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HRC plans to deploy 8 feeder vessels on 2 routes

HRC intends to deploy a total of 8 Bangladesh flag container feeder vessels shortly, says a press release. The vessels will ply on Chittagong-Singapore-Port Klang-Chittagong and Chittagong-Colombo-Chittagong routes. Of late, HRC is earning laurels overseas for its efficient and reliable container feeder service between Chittagong/Singapore/Port Klang/Chittagong route. In the year 2000, the company made tremendous stride and is now a major feeder operator to/from Bangladesh ports.

In October 2000, HRC Shipping extended its feeder service network from Chittagong to Colombo. Within 3 months the company signed Connecting Carrier Agreements (CCA) with all leading MLOS which transship containers via this route.

Presently, HRC offers to the trade 12/14 day feeder frequency and plans to deploy a 2nd ship shortly on this route to improve its service frequency to 6/7 days.

HRC Shipping Limited has recently purchased its 5th cellular ship of 669 TEUs capacity and named it MV Banga Biraj. This is the largest container ship so far to be registered under Bangladesh flag.

Oil demand to drop by 2m bpd in 2nd quarter, says Venezuela

CARACAS, Jan 22: Venezuela's oil minister on Monday said he expected global demand for crude oil to drop by almost 2 million barrels a day in the second quarter and did not discard the possibility of another OPEC output cut in March, says AFP.

The Organisation of Petroleum Exporting Countries will monitor the market between now and its March ministers' meeting in Vienna to decide whether more production cuts are necessary, Alvaro Silva Calderon told a news conference.

Concerned that a seasonal drop in demand would trigger a collapse in oil prices, OPEC last week agreed to slice output by 1.5 million barrels a day.

In an apparent late reaction to OPEC's announcement, February crude futures rose \$1.74 on Friday, closing at more than \$32 a barrel on Friday - their highest level since early December. OPEC wants prices to remain between \$22 and \$28 per barrel.

The 11-member cartel produces 40 per cent of the world's oil. Venezuela is the world's third-largest oil producer.

Silva Calderon said Venezuela's February production rate average would be within the range of its new output quota of 2.9 million barrels a day. He added that he hopes to see the Venezuelan crude basket close at an average of \$25 a barrel at the end of year.

Indonesia will allow direct trade with Israel

JERUSALEM, Jan 23: Indonesia will allow direct trade with Israel after lifting all trade barriers between the world's largest Muslim country and the Jewish State, the director general of Israel's Ministry of Industry and Trade said yesterday, reports Reuters.

There are no more restrictions or impediments for Indonesian companies to trade with Israel and vice versa, Reuven Horesh told Reuters.

Horesh said he received the news during a trip to Indonesia.

"We have a letter personally from the Indonesian Ministry of Trade stating the decrease in which restrictions of exports to Israel have now been cancelled," he said.

Horesh said it was up to the private sector to take advantage of trade opportunities that Israel's Chamber of Commerce said Monday could reach \$1 billion in bilateral trade over the next three years.

"Indonesia is a huge market," Horesh said. Trade barriers kept direct bilateral trade in 2000 to a negligible \$20 million.

Indonesian trade officials were not immediately available for comment.

Horesh said Indonesia has expressed interest in exporting raw materials, coffee and cotton yarns to Israel, while it looks to import irrigation technology, telecommunications equipment and high-tech products.

Horesh said the removal of trade barriers is a major step in the relationship between the Muslim and Jewish countries since the two currently have no diplomatic relations.

AmCham accuses govt of favouring non-US firms

Allegation of discriminatory policies, procurement rules violation

Star Business Report

The American Chamber of Commerce in Bangladesh (AmCham) yesterday said that it did not see much reason to encourage US companies to invest in Bangladesh, alleging that a number of investment proposals are unnecessarily stuck up with different ministries.

It also accused that the ministries follow discriminatory policies and violate procurement rules to favour non-US companies.

These allegations were made by AmCham President Forrest E Cookson while addressing a press conference on US Trade Show 2001 at a local hotel.

He further alleged that US companies are often 'technically

disqualified' despite being the lowest bidders to award works to companies of other countries.

"We have also found that tender criteria were sometimes changed after American companies submitted their bids. Such actions were taken in order to disqualify us," Cookson said.

When asked to specify, he said that in one instance the original tender criteria for purchasing diesel powered vehicles by the Ministry of Fisheries and Livestock was changed in favour of petrol engine after one US company submitted its bid. He also said that AmCham

and the aggrieved companies have brought these matters to the notice of the government.

Cookson said that currently there is a huge trade gap between the US and Bangladesh in favour of the latter.

"Bangladesh exports to the US market stood at US\$ 2.3 billion in fiscal 1999-2000 against an import of only US\$ 325 million," said Dennis Winstead, Economic Officer of the US Embassy.

The AmCham president said that there were tremendous scope for US investment in Bangladesh in areas of gas exploration, power generation, telecommunication and IT which could reduce the trade

gap.

He said that in view, the AmCham and the US Embassy in Dhaka have arranged the 10th annual US Trade Show 2001 at the Dhaka Sheraton Hotel from tomorrow.

The three-day fair will be inaugurated by Commerce Minister Md Abdul Jalil.

On the first day, the show will remain open exclusively for businesspeople from 10:00 am to 3:00 pm and for the public from 3:00 pm to 8:00 pm on Thursday. The fair will start from 10:00 am till 8:00 pm on the following two days.

A total of 71 exhibitors are participating in the fair.



President of American Chamber of Commerce in Bangladesh (AmCham) Forrest E Cookson addresses a press conference at Dhaka Sheraton Hotel yesterday. - Star photo

Japan's top economic planner resigns

TOKYO, Jan 23: Japan's top economic planner resigned Tuesday to take responsibility for an influence-peddling scandal that threatens to drag down Prime Minister Yoshiro Mori's already-low approval ratings, says AP.

Fukushima Nukaga, state minister for the economy, industry and information technology, became the third Cabinet minister to quit in disgrace since Mori took over as prime minister in April.

Speculation that Nukaga would step down had been mounting since he admitted late last month that he had received political contributions from a small-business organisation whose founder is suspected of spending heavily to buy favours from the country's ruling Liberal Democratic Party.

Last week another ruling-party lawmaker was arrested for allegedly accepting bribes from the organisation to make comments on its behalf in Parliament. Japanese news media have reported that other prominent politicians may have been on the take.

Nukaga, 57, denied he was asked for political favors and said he returned the contributions - which totaled 15 million yen (\$129,000) - shortly after receiving them.

He said he decided to step down anyway to prevent the allegations against him from casting a shadow over Parliament when it convenes at the end of this month to discuss measures to revive Japan's ailing economy.

Nukaga's resignation was a serious setback for the unpopular Mori. Besides raising the question of the prime minister's responsibility for appointing Nukaga, the scandal has spotlighted the murky subject of money politics in Japan - especially the collusive relations between the pro-business LDP and its corporate backers.

That's the last thing the government wants voters to focus on with key elections to the upper house of Parliament just six months away.

"It's really damaging to Mr Mori," said Shigenori Okazaki, a political analyst at UBS Warburg Dillon Read. "It's definitely going to impact the election."

Apex outlet for Adidas, Levi's, Dockers opens

Star Business Report

Apex Trading Ltd, an enterprise of Apex Tannery Group, has formally launched a retail store - Originals@Apex - introducing global brand apparels and sportswear such as Adidas, Levi's and Dockers.

Original@Apex is a 4500 square feet retail store located at Gulshan Avenue and will offer consumers the leading international brands.

"Apex is committed to the highest ethical business standards, and is proud to declare that every single product available in the store has been imported legally by paying all applicable duty. The products are retailed at extremely competitive prices" said Syed Manzur Elahi, Chairman of Apex Trading Ltd, at a launching ceremony in the city on Monday.

"Adidas product range start at Tk 429 for T-shirts and Tk 1800 for footwear and Levi's and Dockers trousers retail from Tk 1400 onwards," Elahi said.

He said that Apex Trading is the only company which can

legally market the products. Speaking on the occasion, Tarun Kunzru, Country Manager of Adidas India, said an Adidas product is available in 170 countries in the world and is a name that stands for competence in all sectors of sports around the globe.

He hoped that the products will go a long way in developing sports personalities in Bangladesh.

Kunzru said that Bangladesh is a sports loving country and his company has the vision of promoting sports here.

C S Suryanarayanan, Managing Director, Levi Strauss (India) Pvt Ltd, said Bangladeshi consumers are ready for the latest and best in the fashion world.

"The entry of brands such as Levi's and Dockers is meant to bring to the doorstep of the discerning young and young-adult consumers of Bangladesh, the latest and the best offering in the world of fashion," Suryanarayanan said.

Two top officials quit Indonesian bank reform agency

JAKARTA, Jan 23: Two of the five vice-chairmen of the Indonesian Bank Restructuring Agency (IBRA) entrusted with getting the country's banking system back on its feet have quit, reports said Tuesday, reports AFP.

Deputy chairman of the Bank Restructuring Unit, Jerry Ng and deputy chairman for asset management investment, Mahmuddin Jassin, both handed in their letters of resignation on Monday, the Jakarta Post said.

The Post said the two resignations came amid increasing reports of political interference in the work of the IBRA, which since 1998 has handled some 64 billion dollars worth of assets taken over during the financial crisis which hit in 1997.

The newspaper said Ng personally confirmed his resignation had been submitted to IBRA chairman Edwin Gerungan, and that Finance Minister Priyadi Praptosuhardjo confirmed Jassin's resignation on Monday.



Mohd Sajidul Haq, Managing Director, NCC Bank Ltd inaugurates ground breaking ceremony of the factory building of ARTY Composite Ltd at Dhumsur, Valuka, Mymensingh recently. Picture also shows Abdul Razzak, Managing Director of ARTY Composite Ltd, and senior executives of the bank at the function. NCC Bank Ltd is financing the project. - NCC Bank photo

US envoy asks Maharashtra govt to resolve Enron issue

BOMBAY, Jan 23: United States ambassador to India, Richard Celeste, on Tuesday met with the chief minister of the western state of Maharashtra to resolve outstanding issues over US-based Enron Corp's power station, officials said, reports AFP.

"I appreciate the government's stand. It is in the interests of all concerned that the matter is resolved at the earliest," Celeste told reporters after meeting with Chief Minister Vilasrao Deshmukh in the state capital Bombay.

The state government wants to review and renegotiate the project as it finds the electricity "costly and unaffordable."

Celeste said the chief minister and officials of the state electricity board had "briefed" him on the Enron issue.

"The state requires power. It

is in the larger interests of the state electricity board, Enron and investors that the matter be addressed properly."

Chief Minister Deshmukh said he had informed Celeste that a panel would soon be set up to review the whole project.

"The panel will be set up in the next couple of days. We have yet to finalise its terms of reference."

The three-billion-dollar, two-part Enron power station in the port town of Dabhol, about 200 kilometres south of here, is the largest single foreign investment in India.

Celeste was quoted by an Indian news web site as saying the Dabhol power station, a major success, "is fostering on the brink of turning into a major disappointment."

"I would like to do what I can to ensure that Enron's

Dabhol power plant remains a symbol of successful American investment in India and not a symbol of the impediments that still hinder even greater foreign direct investment."

Celeste said the history of Enron's involvement in India has been a "long and hard road strewn with innumerable pitfalls and potholes."

The Enron deal was signed up in 1993, but was scrapped in 1995 by the state's newly installed Hindu nationalist government.

The project was renegotiated the same year and work began for the first phase of the project, which began generating 714 megawatts of electricity in 1999.

Construction for phase 2 is ongoing, but opposition to the project has resurfaced over the cost of electricity.

Asian car markets face 7pc slump this year: Study

SINGAPORE, Jan 23: Asia's car markets face a seven per cent slump this year, reversing two years of growth as they fall victim to a US slowdown and weakening regional economies, according to a study released Tuesday, reports AFP.

Outside of Japan, demand will drop more than 10 per cent, with the largest falls anticipated in South Korea and India, autopolis, an automotive consulting firm, said in its latest quarterly review.

It blamed the downturn on "falling currencies, lower stock prices and declining exports this year, as well as political uncertainties in many places."

The pessimistic prediction comes as a setback to an industry still suffering a hangover from a 1998 slump generated by the regional economic meltdown, while struggling with over-capacity and the threat of expanding trade liberalisation.

China was the only Asian market where a sales decline was not expected, but even then there were concerns, the report said.

"The last few months have seen weak or declining sales in many Asian countries. With the

slowdown in the US and deep-seated weaknesses in Japan the trend is likely to continue," autopolis economist Graeme Maxton said.

"The effect of two downturns in three years is going to take a decade out of the industry's growth plans."

Maxton said many Asian countries would still have lower car sales in 2003 than they had in 1996.

"With sales expected to fall in the US and Europe too, many investors are going to have to revisit their plans," he said.

In China, autopolis predicted total sales for 2001 of 625,000 cars, up on 600,000 last year.

But in other sectors of the survey, it said South Korean car sales would fall to 780,000 (down 18.7 per cent), India would decline to 615,000 (down 12.8 per cent) and Taiwan would achieve 290,000 car sales (down 8.0 per cent).

For the Southeast Asian region, car sales would reach 398,000 (down 8.9 per cent), while elsewhere in Asia it forecast sales of 83,000 (down 8.0 per cent).

Overall vehicle sales in Asia for 2001 were forecast at 10.86 million, of which cars would make up 6.84 million. The figures compared to a total of 11.66 million vehicles sold in 2000, including 7.36 million cars.

Car sales were expected to pick up in 2002 but only marginally at 0.7 per cent, the autopolis report said.

New executive director of BB



Safullah is the new Executive Director of Bangladesh Bank.

He took over his present assignment recently, says a press release.

Prior to his present job, he was the General Manager of Monetary Management and Technical Unit of Bangladesh Bank.

He joined as an officer in the State Bank of Pakistan, Central Directorate, Karachi in 1970.

BOJ rules out return to zero interest rates

TOKYO, Jan 23: Bank of Japan governor Masaru Hayami Tuesday ruled out a return to zero interest rates, attacking politicians who have called for policymakers to support weak financial markets, reports AFP.

The Japanese yen slipped against the dollar on the comments, which disappointed investors hoping for a bolder stand by Hayami against market instability and mounting signs of economic slowdown in Japan.

It was natural for the central bank to guarantee market stability, Hayami told a news conference, after surprising investors on Friday by backing an injection of central bank funds into the markets.

"To maintain market functions and stability is important in maximising the effects of easy monetary policy," he said.

But this did not mean that the central bank would return to the "zero rate" monetary policy it abandoned in August, Hayami said.

"I don't foresee that. We are in the position of supporting the economy from the monetary side by maintaining the current stance of keeping the overnight call rate at 0.25 per cent."

HSBC Securities chief economist Peter Morgan said

there was little to warrant an early return to zero rates, a move which could jeopardise the bank's standing as one of the few credible pillars of Japanese policymaking.

Hayami's comments were "in line with our expectations, and with our view that the additional measures which the BoJ is studying to increase liquidity are mainly short-term, intended to cover funding pressures at the end of the fiscal year, and will not add up to a sustained easing of policy," he said.

Weakness in the Japanese yen and Tokyo share prices were concerns, Hayami said. But politicians in the ruling Liberal Democratic Party were going too far in launching a committee to examine measures to support the bourse.

"It is not appropriate to run financial policy with the intention of directly aiming to boost share prices. This is a notion that is widely shared by central banks overseas," Hayami said.

Anti-reformists in the LDP last week launched the committee after the Tokyo Stock Exchange's Nikkei-225 share index had plunged on December 21 to its lowest level in 27 months.

Hitachi, Fuji Electric to form power supply joint venture

TOKYO, Jan 23: Japan's Hitachi Ltd., Fuji Electric Co. Ltd. and heavy electrical machinery manufacturer Meidensha Corp. said Tuesday they would establish a joint venture in July to produce power substations, reports AFP.

The companies said in a joint statement that they would also strengthen cooperation in the power transmission and distribution business.

The joint venture will develop, design and produce equipment for transmission and distribution facilities with an annual sales target of 150 billion yen (1.3 billion dollars).

Deregulation in the power sector in Japan has led major utilities to hold back investment in new plant and equipment, the companies said.

But it has "encouraged independent power producers to expand operations and triggered adoption of a variety of power generation systems such as micro gas turbines and fuel cells," the statement said.

The power substation market is also expected to grow abroad with demand for electric power expanding in China and Southeast Asia.