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Star BUSINESS

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Bangladesh-India joint venture software firm soon

A memorandum of understanding (MoU) was signed between Satyam Exports of India and Industry Trading of Bangladesh in Dhaka recently to set up a software manufacturing and data processing industry in Dhaka, says a press release.

As per the MOU, a separate organisation, Industry Technologies Limited, will be formed in Dhaka and it will produce software for banks, insurance companies, educational institutions, hospitals and clinics, NGOs and transport agencies in both the private and public sectors.

Enayet Karim, Managing Director of Industry Trading and Vaishali Rindani, Vice-chairman of Satyam Exports, signed the MoU on behalf of their respective organisations.

Satyam Exports is the largest data processor and software exporter in India.

Iranian catalogue show begins at DCCI tomorrow

The first three-day exclusive Iranian Catalogue Show begins on the DCCI premises in the city tomorrow, says a press release.

A total of 36 Iranian companies dealing with automobile, radio, motorcycle, tires, radiator, diesel engine, heavy oil burners, asbestos chemical sheets, digital transmission system, telephone & networking, cosmetics, chemical & petrochemicals, circuit breaker, cables and commercial services will participate in the catalogue show.

Meanwhile, a press conference was jointly organised Saturday by The Dhaka Chamber of Commerce & Industry (DCCI) and the Embassy of the Islamic Republic of Iran to Bangladesh in connection with the show.

The catalogue show will continue till Thursday.

Speaking at the press conference, the Iranian Ambassador to Bangladesh Mohammad Rezaei Nouri said there are immense potentials to develop trade and commerce between the two friendly countries.

The Ambassador hoped that the catalogue show will be a milestone in minimising the gap between the two countries. He said the Iranian government has established free-trade zone where Bangladeshi investors can invest in garments and other sectors.

DCCI President Benajir Ahmed said DCCI is very eager to build up a strong rapport with the business community of Iran and such a catalogue show will play a catalytic role in this regard.

Vice Chairman of the Industrial Development & Renovation Organisation (IDRO-representing some 160 industrial and commercial organizations of Iran) Seyyed Ali Behnejad gave a brief resume of the participating organizations of the catalogue show.

Sony to pull out of joint venture Japan digital broadcasting pact

AFP, Tokyo

Sony Corp. plans to pull out from a joint project with three rival Japanese electronics giants to standardise a tuner for interactive digital television, a press report said Saturday.

The four-way alliance, announced in June, led to the birth of a joint venture called e-Platform Network Corp., last November, a month before the launch of digital broadcasting in Japan.

But Sony believes it has a "different business model than what the three (other) firms have envisaged," the Jiji Press news agency said.

Sony will not take part in a new company to be launched in April by most members of the e-Platform Network, a project planning firm, the report said.

But Sony will not withdraw its stake from the planning firm, which was established with initial capital of 200 million yen (1.7 million dollars), Jiji said.

Toshiba Corp. and Matsushita Electric Industrial Co. Ltd. each have a 25 per cent stake in e-Platform Network, against 10 per cent each for Hitachi Ltd. and Sony. Ten other companies, mostly broadcasters, each have three-per cent stakes.

Jiji recalled that Sony had earlier broke up with the Matsushita-Toshiba-Hitachi camp over DVD-RAM (digital versatile disc-random access memory) standards.

SEC to launch probe into unusual SBL share trade

Bank's dividend info reaches bourses two days later

M SHAMSUR RAHMAN

The shares of a bank witnessed unusually heavy transactions on the Dhaka bourse yesterday.

Following this, the Securities and Exchange Commission (SEC) said it would launch an investigation into the transactions to verify if there had been any insider trading of Southeast Bank Ltd. (SBL) scrips.

A total of 280,600 shares worth Tk 5.56 crore of the bank were traded yesterday. This single company accounted for over 41 per cent of the day's total trading.

"The bank did not announce any price-sensitive information which could have triggered such huge transactions," a leading stockbroker said.

However, when The Daily Star contacted the SBL company secretary, he said that a price-sensitive information was in fact communicated to the stock ex-

changes after yesterday's trading hours.

He said that the bank in its board meeting on Friday last decided to give 25 per cent cash dividend with 10 per cent bonus shares. The company secretary also informed that a press release would be issued today to announce the dividends.

When his attention was drawn to the SEC regulation, which calls for immediate dissemination of such price-sensitive information, the company secretary said that the decision was taken on Friday and the next day was a holiday.

"So we informed the authorities on Sunday. Besides, the dividend decision is not official unless the minutes of the meeting are approved and signed by the chairman," he said.

When SBL Managing Director Shah Mohammad Nurul Alam was asked why the bank delayed in disseminating the information, he

said it was an "overlook" not to immediately send the information. However, he added that "the matter hinged on official process."

But SEC officials say that such "excuses" are not acceptable as the delay in fact dissemination may have been exploited by someone who was in possession of the information.

The SEC also said they have taken the matter into cognizance and will launch a probe.

Another SEC official said that the transactions of the bank shares doubled to 30,700 on Saturday from the previous day's volume of 16,450 shares. On Sunday, 280,600 shares of the bank were traded.

The official said that in order to restrict insider trading and manipulation, SEC was strengthening its regulations which will make it compulsory for any listed company to inform the authorities within 30 minutes of taking any

price sensitive decisions.

The price-sensitive information will have to be sent through fax and special messengers duly signed by the company chairman, chief executive officer or secretary, the official said. "The information should be accepted against 28-day, 91-day, 182-day, 364-day, 2-year and 5-year bills.

Of those, Tk 1497 crore, Tk 115 crore, Tk 34 crore, in total Tk 1666 crore, were accepted against 28-day, 91-day, 182-day, 364-day and 2-year bills.

The bids offered for the 5-year bills were not accepted. The net amount of the issuing bills will stand at Tk 434.50 this week, said a Bangladesh Bank press release yesterday.

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Labour-management battle intensifies at Daewoo Motor

AFP, Seoul

Daewoo Motor Co faces a major battle between management and unions this week as the bankrupt South Korean carmaker is under pressure to reduce debts through wage cuts and layoffs.

Daewoo Motor's main plant in the western city of Incheon will be closed for three weeks from Monday to reduce costs and inventories. During the period the company plans to lay off 1,918 production workers.

"If it fails to restructure to turn itself into a company posting operating profits this year, due to the ongoing labour dispute, court receivership will not be initiated," Jin said.

Daewoo Motor, once the country's second largest auto company, has been under a debt-restructuring programme since the Daewoo Group collapsed in August 1999 under 80 billion dollars of debt.

Daewoo Motor's annual production capacity includes 1.06 million vehicles in South Korea and 875,000 in overseas plants in



The file photo shows Daewoo Group chief Kim Woo-Choong pleading sweeping and transparent restructuring plans at the group's Seoul headquarters on July 25, 1999. South Korean prosecutors, chasing Kim Woo-Choong, said Saturday they believed he was hiding in Europe. The Daewoo group, once South Korea's second largest "chaebol" conglomerate, collapsed in August 1999 under 80 billion dollars of debt.

Soaring online usage to buoy Asian dotcom cos

AFP, Singapore

Surging usage, falling interest rates and the benefits from global mergers will buoy Asian Internet firms in the long-term despite the dotcom shakedown, US brokerage house Salomon Smith Barney said in a report over the weekend.

Asian Internet stocks rose at an average 75 per cent in January from December, compared to a 12 per cent rise in the technology-heavy NASDAQ in the United States, it said.

Declining interest rates "are particularly good for stock prices of leading Asian Internet companies which we effectively view as long-duration stocks - with positive cash flow further out than for other sectors," the brokerage said.

The US brokerage also noted that in Asia, "we have not seen any signs of a slowdown in Internet penetration or Internet-related

applications or businesses."

"On the contrary, the Internet's growth continues to surpass all our expectations in Asia."

Internet users in the Asia-Pacific region outside Japan, Australia and New Zealand, are forecast to grow from 37 million as of end-1999 to 200 million by 2005.

Room for growth is still enormous because the projected 200 million users translate to a penetration rate of only 7.0 per cent, it said.

Investors should focus on the "expected unrestrained growth of Internet users across Asia-Pacific," it added.

However, Salomon Smith Barney cautioned investors that the dotcom shakeout will likely affect growth in the near term, even for leading companies.

"Nevertheless, we believe the expected steady rise in the number of Internet users and applica-

tions is beyond the vagaries of market sentiment," it said.

Consumer usage is expected to reach a "critical mass" as more businesses go online and bandwidth availability increases.

This is seen to give rise to new industries on the web such as network games, movies and online music via digital downloads and CD sales.

Mergers and applications are also expected to have beneficial effects on Asian Internet companies as these US and European giants set their sights for a foothold on the region.

It cited the acquisition by Yahoo! of Taiwan's top portal Kimo.com last November and the announcement by Lycos Asia of plans to purchase China's My-Ric.com.

6,884 jobs, or a third of its workforce.

The company's financial crunch pushed the automaker into filing for court protection.

But Finance and Economy Minister Jin Nuyum warned last week that Daewoo Motor would be denied court receivership if it fails to carry through restructuring drastic enough to generate operating profits.

Prospects for the deal with GM were clouded further by an inquiry into secret funds allegedly embezzled and diverted by Daewoo Group founder Kim Woo-Choong, who is in hiding abroad.

Prosecutors are collecting evidence to back charges that Kim, 65, had ordered executives to tamper with documents to inflate assets so that the group could receive 10 trillion won (7.9 billion dollars) in bank loans between 1997 and 1999.

Poland Romania, the Czech Republic, Uzbekistan, Ukraine, India, Iran, Libya, Vietnam, China and Egypt.

After Ford Motor Co. pulled out of a 6.9 billion dollar takeover bid last September, GM investigated Daewoo Motor's finances but has since made no further announcement.

Creditors contend GM is still interested in Daewoo Motor, but industry analysts have doubts.

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Daewoo Motor's annual production capacity includes 1.06 million vehicles in South Korea and 875,000 in overseas plants in

Canada Prime Minister Jean Chretien arrived Saturday for a week-long visit aimed at boosting trade but the mission is widely seen to be dogged by human rights concerns.

An ongoing crackdown on the banned Falungong spiritual movement that has made world headlines in recent weeks as also the situation in Tibet and the need to promote legality in China are likely to figure prominently in Chretien's talks with Chinese leaders.

He is to have a formal meeting with Premier Zhu Rongji Sunday and attend a ceremony for the signing of bilateral agreements, details of which have not been disclosed, before moving on to the ancient capital, Xian, in northern China the following day.

The Xian trip was originally set for Sunday but pushed back at the Chinese side's request.

Chretien will meet President Jiang Zemin on Tuesday for an overview of bilateral ties. Diplomatic sources said the Chinese side is likely to broach the controversial US plan for a National Missile Defense that Beijing and Moscow oppose.

Also high among Beijing's concerns is the question of how Ottawa proposes to handle the case of Chinese businessman Lai Changxin, who is detained in Canada charged with smuggling.

While Ottawa has sought to avoid confronting Beijing, human rights issues have drawn attention, with Canadian Falungong supporters claiming recently that they had faced "direct interference, threat, intimidation, and assault by Chinese foreign officials right here in Canada."

He said euro sceptics should not fear a "superstate". The work in progress was just an "enormous safe area of democracy in Europe".

Prodi insisted the euro was undervalued at present, despite a recovery in recent weeks against the dollar.

FitzGerald, meanwhile, told the Independent on Sunday that all Unilever's investment decisions were based on the assumption that Britain would join the single currency within five years.

Opinion polls show most Britons still firmly opposed to the single European currency.

Asia frets over US recession fears

AFP, Washington

If the US economy sneezes -- will Asia catch a cold?

Mounds of data suggesting the speeding American economic juggernaut is slowing -- and may slip into reverse -- makes unpalatable reading for Asian finance ministries.

While the region pulled off a swifter-than-expected turnaround after its 1997 crisis, a prolonged US slump could wreak havoc, especially on governments still struggling with economic reform.

Asia is seen as especially vulnerable by US-based economists as the recovery in many nations, including Thailand and the Philippines, is based on an explosion in exports primarily directed at hungry US consumers.

"The US cannot be the market of last resort any more," Mark Groombridge, a scholar at the Cato Institute, told a forum of Asia-Pacific journalists here.

After heady years of growth,

the US economy is cooling at a disconcerting pace as debate rages as to whether a recession has already started.

Growth plummeted from 5.6 per cent in the second quarter of 2000 to a projected 1.4 per cent in the fourth and indices measuring consumer confidence, purchasing orders and stock prices are also down.

A souring of consumer demand is bad news for Asia.

Figures compiled by the Economic Strategy Institute (ESI) show exports to the United States in 1999 accounted for 10 per cent GDP share of major Asian economies excluding Japan.

Some nations appear glaringly exposed: US-destined exports from Singapore reach 20 per cent of GDP, Malaysia 27 per cent and the Philippines 16 per cent.

"This is going to make export-led growth strategies in Asia impossible to maintain," said the ESI's Andrew Szamoszegi.

There is a certain irony to the

situation.

In 1997 and 1998 as currency contagion sparked in Asia raced across the globe, economists calculated how to insulate the United States.

Now Asia is hunkered down against a US-spawned shock.

"I think there is a chance (Asia) will see some turmoil and some sub-par growth," said Szamoszegi.

Economies like Singapore and Hong Kong, among the least impacted in 1997, are best placed to ride the turbulence.

Nations like Thailand and the Philippines, where political developments have hampered restructuring and reforms deemed vital to coaxing back foreign investment are dawdling, could be worst hit.

Many Western experts quarrel with Asian claims that irresponsible and irrational capital flows triggered the meltdown, and warn slow reforms are storing up trouble.

BB T-bill auction held

UNB, Dhaka

The 127th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held in the city yesterday.

A total of Tk 2027 crore, Tk 145 crore, Tk 10 crore, Tk 15 crore, Tk 39 crore and Tk 25 crore were offered respectively for the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year bills.

Of those, Tk 1497 crore, Tk 115 crore, Tk 34 crore, in total Tk 1666 crore, were accepted against 28-day, 91-day, 182-day, 364-day and 2-year bills.

The bids offered for the 5-year bills were not accepted. The net amount of the issuing bills will stand at Tk 434.50 this week, said a Bangladesh Bank press release yesterday.

S'pore trade minister begins Indonesia visit

AFP, Jakarta

Singapore Trade and Industry Minister George Yeo arrived Sunday for a four-day visit during which he will witness the signing of a major natural gas agreement and hold talks with Indonesia's leadership.

Singapore embassy officials said Yeo was scheduled to attend the signing of the agreement between the Indonesian state oil company Pertamina and Singapore Power Ltd, Monday.

The contract, the second between the two countries, is expected to be worth seven billion dollars and is set to be the highlight of Yeo's visit.

It would lead to the delivery of natural gas from the South Sumatra gas fields in Indonesia to Singapore over a 20-year period.

Last month, the two sides launched a joint multibillion-dollar project to supply natural gas from Indonesia's West Natuna fields to the city-state via a 656-kilometre (406-mile) undersea gas pipeline.

After Monday's signing, the minister is scheduled to hold talks with President Abdurrahman Wahid and Vice President Megawati Sukarnoputri.

Yeo will hold separate talks with the speakers of the upper and lower houses of parliament, Amien Rais and Akbar Tanjung.

BNFWA handicraft exhibition ends

The five-day handicraft exhibition of Bangladesh Navy Family Welfare Association (BNFWA) 2001 concluded at the Sailors' Colony ground at Lalasar, Mirpur in the city yesterday, says a press release.

Minister for Environment and Forest Syeda Sajeda Chowdhury was present on the occasion as chief guest. She went round different stalls and pavilions and showed keen interest in different items there.

There were about one hundred stalls of garments, pottery and other commodities of day-to-day needs in the exhibition.

Arrangement was made to serve delicious dishes prepared by the association members through different food stalls.

Chief of the Naval Staff and the chief patron of the BNFWA Rear Admiral A Taber attended the closing ceremony as special guest.

President of the Bangladesh Navy Family Welfare Association Begum Dipika Qurunnesa, executive members of BNFWA Central Committee and Ladies' Club committee were also present on the occasion.

Baghdad looking to develop trade ties with Asia

AFP, Baghdad

Iraq's Foreign Minister Mohammad Saïd al-Sahhaf said Sunday that he made a trip to Indonesia, Malaysia and Thailand to boost bilateral trade ties despite the UN sanctions regime imposed on Baghdad in 1990.

Sahhaf, who returned to Iraq on Saturday, said he told officials from the three countries of the "need to take advantage of UN charter article 50 in developing economic and trade links with Iraq ... and support the lifting of the UN embargo."

Article 50 states that countries have the right to consult the UN Security Council if "preventive or enforcement measures" have been imposed on a state which harm bilateral trade.