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# Star BUSINESS

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## IMF mission meets Kibria

BSS, Dhaka

A visiting IMF mission called on Finance Minister Shah AMS Kibria at his residence yesterday when the minister gave brief resume of Bangladesh economy.

The mission visits regularly every year the countries receiving IMF assistance to review the economic condition of those countries, a PID hand out said.

Luis Valdivieso is leading the three member IMF Mission.

The Finance Minister told the mission that the government has undertaken prudent policy to attain the goal of targeted economic growth and keep the inflation rate at a minimum level.

Despite devastating flood of 1998, growth of the economy is kept going well. Export is growing at 27 per cent, industrial production rises 14 per cent, revenue collection is 21 per cent higher while inflation is 1.24 per cent on point to point basis, he added.

The Finance Minister said, progress in agriculture sector is very significant. He said the government's appropriate policy in this sector led to four bumper crops in the country.

Finance Secretary Dr Akber Ali Khan and Resident Representative of IMF Ronald Hicks were present.

## EU ready to take Japan to WTO over telecom row: Lamy

AFP, Tokyo

The European Union is ready to take Japan to the World Trade Organisation (WTO) if new laws deregulating the Japanese telecom market do not meet European demands, EU trade commissioner Pascal Lamy said Friday.

"If within one month we don't have the necessary assurances, then we have the option of consultation and then litigation inside the (WTO) dispute settlement mechanism," Lamy said at a press conference during a visit to Tokyo.

Europe's demands focussed on the establishment of genuine competitive conditions in Japan, to challenge the effective monopoly of telecom giant NTT Corp., and the creation of an independent regulatory body.

Lamy went on to characterise his earlier exchange of views with the Japanese posts and telecommunications minister Toranosuke Kaaiyama as "extremely clear and frank."

## Hewlett-Packard reports 58pc drop in profit

AFP, San Francisco

High-tech giant Hewlett-Packard on Thursday reported quarterly earnings of 328 million dollars, or 37 cents per share - a drop of 58 per cent from a year ago, but in line with analysts' forecasts.

Revenues were 11.9 billion dollars for the first quarter of the fiscal year, a two per cent increase from the same period a year ago.

Carly Fiorina, HP chairman and CEO, said first-quarter numbers reflected a difficult period for the venerable technology company in Palo Alto, California.

"Clearly this was a tough quarter, and our results reflect that," she said in a statement accompanying the earnings report.

"Continued deterioration in the US economy and related weakness in consumer and business IT spending contributed to a sales slowdown in North America with revenues declining by six per cent year over year.

"More specifically, difficult US market conditions impacted our consumer and commercial desktop PC business and our printer hardware business."

Fiorina said the company had growth earnings in overseas markets showing an eight per cent jump in revenues. Specifically, Europe posted growth of seven per cent, Asia Pacific 10 per cent and Latin America 14 per cent.

Fiorina said the company expects it will hold to its predictions of low earnings gains in the second quarter.

"Given ongoing economic uncertainty in the US and the potential that this uncertainty may spread to other regions, especially those dependent on exports to the US, we are maintaining our revenue guidance for the second fiscal quarter in the low-to-mid single digits," Fiorina said.

Fiorina said the company could see "revenue growth improvement" in the second half if the US economy improves and current foreign exchange rates hold.

## Poultry entrepreneurs criticised for not supporting farmers

Advance booking even fails to ensure day-old chicks

STAR BUSINESS REPORT

Fisheries and Livestock Minister ASM Abdur Rob yesterday criticised the leading entrepreneurs in the country's poultry sector saying it is very unfortunate that the small farmers often do not get day-old chicks despite 45 days of advance booking.

The sector is growing fast and the government now wants the entrepreneurs to be ready for starting meat and egg exports after fulfilling the domestic demand within the shortest possible time, he said while speaking as chief guest at the inaugural ceremony of

two-day 2<sup>nd</sup> International Poultry Show and Seminar.

Dr Peter Hunton, President, and Dr Piet Simons, Secretary General of the World's Poultry Science Association (WPSA), attended the function as special guests while Professor M A Latif, President of WPSA-Bangladesh Branch, chaired.

The minister urged the local entrepreneurs to acquire technical know-how from the developed countries and extend support to the small farmers so that the sector can grow further rapidly.

He mentioned that three entrepreneurs from Australia have already taken steps to invest mil-

lions of dollars in large-scale poultry and dairy projects.

Responding to the proposal for foreign investment in the poultry sector, Rob said that the government was also planning to provide around 5,000 acres of land to the Australian entrepreneurs in the coastal area.

In his speech, WPSA President Dr Peter Hunton said his organisation is ready to extend technological support to Bangladeshi experts and entrepreneurs.

Secretary General Dr. Piet Simons said the poultry industry is booming all over the world and his organisation promotes poultry

production, especially poultry meat, since it has nowadays become very important in the global context.

M Abdur Razzaque, Director General of the Department of Livestock Services, said the role of poultry sector is pretty significant, considering its enormous potential in income-generation and poverty alleviation in the rural areas.

Dr Quazi M Emdadul Huque, Director General of the Bangladesh Livestock Research Institute, said that the poultry items could become an exportable for Bangladesh within a short span of time.

## BIMST-EC ministers call for co-op to face globalisation

Myanmar emphasises intra-bloc trade

AFP, Yangon

Trade and economic ministers of Bangladesh, India, Myanmar, Sri Lanka and Thailand emphasised the importance of cooperation in the face of globalisation at a meeting here of their BIMST-EC grouping.

In a communique released Friday, a day after the Bangladesh, India, Myanmar, Sri Lanka and Thailand-Economic Cooperation (BIMST-EC) talks wrapped up, Myanmar minister Brigadier-General Abel urged members to first trade among themselves, and then with other Asian nations.

The first secretary of Myanmar's junta, Lieutenant-General Khin Nyunt, told delegates the

four-year-old grouping was a "crucial link" between the nations of South and Southeast Asia.

"In these times no nation can stay aloof and in isolation... developing nations must learn to cooperate with each other in the most effective and efficient way possible," he said.

Nyunt said that with a combined population of more than 1.2 billion people and abundant natural and human resources, "our organisation should surely be able to bring about greater prosperity to the region."

The ministers were joined in Yangon by representatives from the Asian Development Bank and the United Nations' ESCAP (Economic and Social Commission for

Asia and the Pacific).

The meeting, hosted by Myanmar for the first time, was attended by delegates from the five member countries as well as Nepal, which is seeking membership and was represented for the first time as an observer.

The ministers agreed the fourth BIMST-EC meeting would be held in the Sri Lankan capital Colombo in February 2002.

The group was formed in Thailand in June 1997 by four Asian countries -- Bangladesh, India, Sri Lanka and Thailand -- bordering the Bay of Bengal, with a view to bolstering economic cooperation.

Its membership was extended to Myanmar in August that year.

## India mulls bill to protect its industry

REUTERS New Delhi

Indian Commerce and Industry Minister Murali Manan said Thursday the government planned legislation to protect domestic industry and agriculture against any surge in imports.

"We would bring in a suitable legislation in this regard in the ensuing session of parliament," Manan told a meeting of parliamentary deputies ahead of the session beginning on February 19.

The minister gave no details about the legislation.

Manan said a meeting with state officials would be held soon to discuss steps and strategy to deal with the situation stemming from removal of quantitative import restrictions on April 1, 2001.

India will phase out quantitative restrictions on 714 items on April 1 in line with a World Trade Organisation agreement.

There has been increasing alarm among local industries about low-priced imports of agricultural produce and consumer goods.

Manan was responding to concerns expressed by deputies over the plight of farmers because of excessive imports. They urged the government to protect the interests of farmers in the aftermath of the removal of quantitative restrictions on imports.

"... even within the WTO framework, we have enough instruments at our disposal to deal with any unwarranted increase in imports," Manan said.

"We will not allow the Indian market to be dumped with imported goods," Manan said.

Finance Minister Yashwant Sinha said on Wednesday all sectors of the economy would have to face fair competition once quantitative restrictions on imports were removed.

He had disagreed with the view that India had been inundated with imports of agricultural produce and consumer goods.

## Yamaha to sue Chinese firm over use of its trade name

AFP, Tokyo

The world's second largest motorcycle maker Yamaha Motor Co. Ltd. said Friday it had started legal proceedings against three Chinese and Japanese companies over the illegal use of the Yamaha brand name.

Yamaha Motor has initiated legal proceedings against the Chinese motorcycle manufacturing and sales company Taizhou Huadian Motorcycle Co. Ltd., a subsidiary of Jili Group Co., and also against its Japanese partner Nihon Yamaha Co. Ltd., and also against the Chinese joint venture of these two companies Taizhou Yamaha Motorcycle Co. Ltd., the company said in a statement.

Yamaha said it "is presently considering the legal measures to be taken concerning these companies' activities."

Taizhou Huadian and Nihon Yamaha used "the trade name Nihon YAMAHIA Co. Ltd." in advertisements in Chinese newspapers and magazines since October 2000, Yamaha said.

"They also solicited regional dealerships to handle their products," it continued.

Since November 2000, Taizhou Huadian began selling 50cc and 125 cc motorcycles, "bearing the trademark Nihon YAMAHIA Co. Ltd.," the company further alleged.



State Minister for Foreign Affairs Abul Hasan Chowdhury addresses as chief guest the inaugural function of the 3-day Iranian Catalogue Show jointly organised by the Dhaka Chamber of Commerce and Industry (DCCI) and the Embassy of the Islamic Republic of Iran at the DCCI auditorium yesterday. The photograph also shows (from left to right) DCCI Vice-President Absar Karim Chowdhury, Iranian Ambassador to Bangladesh Mohammad Rezaei Nouri, DCCI President Benajir Ahmed, DCCI Senior Vice-president Mahub-uz-Zaman and DCCI Secretary Mirza A Matin.

## Bangladesh exports \$37.51m goods to Iran in FY '99-00

Iranian catalogue show starts in city

UNB, Dhaka

Bangladesh exported goods worth about US \$37.51 million to Iran in 1999-2000 fiscal while imported goods worth US \$18.42 million.

This was informed at the inaugural ceremony of a 3-day exclusive Iranian Catalogue Show at the Dhaka Chamber of Commerce & Industry (DCCI) auditorium here on Friday.

The show, jointly organised by the DCCI and the Embassy of Iran, was formally inaugurated by State Minister for Foreign Affairs Abul Hasan Chowdhury in presence of Iranian Ambassador to Bangladesh Mohammad Rezaei Nouri.

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 and networking, cosmetics, chemicals and petro-chemicals, circuit breakers, commercial services and others are taking part in the catalogue show, said a press release.

At the outset of his speech, the state minister for foreign affairs mentioned that Bangladesh and Iran have immense potentials for developing trade and commerce through mutual cooperation, but the businessmen from both sides are not quite aware of it. He hoped that this type of catalogue show would help minimise the lapse.

The State Minister said Iran has been doing very good in sev-

eral manufacturing items like heavy machinery and infrastructure development. The Iranian entrepreneurs can go for creative investment in Bangladesh.

In his speech, the Iranian ambassador said the relation between Bangladesh and Iran is very strong as they have common religion and common historical and cultural background.

The DCCI president said the chamber 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 process. The exposition will open a new vista of cooperation between the two brotherly countries.

## Daewoo Motor starts laying off over 1,700 workers

AFP, Incheon, South Korea

South Korea's bankrupt Daewoo Motor Co. began laying off more than 1,700 workers Friday after the failure of last-minute talks with unions, company officials said.

The mass dismissals, the biggest in the country's corporate history, immediately sparked threats of strong protests from unions.

"The company began mailing the layoff notices to 1,750 workers around 5pm (0800 GMT) as management and unions failed to narrow their differences during the talks," Daewoo Motor spokesman Kim Song-Su told AFP.

Union spokesman Choi Jong-Hank also confirmed the failure of the day-long talks at the firm's key factory in Pupyong, west of Seoul.

"The management should be blamed for this result and the unions will launch a general strike and massive rallies from now on," Choi said.

A total of 1,722 production workers will be laid off from Monday at the Pupyong plant.

The latest layoffs mean the firm will have cut a total of 6,884 employees, a third of its domestic workforce, as earlier promised.

At Friday's meeting, unions suggested employees take paid leave rather than being dismissed

but the firm turned this down.

An estimated 500 workers, many wearing red headbands inscribed with slogans, staged a protest rally at the Pupyong plant, chanting demands with clenched fists.

The Pupyong plant has been idle since Monday after the company decided on a three-week shutdown to reduce costs and stocks of unsold cars.

Company officials said other factories in Kunsan and Changwon were running normally.

Daewoo Motor's creditor banks warned this week they would cut lifeline loans to the company unless workers accepted layoffs, saying union resistance was blocking the firm's possible acquisition by General Motors Corp.

The automaker has been on a downward slide following the collapse of parent Daewoo Group in August 1999 with 80 billion dollars of debt.

The firm's annual production capacity includes 1.06 million vehicles in South Korea and another 875,000 in overseas plants.

Daewoo Group founder Kim Woo-Choon is being sought by prosecutors on charges of fraud and embezzlement. The ex-business tycoon is hiding overseas.

Three South Korean labour movement officials will leave for France next Tuesday to hunt for Kim.

"On behalf of the prosecution, we will send an arrest squad to France on February 20," Hwang I-Min, a spokesman for an association of 25 groups, told AFP.

Hwang said the three representatives from the Daewoo Motor union, the Korean Confederation of Trade Unions (KCTU) and a KCTU-backed political party, would spend one month hunting Kim.

Prosecutors suspect Kim ordered Daewoo executives to alter documents to inflate assets by 41 trillion won (32.8 billion dollars) so the group could receive 10 trillion won in bank loans between 1997 and 1999.

Prosecutors said last week that Kim may be in Europe. There have been reports he was staying at a luxury villa in Nice on the French Riviera, while others have said he was seen in Switzerland, Sudan and Vietnam.

"We will start running a center in Paris to locate Kim and fly to anywhere he is believed to be hiding," Hwang said. He said the team hoped to get help from Koreans living in France and French unions.



A Chinese girl poses with a Porsche 911 Carrera sports car during the official opening of the German carmaker Porsche first China showroom in Beijing on Thursday. Porsche hopes to sell at least 20 of its sports models in China this year and forecasted another 50 in 2002, even with a price-tag of nearly a \$120,000 for each car.

## Oil slips for fifth day on mounting bearish signals

REUTERS, London

Oil prices slipped for a fifth straight day Thursday as traders sized up mounting signals that a global economic slowdown will hit energy demand.

Benchmark Brent Blend slumped 63 cents to \$26.65 a barrel, almost three and a half dollars below the two-month peak of \$40.05 the North Sea marker hit just last week.

US crude was off 91 cents at \$28.80 a barrel.

Traders said bearish data showing gains in US energy stockpiles and indications that OPEC will not trim output again when it meets next month fuelled further selling.

"The barrage of bearish eco-

nomics news has worked its way through to the oil market," said Peter Gignoux, head of the London energy desk at Schroder Salomon Smith Barney.

Since Monday, when the International Energy Agency (IEA) cut its 2001 demand growth forecast by 140,000 barrels per day (bpd) to 1.5 million bpd, the market has been seen little reason to buy oil.

The American Petroleum Institute (API) and the Energy Information Administration (EIA) - the statistical arm of the US Department of Energy - later both showed the nation's weekly crude stocks had risen last week.

The API put crude stocks at 290.74 million barrels, almost eight million above year-ago levels.

Both the EIA and API also reported a rise in stocks of distillates, which includes heating oil, by some 800,000-900,000 barrels.

OPEC unlikely to cut again

Bullish sentiment was also dampened by fading hopes that oil cartel OPEC would consider production cuts when the group next meets on March 16, after slashing output by 1.5 million bpd at its last meeting in January.

OPEC President Chakib Khelil said on Wednesday he saw no need at present for further output cuts.

He said he was satisfied with current prices, reaffirming OPEC's adherence to the average \$25 a barrel price for the group's basket of crudes.

## Japanese steel mills brace for export tumble

US slump, Asian destocking, anti-dumping moves

REUTERS, Tokyo

Japanese steel mills are bracing for tough times, expecting exports to tumble this year amid a rapid slowing of the US economy, protracted destocking in Asia, and widespread anti-dumping moves, industry sources say.

A plunge in steel prices in the rest of Asia in the latter half of last year discouraged Japanese mills from shipping products abroad, he said.

Japan's steel exports account for about 30 per cent of the country's total crude steel output, and the Asian market including China make up about 75 per cent of that.

The association estimates consumption of crude steel at 692.73 million tonnes in 2001 in 28 countries plus 15 European Union member nations, up 0.9 per cent from last year, in line with real economic growth.

But China and the United

States, major steel importers, will become less dependent on imports and use more domestic products, adding to a contraction in global steel trade, it said.

Planned crude steel output by Japan's steelmakers for the first quarter of 2001 stood at 26.33 million tonnes, down 3.8 per cent of 1.05 million tonnes from the previous quarter, mainly due to a cutback in production for exports, according to a survey by the Ministry of Economy, Trade and Industry.

In the second quarter, domestic steelmakers will continue cutting production for exports as they are well aware of a supply glut in the rest of Asia, industry sources said.