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# The Daily Star BUSINESS

DAKKA SATURDAY, SEPTEMBER 3, 1994

India's oil imports  
may slide down  
by 6m tons

NEW DELHI, Sept 2: India's oil imports are likely to slide down by 6 million tons in the current financial year of 1994-95, reports Xinhua.

The reduction in oil imports will save India nearly 23 billion rupees (766 million US dollars) in foreign exchange at current international prices.

Following increased domestic crude production and private firms entering the fray for exploration and drilling, crude oil imports in 1994-95 are projected at 24 million tons as against 30 million tons in 1993-94.

Petroleum product imports, however, are placed at 13 million to 15 million tons for 1994-95.

Current account  
surplus in  
Tokyo rises

TOKYO, Sept 2: Japan's current account surplus rose 0.9 per cent in July from a year earlier to 11.74 billion dollars thanks to a record trade surplus, the Finance Ministry said Friday, reports AP.

The current account is a broad measure of the flow of money between nations, including trade and services such as tourism. Japan's trading partners say the growing surplus shows Japan isn't buying as many foreign goods as it ought to be.

Expressed in yen, however, the current account surplus fell 7.8 per cent to 1.156 billion yen. The yen-denominated surplus has been declining for several months because of the yen's sharp appreciation since last year.

According to the ministry, exports rose 6.6 per cent in July over July 1993 to 33.40 billion dollars, while imports rose 8.1 per cent to 18.95 billion dollars.

The trade gap of 14.45 billion dollars was a record, a Finance Ministry official said.

The official said exports of ships and most cars were down but semiconductors, electronic goods and some cars and car parts continued to gain in overseas markets.

Trade figures in the current account are measured on the basis of completed contracts, and are different from the customs-clearance trade data which the ministry announces separately each month.

Meanwhile, foreign direct investment in Japan fell sharply to 46 billion dollars in July from 222 billion dollars a year earlier, in part due to the high yen discouraging foreign investors, the official said.

New Delhi will  
allow NBFCs to  
tap foreign  
capital market

NEW DELHI, Sept 2: The Indian government will soon take a decision on the issue of allowing non-banking financial companies (NBFCs) to tap the foreign capital market. Finance Secretary Montek Singh Ahluwalia said here on Wednesday, reports Xinhua.

The government is considering the pros and cons of such a decision and will announce it in a week's time since the Finance Ministry has received a number of representations on this issue, the secretary said.

The government's decision to allow foreign institutional investments in India and its permission for Indian companies to tap foreign capital market "were very satisfactory" during 1993-94 period, he said.

During the period, portfolio investment through foreign institutional investment resulted in an inflow of 1.6 billion US dollars, the secretary added.

France to decide  
privatisation  
order for Renault,  
AGF soon

PARIS, Sept 2: Economics Minister Edmond Alphandary said Thursday the government will decide before Sept 15 whether automaker Renault or insurance company AGF would be the next enterprise to be privatized, reports AP.

He quickly added, however, that Renault would not be fully privatized, saying the state would likely retain 51 per cent of the company.

"We're examining conditions to open Renault's capital so the French can have part of the automaker," Alphandary told French television.

"If technical conditions permit, it is probable that the state will keep 51 per cent of Renault's capital," he added.

## Rly earnings fall short of operational costs

By Sohel Manzur

tal railway passengers travel on these trains.

The sources also said that passenger operations are dominant accounting for about 88 per cent of the total traffic units generated by the Bangladesh Railway.

Passenger traffic had been on a steady rise until 1983 when it reached a peak of 106 million passengers. Since then traffic has declined to about 51 million passengers in 1989 and remained more or less stagnant at this level.

During the last five years, labour costs rose sharply. In 1987-88, labour costs represented 92 per cent of earnings and peaked at 98 per cent in the 1989-90 fiscal year.

Meanwhile, the cost of labour has increased more than 235 per cent over the last four years.

The revenue earnings from the inter-city passenger trains account for almost 60 per cent, although only 19 per cent of the total railway passengers travel on these trains.

A sustainable solution to the problem lies in the operation of express trains with fewer stops and the cancellation of

the unprofitable branch line trains, the sources added.

The contribution of the freight operations of the Bangladesh Railway to gross revenues in 1992 was about 44 per cent, although it accounted for only 12 per cent of the total traffic units.

Over the past decade, the freight traffic on the railway has registered a steady decline, dropping to 2.5 million tons in 1989 (at which it remained stagnant) from 3.2 million tons in 1982.

The Bangladesh Railway has a total of 2,746 kilometre track routes at present. Metre gauge accounts for about two-thirds of the total network and is concentrated in the country's eastern part.

The existence of a two-type network with its inherent operational disadvantage is a legacy of the partition of the Sub-continent in 1947 and the result is that the former East Bengal Railway constitutes metre gauge while the Bengal Assam Railway broad gauge.

The new wage comes into effect Thursday.

A government spokesman said the level of wage increase, around 250 dollars per month, took into account similar pay for local workers.

There are more than 130,000 foreign domestic helpers working in Hong Kong at present. Most come from the Philippines, with others from Thailand, Indonesia, India and Pakistan.

New gas found  
in Egypt

CAIRO, Sept 2: The Dutch Shell Oil Co. confirmed Wednesday a major natural gas discovery in Egypt's eastern Desert with a daily production of 22.7 billion cubic feet, reports AP.

Hamdi el-Banbi, Egypt's oil minister, told the government newspaper Al-Ahbar the Shell discovery will accelerate plans to extend a gas pipeline across the desert's northern sector to the main network at the Nile Delta. He said further discoveries are expected in the area.

The gas field, confirmed by Shell officials, is nine kilometers (six miles) from a 1992 discovery lying at a depth of 3,990 meters (2.5 miles) Al-Ahbar added.

Oil officials have announced plans to increase production of natural gas to be used locally, replacing oil products and enabling export of more crude oil.

Egypt is not a member of the Organization of Petroleum Exporting Countries.

Pakistani rupee  
closes higher  
against dollar

KARACHI, Pakistan, Sept 2: The Pakistani rupee closed higher against the dollar in the Kerb market on fresh flow of the US currency from the Gulf, dealers said, reports Reuter.

The rupee closed at 31.40 to the dollar, 0.03 rupee higher from the opening at 31.43, one dealer of Khanani and Kalia International (Pvt) Ltd said.

The State (central) Bank of Pakistan's rate was unchanged at 30.6500/30.8033 to the dollar, which was fixed on Wednesday.

The premium on foreign exchange bearer certificates was unchanged at 2.90 per cent.

HK raises pay of  
foreign domestic  
workers

HONG KONG, Sept 2: The Hong Kong government announced Wednesday a 7.14 per cent rise in the monthly salary of foreign domestic workers to 3,750 Hong Kong dollars (486 US dollars), reports AFP.

The new wage comes into effect Thursday.

A government spokesman said the level of wage increase, around 250 dollars per month, took into account similar pay for local workers.

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Match factory workers seen burning Indian manufactured matches in front of the National Press Club in the city on Thursday.

— Star photo

Clinton still  
wants to pass  
GATT this yr

EDGARTOWN, Mass, Sept 2: President Clinton still wants Congress to approve a new world trade pact this year, the White House said Thursday, despite some growing resistance to the idea from labour groups and leading Republicans, reports Reuter.

"Absolutely," said White House spokesman Dee Dee Myers when asked if Clinton still hoped for Congressional approval of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT).

"He'd like to see it done this year so it can be implemented beginning next year," she said.

Lane Kirkland, President of the Umbrella US labour group AFL-CIO, warned the Clinton administration Wednesday that the US labour movement will oppose the new world trade pact if its interests are slighted. He said an overriding labour goal was to have labour rights included in world trade rules and future trade talks.

The administration's stance on the trade pact was under additional pressure from Senate Republican leader Bob Dole of Kansas, who suggested the White House wait until next year to ask Congress to approve a bill to implement the pact in the United States.

Thai economy to  
be devastated  
by AIDS'

MANILA, Sept 2: Thailand's economy will be devastated by a rapidly growing AIDS epidemic that will infect up to four million Thais by the year 2000, a leading health worker said today, reports Reuter.

"If we are unable to slow the spread of HIV virus in the next year or two, Thailand's economy will be significantly affected by AIDS," Mechai Viravadya, a former cabinet minister who heads the Population and Community Development Association, said in a speech in Manila.

Dead staff can't work and dead customers don't buy," he said. "The millionaires of Thailand still do not realize that significant reductions in tourism, land prices and the stock market of tomorrow can result from ignoring AIDS today."

He was speaking after he received the Ramon Magsaysay Award for public service.

Tourism, which contributes nearly 10 billion US dollars to Thailand's economy each year, would be wrecked. Labour and medical costs would rise as millions of young Thais seek treatment for AIDS-related diseases.

Nestle keeps  
growing

ZURICH, Sept 2: Nestle, the world's largest food and beverage group, has an insatiable appetite, reports Reuter.

Last week it gobbled up more of Italy's Sanpellegrino mineral water concern. This week it made clear it had its eyes on a north German ice-cream maker Warncke next week — who knows?

The Swiss-based multinationals has ambitious targets, its chairman and chief executive, German-born Helmut Maucher wants to raise annual turnover by more than 70 per cent to 100 billion Swiss francs (75 billion dollar) by the end of the decade.

Much of the growth in the last 10 years has come from multi billion-dollar takeovers of firms such as America's carnation milk, Italy's Buitoni Pasta, Britain's Rowntree chocolates, and France's source Perrier mineral water.

But the 128-year-old company, based in the west Swiss town of Vevey, plays down speculation that it plans more mega-acquisitions. It says it was filled most of the gaps in its product line.

Japan's forex  
reserves hit  
a new high

TOKYO, Sept 2: Japan's foreign exchange reserves hit a new high of 115.84 billion dollars at the end of August, the Finance Ministry said Thursday, reports AFP.

The August holdings represented an increase of 2.12 billion dollars from a month earlier.

Financial sources said they believed that dollar supporting market intervention by the Central Bank of Japan contributed to the increase.

The reserves included convertible foreign currencies, gold and International Monetary Fund Special Drawing Rights.

## Narmada irrigation project under scrutiny again

NEW DELHI, Sept 2: The world's most controversial and fiercely contested irrigation project on the Narmada River is once again under critical scrutiny as its opponents propose alternatives and Indian courts begin hearings on rehabilitation of the 200,000 people liable to be displaced by the dam, reports IPS.

The mammoth, nine billion dollars multi-purpose scheme has long been a source of embarrassment for the World Bank and a number of first world governments, which have come under attack from green groups in donor countries and India for supporting an ecologically unsound, gigantic dam with doubtful benefits.

Under their pressure, the World Bank pulled out from funding the Sardar Sarovar Dam last March. The pullout has left the project in desperate need of funds, and the government of the western state of Gujarat, the principal beneficiary of the project, is resorting to high-cost borrowings to finance the dam.

The dam, first of nearly 3,000, bristles with problems. Economic, environmental, hy-

drological, and displacement of about 100,000 indigenous people, among the most vulnerable in India.

Its critics have proposed a number of alternative schemes. At least ten such plans have been submitted to a review group appointed by the central government following a prolonged protest and fast undertaken by the Save the Narmada Campaign or NBA and its best-known leader, Medha Patkar, last year.

Environmentalists and experts are discussing the alternatives at a two-day meeting in New Delhi which started on Friday.

Meanwhile, the dam's opponents have moved the Supreme Court with petitions for a halt to all construction until the conditions stipulated by various central tribunals are complied with. Nearly every condition for the granting of provisional clearance by the government in 1987 has been violated.

The project's presumed benefits are distributed in a skewed manner. The arid Kutch region of Gujarat will receive less than two per cent of the total water. Water-scarce Saurashtra and North Gujarat will receive 22 and 17 per cent. The rest of the state, which is not water-scarce, will get 59 per cent.

Abdul Monem, Chairman of Pragati Insurance Limited, handing over a claim cheque to Leena Islam, Chairperson of The Morning Sun against fire claim at the Pragati office in the city on Wednesday. A K M Rafiqul Islam, Managing Director, RK Khan, Deputy Managing Director and Jahurul Huq Talukder, Executive Vice-President (Claim) of the company are also seen in the picture.

make investing in Britain more attractive.

Gold prices rose. On New York's Commodity Exchange, gold for current delivery settled 60 cents higher at \$386.90 dollar per troy ounce. Republic National Bank quoted gold at \$386.85 dollar up 75 cents, at 4 pm EDT (2000 GMT).

The US currency followed the bond market, which dipped after a national manufacturing survey indicated sharp and potentially inflationary increases in raw material prices last month. The dollar recouped most of the early drop as bond prices recovered.

The British pound advanced broadly on speculation over a Bank of England interest-rate hike and hope that the Irish Republican Army cease-fire will yield a permanent settlement in Northern Ireland and

In recent months, currency dealers have increasingly watched the prices of dollar-denominated assets in order to gauge demand for the US currency.

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## Asian stock markets close higher

HONG KONG, Sept 2: Asian stock markets closed mostly higher Friday, with share prices in Hong Kong edging higher in narrow activity, reports AP.

The Hang Seng Index, the market's lead indicator of blue-chips, rose 10.66 points, or 0.1 per cent, to 9,901.56. On Thursday, the index lost 38.49 points.

Local traders said profit-taking hurt the index as it approached the psychological 10,000-point level.

In Tokyo, stocks closed higher on reports that domestic automobile sales grew by the highest rate in four years.

Tokyo's 225-issue Nikkei Stock Average gained 10.90 points or 0.05 per