

Nepal designates five regions for industrial dev

KATHMANDU, Aug 15: The Nepalese government has designated five regions for industrial development to reduce pollution in the capital, officials said yesterday.

The selection of five development regions was made obviously to implement a disciplined and effective industrial plan outside Kathmandu in order to make the capital clean, green and healthy, the Secretary of the Environment Protection Council, Surya Man Shakya, told AFP.

The industrial promotion board, established in 1992, has decided that only non-pollutive industries will be allowed in the Kathmandu valley, while the rest are to be established in the five regions.

"Our main problem is the pollution caused by vehicular mission, improper sanitation facilities and heavy dumping of solid wastes," he said.

He said at least 28 per cent of the country's total industries are established in Kathmandu, including a cement factory, besides over 3,000 big and small carpet industries as well as garment factories.

A Federation of Nepalese Chambers of Commerce and Industry (FNCCI) source said that industrialists, including carpet manufacturers, have agreed to shift production outside Kathmandu provided the government agreed to create industrial infrastructure.

Russia's inflation expected to remain low in August

MOSCOW, Aug 15: Despite predictions that inflation would rise sharply in August, officials said Monday that this month's inflation rate would remain at the lowest levels seen since reforms began in 1992, reports AP.

"For the moment, there are no clear signs of an acceleration in inflation," said Sergei Ignatiev, deputy minister of economics.

Ignatiev told a news conference that August's inflation rate would be about the same five per cent average registered in June and July.

Until recently, economists were predicting inflation would rise by the end of summer as a result of increases in the money supply this spring. Last year, monthly inflation averaged 20 per cent.

Lately, Russian confidence in the ruble has led to greater demand for the currency and offset the fact that the central bank put more money into circulation this spring, the officials said.

"We underestimated the change in inflationary expectations," said Sergei Alexashenko, Russia's Deputy Minister of Finance.

But even if inflation remains low in August, it is expected to rise to eight per cent to 10 per cent in October, before slowing by the end of the year. The government has set its year-end goal for monthly inflation at seven per cent to eight per cent.

China accuses foreign firms of fraud

BEIJING, Aug 15: The Chinese government on Sunday accused foreign enterprises of having 'stolen' close to 10 billion dollars by overvaluing assets when setting up joint ventures, an official newspaper said, reports AFP.

By overstating the value of assets contributed to the joint venture, the foreign partner illegally pockets a higher share of a venture's profits split according to each side's initial investment, said The Business Weekly.

The China Daily's business supplement quoted officials from the State Administration for Inspection of Import and Export Commodities (SAIEC) in a report likely to affect the setting up of future joint ventures.

"Such illegal activities committed by some foreign investors not only undermine the assets of their joint ventures in China, but also hurt the interests of their Chinese partners," the weekly quoted an unidentified SAIEC official as saying.

Since 1991, the SAIEC has investigated 4,000 cases of fraud, mainly the overvaluing of equipment contributed by foreign investors, said the official.

Those investigations assessed equipment with a stated value of 1.3 billion dollars as actually being worth 900 million dollars, an helped Chinese firms recoup 400 million dollars in compensation, the newspapers said.

The newspaper did not explain or give details on the much larger figure of 10 billion dollars alleged to have been stolen by foreign investors.

China now has 47,000 joint ventures, and the government's new charge of massive fraud by foreign partners is likely to affect present and potential investors.

During the first six months of the year, China approved more than 2,500 foreign-funded projects valued at 44 billion dollars.

US may overtake Japan as top automaker in '94

TOKYO, Aug 15: The United States will overtake Japan as the world's No. 1 auto producer this year for the first time since 1980, a major financial newspaper predicted Monday, reports AP.

The forecast by the Nihon Keizai Shimbun, Japan's main financial daily, is in line with those by industry analysts based on production schedules for manufacturers in both nations.

The newspaper estimated Japan's total vehicle production this year would be 10.28 to 10.36 million, while US vehicle production would top 11 million.

Analysts have cited recovering auto sales in the US market and a three year slump in Japanese auto production as factors behind the turnaround.

But another major reason is the continuing trend of Japanese automakers shifting production to the United States to evade the effects of the high yen, which makes exports from Japan less economical.

"The US is back on top as the world's top vehicle producer, but it's important to keep in mind who's producing them - it's not just Detroit," said Steve Lisher, Kleinwort Benson's auto analyst. "There are a lot of global producers making cars there."

In one example, Honda Motor Co. announced an expansion of its North American operations last month under which it hopes to boost the percentage of American-made Honda vehicles sold there from the current 60 per cent to 75 per cent by the turn of the century. Toyota and other Japanese automakers are also boosting U.S. production.

Japan has been the top automobile producer since 1980, when it took over the position from the United States. But Japanese production has been slumping since 1991, and fell by 10.2 per cent last year to 11,227,545 vehicles, marking the largest decline in 46 years.

IFC to invest \$13m in Papua New Guinea

WASHINGTON, DC, Aug 15: The International Finance Corporation (IFC) will invest 13 million US dollars in ZZZ PNG Cannery Pty Ltd, to help finance the construction of a tuna cannery, at Sek Harbour near Madang town in Papua New Guinea. This is IFC's first investment in Papua New Guinea, according to IFC.

The financing will be used to build a processing plant with a daily capacity of 200 tons, a cold storage facility, and a wharf. The cannery will process tuna caught in the southwestern Pacific. The processed tuna will be exported, primarily to western Europe, and is certified dolphin-free.

The cannery will employ over 1,000 local workers, making it one of the largest employers in Papua New Guinea, outside the mining and plantation sectors.

IFC's financing will consist of an equity investment of US\$1 million in the form of cumulative preferred shares, and a loan of 12 million US dollars. The total cost of the project is 55 million US dollars. The sponsors are the Z Group of companies, consisting of family-owned businesses based in the United States.

The cannery will establish a domestic processing industry for tuna in the southwestern Pacific and will therefore be an important development for Papua New Guinea's fishing industry," said Mr Karl Voltaire, Director of IFC's Agribusiness Department. "It will also provide local fishing companies with a market for their catch."

IFC is a member of the World Bank Group and is the largest multilateral source of equity and loan financing for private sector projects in developing countries.

Report by Worldwatch predicts Population explosion gradually outstrips world food supply

WASHINGTON, Aug 15: Massive food shortages will develop over the next 40 years as a population explosion gradually outstrips world food supply, researchers reported Saturday, says AP.

"Science and technology can no longer ensure a better future unless population growth slows quickly," said a report compiled by the environmental research institute Worldwatch. "Food supply is the most immediate constraint on the earth's population-carrying capacity."

Projections of current trends say the world's population could expand from today's 5.5 billion and reach 10 to 14 billion by 2050. The biggest increases are expected in some of the poorest areas, such as Africa and southern Asia.

Worldwatch's "Full House" report predicted population would rise to 8.9 billion by 2030.

At that level, the projected yearly grain supply will amount to 528 pounds (239 kgs) per person, the report said. That's a quarter of what the average American uses now and just 20 per cent above consumption in India, one of the world's poorer countries.

The UN Population Fund, responsible for family planning, last April unveiled a proposal to try an stabilise world population at 7.8 billion by 2050.

But food supplies will be too short to feed the world even if that goal is reached, said Lester R Brown, co-author of the Worldwatch study, which was prepared in anticipation of next month's UN Population conference in Cairo, Egypt.

The institute told of failed attempts to increase rice production and fish catches in recent years - illustrating that new technology cannot be counted on for breakthroughs to higher food output.

After decades of steady growth, world farm production will no longer be able to keep up with the increasing demand, the study predicted.

The Washington-based institute's pessimistic forecast on the limits of food supply is not shared by world farm bodies.

The UN Food and Agriculture Organisation believes output growth in the next 20 years will continue the high rates of the past three decades. The International Food Policy Research Institute also sees yields continuing to rise at high rates. Brown dismissed their projections as base only on past trends, not applicable in the future.

They failed to take into account factors such as the loss of cropland to urbanisation or reports that increased use of fertiliser no longer brings much more production, he added.

Worldwatch said world grain production increased from 631 million tons in 1950 to 1.6 billion tons in 1984, or three per cent a year. Growth in the last decade was just one per cent a year, and Worldwatch predicted it would continue to slow, with production levelling off at 2.1 billion tons in 2030.

A shortfall in available food would drive up prices sharply and increase poverty, malnutrition and hunger in development countries.

The report recommended a "massive reordering of priorities," from intensified family planning and an attack on underlying causes of high fertility such as illiteracy and poverty, to protecting soil and water resources and raising investment in agriculture.

It said demand in food-importing countries will soon exceed the world's exportable supplies.



Singapore Airlines honoured its top agents at a dinner recently. Twelve travel agents were rated outstanding, eight most improved and sixteen received commendations. Ten cargo agents were also honoured. Thia Hui Juat, General Manager of SIA Bangladesh seen with the award winners in the outstanding category.

Most companies jostling to take lead in Euro telecom industry

BONN, Aug 15: Savings banks, railways, utilities and insurance companies all around Europe are jostling to take the lead in the region's fastest growing industry - telecommunications, reports Reuter.

What they have in common is existing networks of cable, pipelines or railway track which they hope will serve as a springboard into the billion-dollar business of high-speed communications once state monopolies have been broken.

A prime example is the German city of Cologne, a centre for information and media service, which is preparing an assault on the German phone monopoly Deutsche Bundespost Telekom.

"This would create a new telephone company that could provide all types of telecom communications to local and regional businesses and may be even to private customers," says Elisabeth Slapio of the Cologne Chamber of Industry and Commerce.

The European Commission expects the telecommunications sector to grow at an annual rate of eight per cent until the end of the decade and foresees private investment of nearly 200 billion dollars in the industry over the next ten years.

Some economists say privatisation could cost up to 268,000 jobs in telecommunications as telephone monopolies slash costs to face competition, unless private investment is mobilised quickly to create new jobs.

"The monopoly will fall in two years at the latest," says EU telecoms official Herbert Ungerer.

That is what the new comers are betting on. They are already looking for loopholes in legislation, finding ways around the monopolies and seeing just how far they can push the limits. Potential new conglomerates are already emerging.

Industrial giant Mannesmann, Germany's biggest bank Deutsche Bank and Germany's biggest power company RWE are busy linking their internal communications networks in a new corporate network to form the core of a future telephone company.

They and other companies from Germany and abroad are keen to compete with Telekom in local networks connecting residential and business customers to national phone networks.

Elsewhere, Italy's computer group Olivetti and French water companies Generale Des Eaux and Lyonnais Des Eaux-Duñez are also pressing their governments for permission to set up networks.

In the Netherlands, AG Roup comprising the state railways and energy companies is setting up a new telephone company provisionally called Telecom 2. It plans to take on the state phone company Koninklijke PTT Nederland and begins offering services to businesses in 1995 and domestic customers in 1998.

Britain, which led the European pack in privatisation, provides a clear example of what competition can mean for former monopolies.

British Telecom has taken a beating from Mercury, its main competitor, in the huge market for communications services to the city of London, the city's financial district.

"The city of London is the most lucrative market in the UK," said Keith Sykes, telecommunications analyst with Credit Lyonnais, "but has lost 70 per cent of that market over the past 10 years."

Mercury itself, which claims to have a 50 per cent market share in the city, will face competition from two new groups, the City of London Telecommunications (COLT) and Metropolitan Fibre Systems (MFS) of the United States.

Vietnam to attend ASEAN ministers' summit next month

BANGKOK, Aug 15: Vietnam will attend an annual ASEAN economic ministers' summit next month, signaling a speedy advance in its bid for membership to the regional bloc, a local daily reported Sunday, reports AFP.

An official of Thailand's Association of Southeast Asian Nations (ASEAN) department said a Vietnamese delegation has been invited to sit in on the ASEAN Economic Ministers (AEM) gathering in the northern Thai province of Chiang Mai, the national said.

Vietnamese officials have asked to attend every ASEAN gathering, ostensibly to map out or negotiate the political and economic reforms their country must make to join.

ASEAN groups Brunei, Indonesia, Malaysia, the Philippines, Thailand and Singapore.



Detective Branch (DB) police seized smuggled Indian goods including sarees, velvet and autographs worth Taka seventy three lakh from a truck on Bangladesh-China Friendship Bridge on Sunday. - Star photo

Exchange Rates

Following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective as on August 15. (Figures in Taka)

| Currency | Selling | | Buying | |
|--------------------|---------|---------|----------|--------------------|
| | TT & OD | EC | TT Clean | OD Sight Ex. Bills |
| US Dollar | 40.3675 | 40.3925 | 40.0950 | 40.0300 |
| Pound Sterling | 62.7608 | 62.7996 | 61.0571 | 60.9581 |
| DM | 26.2616 | 26.2779 | 25.5514 | 25.5099 |
| F Franc | 7.6501 | 7.6548 | 7.4452 | 7.4331 |
| C Dollar | 29.5443 | 29.5626 | 28.7430 | 28.6964 |
| S Franc | 31.2902 | 31.3096 | 30.4402 | 30.3909 |
| Jap Yen | 0.4087 | 0.4090 | 0.3936 | 0.3929 |
| Indian Rupee (AMU) | 1.2903 | 1.2967 | 1.2750 | 1.2591 |
| Pak Rupee (AMU) | 1.3204 | 1.3270 | 1.3046 | 1.2883 |
| Iranian Ryal (AMU) | 0.0233 | 0.0234 | 0.0231 | 0.0228 |

A) T. T. (D.O.) US Dollar Spot Buying Tk 40.0675
 B) Usance Rates:
 30 Days DA 60 Days DA 90 Days DA 120 Days DA 180 Days DA
 39.7447 39.4607 39.1767 38.8927 38.3225
 C) US Dollar sight export bill 3 months forward purchase Tk 40.0300
 D) US Dollar 3 months forward sale Tk 40.5975

IJO - FAO final meeting today

The final co-ordination committee meeting of the IJO-FAO regional project on improved retting and extraction of jute will be held at the BJRI auditorium at Manik Miah Avenue today (Tuesday), reports UNB.

Jute Minister A S M Hannan Shah will inaugurate the meeting at 9:15 am.

Loan fraud Indonesian trader gets 17-year term

JAKARTA, Aug 15: A businessman was sentenced to 17 years in prison Monday in a fraud case that has sparked widespread protests against high-level corruption in Indonesia, reports AP.

Judge Sutrisno told the Central Jakarta district court that Eddy Tansil was guilty of corruption for illegally obtaining a dir 430 million loan from a state bank.

Thousands of students demonstrated last month in several cities demanding the resignation of two senior officials in the case, including Sudomo, the chief adviser to President Suharto.

The protesters accuse that officials of improperly intervening with the bank to help Tansil obtain the loan.

Sudomo, who was coordinating minister for political and security affairs at the time, has acknowledged giving Tansil a letter of reference for the loan but denies wrongdoing.

Prosecutors say Tansil obtained the loan for a petrochemical plant but did not use the money as intended, diverting the sum for personal use.

The court has been told that with unpaid interest, the loss to the state has climbed to dir 448.8 million.

Five officials of the state bank have also been charged with corruption and one, former branch manager Maman Supartman, has already been sentenced to nine years in prison.

Philippines Air to begin hiring replacements

MANILA, Aug 15: Philippine Airlines said Monday it would begin hiring replacements for ground staff dismissed after a wildcat strike began last week, reports AP.

The move followed an ultimatum issued by the airline giving striking members of the Philippine Airlines Employees Association until Monday to return to work.

Most continued to man picket lines on Monday. The airline said it would begin hiring replacements Tuesday.

In another development, the pilots and cabin crew unions issued a joint statement Monday urging management to reinstate strikers to end the worsening labor dispute.

Teodoro Pojas, president of the pilots' union, said the two unions support the ground staff and would take "appropriate action" unless those dismissed were reinstated.

Last June, the unions threatened to join the ground staff when they staged a one-day walkout to protest the airline's failure to carry out an agreement granting wage increases and benefits worth over 1 billion pesos 38 million dollars.

The latest strike, which began last Wednesday, is protesting the dismissal of 183 union members and officials who led the June walkout.

Shipping Intelligence

Chittagong Port

Berth Position and Performance of Vessels as on 14.8.94

| Berth No | Name of Vessels | Cargo | L. Port | Local Agent | Date of Arrival | Date of Leaving |
|----------|--------------------|------------|---------|-------------|-----------------|-----------------|
| J/1 | Dong Fang Yang | Sugar (P) | Kosh | OWSL | 7/8 | 22/8 |
| J/2 | Pan Trader | Sugar (P) | Sting | OWSL | 2/8 | 20/8 |
| J/3 | Samudra Raj | Rice/GI | Kara | SSL | 7/8 | 20/8 |
| J/4 | Dubai Glory | GI | Sting | Prog | 1/8 | 16/8 |
| J/5 | Clipper Aquamarine | D.Peas | Sting | MSA | 16/7 | 22/8 |
| J/6 | Contingent-1 | GI | Okha | CLA | 12/8 | 19/8 |
| J/7 | Al Reza | Len/C.Peas | Javo | BSL | 2/8 | 18/8 |
| J/8 | Safar | Sugar (P) | Bank | ASL | 4/8 | 25/8 |
| J/9 | Golden Lake | GI | Kaus | Prog | 11/8 | 18/8 |
| J/10 | Catrina | Sugar (P) | KAUS | Seacom | R/A | 15/8 |
| J/11 | Alam Tejang | Sugar (P) | Bank | Seacom | 17/7 | 15/8 |
| J/12 | Tirgu Secutese | P.iron | Trin | USTC | 9/8 | 20/8 |
| J/13 | Enkoverer | 16/8 | CL | Mong | 13/8 | 16/8 |
| MPB/1 | Kota Bintang | Cont | Sing | CRS | 9/8 | 14/8 |
| TSP | Hua Quan | R.Phos | Sing | PRSA | 12/8 | 19/8 |
| RM/5 | Team Trinta | HSD/MS | Sing | MSP/L | 10/7 | 18/8 |
| RM/6 | Banglar Shourabh | Repair | — | ISC | R/A | 16/8 |
| DOJ | Blue North | Cement | Sing | PSAL | 5/8 | 14/8 |
| DDJ/2 | Banglar Asha | Repair | — | ISC | R/A | 20/8 |
| RM/9 | Banglar Maya | Repair | COL | ISC | 1/8 | 17/8 |
| CLFJ | Pearl One | Urea | Yang | ENCL | 15/6 | 18/8 |

Vessels Due at Outer Anchorage

| Name of Vessels | Date of Arrival | Last Port | Local Agent | Cargo | Loading Port |
|------------------------|-----------------|-----------|-------------|-------------|--------------|
| Banglar Moni 31/7 | 14/8 | Mong | ISC | Cont | Sing |
| Pelopidas | 15/8 | PAUL | Litmond | Wheat (P) | — |
| Nikolay Gogol | 15/8 | — | PSAL | Cement | — |
| Ocean Envoy | 16/8 | Kara | Karna | Rice (P)/GI | — |
| Banglar Robi 2/7 | 15/8 | Sing | ISC | Cont | Sing |
| Fluvia | 16/8 | ILYC | Litmond | MOP (P) | — |
| Ocean Earth | 16/8 | Sing | USTC | Cement | — |
| Optima 6/8 | 16/8 | Sing | ISC | Cont | Sing |
| Petr Starostin 7/8 | 16/8 | Mong | CT | Cont | Sing |
| Banglar Shobha 1/8 | 18/8 | Mong | ISC | Cont | Sing |
| Pagan | 17/8 | Yang | MTA | Logs | — |
| Fong Yun 7/8 | 17/8 | Sing | BDS/Ship | Cont | Sing |
| I. Yamburenko 7/8 | 17/8 | — | CT | Cont | Sing |
| Kamaleverett | 17/8 | Sing | EBPL | GI | Japa. Fr. |
| Tanto Capitaine 10/8 | 18/8 | Sing | AML | Copt | Sing |
| Lashio | 19/8 | Yang | MTA | — | — |
| Mikhail Stenko 9/8 | 19/8 | COL | BTSA | Cont | COL |
| Fong Shin 13/8 | 21/8 | Sing | BDS/Ship | Cont | Sing |
| Ultima 13/8 | 22/8 | — | Baridhi | Cont | COL |
| Qing He Cheng | 22/8 | — | BDS/Ship | GI | C Parts |
| Robert-E-Lee | 22/8 | — | Karna | GI (Lash) | — |
| Andrian Goncharov 13/8 | 24/8 | — | CT | Cont | Sing |
| IMKE Wher | 19/8 | Sing | — | — | — |

Tanker Due

| Name of Vessels | Date | Port | Agent | Cargo |
|-----------------|------|------|--------|---------|
| Ghemi Pioneer | 16/8 | RAST | H & SL | C.Oil |
| Thorstarcom | 16/8 | — | TSL | CDRO |
| Edmo | 19/8 | Sing | ECSL | HBL HSD |

Vessels at Kutubdia

| Name of Vessels | Cargo | Last Port | Local Agent | Date of Arrival |
|-----------------|-------|-----------|-------------|-----------------|
| — | — | — | — | — |

Vessels at Outer Anchorage

| Ready Op | CFO | Pena | Royal | 14/8 |
|----------|-----------|------|--------|------|
| Ararat | Sugar (Q) | SAFA | Seacom | 12/8 |

Vessels Not Ready

| Name of Vessels | Cargo | Port | Agent | Date |
|-----------------|--------|------|-------|------|
| Iran Elham | Cement | Yang | ISC | 5/8 |

Vessels Awaiting Instruction

| Name of Vessels | Cargo | Port | Agent | Date |
|-----------------|-------|------|-------|------------|
| Banglar Joyti | — | — | ISC | R/A (7/8) |
| Young-IL | — | — | ENCL | R/A (13/8) |

Vessels Not Entering

| Name of Vessels | Cargo | Port | Agent | Date |
|-----------------|-----------|------|-----------|-----------|
| Rybnny Murman | Scrapping | Suez | Unimarine | 15/7 |
| Dokores | Scrapping | Suez | Unimarine | R/A (9/8) |
| Dona Ovarnia | Scrapping | KAPT | JF | 4/8 |
| Georgios-L | Cement | Lam | SBS | 8/8 |
| Altodor | — | Sing | AEKA | R/A (9/8) |

Movement of Vessels for 15.8.94

| Outgoing | Incoming | Shifting |
|-----------------------|--------------------|-------------------------|
| 15/08 | — | — |
| RM/3 Ararat | J/10 Lydia | J/11 Alam Tenant to CCJ |
| DOJ Blue North | MPB/1 Banglar Robi | — |
| 16/08 | — | — |
| J/4 D. Gentry | MPB/2 Optima | — |
| J/13 Enkoverer | ND N. Dogol | — |
| MPB/1 Banglar Moni | — | — |
| RM/6 Banglar Shourabh | — | — |

The above were the Sunday's shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.