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StanChart Group executive director due in city today

Nigel Kennv, Group Executive Director of StanChart Group, will arrive in Dhaka today on a two-day visit, says a press release.

During his stay in the country, Nigel will meet government officials, business leaders and StanChart employees.

He will also visit the branches of StanChart Bank and StanChart Chartered Bank in the city.

Nigel Kennv, who was appointed Group Executive Director of StanChart PLC in October 1999, is responsible for Finance including Corporate Treasury and Taxation and has governance responsibility for the United Kingdom.

He joined the Group in 1992 as Head of Audit. Subsequently, he became Regional General Manager, UK and Europe and Group Head of Strategy.

In 1996, he moved to Singapore as Group Head of Custody and in 1998 assumed responsibility as Group Head of Service Delivery, Corporate and Institutional Banking.

A graduate of the University of Surrey, Nigel received a first class honours degree and a PhD in Theoretical Physics. Prior to joining StanChart, he was with PriceWaterhouse, where he qualified as a Chartered Accountant. He then spent a few years at Chase Manhattan Bank.

BB T-bill auction held

UNB, Dhaka

The 140th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held here yesterday.

A total of Tk 595.50 crore, Tk 2 crore, Tk 6 crore, Tk 55 crore, Tk 96 crore and Tk 13.90 crore were offered for the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year bills, respectively.

Of these, Tk 488.50 crore, Tk 2 crore, Tk 6 crore, Tk 50 crore and Tk 73 crore in total of Tk 619.50 crore of 28-day, 91-day, 182-day, 364-day and 2-year bills were accepted respectively.

The range of the implicit yields were 6.48-6.55 per cent, 6.90 per cent, 7.10-7.15 per cent, 7.50-7.60 per cent and 8.41-8.45 per cent per annum respectively. The bids offered for the 5-year bills were not accepted.

14th AGM of Rupali Bank held

The 14th Annual General Meeting (AGM) of Rupali Bank Limited was held on Saturday at Engineers' Institute auditorium in Dhaka, says a press release.

Presided over by Kh. Rashiduzzaman Dudu, Chairman of the bank, the meeting was attended by Managing Director Rabiul Hussain, Directors Md. Hafiz Ibrahim, Brig. General Ahmed Mukhtar Arif, Prof. Nazma Rahman, Nurul Alam Chowdhury and general managers of the bank were also present.

The chairman disclosed that the bank earned an operational profit of over Tk 10.00 crore during the year 2000 and expected that this trend of profit would continue in the coming years.

Deposits of the bank stood at Tk 3856.00 crore during the year 1999, showing an increase of Tk 334.26 crore over the previous year.

Total loans and advances of the bank during the year stood at Tk 2381.98 crore compared to Tk 2150.20 crore of the preceding year, representing a rise of 10.78 per cent.

The meeting approved the Balance Sheet for the year 1999.

Vajpayee to opt for gateway to ASEAN during Malaysia visit

AFP, Kuala Lumpur

Indian Prime Minister Atal Behari Vajpayee starts a four-day visit to Malaysia Sunday, seeking to build on centuries-old links to open a trade gateway to Southeast Asia.

Vajpayee, who is scheduled to land at 6.30 pm (1030 GMT), will head a 135-member delegation including 75 top businessmen.

Business deals -- including a proposal to swap Malaysian palm oil for Indian involvement in a major railway contract -- will top the agenda for the trip, an attempt to consolidate India's "Look East" policy.

"Our history of cultural and commercial linkages has been good for centuries," Indian High Commissioner (ambassador) Veena Sikri told AFP.

"Malaysia can be India's gateway to ASEAN (the Association of Southeast Asian Nations) to increase India's trade in the ASEAN region."

"It's a win-win situation for

both countries...cooperation between India and Malaysia is a genuine example of South-South cooperation," Sikri added.

"We are looking ahead to a more active trade and investment relationship."

India is one of the world's largest information technology software producers while Malaysia has very good IT infrastructure and a hardware industry, she said.

Infrastructure deals would also figure prominently, with Malaysian firms already building roads in India and Indian companies involved in railways here.

The biggest potential deal is a contract for the double-tracking and electrification of 300 kilometres (186 miles) of railway line from the northern city of Ipoh up to the Thai border.

The total cost is an estimated six to seven billion ringgit (1.6-1.8 billion dollars).

If Malaysia's proposal is accepted, the five-year project would

be paid for through annual Indian imports of up to 1.6 million tonnes of palm oil.

Asked Friday if the deal could be concluded during Vajpayee's visit, Transport Minister Ling Liong Sik replied: "I don't foresee any problem."

Malaysia's foreign ministry said agreements or memorandums of understanding (MOUs) on finance, information technology, services and the stock exchange were expected to be signed at government level.

Businessmen were expected to sign deals or MOUs on aerospace technology, trade promotion and high technology software applications.

Sikri said agreements on information technology services, avoidance of double taxation, civil service cooperation, tourism and scientific research would be signed.

Vajpayee will Monday call on his Malaysian counterpart Ma-

hathir Mohamad, attend a high-powered business forum Tuesday and deliver a lecture Wednesday.

The current trade balance is sharply tilted in Malaysia's favour, with India exporting goods worth 434 million dollars and importing products, mainly palm oil, worth two billion dollars in the Indian fiscal year that ended 2000.

"We plan to diversify the existing trade basket which is dominated by goods like meat and cotton from our side and palm oil and electronics from their side," said R.S. Kalha, secretary in India's foreign ministry, last week.

Malaysia will urge India to cut its high tariffs of around 92 per cent on imported palm oil. Primary Industries Minister Lim Keng Yaik said last week, adding that he expects a sympathetic response from Vajpayee.

Malaysia, the world's largest palm oil producer, exported about 2.4 million tonnes of palm oil to India last year.



Hewlett-Packard (HP) Country Manager for Bangladesh and Brunei, Chong Kok Leong, speaks at a Business Transformation Seminar held at a city hotel yesterday.

HP to open office in Bangladesh

New printers launched

STAR BUSINESS REPORT

Hewlett-Packard (HP), a leading global computing and imaging solution giant, yesterday announced that it would open a corporate representative office in Bangladesh.

The announcement was made at a launching ceremony of the company's new generation printers in the city.

The new products include personal printers like hp Laserjet 1200 series, hp Laserjet 2200 series and hp Laserjet 4100 series.

Speaking at the launching ceremony, HP Country Manager for Bangladesh and Brunei Chong Kok Leong said that HP products are witnessing tremendous growth in the Bangladesh market. "In April alone, we sold some 30 large servers in Bangladesh," he said.

The country manager also said that being encouraged by the huge growth, HP is now planning to open a corporate representative office in Bangladesh by June this year.

So far, our company had been doing business in the local market through its authorised corporate resellers Daffodil Computers Limited and authorised wholesalers Flora Distributions Limited and Multitask Int'l Co limited, he said.

While speaking about the new printers, he said those demonstrate HP's commitment towards transforming printers from peripheral devices into intelligent information appliances that can both deliver and access a variety of

e-services, information and solutions via the Internet.

"The boom in Internet connectivity within organisations and proliferation of the wireless devices have created a tremendous need for our customers to have better access and share information and images anytime, anywhere and in any format," he said.

"With these new printers, HP customers will be well-positioned to leverage web-based services and information to maximise their competitive edge today as well as in the days ahead," the country manager observed.

Elaborating the striking features of the newly-launched products, he said that hp Laserjet 1200 series delivers professional and reliable results with new benefits including faster print speed, higher resolutions, flexible connectivity, postScript level 2, Macintosh support and improved paper handling capabilities. The HP novelties also include hp Laserjet 2200 series for business professionals and small workgroups in offices of any size, seeking reliable and efficient document management solutions.

The 2200 series offers multiple connectivity options like USB, parallel and fast inkjet ports, whereas the 4100 series departmental printers deliver the highest value in their class with more speed, more capacity and new 'intelligent' e-enabled printer management features.

Mahathir firm to foil greedy currency speculators

AFP, Kuala Lumpur

Prime Minister Mahathir Mohamad has exposed the activities of some currency speculators who are buying large sums of US dollars in anticipation of the government devaluing the ringgit, a report said yesterday.

Mahathir said these people were also believed to be involved in spreading rumours that the government would repeg the ringgit to the dollar because it was getting too strong compared to the currencies of other neighbouring countries.

"Although this is a way to make a profit, it is a very irresponsible act because what they are doing can damage our economy," he was quoted as saying by the Sunday Star newspaper.

The speculation punished the local stockmarket in early April when it fell sharply. The ringgit has been fixed at 3.80 to the dollar since September 1998.

Mahathir said speculators started spreading rumours last month that the ringgit would be repegged at 4.20 (to the US dollar), before buying US dollars in the hope of making a quick profit.

"We know that this is happening but we will not devalue the ringgit just because speculators expect us to do it," he said.

ROK, Qatar aim to expand economic ties

AFP, Doha

South Korean Prime Minister Lee Han-Dong held talks with his Qatari counterpart Sheikh Abdullah bin Khalifa al-Thani here Saturday on plans to boost economic ties, the official news agency QNA reported.

The two leaders reviewed "ways of strengthening cooperation between the two friendly countries in various fields, particularly the economy and investments," QNA said.

South Korea's prime minister is on a Gulf tour which started in Saudi Arabia and he is to travel on to the United Arab Emirates.

At an evening press conference in Doha, he welcomed "the evolution of relations between his country and Qatar, particularly in the political and economic fields, since the establishment of diplomatic relations between the two countries in 1974."

South Korea's deputy minister for trade, industry and energy said the value of his country's imports from Qatar was around two billion dollars, adding that his country imported 45 million barrels of Qatari oil in 2000.

BT, AT & T to float new alliance

AFP, London

British Telecom is in talks with US telecoms giant AT & T to create a global business telecoms services company, according to a British newspaper report.

The Sunday Telegraph said the company would be floated on the London and New York stockmarkets with an estimated value of five billion pounds (7.1 billion dollars, 8.1 billion euros).

The company would combine the two groups' Concert joint venture with BT's Ignite arm, which provides broadband services to businesses, and AT & T's own business services division, which is soon to be merged.

The creation of a new company has emerged as the most likely prospect as both companies struggle to resolve the future of concert, which targets multinational companies.

Last week, BT said it was in talks with AT & T over a possible sale of its stake in Concert.

The announcement on Thursday came as BT revealed a break-up of the group and a record-busting multi-billion-pound issue of new shares in an effort to reduce its crippling debt burden.

In its most radical shake-up since privatisation in 1984, BT said it would hive off its mobile telephone business, BTWireless, and relaunch itself as Future BT.

It launched a 5.9-billion-pound (9.8-billion-euro, 8.4-billion-dollar) share issue to existing shareholders at a cut price level of 300 pence per share.

38 trade unionists killed this year in Colombia

AFP, Bogota

The killing of labour organiser Eugenio Sanchez Diaz in a strife-torn area along the Magdalena River brought to 38 the number of Colombian labour union activists slain this year, said Labour Minister Angelino Garzon.

Sanchez Diaz was shot dead, presumably by right-wing paramilitaries, after being kidnapped from the town of Barrancabermeja, officials said Friday.

Garzon, himself a former labour union organiser, condemned the killing and those responsible, as "the enemies of the peace process (between the government and leftist guerrillas) and of the labour unions."

Barrancabermeja lies on the Magdalena River, in an oil-producing region some 240 kilometers (150 miles) north of here where both right-wing paramilitaries and left-wing guerrillas are active.

Because of their suspected links with leftist guerrillas, those who organise the area's oil workers have been specifically targeted by the paramilitaries.

According to the country's main labour federation, known by its Spanish acronym CUP, violence against union activists has claimed more than 3,000 lives since 1987, with an increasing number seeking safety in exile.

The killings have drawn increasing condemnation from international human rights groups, and Garzon earlier this year criticised what he said was insufficient funding for a department within the interior ministry responsible for assessing risks and offering union organisers protection.

Lanka banking on peace and privatisation to lift economy

AFP, Colombo

Sri Lanka is banking on a Norwegian-backed peace bid and privatisation proceeds to salvage its war-battered economy, but the government will still have to swallow a bitter pill prescribed by the IMF.

Norway has been trying to arrange face-to-face talks between Colombo and the separatist Tamil Tiger rebels to end decades of fighting which has also dented the economy and discouraged investment.

Diplomatic sources said Sri Lanka was closer to opening political negotiations, but it was too early to bank on a peace dividend.

"If we can have peace, the country will sprint like Singapore," said Ken Balendra, a former private sector chief executive who now heads the state-run Bank of Ceylon. "With unity, the economy

will zoom."

When Sri Lanka unveiled the 2001 budget, the deputy finance minister, G.L. Peiris, told parliament that defence expenditures this year would total 75 billion rupees (882 million dollars), up from the original estimate of 63 billion.

However, the government has now agreed with the IMF to maintain security-related expenditures at 63 billion rupees. Anything above that will be immediately recovered through price and tax increases.

"...any overspending of security related expenditure will be offset instantaneously by further measures," the government promised the IMF to qualify for a 253 million dollar rescue package.

"In addition to raising excises on cigarettes, consideration would be given to excises on other items, a possible increase in the GST

(goods and Services tax) and immediate expenditure cuts..." the government said in its letter of intent to the IMF.

The government has also agreed with the IMF to collect 275 million dollars in privatisation receipts before the end of this year. The government is to sell its controlling share in the national airline and telephone utility.

The government had pledged not to raise civil service salaries this year as part of the belt-tightening measures, and will remove all subsidies on petroleum products to ensure the state-run oil monopoly will not make losses.

There will be an across the board five percent reduction in spending by all state agencies, enterprises and ministries.

"The situation will have to get worse before it gets better," said a ministry secretary who declined to be named.



Kh. Rashiduzzaman Dudu, Chairman of Rupali Bank Limited, addressing the bank's 14th Annual General Meeting at Engineers' Institute auditorium in Dhaka on Saturday. Managing Director Rabiul Hussain, Directors Hafiz Ibrahim, Brig. General Ahmed Mukhtar Arif, Prof. Nazma Rahman, Nurul Alam Chowdhury and general managers of the bank are also seen in the picture.

Asia's industrialisation march to drive naval build-up

AFP, Singapore

Asia's march towards industrialisation and the growing importance of sea-borne commerce will drive countries to pour more resources into their navies, according to a special advisor to the Canadian Maritime Forces.

With China at the helm, Asian countries are moving away from being agriculture-based economies towards becoming "oil-fired" economies, and this will increase the region's dependence on energy, said James Boutiller, an expert on Asian naval affairs.

"What you are looking at right across the region is a transition towards what I would call oil-fired economies," he told AFP on the sidelines of a maritime conference in Singapore.

"The energy requirements of Asia will grow, and the flow of energy by ships or by pipelines will become more and more critical for the national security of countries in Asia," he said.

And as the region's energy de-

ficiency become more apparent, it is inevitable that Asian countries will allocate larger proportions of their defense budgets to maritime missions, Boutiller said.

"For the moment, it looks as if the regional navies will continue to grow," he said.

"Partly, that is because of the increased importance of sea borne commerce. With globalisation, more and more wealth is moving by sea."

"So increased competition at sea links to national security and national economic interest, which in turn becomes a security concern."

Boutiller ruled out the possibility of a fully-fledged arms race in the region but said there would be competition among navies to acquire more powerful ships.

"Whether we can say there is an arms race in the making is hard to say, but what is interesting to me is that the navies in the region seem to be building bigger and more powerful ships than they

have in the past," he said.

"Some would say what is happening in the region is the modernisation of existing navies, but my feeling is that we could see the potential for an arms race in terms of the acquisition of bigger and more powerful ships in the region."

It was inevitable there would be growing unease in the Pacific as countries built up their naval capability, and this was where the United States would play an "enormously important" role to ensure stability, Boutiller said.

China's naval ambitions are already causing unease among Asian countries and many privately want the Americans to act as a balancing force, he said.

"What you find across the region is that there is a great endeavour to engage the Chinese, to not offend the Chinese but beneath the surface there are deep anxieties about China's long term ambitions in the region," said Boutiller.

Hasina urges expats to invest more in Bangladesh

UNB, London

Prime Minister Sheikh Hasina on Saturday called upon the business leaders here, particularly expatriate Bangladeshi businessmen, to invest more in Bangladesh utilising the investment incentives.

"A large number of EPZs have been set up in the country creating new scopes for investment," she said, talking to a delegation of the British Bangladesh Chamber of Commerce (BBCC) at Claridge hotel.

Hasina also said the businessmen can set up EPZs of their own to take the advantage of investment offers of the Bangladesh

government.

She expressed her happiness to know that the expatriate Bangladeshis are investing in the country and want to invest in a bigger way.

The delegation led by BBCC Chairman Mukim Ahmed apprised the Prime Minister of their activities and expressed interest of the non-resident of Bangladesh to invest more in the country.

The BBCC chairman said that they had already set up a training institute to train people of the country so that the trained manpower could be sent to foreign countries.

President of the organisation Peter Fowler praised the progress achieved by Bangladesh.

Filipino elections may help lift pall over economy

AFP, Manila

Fled up with months of political uncertainty, investors are banking on a strong mandate for Philippine President Gloria Arroyo in Monday's elections to revive a battered economy and restore sagging business confidence.

But some analysts warn that the polls may not end the political stalemate as Arroyo's jailed predecessor Joseph Estrada remains a thorn in her side and continues to spook the markets with his supposed latent support among the poor.

Investor confidence in the Philippines was badly shaken as early as September last year by massive corruption allegations against Estrada.

The graft accusations climaxed with Estrada's ouster in January in a popular military-backed uprising that installed the 54-year-old US-trained economist Arroyo in his place.

Nearly four months after Ar-

royo took over and promised a clean government with market reforms, the investment climate remains dim.

On May 1, tens of thousands of Estrada's largely urban poor supporters stormed the presidential palace to reinstate him, resulting in the country's worst riots in 15 years with four people killed and more than 100 injured.

Estrada insists that the uprising against him in January was driven by the rich of Manila and that he still had strong support from the poor who elected him.

His landmark corruption trial next month may be another venue for his supporters to show their muscle -- giving more headache to the Arroyo administration wanting to push ahead with ambitious reform programmes and lift the economy from the doldrums.

"Anyone who talked to investors, economic analysts and businessmen know for a fact that the single biggest hindrance to normalcy is the political factor," notes

business commentator Boo Chanco in the Philippine Star.

Surveys show a slack in business and consumer confidence amid the political problems and high inflation and unemployment.

Sales of cars and commercial vehicles -- a good confidence benchmark -- have slipped for the seventh straight month in April.

Overall, manufacturing production has dropped both in value and volume terms with portfolio and foreign direct investments also down.

The country's economy is also reeling from a huge budget deficit and weak exports -- the main driver of growth -- due to a US-led global slowdown.

Foreign investment houses have shaved the country's economic growth forecast for 2001 to as low as 1.1 percent from the 3.9 percent achieved last year.

Analysts say Arroyo needs to win a strong mandate to "legitimise" her presidency so that she can pursue solid reforms.