



# The Daily Star BUSINESS

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ADB assistance will continue, hopes Saifur

The Senior Vice President of the Asian Development Bank (ADB), William R. Thomson, called on the Finance Minister, M. Saifur Rahman, at his Sher-e-Bangla Nagar office in the city yesterday, reports BSS.

Thomson arrived here yesterday from Manila to attend the foundation laying ceremony of the Jamuna Multipurpose Bridge project on behalf of the ADB.

During the meeting, the Finance Minister and the ADB Senior Vice President discussed issues relating to various ADB aided development projects in Bangladesh with particular reference to the Jamuna Multipurpose Bridge.

The Finance Minister expressed the hope that the ADB would continue to contribute its resources to the development of other socio-economic sectors like education, health, nutrition, sanitation and rural development.

Rahman said Bangladesh would always encourage any ADB assistance which would directly contribute to the economic development of the country.



## CDC Chairman in city

The Chairman of the Commonwealth Development Corporation (CDC) Sir Peter Leslie arrived in the city yesterday on a short visit to Bangladesh, says a press release.

During his sojourn he will visit the CDC funded projects in the country.

Sir Peter will exchange views on matters relating to investment in Bangladesh with ministers and business leaders. He will also look into possibilities of increasing CDC's investment in the private sector.

Sir Peter is accompanied by Charles Seller who has recently been appointed CDC's representative with responsibility for Bangladesh including the promotion of new business. Seller will be based in Bangkok.

CDC is an arm of the British aid programme concerned mainly with the promotion of the private sector in developing countries. It has investments in some 50 countries around the world and targets its activities towards the poorest countries.

Currently CDC has investments and commitments in 6 projects in Bangladesh totalling Taka 141 crore.

## Development bank for Ansar, VDP members likely

The government is planning to set a development bank aimed at socio-economic uplift of the members of Ansar and VDP (Village Defence Party).

Official sources told PROBE News Agency that the Ministry of Finance is actively considering a proposal of the Home Ministry seeking permission for operation of the 'Ansar-VDP Development Bank'.

Authorities plan to start it as a project and then go for a full-fledged bank with the aim to create self-employment opportunities and help members of voluntary organisations enhance their income.

The bank is aimed at integrating every individual of the force in a financial institution and motivating them with development-oriented programmes," said Home Minister Abdul Matin Chowdhury.

The proposed bank will introduce a credit and savings programme for the Ansar-VDP. It will provide small loans for income generating projects to some 45.52 lakh Ansar-VDP members in the country's 68,000 villages. Later, nearly one crore members will be brought under the programme.

The activities of the proposed bank will be carried out through one of the public sector banks under agreement.

## Hosokawa's resignation clouds chances of better US-Japan trade ties

WASHINGTON, Apr 9: The sudden resignation of Japan's Prime Minister clouds chances of any quick improvement in rocky trade relations between the world's two biggest economies, officials from both countries conceded Friday, reports AP.

But President Clinton said he did not believe the departure of Prime Minister Morihiro Hosokawa would signal the end to Japanese efforts to reform their political system and lower trade barriers.

"I wouldn't write the epitaph for change too quickly," Clinton said.

The president and other administration officials sought to depict Hosokawa's resignation as a bump in the road rather than a major detour in US efforts to force open Japan's markets as a way of reducing a trade imbalance between the two countries that hit a record 59.3 billion dollars last year.

Speaking to reporters after his arrival in Minneapolis, Clinton said that Japan's

course of economic reform "will not suffer an irrevocable setback as a result of the government shakeup."

Clinton said the United States did not intend to back away from demands that Japan lower trade barriers, but he indicated that the country would have some breathing space while a new government is formed.

Clinton also said he doubted Hosokawa's resignation would hamper US efforts to deal with North Korea, which is resisting international efforts to open its facilities to nuclear inspections.

Japanese officials signaled that trade talks between the two governments, which have been on hold since February, were not likely to get unstuck anytime soon.

Finance Minister Hirohisa Fujii said that the uncertainty in forming a new government "naturally" could delay the reopening of the stalled talks.

The United States had held out hope that economic reforms would move forward

after Hosokawa's seven-party coalition took power last August, breaking the Liberal Democratic Party's four-decade grip on the government.

Under intense US pressure, Hosokawa agreed to a slight opening of Japan's rice market and to greater participation in construction bids by US firms.

While Clinton had praise Friday for the "amazing leadership" Hosokawa had been able to exert during his brief time in office in such areas as political reform, those kind words glossed over the tremendous strain that developed after the framework talks collapsed.

Last month, the United States has revived a controversial trade weapon known as Super 301 under which it targeted countries with huge trade barriers, a provision clearly aimed at Japan.

Hosokawa's government last week unveiled a proposal aimed at satisfying US market opening demands but US officials said it fell far short of meeting their key demands

and could not serve as the basis for restarting the framework talks.

US Trade Representative Mickey Kantor and Japanese Foreign Minister Tsutomu Hata had been expected to make another effort to bridge the gap next Friday in Marrakech, Morocco, where both were scheduled to attend a signing ceremony for a new world trade agreement.

However, there was now a question of whether Hata would attend the ceremony because he is a leading candidate to succeed Hosokawa as prime minister.

Even if the meeting comes about, trade experts said they expected no breakthroughs, given the wide gap separating the two countries.

Clyde Prestowitz, who led US negotiating teams during the Reagan administration, said the key stumbling block to removing Japan's trade barriers is the power exerted by entrenched Japanese bureaucrats and powerful Japanese businesses.

## Russia okays \$27.78m for N-energy sector

MOSCOW, Apr 9: Russian authorities approved 50 billion rubles (27.78 million dollars) in emergency credits Friday to help bail out the country's struggling nuclear energy sector, Itar-Tass news agency said, reports AFP.

The decision was taken by first Deputy Prime Minister Oleg Soskovets, who met with top nuclear energy officials in an effort to resolve the "extremely complicated financial situation" in the nuclear energy sector, the report said.

The fresh credit was to be provided to the Russian Electric Company this month to pay for energy purchased from nuclear power stations and would be supplemented by further incentives including tax breaks and fresh investment.

Russia's largest factory for producing nuclear power plant supplies, Atomash, was near the point of coming to a standstill, Mikhailov said, according to Itar-Tass.

The state Duma was scheduled to debate a new law aimed at ensuring the smooth functioning of the nuclear power industry next Thursday.

Mikhailov said that at present nuclear power stations produce around 12 per cent of the country's energy but said it would be about 30 per cent by the year 2000.

## \$2.7m credit card fraud!

MILWAUKEE, Apr 9: A perfume saleswoman calling herself the Poet Desiderata is accused of billing more than 2.7 million dollars in unauthorized charges to a credit card owned by a purchasing agent for a Middle East sultan, reports AP.

Charges on the card were processed through a merchant account that collected more than 1.38 million dollars before American Express suspected it was being deceived, US Attorney Thomas P. Schneider said Thursday.

Desiderata, 42, has used at least eight names, Assistant US Attorney Daniel T. Flaherty said at a hearing.

Desiderata pleaded innocent to credit card fraud. He was ordered held without bond until another hearing Monday.

An indictment said Desiderata established a merchant account with American Express in 1993 in the name of Desiderata Haute Couture Inc., giving a New York City address, with credit payments to be sent to his apartment in suburban Greenfield, Wis.

The indictment said the overcharges started after the sultan of Oman's purchasing agent, Muiraj Dharamsey of Muscat, Oman, ordered 102,452 dollars worth of perfume from Desiderata's company in June.

## Beijing opens showroom for imported cars

BEIJING, Apr 9: A Hong Kong joint venture on Wednesday launched Beijing's first automobile showroom for imported luxury cars aimed at China's new class of rich consumers and at foreign companies, reports AP.

Mitsubishi, Ferrari, Volkswagen, Lancia and Audi were among the automakers displaying cars at the new CIM Auto Mall.

Waiters served champagne and models posed seductively next to cars at the opening ceremony, which organisers said was intended to give potential customers a firsthand look at imported vehicles available for sale.

CIM Co Ltd said it is planning similar showrooms in Shanghai, Harbin and other major cities in China.

"China is — after Europe — our most important market, even more important than the United States," said Volker

Schnelle, manager for the China office of Volkswagen.

Volkswagen sold 100 Volkswagens and 300 Audis in China last year. But with Chinese customs duties ranging between 180 and 250 per cent, the price for a top model Audi, for example, can reach 500,000 dollars.

"It's image, that's why we're bringing in this car," Schnelle said, adding that the number of potential customers for top-line imported cars is extremely small, limited mainly to state VIPs and foreign joint ventures.

However, a small group of newly rich Chinese is starting to buy, sales representatives said.

Wang Zhuo, a glamorous-looking woman in her 20s, zoomed up to the exhibition hall in her red Mitsubishi, attracting stares from curious onlookers.

## Pakistan's private bank on verge of collapse

KARACHI, Apr 9: Pakistan's private Mehran Bank Ltd is on the verge of collapse after the sacking of its chief executive and a run of withdrawals by major deposit holders, bankers said on Friday, reports Reuter.

The State (central) Bank of Pakistan's unprecedented removal of two of Mehran's most senior officials last month threatens to unravel a network of corruption and political horse-trading that could severely embarrass Prime Minister Benazir Bhutto, diplomats and analysts said.

"The bank will never be able to honour cheques from its large account holders, who include a number of government departments and state-owned firms," said one banker who declined to be named.

The central bank removed Chief Executive Anwar Rashid and Chief Operating Officer Yunus Habib on March 24 on charge of violating its directive

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The special court has given the FIA until April 14 to complete its inquiry.

A study released this weekend acknowledges that 35 per cent more people are being forced out by bank-financed dam, transportation and other major projects than governments previously estimated.

Some governments expected that a few hundred people would be displaced, while, in the end, new living areas had to be found for thousands, said bank Vice President Ismail Serageldin.

The report, based on a worldwide inspection of bank-backed projects, also notes progress in getting countries to help displaced people

and for gross banking irregularities.

Habib was arrested by the Federal Investigation Agency (FIA) the same day on charges of misappropriating 36.7 million US dollar in dollar bearer certificates sold by Mehran on behalf of the central bank on March 24.

Proceeds from the sale of the five-year maturity certificates must be submitted to the central bank, within 72 hours of sale. The certificates, sold against dollars, pay 7.5 to 8 per cent interest to their holders.

Mehran has advised customers to notify it in advance if they need to cash large cheques.

Mehran has paid-up capital of 300 million rupees and assets of 2.9 billion rupees (196 million dollar). Its market capitalisation is 500 million rupees, but its share price on the Karachi stock exchange has fallen eight rupees to 22 since March 24.

Bankers said little could be done to salvage the bank, one of Pakistan's first private banks set up in early 1992 under liberalised banking laws — despite an injection of 100 million rupees (3.3 million dollar) by the central bank on March 24.

The Karachi Metropolitan Corporation (KMC) has been trying for several days to transfer at least a part of its 750 million rupee (25 million dollar) account from Mehran but has so far failed.

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## Turkey's foreign trade deficit rises by 6.1pc

ISTANBUL, Apr 9: Turkish foreign trade deficit in January and February rose by 6.1 per cent from 1.355 billion US dollars in 1993 to 1.437 billion dollars this year, official figures revealed yesterday, reports Xinhua.

The State Institute of Statistics (SIS) said that Turkey's exports in the first two months this year were 2.469 billion dollars, 1.1 per cent up over last year's same period.

It said that imports rose slightly faster than exports in the same period by 2.9 per cent from 3.797 billion to 3.906 billion dollars.

The export-import ratio dropped from 64.3 per cent in the first two months of 1993 to 63.2 per cent in the same period.

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