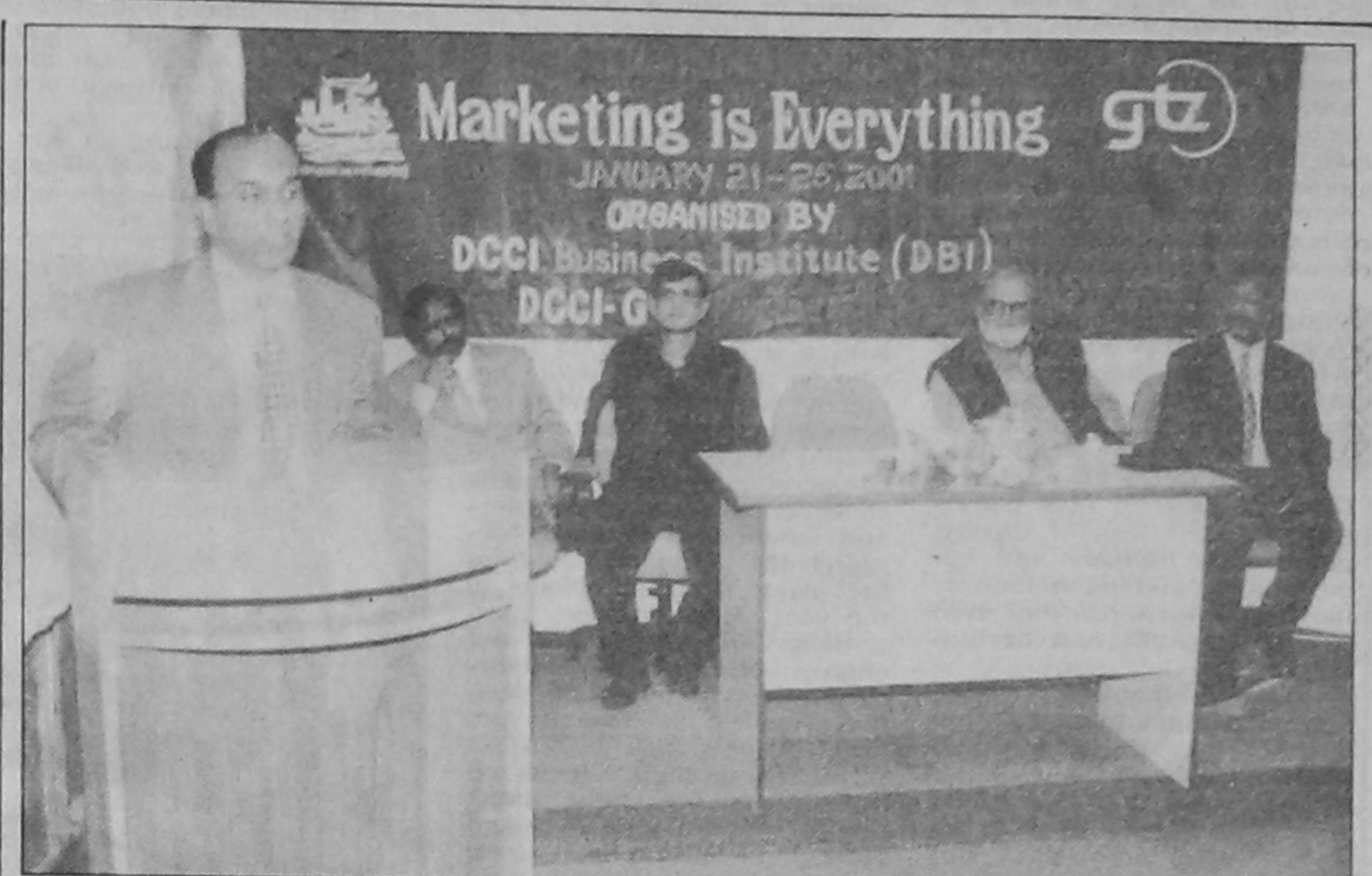
Speaking on the occasion, Tulika Sinha, Zonal Head of NIIT's Education and Training Business, said, "NIIT has been able to achieve this 'Global Top 7' position through consistent innovation in technology, methodology and quality of education delivery across the globe."

## BCSIR signs MOU with NRI on crop residue analysis

The Institute of Food Science and Technology (IFST) of BCSIR has signed a Memorandum of Understanding (MOU) with Natural Resources Institute (NRI) of UK on analysis of crop residues in Bangladesh, says a press release.

Dr. A. M. Hasan Rashid Khan, Director of IFST, and John Perfect, Director of NRI, signed the agreement at the office of the chairman of BCSIR recently on behalf of their respective organisations.

Dr Zahurul Haq Bhuiyan, Research Coordinator, Dr. Mamtaz Daulatana, PSO, Syeda Rashida Begum, SSO, and Md. Motiur Rahim, SO, were present on this occasion.



Benajir Ahmed, President of DCCI, addresses the inaugural ceremony of the training course on 'Marketing is Everything' at DCCI Business Institute (DBI) Sunday. Michael K Nathan, GTZ Project Coordinator (2nd right), Md Emdadul Haque, DBI In-charge (extreme left), Hasanur Rahman Chowdhury, Deputy Secretary (Training), DCCI (extreme right), and Shahzada Basunia, Deputy Secretary (Training), DCCI (2nd left), were also present. — DCCI photo

## Sanyo to launch 'Bit Valley' tech centre

TOKYO, Jan 22: Japan's Sanyo Electric Corp. on Monday said it would set up a worldwide headquarters for technology development dubbed "Bit Valley" and vowed to become an industry leader in digital network solutions.

"An age of fierce competition has arrived in which we cannot survive unless we reach the top in an industry," Sanyo president Yukinori Kuwano told a news conference.

Escalating its rivalry with Japanese giants such as Fujitsu Ltd. and NEC Corp., Sanyo plans to more than double the number of employees in digital businesses by 5,200 over the next three years to 10,000.

As part of the initiative, Sanyo will set up a semiconductor-based business centre, called "Bit Valley," in the trendy Tokyo district of Shibuya, Kuwano said.

Shibuya means Bitter Valley in English, and the area has already acquired the "Bit Valley" nickname -- derived from Silicon Valley in California -- for its concentration of high-technology start-up companies.

Sanyo plans to invest five billion yen (43 million dollars) over the next three years in the centre, which is slated to open next month, the president said. "Bit Valley" will begin opera-

tions with 15 staff, mostly engineers specialising in digital technology, but the number will eventually rise up to 100.

"We are placing the centre of our worldwide system solution network business in Shibuya, following our launch of development centres in the Philippines, Hong Kong, India and the United States," the president said.

Linked by high-speed computer networks with other development centres, the Shibuya headquarters is also designed to serve as a community for engineers, business planners and students from around the globe, he said.

Pointing to other promising areas of business, Kuwano noted that Sanyo had been named this month as the sole batters' supplier for Ford Motor Co's new Hybrid Electric Vehicle, touted to be the world's greenest leisure car.

"In the mid- to long-term, I would like to see this business expanding to the scale of 300 billion yen," the president said.

In November Sanyo said it was creating up to 1,200 jobs in China by establishing a plant -- its 46th Chinese facility -- to make lithium-ion batteries for mobile telephones.

## Oracle director arrives in city



S. V. Krishna, Education Director of Oracle Corporation, India, has arrived in Dhaka on a three-day visit, says a press release.

During his stay in Dhaka, he will visit BASE Limited, the only Oracle Education Partner in Bangladesh, participate in a press conference as well as attend a luncheon on the same day with the leading local IT strategists and explore the opportunities for development of the IT education sector in Bangladesh.

The press conference and the luncheon will be hosted by BASE Limited. Krishna will be accompanied by Meenakshi Dutta, Senior Officer, Education, Oracle Corporation, India.

With 18 years experience of working in the IT Education Sector in India, S. V. Krishna is considered as one of the leading IT personalities of India and has initiated the first Oracle Authorized Training Center for Oracle Education Career Program (OCCP) with BASE Limited in Bangladesh.

## Malaysia eases exit tax for foreign investment

KUALA LUMPUR, Jan 22: Malaysia's central bank Monday said that the 10 per cent exit levy imposed on investments during the Asian economic crisis in 1998 will be eased Feb. 1, says AP.

The central bank's move is the latest effort to gradually relax capital controls, which include pegging the local currency at 3.8 ringgit to the dollar. The ringgit peg remains in place.

The move puts into effect Finance Minister Daim Zaiduddin's announcement last year that the levy would apply only to profits on investments that have been in the country less than 12 months.

In September 1999, Malaysia locked in foreign invest-

ments for a 12-month period to stem fund outflows, which the government deemed was making the crisis worse.

In February 1999, it replaced that measure with an exit levy system which was later refined in a series of moves, enabling investors to pull out their funds but at a prohibitive cost.

Prior to Daim's announcement, the government required a flat 10 per cent exit levy on all portfolio investment profit, regardless of duration.

Foreign fund managers have bemoaned administrative hurdles attached to the levy system. They also said the levy created a psychological barrier that constricted the flow of funds into the Malaysian market.

## Goodyear India MD due today

Luis Ceneviz, Chairman and Managing Director of Goodyear India and Director of Marketing and Sales, E. Krishnaya, are due to arrive in the city today on a three-day visit to Bangladesh.

During their stay in the city, they will attend a function tomorrow to mark the 25th anniversary of the business partnership between Navana Group and Goodyear Tire.

On the same day, they will open a Goodyear Tire and Car Service Centre at Tejgaon. The centre is an ultra-modern one in the city.

British Petroleum (BP) extended different technological assistance to Navana Group in establishing the centre.

Navana began the marketing of Goodyear Tire in Bangladesh 25 years ago.