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Coca-Cola launches 1.5L PET bottle

Tabani Beverage Company Limited held a sales rally for the introduction of Coca-Cola 1.5L PET bottle at the BIAM auditorium in the city on Thursday, says a press release.

Present on the occasion were the Country Manager of Coca-Cola Far East Limited, Bangladesh, P K Chatterjee, Business Operations Manager, Khalid Raja Biswas, Area Operations Manager, Pervez S Mahtab, the Acting General Manager of Tabani Beverage Company Ltd, Mokhesur Rahman, Deputy General Manager-Marketing, Reduar Rahman and all members of the field staff of the marketing division.

A detailed discussion on the marketing of the PET bottle was also held.

Canadian envoy visits CSE

Canadian High Commissioner David Preston visited Chittagong Stock Exchange (CSE) on Wednesday and met the CSE president Amir Khosru M Chowdhury, MP and vice-president, director and the senior executives, says a press release.

Chief Executive Officer of CSE Wali-ul-Marouf Matin gave a detailed presentation on the vision and activities of the bourse.

David Preston expressed his satisfaction on the CSE activities and praised its state-of-the-art technology, enabling the CSE brokers to do online trade from any corner of the country.

Preston, in his comments written in the CSE visitor's book, praised the CSE plans to wire the exchange to the globe.

The CSE president dwelt upon the three vital issues that CSE pursued from the very inception i.e. transparency in CSE activities, using modern technology to create a very efficient bourse and expanding CSE trading network countrywide. The CSE president stressed research and sought Canadian cooperation to conduct research continuously.

CSE vice president Mirza Salman Ispahani and Director O R A Rasul Nizam were also present in the meeting.

Tanweer ul Islam, Senior Commercial Officer, Canadian High Commission, accompanied the high commissioner.

New WOCO chairman



Farukul Islam Shova, National President of Apex Bangladesh, has been elected Regional Chairman of Aspac for the year 2001-2002.

He was elected Chairman of the body at the regional convention of World Council of Services Clubs (WOCO) at its three-day meeting which concluded in Delhi recently, says a press release.

It will be installed at the yearly convention of WOCO to be held in Eugene, USA, next August.

Shova has been awarded many rewards including the best Apexian of Bangladesh. In the recent past, he has successfully performed his responsibilities as National Action Director, National Youth and Citizenship Director and National Service Director of Apex Bangladesh.

Hyundai hits gold in west African Mali

AFP, Seoul

South Korea's Hyundai Corp. said Friday it had struck gold worth more than 300 million dollars in the west African state of Mali.

The group confirmed reports on the find in a report to the Korea Stock Exchange.

The trading arm of the Hyundai Group business conglomerate estimated it had discovered about 32 tonnes of gold valued at some 400 billion won (313 million dollars).

The company said it would release more details on the discovery at the end of June.

Hyundai Corp. shares rose 160 won to 3,340 two hours after trading started Friday.

PM likely to hand over units Eight textile mills may go to workers Mar 23

BSS, Tongi

Eight textile mills under Privatisation Board and located within the premises of TIC here are expected to be handed over to the workers next week.

State Minister for Rural Development and Cooperatives Advocate Rahamat Ali disclosed this at a preparatory meeting for the handing over of the enterprises at TIC.

Prime Minister Sheikh Hasina is expected to hand over the mills

to the workers on March 23, a press release said.

All who was the chief guest at the meeting said this for the first time in the country that a government took initiative to hand over mills to the workers. AKM Mozammel Haq, chairman of Gazipur Pourashava presided over the meeting.

The government is encouraging the private sector to turn the sick industries into profitable concern, Ali said and asked the workers to raise production in textiles in the light of free market economy to lead the country to prosperity.

The state minister said the government's effort is not confined to industrial sector only. The government has taken up "one farm, one house" programme for the development of the rural areas, he added.

The function was addressed, among others, by Syeda Zhora Tajuddin, Ahsanullah Master, MP, Alfar Uddin Khan, MP, Meher Afroze Chumki, MP, and Secretary of district Awami League and Chairman Tongi Pourashava.

adequacy standards.

However, one of the successes of the reforms may be that the banking sector weaknesses are now completely exposed through the initiatives, which may create a pressure to quicken the reform process, he said.

The most severe problem of the country's financial system is its non-performing assets, he said, mentioning that the financial sector adjustment credit (FSAC) correctly identified the policy agenda although the outcome was poor.

The management efficiency of the nationalised commercial banks (NCBs) could not be improved despite implementation of

WB programme fails to identify real banking problems: Study

MONJUR MAHMUD

The financial sector reforms under the Structural Adjustment Programme (SAP) failed to identify the banking problems correctly and therefore, the designing framework was not appropriate, says a research document.

The reforms also lacked government ownership and strong political will to make it successful, the research mentioned, adding that the reform agenda emphasised more economic deregulation.

The research document on 'implications of adjustment policies on financial sector' prepared by Dr Toufic Ahmed Choudhury was presented at the recent Second National Forum of Structural Adjustment Participatory Review Initiative (SAPRI) Bangladesh.

The country's financial sector discipline is still in disarray although reform measures were implemented satisfactorily, said Choudhury. The financial health of the banks is still far from an acceptable level even after the introduction of new loan classification, provisioning and capital

new operational and management quality assessment tools, Choudhury mentioned.

The goal of SAP was to establish appropriate accounting policies including recapitalisation, effective regulation and supervision and effective management policy in order to put banking system on a sound financial basis, but the accounting standard is still not of international standard."

The SAPRI analysis, using the interest rate spread criteria shows that the objective of bringing competitiveness could not be achieved.

The objective of restructuring rural banking was to ensure its viability. After the reform, rural

branch policy was changed and the private commercial banks (PCBs) virtually did not open new branches in the rural areas and the NCBs tried to consolidate their branch network, he said. This, he mentioned, caused a net negative credit flow in post-reform years.

It was expected that the policy reform would encourage the PCBs to create competition. Although the market share of the NCBs decreased due to intervention of PCBs and new foreign commercial banks (FCBs), but the dominance of the NCBs is still in place, Choudhury said. "Moreover, the PCBs have failed to improve resource allocation among the productive sectors."

Director of Dhaka Bank Ltd Md. Amirullah inaugurates the bank's first rural branch at Amin Bazar in Savar on Thursday.



Picture shows the sales rally of Tabani Beverage Co Ltd to launch Coca-Cola 1.5L PET bottle at BIAM auditorium in the city Thursday.

Dhaka Bank opens rural branch at Amin Bazar

The first rural branch of Dhaka Bank Limited was opened at Amin Bazar in Savar on Thursday, says a press release.

Md. Amirullah, Director of the bank, inaugurated the branch, the bank's 15th branch, as chief guest. A T M Hayatuzzaman Khan, Chairman, Board of Directors, and other directors were present.

Md Mokhesur Rahman, Managing Director, and senior executives of the bank were also present along with a number of clients and dignitaries on the occasion.

Amirullah emphasised the need for personalised banking and quality service to the clients of the bank.

A T M Hayatuzzaman Khan, Chairman, in his welcome address clarified different schemes introduced by the bank. He also mentioned that as a commercial bank, Dhaka Bank Limited will always try its best to provide comprehensive banking service to all clients and commercial concerns.

BB forex reserve stands at \$1.42b

UNB, Chittagong

Foreign exchange reserve with Bangladesh Bank now stands at \$1.42 billion but it should have been a minimum of 1.50 billion, Governor Dr Mohammad Farashuddin informed a seminar here Thursday.

He expressed the hope that the reserve would be 1.50 to 1.56 billion US dollar by the end of current fiscal year in June.

The governor urged the business community to discourage the rising import tendency saying the desired economic progress of the country will not be achieved without raising the volume of exports.

The business community must give priority to industry and production over trade, he said.

The day-long seminar on Banking Sector Reforms, organised by the daily Independent, was held at the Chittagong Chamber of Commerce and Industry.

He estimated 5.5 per cent growth in GDP in the first half of the current fiscal year.

The governor frankly admitted that abuse of power by politicians had created problems in the past in matters of sanctioning loans. But now exerting undue influence by them has largely reduced.

3-day workshop on e-banking starts at BIBM tomorrow

A three-day workshop on "E-Banking, e-commerce and Internet applications" organised by the Bangladesh Institute of Bank Management (BIBM) is going to start tomorrow, says a press release.

BIBM will conduct the workshop to discuss, interpret and understand the emergence of Internet-based business application, specifically e-commerce and e-banking, the role of e-banking in business growth and profitability of banks to comprehend pragmatic plans for implementing e-banking for facilitating e-commerce in Bangladesh.



Director of Dhaka Bank Ltd Md. Amirullah inaugurates the bank's first rural branch at Amin Bazar in Savar on Thursday.

Tight US labour market eases, import prices muted

REUTERS, (Washington)

The tight US labour market showed signs of loosening over the last four weeks while costs of imported products inched only slightly higher in February, the government said Thursday.

The reports showed there was little reason to fear a surge in inflation and suggested the Federal Reserve has leeway to dramatically cut interest rates at its next meeting on Tuesday, economists said.

They also noted that two other reports showed hope for a pickup in the hard-hit manufacturing sector as well as continued strength in the housing market.

The government also said on Thursday that the United States continued to import more than it exports at the end of last year pushing the broadest measure of US trade to a record deficit of \$115.3 billion in the fourth quarter. That widening helped push the trade gap for all of 2000 to a record as well.

On the employment front, the Labour Department said the weekly average of the number of people signing up for first-time unemployment benefits during the last four weeks rose to its highest level in more than 2-1/2 years.

The widely-watched four-week moving average of initial claims rose to 364,250 in the March 10 week from 356,500 in the prior week, the department said. That was the highest level since July 11, 1999, when the figure stood at 366,500.

The report suggested that the labour market may be easing, relieving potential inflation pressures as workers have less clout to negotiate bonuses and raises. However, economists said the uptick in claims was not so dramatic as to signal a large increase in the unemployment rate, which was at 4.2 per cent in February, just above a 30-year-low.

"The level of claims is not so high that it points to a huge uptick in the unemployment rate but it does signal a loosening in the labour market and in wage pressures," Salomon Smith Barney economist Christopher Wiegand said.

Stock markets largely shrugged off the data. The Dow Jones Industrial Average unofficially ended up about 58 points or 0.6 per cent while the NADAQ slipped 31 points, or 1.6 per cent.

In other inflation news, Labour said prices of imports inched higher last month as sharp gains in petroleum prices more than offset drops in imported food, feed and drink costs.

US import prices rose 0.1 per cent in February following a 0.1 per cent decrease in January, the department said. The data, which matched estimates from private economists, suggested that little inflation was being imported from overseas.

The Fed cut rates twice in January by a half-point each time, reducing short-term interest rates to 5.50 per cent.

Some analysts think the Fed may go even further on Tuesday and cut rates by a hefty three-quarters of a percentage point to restore confidence and kick start the shaky economy. Most expect the Fed will continue cutting rates later in the year.

"Inflection point" Swonk said she believed the US economy might be at an "inflection point," where it is on the brink of picking back up after rapidly losing steam late last year.

Growth slid to a 1.1 per cent annual rate in the fourth quarter, the slowest pace in 5-1/2 years. Some economists, including Fed Chairman Alan Greenspan, have suggested that the economy may now be treading water, posting no growth at all.

But a silver lining was seen in one report on Thursday. The Philadelphia Fed reported that while manufacturing in the mid-Atlantic region contracted for a fourth consecutive month in March, it shrank at a slower pace than in prior months.

And, the regional Fed bank said its index of future general activity in the mid-Atlantic increased for a second straight month to 20.9 in March from 4.8 in February.

"Manufacturers in this region clearly sense that things are taking a turn for the better," First Tennessee Capital Markets chief economist Christopher Low said.

Geneva meet strikes deal IJSG to replace IJO by mid-Oct

BSS, Dhaka

An agreement to set up a successor body to the International Jute Organisation (IJO), now under liquidation process, was adopted at a UN-sponsored meeting in Geneva which ended on Tuesday.

Sources associated with the conference told BSS here Thursday that with the adoption of the agreement, International Jute Study Group (IJSG), the new body, is expected to be launched by the middle of October when the liquidation process of the IJO will be complete.

The two-day UN conference on jute and jute products was held under the auspices of the UNC-

TAD.

According to the adopted agreement, the IJSG will be headquartered in Dhaka. The new organisation, still to be a UN affiliate, will deal with the development programmes on jute and jute products having special emphasis on the private sector entrepreneurs, women welfare and creation of employment opportunities.

The new organisation on jute will initially have an eight-year term with two expected two-year extensions.

Although the membership will remain open to any interested country, there will be a single category membership in the new

organisation instead of the previous importer and exporter categories, the sources said.

The UN conference was opened by Deputy Secretary General of UNCTAD Corrin and was chaired by Francois Leger, a senior French diplomat based in Geneva.

Bangladesh team leader to the conference and Secretary of the Ministry of Jute Dr Tehmina Hossain was nominated as one of the vice-presidents at the conference.

Former Jute Secretary and current Chairman of the International Jute Council (IJC), the governing body of the IJO, was one of the members of the Bangladesh delegation.

Animal disease wreaking havoc on world farm trade

REUTERS, Chicago

Like a modern day pox on all their households, the scourge of animal disease is wreaking havoc on agricultural trade and could have a long-term effect on the market and the farming industry, experts said.

First it was the spread of bovine spongiform encephalopathy, or mad cow disease, from Britain to continental Europe. Then in a bizarre twist of fate, foot-and-mouth disease was discovered in Britain in February, and this week in France. Adding to the hysteria, another major meat exporter, Argentina, confirmed this week that it too had an outbreak of foot-and-mouth disease.

Mad cow is a major threat because in its human form the brain-wasting disease has caused deaths in Europe. Foot-and-mouth rarely affects humans but is devastating to livestock and spreads like wildfire on clothes, shoes or even in the wind.

These outbreaks have set off a chain reaction of trade sanctions circling the globe as countries free of the diseases desperately try to keep them out.

The US Agriculture Department this week banned imports of meat from the European Union, which it estimates will affect \$278 million in trade.

"It's hard to identify any real winners from the situation," said Ben Beneke, a senior analyst at World Perspectives, an agriculture analysis firm in Washington, DC. "The long-term effects could be weighing on the market for quite some time."

No one knows if at the end of the chain, global agricultural trade will be the loser of the sanctions game. But already there are signs that the panic is having some unintended consequences far beyond Europe.

Canada banned imports of Brazilian beef on Feb. 2 because of mad cow concerns. The United States and Mexico, partners with Canada in the North American Free Trade Agreement, followed suit. There was an outcry in Brazil, which argued it had never had a mad cow disease case. Canada said Brazil was slow to document it was free of mad cow. The ban was finally ended on Feb. 23 but left a residue of hard feelings between two of the world's biggest agricultural traders.

Some North African and central European countries threatened this week to restrict imports of grain from European Union countries because of foot-and-mouth fears. Morocco and Tunisia on Thursday both issued statements backing off the threats. But even a hint of restrictions on grain prompted a furious reaction from beleaguered European farmers, who fear the spread of trade sanctions to the world market in grains, which is even larger than trade in meat and livestock.

Since the Second World War successive rounds of global trade negotiations have gradually lowered some barriers to world agricultural trade. Import tariffs were reduced and a start was made at lowering export subsidies that distorted competition.

Global exports of fresh, chilled and frozen meat doubled to 20.8 million tonnes over the decade through 1999, the latest year for which figures are available, the United Nations Food and Agriculture Organization said. Leading exporters such as the European Union, United States, Canada, Australia, Argentina and Brazil expanded agri-processing industries to take advantage of the trend.

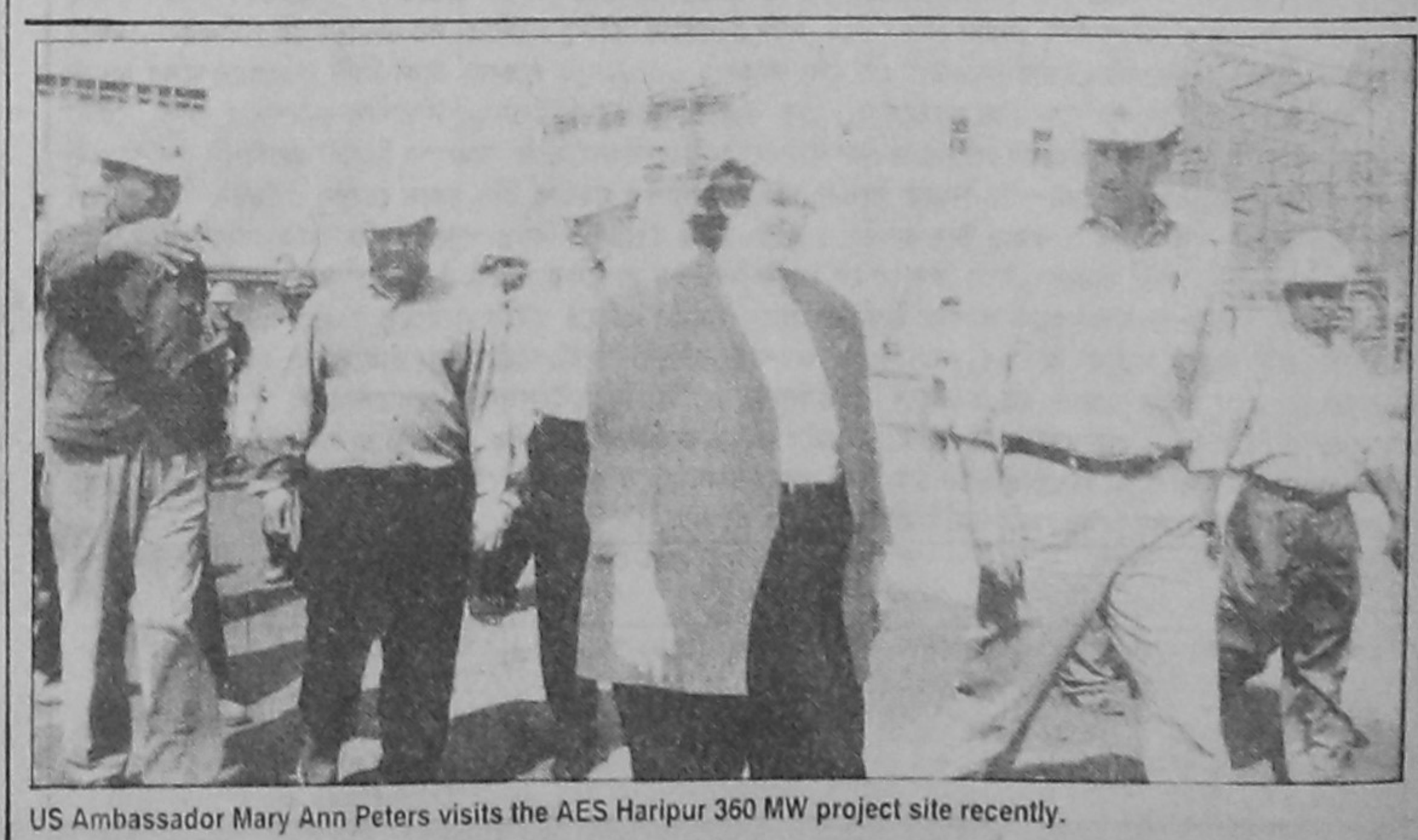
Commodity analysts said a major question is whether the impact of the disease outbreaks in Europe will quickly pass or have a long-term impact?

Some worrying hints of an answer might be found in the case of Taiwan, which suffered a devastating outbreak of foot-and-mouth in 1997. A quarter of its 14 million pigs were slaughtered and a \$1.55 billion-a-year pork export industry was killed. Taiwan still is not free of foot-and-mouth.

The outbreak led to trade diversion as the United States and Denmark stepped in to fill Taiwan's exports of pork to Japan. "But no one want without a pork chop," said Paul Drazek, a Washington-based agricultural trade consultant.

"While the European disease scourge may be a temporary boon to disease-free exporters, those gains might be fleeting.

European consumers may be spurning beef for pork or chicken. The world's leading purveyor of hamburgers, McDonald's Corp. said on Wednesday its sales in Europe have suffered because of the disease scare.



US Ambassador Mary Ann Peters visits the AES Haripur 350 MW project site recently.