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Star BUSINESS

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More seats on Dhaka-London BA flights

British Airways (BA) will offer many more seats on flights operating between Dhaka and London, says a press release.

The airline will operate wide-bodied, state-of-the-art Boeing 747-400 aircraft which will provide a significant increase in capacity on the route.

The thrice-weekly non-stop Boeing 747-400 services between Dhaka and London will operate from today. These services will reduce flying time between Dhaka and London.

Services from Dhaka will depart on Mondays, Thursdays and Saturdays at 0550 hours, arriving at London Heathrow at 1320.

Flights from London Heathrow will depart on Wednesdays, Fridays and Sundays at 1135 hours, arriving in Dhaka at 0410 hours the following day.

Production of Ctg Urea Factory suspended

BSS, Dhaka

The production at Chittagong Urea Fertiliser Factory under the Bangladesh Chemical Industries Corporation (BCIC) has been suspended due to a sudden trip in RC pump of the factory.

The production at the factory will begin on March 29 after repairing of some leakages in ammonia plant of the factory.

There is a total stock of 62,804 metric tons of fertiliser in the factory own and buffer godowns, a BCIC press release said Sunday.

BB T-bill auction held

UNB, Dhaka

The 133rd auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year bills were held here Sunday.

Tk 2747.50 crore, Tk 34 crore, Tk 52 crore, Tk 57 crore, Tk 46 crore were offered respectively for the 28-day, 91-day, 182-day, 364-day and 2-year bills.

Of these, Tk 2497.50 crore Tk 5 crore, Tk 32 crore, Tk 55 crore and Tk 45 crore in total of Tk 2634.50 crore of 28-day, 91-day, 182-day, 364-day and 2-year bills were accepted respectively.

The range of implicit yields were 6.43-6.65 per cent, 6.96 per cent, 7.24-7.25 per cent, 7.50-7.60 per cent and 8.49-8.50 per cent per annum respectively.

No bid was offered for the 5-year bill.

It may be mentioned that the amount of premature encashment of the bills Sunday stood at Tk 6 crore and due to maturity of the bills, the total amount of Tk 2463 crore will retire in this week. So, the net amount of issuing bills will stand at Tk 165.50 (Tk 2634.50 crore-Tk 6 crore-Tk 2463 crore) during this week.

PCCW may post hefty loss this week

REUTERS, Hong Kong

Pacific Century Cyber Works, the embattled telecoms and Internet firm headed by tycoon Richard Li, will post this week its first combined results since acquiring Hong Kong's dominant telco, with many analysts forecasting a hefty loss.

Because PCCW's US\$28.5 billion purchase of Cable & Wireless HKT was completed in mid-August, just four-and-a-half months of combined operations are expected to be included in the results on Wednesday, making forecasts difficult, company-watchers said.

Other questions include how the firm will account for losses in its investment arm, and how it handles the massive goodwill incurred when it swallowed the larger HKT business in Asia's largest corporate takeover.

"They're going to come out with all kinds of weird, bizarre numbers," said Nomura International Telecoms analyst Richard Ferguson, who expects a year 2000 loss of HK\$2.58 billion (US\$331 million) and has an "underperform" rating on the stock.

"It'll be a fairly confusing picture."

Deutsche Bank analyst Nigel Coe, who also rates the counter "underperform," forecast a loss of HK\$5.4 billion, assuming PCCW takes a charge of HK\$3.5 billion to account for the loss in value of its investment portfolio.

EEF likely to be fully diverted to fund agro-based industries

Banks receive lukewarm response from software firms

STAR BUSINESS REPORT

The authorities are contemplating to divert the entire Equity and Entrepreneur Fund (EEF), partly earmarked for the software sector, to agro processing and agro-based industries.

"Despite our intention to invest Tk 50 crore from the EEF for the development of the software industry, we didn't get any response from the entrepreneurs. We may have to divert the fund to agro-processing and agro-based

industries," Dr Mohammad Farashuddin, Governor of the Bangladesh Bank (BB), told a seminar yesterday.

Dr Farashuddin was speaking at a seminar on "Equity and Entrepreneur Fund (EEF) and Software Industry" organised by the Bangladesh Institute of Bank Management (BIBM) at its auditorium in the city.

The BB Governor also mentioned that there was a huge demand for fund in the agro-based industries.

Mentioning the problems which the EEF initiative faced, Dr Farashuddin said bureaucratic tangles delayed finalisation of the guidelines for the utilisation of EEF by about six months.

The government floated the Tk 100 crore EEF with funds from the FY01 national budget to encourage investment in the promising software development, agro-processing and agro-based industries.

Presided over by Director General of BIBM, Dr Md Sohrabuddin,

the seminar was also addressed by Managing Director of Prime Bank Qazi Abdul Majid, Managing Director of Mercantile Bank M Taheruddin, President of Bangladesh Association of Software and Information Services (BASIS) SM Kamal and Managir Director of Flora Ltd MN Islam.

The speakers said it would not be too much to expect a quick return from the EEF investments. They also identified lack of skilled programmers as the main problem of the software sector.

Remittance thru' SB falls on booming hundi business in '00

STAR BUSINESS REPORT

Despite an increase in the number of wage earners, remittance inflow through Sonali Bank, the largest nationalised commercial bank (NCB), went down last year compared to the previous year mainly because of the illegal hundi business.

"By the middle of last year, dollar prices witnessed a sharp rise in the informal market which diverted remittance from the banking channel," Md. Enamul Huq Chowdhury, Managing Director of Sonali Bank (SB), said.

Chowdhury was briefing newsmen about the SB's efforts to curb the informal foreign currency

market and improve the performance of its two non-banking subsidiaries operating in the USA and the UK.

He said remittances through SB went down to US\$ 20 crore last year from US\$ 21.26 crore in 1999. However, the number of remitters increased from 72,672 in 1999 to 79,749 in 2000.

In 1999, 25 per cent of the total remittance which came through SB was on account of UN compensation for the gulf war victims. In 2000, this constituted 10 per cent of the total remittance, Chowdhury said.

However, Chowdhury hoped that a number of efforts taken in

recent times to encourage wage earners to send money through the formal channels would yield good result this year.

"Expatriates want a hassle-free process which is faster and at the same time, does not offer rates which are much less than the informal foreign exchange rates," the SB MD said.

He also said the abolition of the foreign currency korb market at the SB's foreign exchange branch at Dilkusha would help improve the situation.

Talking about SB's foreign operations, Chowdhury claimed the bank's two subsidiaries in the USA and the UK -- Sonali Exchange Corp. Inc (SECI) and Sonali Trade

Finance (STF), UK Ltd - have shown 'remarkable improvements' last year.

SECI, incorporated in 1995 in New York, made a profit of US\$ 57,000 last year. Sonali Exchange Corp. Inc (SECI), incorporated in 1995 in New York, first saw profit in 1998.

However, its two branches one in Los Angeles and the other in Atlanta - are still in the red. In 2000, the Los Angeles branch incurred a huge loss of US\$ 1.3 lakh, which is US\$ 0.2 lakh less than the previous year.

STF in the UK, operating with five branches, also made a profit of 2.88 pound sterling last year.



Michel Lummaux, Ambassador of France, speaks at the monthly luncheon meeting of Foreign Investors' Chamber of Commerce and Industry (FICCI) held at a city hotel on Sunday. On his left are Chamber President Wali Bhuiyan and Secretary Jahangir Bin Alam and on his right is FICCI Committee Member David Rees.

Bangladesh needs to build image to woo more FDIs

French envoy says at FICCI meet

STAR BUSINESS REPORT

French Ambassador in Bangladesh Michel Lummaux has said Bangladesh needs to build its positive image to attract more foreign investment.

He stated that despite having a negative image abroad, the ground reality is quite different here.

The French Ambassador was speaking as the guest of honour at the monthly luncheon meeting of the Foreign Investors' Chamber of Commerce and Industry (FICCI) at Sonargaon Hotel in the city yesterday.

Lummaux said French investment in Bangladesh is far from a desired level, adding that the investment of Lafarge in the country

is the highest among the French companies apart from those in the energy sector.

He said Bangladesh also needs to clarify its official identity either as a poor country, seeking foreign assistance, or a developing country looking for foreign investment.

He also said the Bangladesh government and its foreign missions have very important roles to play in projecting a positive image of the country.

Speaking at the meeting, FICCI President Wali Bhuiyan said there has been a significant inflow of FDI into Bangladesh, mostly in the energy sector, over the past several years. However, foreign investment in manufacturing and other sectors has not been as robust as expected.

Currently, the volume of French investment in Bangladesh would be roughly around US\$250 million of which around \$240 million is attributed to Lafarge Surma Cement, he said and observed that France could assist Bangladesh in attaining economic development through accelerated transfer of capital and technology.

Wali Bhuiyan said there are scopes for further expansion of bilateral trade between the two countries.

The balance of trade between the two countries is in favour of Bangladesh, the FICCI President said, mentioning that its exports to France is around US\$425 million annually while its import is about \$125 million.

Southeast Asian chip makers aggressive in investment

AFP, Tokyo

Southeast Asian semiconductor makers are actively investing in new plants, despite slumping global demand for personal computers, a press report said Sunday.

But the start-up of new plants, particularly in Malaysia and Singapore, could further depress chip prices, the leading Japanese business daily Nihon Keizai Shimbun said.

The new plants signify a switch in the Southeast Asian semiconductor industry from assembly and inspection to full-scale production, including the etching of circuits on wafers, the daily said.

In Malaysia, government-backed 1st Silicon (Malaysia) Sdn Bhd will soon start producing logic integrated circuits (ICs) with an etching line width of 0.25 of a micron at its new factory in Sarawak, the daily said.

The plant, which received manufacturing technology from Japan's Sharp Corp., will have a monthly output capacity of 20,000 units in terms of 8-inch wafers. Overall investment will top one billion dollars, the report said.

Another Malaysian company, Siltera Sdn Bhd, will this year open a chip plant, which will have a capacity of 30,000 units by 2002.

The 7th's second-largest foundry company, United Microelectronics Corp. of Taiwan, has plans to open a plant in Singapore at a cost of 3.6 billion dollars.

July-Jan LC opening up 29pc

Industrial inputs top import list

UNB, Dhaka

Import LCs opened during July-January period of the current fiscal year was up by 29 per cent over the amount of the same period last year, marking a significant rise in import orders for industrial inputs, capital machinery and consumer goods.

Letters of Credit (LCs) worth Tk 28125.76 crore (\$5267 million) were opened with authorised dealer banks in first seven months of the fiscal year 2000-01, said a Bangladesh Bank statistics of the major imports in the pipeline.

The figure is 28.86 per cent higher in taka terms or 20.32 per

cent in dollar terms. Intended imports for industrial raw materials, petroleum and petroleum products, capital machinery and machinery for various industries rose by 31.26 per cent while import LCs for consumer goods increased by 19.92 per cent, both in terms of taka.

The central bank statistics, intended to facilitate importers' planning, showed LCs for import of cotton and synthetic fibre and yarn, fabrics and accessories for garment sector amounted to Tk 8742 crore or roughly one third of total volume of LCs.

Imports LCs for chemicals mainly for pharmaceutical and

fertiliser industries figured about Tk 2190 crore and machinery Tk 1957 crore.

LCs for import of food items totaled about Tk 1785 crore, including Tk 311.25 crore for rice, Tk 307.48 for wheat, Tk 190.28 crore for sugar, Tk 202.03 crore for pulses, Tk 197.64 crore for milk food and Tk 578 crore for edible oil (crude and refined).

LCs for import of cement figured Tk 121.12 crore, clinker and limestone Tk 341.05 crore, various tin sheets and plates Tk 662.98 crore, iron and steel products Tk 160.94 crore, scrap vessels Tk 425.48 crore and motor vehicles Tk 538.75 crore.



Pallab Talukder receives a 14" Toshiba colour TV set as February 2001 "Subscriber of the Month" of the daily newsletter of bangladeshinfo.com from the portal's CEO Syed Farhad Ahmed recently.

9th Ctg Int'l Trade Fair begins Mar 28

BSS, Chittagong

The ninth Chittagong International Trade Fair (CITF) aimed at promoting and projecting products of the small and medium enterprises both at home and abroad will begin at Railway Polo ground here on March 28.

Commerce Minister Mohammad Abdul Jalil is expected to inaugurate the 20-day fair as chief guest, president of Chittagong

Chamber Saifuzzaman Chowdhury Javed said at a press conference in the Chamber auditorium Sunday.

India, Pakistan, Iran, China, Malaysia, Thailand, USA, UK and Egypt for the first time will take part in the fair, he said.

A total of 253 stalls including two mega-pavilions will be set up in the fair while an exclusive IT valley will be the main attraction, he added.

CARE to receive Tk 20cr from EC for 2 projects

The European Commission will provide 4 million euro equivalent to about Tk 20 crore to CARE-Bangladesh for the continuation of the two successful projects NOPEST and LIFE.

The contract was handed by Ambassador Antonio de Souza Menezes, Head of the Delegation of EC to Steve Wallace, Country Director CARE-Bangladesh, says a press release.

The European Commission Food Security programme in Bangladesh has been financing two very successful LIFE and NOPEST projects.

Both projects focus on building the capacities of small and marginal farmers.

LIFE has piloted an approach to farmer-driven action research with extensive utilisation of local partners for joint implementation.

NOPEST has focused on introducing a number of appropriate techniques in rice fields, including integrated pest management (IPM) - Integrated Pest Management - is an ecologically sound approach to pest control that relies primarily on natural mortality factors, such as natural enemies, weather, and crop management, fish production and dike cropping.

The new project, named LIFE/NOPEST Phase II, will focus on improving food security for small-holders and marginal farmers through increased agricultural productivity. It is a combination in one project of the most effective activities from each of these two former projects.

Weekly Currency Roundup

Yen leads Asian market slump

AFP, Hong Kong

The yen led a generally poor week for Asia currencies, dropping to a near two-year low against the US dollar at one point, although it had partially recovered by late Friday.

Another notable casualty was the Australian dollar, which recorded its first sub-US 49 cents mark, being branded "sick as a parrot" by one dealer.

JAPANESE YEN: The yen slumped to its 22-month low against the dollar as Japanese share prices resumed their downturn following a dramatic rally on the return to zero interest rates by the Bank of Japan to prop up the faltering economy.

The Japanese unit touched 123.95 to the dollar at one point on Thursday, its lowest level since May 24, 1999, when it plunged to 124.39.

But it bounced back to feich

122.80-83 to the dollar late Friday after investors welcomed another failure in Japan's embattled life insurance industry as a sign of long-awaited financial restructuring.

The level compared with 122.54-57 to the dollar a week earlier.

AUSTRALIAN DOLLAR: The Australian dollar now has a sub-49 US cent low on its record - and there is little optimism out there for any sort of genuine recovery, dealers said.

Brokers' descriptions of the Aussie dollar's performance against the greenback range from "friendless" to "sick as a parrot".

It recorded a new record low of 48.91 US cents in offshore trading late Thursday, but rallied to 49.52 US cents at the local close of trading Friday.

NEW ZEALAND DOLLAR: The

New Zealand dollar ended Friday worth 41.43 US cents, little changed from the 41.27 cents of a week earlier.

SINGAPORE DOLLAR: In late Singapore trade Friday, the US dollar was trading at 1.7832 Singapore dollars from 1.7706 Singapore dollars last week.

HONG KONG DOLLAR: The Hong Kong dollar was marginally higher at 7.7987-7.7995 to the greenback compared with the previous week's 7.7998-7.8003.

INDONESIAN RUPIAH: The Indonesian rupiah weakened further to close at 10.385 Friday despite continuing central bank intervention, down from last week's close of 10.135.

PHILIPPINE PESO: The Philippine currency closed lower at 49.135 pesos to the dollar on Friday from 48.50 to the greenback on March 16.

SOUTH KOREAN WON: The

won continued its downward slide during the past week, falling from 1,292.30 won per dollar a week ago to 1,307.10 won Friday, reflecting the appreciation of the dollar against the Japanese yen.

TAIWAN DOLLAR: The Taiwan dollar fell 0.3 percent over the week to close at 32.771 against the greenback on Friday mainly due to a strong US dollar, dealers said.

The unit stood at 32.778 on Monday and surged slightly to 32.775 on Tuesday. It edged up to 32.771 on Wednesday, but fell to 32.864 on Thursday.

THAI BAHT: The Thai baht remained weak and under pressure against the dollar in line with other regional currencies, especially the yen and Singapore dollar, a Bangkok Bank dealer said.

The Thai unit hit a four-month low on Thursday at 47 baht to the dollar.

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