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Star BUSINESS

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ScanCement to be used in Paksey Bridge

ScanCement will be used in Paksey Bridge Construction Project. An agreement to this effect has been signed between the Major Bridge Engineering Bureau (MBEB) of P.R. of China, general contractor of the Paksey Bridge Construction Project, and Scancem Bangladesh Limited to supply ScanCement for the construction of the bridge, says a press release.

The bridge crossing the Padma river is the main player in the development of infrastructure in western region of the country.

The construction is the largest ongoing project in Bangladesh. Zhu Ding Fa, Deputy Project Manager, and Christer Eriksson, Vice-President (Marketing & Sales) of Scancem Bangladesh Limited, signed the agreement on behalf of their respective companies at the office of the Project Manager of the Paksey Bridge Construction Project recently.

Zhong Yi, Julia Peng from MBEB and Engineer Samittra Mutsuddi, Sales Manager Corporate of SBL were present at the signing ceremony.

In accordance with the recommendation of the Consultant of the Paksey Bridge Construction Project, ScanCement has been chosen among other available brands in the market for its consistent desirable quality and the company's uninterrupted quality service to clients.

Politics may take a snipe at thriving industrial growth

Asiatic Society seminar in city warns

STAR BUSINESS REPORT

The country's economy has so far witnessed an upturn this fiscal, but the trend may not continue till the end of it because of the ongoing political crisis, leading economists said at a seminar in the city yesterday.

"For the first time in Bangladesh, the industrial sector has clocked around 11 per cent growth in the first 10 months, but now we are facing the same old political problem which we cannot afford anymore," said Professor Wahiduddin Mahmud, Chairman of the Banking Reforms Commission and former advisor of the caretaker government, at a working session of the two-day seminar.

The seminar on 'Bangladesh on the Threshold of the Twenty-first Century' was organised by the Asiatic Society of Bangladesh (ASB) at its auditorium.

With Finance Secretary Dr Akbar Ali Khan in the chair, eminent economist and Executive Director

of the Centre for Policy Dialogue (CPD) Dr Debapriya Bhattacharya, Professor Taj I Hashmi and Kazi Fazlur Rahman were, among others, discussants at the working session.

"We need credible economic reforms and these must also include moves to address the political problem," Professor Mahmud said. "Apart from threats posed by the political factors, other problems facing the country's economy include inadequate infrastructure and legal system, corruption and inefficient bureaucracy."

In his speech, Dr Debapriya Bhattacharya said a minimum 7 to 8 per cent GDP growth rate is essential for facing key challenges like poverty alleviation.

Pointing to the 4.9 per cent growth in the 1990s and 3.8 per cent during 80s, Debapriya said that those figures were not enough for a country like Bangladesh where one third of the population is unemployed. Such figures re-

fect the country's overall development fragility and vulnerability, he added.

He said there is a mismatch between the micro and macro scenarios. Savings and investment in the country need to pick up, Bhattacharya observed, mentioning that around 3 million people are entering to the job market every year.

In his speech, Dr Akbar Ali Khan said the country does not have the right kind of institutions. Citing examples, he said, the same number of people could do better in many other countries of the world because they are working with the right sort of institutions and plans.

Bad people are leading the ones who are good, be it in politics or bureaucracy or any other areas, Khan said, adding "We have potentials to do better than what we are doing now."

Earlier in the inaugural session, CPD Chairman Professor Rehman

Sobhan said the new millennium holds out enormous promises for countries like Bangladesh. But to capitalise on this, we need structural adjustment not just for the economy but also in 'our politics and society'.

Such a process of structural changes is beyond the capacity of any donor and it is no doubt an indigenous exercise, he said, adding that the civil society will have to play a more active role in this regard and move beyond social issues to unknotted political tangles.

For playing a more pro-active role in the polity, the civil society will have to increasingly demonstrate its commitment towards prioritising societal concerns over the personal ones, he went on.

"If Bangladesh is to establish itself as a dynamic nation in the next decade, restoration of a sense of public purpose within the civil society is something indispensable," Rehman said.



A homeless man (L) sleeps on a park bench as a businessman (2nd L) and a couple relax at Tokyo's Hibiya park yesterday. Japan's jobless rate stood at 4.7 per cent in March, unchanged from February, the government said. The number of unemployed fell 60,000 during the month to 3.43 million but the decline was relatively minor to dent the overall rate.

Aptech launches education centre at Mohammadpur

Aptech Worldwide, an IT education giant, yesterday launched Aptech Computer Education centre at Mohammadpur with its master business partner, Axiom Technologies Ltd, says a press release.

The Mohammadpur branch will offer Aptech's flagship computer course, eACCP - the most prestigious and well recognised professional IT credential in the country.

The centre will provide Internet access to all the students in addition to other modern infrastructure e.g., fastest computer hardware, software and networking facilities, fully air-conditioned interiors, multimedia, modern audio-visual equipment, library, placement service and above all, qualified and experienced faculty members for delivering Aptech's world class IT education.

In Dhaka, seven branches are operating successfully at different locations having more than 3,500 students enrolled in different course.

Amitava Ghosh, Managing Director of Aptech Worldwide, Bangladesh Limited, said while inaugurating the centre "our vision for Bangladesh is to make every corner of the country IT literate. We see one IT literate professional as a prospective entrepreneur to generate two IT jobs. This way the different pockets in the country can become self-reliant in employment generation. In this endeavor we are opening more and more branches equipped with the state-of-the-art infrastructure all around the country and Mohammadpur branch is a step towards this."

Rizwan Bin Farouq, Executive Director of Axiom Technologies Ltd, said, "We decided to open this centre based on the fact that the highest number of students coming to Aptech's Dhanmondi centre come from Mohammadpur. Looking at such a response and due to our firm commitment in developing world class IT professionals, we decided to bring IT education to the doorstep of the residents of Mohammadpur."



Workers pick lily of the valley in the village of Saint-Julien de Concelles near the western French port of Nantes on Thursday. Lily of the valley is traditionally sold on May 1 in France to mark the Labour Day. Growers say this year's production will be greener than usual due to the cold and rain that have hit France.

Pakistan revamps agro-credit policy

REUTERS, Karachi

Pakistan's central bank said yesterday it had revamped its agriculture credit policy to help the country's agriculture sector which is under threat from prolonged shortages of irrigation water.

The State (central) Bank of Pakistan (SBP) announced amendments in the agriculture credit policy, raising farmers' lending cap by 100 per cent and removing lending restrictions on other commercial banks.

"It has been decided to enhance the limit of agricultural loans from 50,000 rupees (\$816.3) to 100,000 rupees (\$1,632.65) per farmer per year," the SBP said in a circular to commercial banks, issued late on Thursday.

The SBP said there had been a considerable increase in the prices of agriculture inputs since the lending cap was fixed in January 1990.

The bank also removed various restrictions on commercial banks to give them more room to disburse agricultural loans.

"Now it has been decided to withdraw the restrictions on commercial banks for making disbursements only within their respective territorial jurisdictions (towns and villages) allotted to them," the SBP circular said.

Pakistan's agro-based economy is threatened by a drought that has caused irrigation water shortages.

The former executive chairman of Nepal's national airline carrier and a board member have been arrested as part of a probe by the country's corruption watchdog after the company incurred huge losses in a controversial lease deal, police sources said yesterday.

The Commission for the Investigation of Abuse of Authority (CIAA) ordered the arrest of Royal Nepal Airlines Corporation (RNAC) ex-chairman Hari Bhakta Shrestha and Tirthal Shrestha late Thursday after the two failed to stump up bail of 50 million rupees (67,204 dollars) each.

The CIAA also impounded the passport of former Minister for Culture, Tourism and Civil Aviation Tariq Dutt Chataut and ordered him not to leave the Kathmandu Valley without permission.

The RNAC signed a deal to lease a Boeing 767 aircraft from Lufthansa Air of Austria for 18 months at 4,660 dollars per flight hour which incurred a loss of 940,860 dollars monthly, CIAA sources told AFP.

The RNAC signed the agreement despite being ordered not to go ahead with it by the CIAA and the Parliamentary Accounts Committee (PAC). The RNAC went ahead with its decision after it was given the go-ahead from the council of ministers headed by Prime Minister Girija Prasad Koirala, reports said.

The arrests came after RNAC management informed the commission of the extent of the losses.

Chataut refused to comment on the subject as "it was a subjective matter."

Euro-zone growth outlook more favourable than in US, Japan

AFP, Washington

A cut in European interest rates is now appropriate in the face of global economic sluggishness and the absence of a serious inflation threat, the IMF said Thursday.

The International Monetary Fund also found that the 12-nation euro zone is better placed to weather the worldwide slowdown than the United States or Japan but stressed that European officials cannot be complacent in the face of urgently needed labour market reforms.

Momentum in the euro area is likely to be sustained by healthy domestic demand, the IMF forecast in the latest edition of its World Economic Outlook, although in recent months there have been signs that business confidence and industrial activity have deteriorated.

The euro zone -- the 15 members of the European Union minus Britain, Denmark and Sweden -- should see growth improve from 2.4-2.5 per cent in 2001 to 2.8 per cent in 2002. Comparable respective projections for the United States and Japan are 1.6 and 2.4 per cent and 0.6 and 1.5 per cent.

"While the near-term growth outlook in the euro area is still quite favorable relative to North America and Japan, policymakers should not be satisfied with a potential growth rate estimated at 2.5 per cent," the report said.

It noted that unemployment is still high and rising pension and health care costs "remain serious near-term challenges."

Oil soars on OPEC, US gasoline concerns

REUTERS, London

Oil prices roared higher Thursday spurred on by a near-record high on the US gasoline market and amid signs that OPEC intends to maintain curbs on world crude supplies beyond June.

London benchmark Brent futures ended 78 cents a barrel higher at \$27.60 while US light crude gained \$1.11 a barrel to \$28.38.

US gasoline futures touched \$1.109 a gallon, a whisker off an all-time high of \$1.11 a gallon hit in August 1990 at the start of the Gulf War.

Dealers are fretting that supplies of petrol in the United States may not be adequate to prevent a repeat of last summer's price spikes at the pump.

Some US motorists now are paying more than \$2 a gallon and there are concerns that motor fuel could rise beyond last year's record levels when the summer demand kicks in when drivers take to the roads for vacations at the end of May.

Thin gasoline inventories in the United States saw some relief this week as US refiners turned up production rates. But a series of accidents has kept upward pressure on prices.

The American Petroleum Institute recorded a 2.6 million barrel rise in national gasoline stocks, cutting the year-on-year deficit almost in half to 4.8 million barrels from eight million barrels the previous week.

Rilwanu Lukman, Nigeria's presidential adviser for energy, said on Thursday there may be no need for OPEC producers to deviate on output policy when the cartel meets in early June.

"I think it is better to see what is happening nearer the time we meet but all things said of prices stay within the band I don't see the need to rock the boat," he told Reuters at an oil conference in London.

OPEC has targeted a \$22-\$28 price band for a basket of OPEC crudes that on Wednesday was valued at \$24.37 a barrel.

OPEC Secretary-General Ali Rodriguez said in Paris on Wednesday there was no shortage of crude. "In June the present situation will be maintained," Rodriguez told Reuters.

"Maybe in the third or fourth quarter we could put more oil in the market but it depends on demand," he said.

OPEC chopped production by 2.5 million barrels per day, almost 10 per cent, early this year to counter a seasonal demand dip in the second quarter and the impact on oil consumption of a global economic slowdown.

The oil minister for OPEC's most influential producer, Saudi Arabia's Ali al-Naimi, cautioned that it was premature to contemplate what action, if any, OPEC may take in June, but Naimi said that OPEC would need to defend crude prices against sluggish world economic growth that has dented incremental demand among oil consuming nations.

Consumers are already worried that reduced OPEC supply will be insufficient to meet rising demand in the second half of the year.

Grim economic data greet new Japanese PM

REUTERS, Tokyo

Deepening deflation, tumbling industrial output and darkening clouds over an already weak job market today gave new Prime Minister Junichiro Koizumi the measure of the task he faces in reviving Japan's ailing economy.

The barrage of figures, released on Koizumi's first full day on the job, showed the world's second-largest economy weakening rapidly once again in the absence of domestic demand to offset the impact of a global high-tech slowdown.

Industrial production fell 2.1 per cent in March, double the drop forecast by economists and leaving output for the first quarter down a whopping 3.7 per cent from the October-December period. It was the first drop in seven quarters.

The Ministry of Economy Trade and Industry (METI) promptly downgraded its assessment of output, saying the trend was declining, and said swelling inventories, which rose 0.7 per cent in March after a 1.1 per cent jump in February, needed careful monitoring.

"I think it is a pretty shocking figure for the market," said Toshiaki Kaneki, chief economist at Sumitomo Trust & Banking Co.

With manufacturers' telling METI that they expect successive output falls of 0.8 per cent in April and May, Matthew Poggi of Lehman Brothers said the weak trend was likely to drag on into the second half of the year.

Deflation bites

Other data showed Tokyo-area consumer prices fell 0.8 per cent in April from a year earlier, a record 20th consecutive monthly decline. Core prices, which exclude fresh food, fell 0.9 per cent.

"There is a very persistent move in prices continuing in the Japanese economy," new Economics Minister Heizo Takenaka said.

The nationwide unemployment rate remained at 4.7 per cent in March, below a recent record high of 4.9 per cent. But the number of jobs on offer -- a more timely barometer of demand for labour -- fell to 61 for every 100 job seekers from 64 in February.

Ron Bevacqua, chief economist with Commerce Securities, said the end of a worldwide high-tech boom was catching up with Japan's export-dependent manufacturers.

"The whole recovery over the past couple of years was driven by the global cycle, so as the global cycle slows there are no domestic sources of growth and we go right back down."

Many economist believe deflation and unemployment can only deteriorate in the short term if Koizumi follows through with his pledge to clear the decks for recovery after a decade of dead-slow growth by purging banks of their hefty bad loans.

Economists said the outcome would inevitably be a rash of bankruptcies and rising unemployment and questioned whether Japan, despite the appetite for change it showed by welcoming Koizumi as the new prime minister, was ready for the pain.

Top analysts say US economy risky for Bush

AFP, Washington

The US economy, teetering on the edge of recession, represents a political threat to President George W. Bush, who is counting on massive tax cuts and Federal Reserve interest-rate cuts to prop it up, analysts said.

The president has responded by repeatedly warning Americans the economy he inherited was not as strong as many had believed, and touted his tax-cut plan as the cure.

After a decade of unrestrained growth, the US economy expanded a paltry one per cent in the fourth quarter of 2000 and, according to Fed Chairman Alan Greenspan, barely grew at all in the early part of first quarter 2001.

"I think the president attempted to cover his ass, as we say in the US or at least offer an alibi to poor economic performances in the early months of his term by saying repeatedly and often that the economy was downward," said Gary Burtless of the Brookings Institution.

"He has tried to create the impression that the economy was already in distress."

Burtless is not sure Bush will succeed, saying the economy could remain weak long enough to reverse the Republican's razor-thin majority in the US Congress in next year's election, making it harder for Bush to win support for his policies.

On the other hand, "it's probably a good thing for a president to have a recession early on in office, because they have four years to engineer an economic recovery," Burtless said.

Fortunately for the president, a recession seems less likely and Bush has learned it is not a good idea to talk the economy into one, said Greg Mout, an economist

Layoffs quicken in US dot.com sector

AFP, San Francisco

April so far has seen an 84 per cent surge in US dot-com layoffs, a high-tech consultancy reported Thursday.

Chicago-based Challenger, Gray and Christmas said that April dot-com layoffs in the US totalled a record 17,54, an 84 per cent increase over the March total of 9,533.

Last year, there were only 327 dot-com layoffs in the month of April.

April was 37 per cent higher than the 12,828 in layoffs in January.

In the first four months of 2001, 51,564 dot-com cuts have been recorded, more than any other four-month period since the organisation began tracking the layoffs in December, 1999.



An Asia Bank customer (L) sits at the back of a Mobile Bank on a tuk-tuk (three wheels vehicle) in central Bangkok yesterday. The Mobile Bank is an innovative new marketing campaign called "Asia Side Walk Bank" and was introduced by the Bank of Asia and Bangkok Metropolitan Administration and Tourist Police. The bank has started its multipurpose sidewalk banking facilities, offering foreign exchange and dispensing cash in locations throughout the capital.

EU oil seed farmers rally against US subsidies

AFP, Brussels

EU oil seed farmers protested Thursday against what they consider unfair US government subsidies to their counterparts in the United States, which they blamed for a collapse in world prices.

In the United States, the European Oil Seed Alliance (EOA) said in a statement, 67 per cent of the value of oilseeds are publicly subsidised, "a portion of which (US) in the form of specific assistance."

The US policy, it said, "has an extremely negative impact on world markets and creates serious prejudice for European oilseed production."

It said the United States had, since 1990, been "encouraging specific subsidies for their oilseed production," with deficiency payments and emergency aid for oilseeds totalling some three billion dollars.

"The consequences were foreseeable," said the EOA. "Soybean planted acreage in the US increased by 25 per cent and world prices are collapsing."