The Baily Star

Best with the views

CTO to sponsor training for SAARC officials at Joydevpur

Visiting General Secretary of Commonwealth Telecommunications Organisation (CT-O) Graham H Cunnold here yesterday underscored the importance of efficient telecommunications in flourishing business and economy, reports

"Modern telecommunication is playing an important role in many ways such as in improving the conditions of the rural people, in the promotion of honest government. in the preservation of the environment and in rescue operations," he said.

Cunnold told officials of T & T Board at a function at Sonargaon Hotel that CTO will provide more than two million pounds for the Programme for Development and Training (PDT) to its 25 member states for three years (1995-1997). Bangladesh is receiving

10,000 SDR equivalent to 12,000 US dollars from the CTO every year for training and development of the T & T Board. Some 161 T & T offi-

German metal workers' strike may end soon

MUNICH, Mar 7: IG Metall, Germany's largest union, and employers reached agreement on a new contract Tuesday and a spokesman said the metal industry's first strike in 11 years may end this week, reports AP.

cials have received overseas training since 1983 while 17 have been selected for this year's CTO programme.

Addressing the function, CTO Programme Director Tim Eyer said CTO will sponsor a training programme for the officials of SAARC countries at Bangladesh Telegraph and Telephone Training Centre at

Joydevpur Eyer said three mobile satellite network operators fridium, Inmarsat and Globalstar - are emerging to offer a truly global system by the end of the century.

At least one network will survive despite the challenges of technology, the regulatory problems, the huge capital costs and the long gestation periods, he added.



Xavier Van Migem (extreme left), Ambassador of the Kingdom of Belgium in Bangladesh, called on R Maksud Khan (C), President of Dhaka Chamber of Commerce and Industry at the DCCI office in the city on Monday. They discussed various issues relating to promotion of bilateral trade possibilities of Joint Venture Investment and Economic Cooperation between the two countries. Syed Toufique Ali (extreme right) Vice-President of DCCI also seen in the picture.

Windsor wildcatter thinks there's oil under the castle

GERRARDS CROSS, England, Mar 7: Desmond Oswald doesn't quite understand what all the fuss is about. He thinks there's oil under Windsor Castle so he's going to drill a hole and find out, reports AP.

Queen Elizabeth II, has given her blessing, but a number of her subjects think it's about time to rebel. The very idea of searching for oil under one of England's most-cherished landmarks is "appalling," if you ask Elizabeth Still, a Berkshire County councilor,

Oswald looks at things from a purely geological perspective. In his mind, the only pertinent issues are whether he can find oil - which he calculates at about a 1 in 8 shot — and if, so whether he can produce it.

"What I've got is a geologic structure sitting here that hasn't been drilled," Oswald said in an interview. "It's something that should be drilled. In any other place in the world, it would have been

drilled long ago.

This is the same outlook Oswald took into the oil fields of Libya and Iran during a career that spanned three decades with Chevron Corp. Oswald, who admits to being "70ish," took early retirement from San Francisco-based Chevron during the oil bust of the mid-1980s.

Why drill under Windsor Castle?

Why Not? Oswald says. "I'm interested in this geology not to become a billionaire. If it works, it would be the highlight of my career."

Like most major oil company geologists. Oswald was accustomed to being safely anonymous, and all the attention the Windsor project is getting has caught him off guard.

Indian rupee

range bound

at 31.65 per

dollar

Big oil companies have layers of executives monitoring projects each step of the way. Thus, nobody gets credit for a good deal but nobody is saddled with the blame when a company blows millions on a bad prospect.

get an idea to drill for oil and the president of the company approves it, if there's no oil, he doesn't fire me - he approved it," Oswald said.

press release and that's that. on this deal — his first since leaving Cherron

Oswald, a native of Calgary. Canada, began work on the project in 1989 by setting up a private company - Canuk Exploration Ltd. He then cornered the rights to find oil under the castle by gaining a license that kept any competitors from getting in on the deal as long as Oswald follows a timetable acceptable to British regulators.

manages royal properties. His efforts gained only minor attention in the local newspapers. But late last year, as soon as it became time for Oswald to get an actual drilling permit, the critics started

complaining. Britain's feisty national press got hold of the story. filling newspapers with cartoons that showed the queen wearing a cowboy hat and

known in Britain as nodding donkeys.

At a big oil company, "if I

When oil is found, the oil company may issue a terse Oswald says he didn't realize things would be any different

Initially, Oswald was able to study seismic tests without getting onto the castle grounds. But then came the delicate matter of gaining permission from the Crown Estate Commission, which

hobnobbing with JR Ewing,

the oil tycoon from the TV show "Dallas." Stories speculated about the tranquil gardens of Windsor Castle being defiled by oil pumping units.

Oswald says the attacks were coming from "uninformed and ill-informed scientists" although one strong objection came from a county councilor, Jim Lennox, a former oil company executive who has seen wells blow up and doesn't want this happening at the 900-year-old castle.

Despite the uproar, Berkshire County planning officials gave Oswald the go-ahead. If he finds oil, he will need further permission to produce it. He says that can be done at a discreet distance from the cas-

tle, by drilling at an angle. The initial drilling will cost about 800,000 dollars, Oswald believes. The results could be lucrative. Oswald estimates the rocks under Windsor Castle could contain 50 million barrels of oil or more — although nobody ever knows such things for certain until they drill.

Oswald's optimism is based on seismic tests that have convinced him that Windsor Castle sits about 1,000 feet (300 metres) above a reservoir. First, Oswald will have to drill through 750 feet (230 metres) of chalk, then expects to hit 250 feet (70 metres) of clay before reaching a 100-foot (30 metres) layer of sandstone

where he hopes to find oil. This is the same geologic pattern that extends toward the south, where British Petroleum produces oil from Britain's biggest onshore field. Wytch Farm, albeit from much deeper and older rock layers.

Russia, IMF may sign \$6b loan accord

MOSCOW. Mar 7: Russia and the International Monetary Fund are about to sign an accord for a six-billion-dollar loan, Finance Minister Vladimir Panskov said yesterday. reports AFP.

Panskov, quoted by the Interfax news agency, said IMF Director General Michel Camdessus is expected in Moscow Thursday and "his arrival will allow the discussions to be completed.

Earlier Monday, Itar-Tass news agency reported that President' Boris Yeltsin met with first Deputy Prime Minister Anatoly Chubys, who is in charge of economic issues, and the two discussed the IMF stand-by loan of 6.25 billion dollars.

Camdessus is also expected in Ukraine to seal an accord for a 1.8 billion dollar stand-by loan to the former Soviet Republic.

Last month, the IMF postponed a decision on the loan to Russia pending a vote by the Duma, the lower house of parliament, on a 1995 budget limiting the deficit to seven per cent of the gross national product, and a veto by Yeltsin on a proposed law to nearly triple the minimum salary.

Govt carrying out massive uplift thru' FWP'

SAVAR, March 7: State Minister for Disaster Management and Relief Harun- al-Rashid Monday said the present government had been carrying out a massive development throughout the country under food for work and test relief programmes during current fiscal year, reports BSS.

He said the objectives of the programmes are to construct and repairing roads, development of education and reli gious institutions. Larth works as well as creating employment opportunities.

The State Minister was addressing a rally at Amin Bazar Mafid-e-Aam High School after inaugurating the earth work of local health sub-centre under Food for Work Programme

Presided over by UP chairman Mafiz Ahmed the function was also addressed by Niamat Ullah Shabu, MP, District BNP Vice-President Deen Islam and other local leaders.

Referring to various development activities being implemented by the government he said 35 projects under food for work involving 730 metric tons of wheat and 122 projects under test relief for 243 metric tons of wheat are being implemented this year in Savar

He called upon all to help implement the project. EC envoy meets

jute minister Michael Drury, Ambassador and head of delegation of the European Commission in Bangladesh called on Jute Minister A S M Hannan Shah at his office here yesterday, reports

They discussed matters relating to the progress of implementation of integrated jute production and marketing project in Bangladesh under Tk four crore EC donation The main aim of this project is to increase per acre jute production and ensure production of quality-grade jute in the country.

They also discussed on various aspects regarding proposed visits of some successful jute-growers of the country to China and India by August next.

Michael Drury expressed satisfaction over the rate of progress of implementation of this project.

President Kim worries

Powerful ROK conglomerates may hurt economy

SEOUL, Mar 7: For decades. Samsung, Hyundai and other conglomerates have wheeled and dealed, gobbling up businesses, making fortunes and fueling South Korea's meteoric industrialisation, says AP.

But President Kim Youngsam, worried that they are becoming too powerful and could hurt the economy by ruthlessly smothering smaller competitors, is trying to tame the tigers.

The government feels the family-controlled conglomerates, called chaebol, have become fat, inefficient and poorly equipped to compete as the trade environment changes.

It wants them to slim down by shedding affiliates - usually controlled by brothers and sons through cross-stock ownership - and concentrate on the areas where they perform

Whether the strategy works will go a long way toward determining the economic future not only of chaebol but the whole nation.

The 30 largest chaebol groups account for one-third of South Korea's industrial output and lead its export-driven economy. They supply 40 per cent of the world's computer memory chips and account for about 30 per cent of the commercial shipbuilding orders.

TVs and VCRs from Samsung and Goldstar (now known as LOT flood the budget sections in department stores around the world. Hyundai cars compete in the low-end automotive market.

The chaebol are in a way

the locomotive of our economy. We rely on their continued success. Without that we cannot move," Prime Minister Lee Hong-Koo said Wednesday, "On the other hand, they have be-

come too big. "If Samsung thinks they are the best in semiconductors. OK, then you do it. But don't try to do everything. The medium and small industries will eventually be wiped out. We cannot allow that to hap-

The situation is ironic in that the government has always been the best friend of the chaebol.

Past military-backed regi mes used cheap loans and other breaks to encourage them to grow fast and massproduce for exports. Their huge investment capabilities enabled South Korea to become a trade giant, challenging Japanese supremacy in semiconductors and shipbuild-

A typical chaebol embraces a "fleet" of dozens of crossfunded subsidiaries that make products as diverse as ships and chips, garments and TVs.

Their aggressive expansion enables them to provide cheap products for their own affiliates. But they also have been accused of sucking in bank loans, using unfair pricing to kill off smaller competitors and concentrating wealth in a few families.

So far, chaebol expansion has been matched by corresponding demands in the world market. But their decisions are often driven by deep-

seated rivalries. When one jumps into a sector, others quickly follow.

The massive, overlapping investments raise concerns that South Korea might be left with a lot of expensive, underused facilities.

Under Kim's new policy. chaebol are to stop diversifying, focus on core activities and reduce the amount of assets owned by family members from the average of 42.7 per cent to 20 per cent to qualify for cheap government loans. Samsung, Hyundai and Dae-

woo recently announced plans to comply by trimming the number of affiliates drastically through mergers or sell-offs and concentrating on several key sectors, including cars. electronics, shipbuilding and petrochemicals.

But analysts question whether the chaebol really intend to change.

"In the past, their words have not matched their deeds. When they talked about reducing their size, they were actually getting bigger." said Lee Sung-shin, who follows government policy on big business at Seoul's private Kia Economic Institute.

Samsung, the biggest conglomerate, said in December it would cut its subsidiaries by half to 24, mostly disposing of unknown, less-profitable units.

At the same time, it obtained government permission for massive investment programmes, including a 5 billion dollars project to produce cars with Japan's Nissan by 1998 and a lead role in a South Korea-China venture to develop a 100-seat passenger jet. It also has doubled its shipbuilding

capacity. Samsung, the world's largest provider of computer chips, plans to spend 2.3 billion dollars to expand this year. It recently bought Japan's Union Optical, a semiconductor toolmaker, and signed a chippurchasing agreement with Japan's NEC.

Hyundai, best known for cars, won approval for a 340 million dollars plan to buy the computer chip operation of Global Information Solutions, a Colorado-based subsidiary of AT-and-T. It is also pushing a 9.6 billion dollars steel mill.

Although it denies targeting

unfriendly chaebol, the government often uses tax or other financial probes to rein in big businesses. Hyundai founder Chung Ju-

yung ran against Kim in the 1992 presidential election. Subsequent government probes of Hyundai resulted in 65 million dollars in back taxes.

This month, Chey Jonghvon, chairman of the Sunkyong conglomerate and head of a big-business lobby group, criticized the government. He said its heavy-handed intervention would keep companies from jumping quickly into promising areas, thus eroding their competitiveness - and eventually the nation's.

The government has sent a team of auditors to Chey's group to look for possible violation of antitrust and fairtrade laws.

China's 1995 draft budget set to raise defence spending

BEIJING. Mar 7: Despite a rising national deficit. China's defense spending is set to increase by more than 21 per cent in 1995 under a budget proposed by the government Monday, reports AP.

Finance Minister Liu Zhongli, speaking on the second day of the annual meeting of China's legislature, proposed increasing total state spending by 9.3 per cent to 635.92 billion yuan (75.7 billion dollars)

But the plan would raise spending on national defense 21.25 per cent to 63.1 billion yuan (7.51 billion dollars). marking the sixth straight annual increase, despite the end of the Cold War.

In 1994, defense spending rose by 22.45 per cent to 52.04 billion yuan (6.19 billion dollars) - raising fears among China's neighbours that the defense buildup could be part of Beijing's effort to reinforce territorial claims in the South China sea

Liu did not explain the increase in defense. But Premier Lie Peng said Sunday that the People's Liberation Army should "make further efforts to become a revolutionary, modern and regular army with increased combat effectiveness and defense capabilities.'

Analysts say the national defense budget reflects only a portion of China's total military spending. Additional money is thought to come from other central and local government budgets, exports of weapons and domestic sales of civilian products made in military-run factories.

The 1995 draft budget also includes an increase in spending on agriculture, a sector which has lagged behind others in China's booming

Proposed spending on agriculture totals 44.7 billion yuan (5.32 billion dollars) an increase of 13.7 per cent over 1994's actual spending of 37.8 billion yuan (4.5 billion dollars). Combined with agricultural spending in other budget categories, total spending on the farm sector amounts to 69.35 billion vuan (8.26 billion dollars), Liu said.

Officials say lagging growth in agricultural production was

a key contributor to China's inflation rate of 24.4 per cent last year. The national budget also called on local authorities to "try every possible financial means to increase investment' in farm productivity.

Total state revenues are expected to rise 9.9 per cent to 569.24 billion yuan (67.77 billion dollars), leaving a national deficit of 66.68 billion yuan (7.93 billion dollars) just slightly smaller than the 66.9 billion yuan deficit expected in

Japan pledges efforts to avert yen's further rise

TOKYO, Mar 7: Japanese ministers today expressed grave concerns over the ven's surge after it hit yet another high against the dollar, and pledged efforts to stem the currency's further appreciation. reports AFP.

"We would like to consider every possible measures, including short-term and mid dle-term ones." Finance Minister Masayoshi Takemura told a press conference after a regular cabinet meeting, though he refrained from specifying the focus of the measures.

Meanwhile. Economic Planning Agency Director-General Masahiko Komura expressed his hope for a lower discount rate and other interest rates to prevent the yen's further rise.

Monetary policy is the Bank of Japan's jurisdiction, and the central bank will "take foreign exchange well into consideration and act appropriately in

deciding its official discount rates and other interest rates." Komura told a separate press conference.

The dollar tumbled to a new global low of 92.45 yen Monday in New York. Takemura said the Group of Seven (G-7) major industri-

alised nations had "a common concern" about recent movements in the currency markets, dismissing discord among the G-7 nations.

"We would like to watch the movements carefully and cooperate more closely with each other," he said.

International Trade and Industry Minister Ryutaro Hashimoto, who described the latest currency market development as "close to a crisis. said concerted international intervention by central banks had not been effective.

"I cannot say it has been effective." he told another press conference Tuesday.

Industrial countries smarting under immigration problem

WASHINGTON, Mar 7: Almost all of the world's industrialized countries are experiencing a tremendoùs increase in immigration as more and more people leave their homelands seeking a better place to live, according to a

new study, reports USIS.

The report "Moving On: The Global Migration Phenomenon," released March 3 by the Population Institute. said that migration and population distribution are becoming 'explosive" issues in industrialized and developing coun-

"The United States is certainly not the only industrialized country with potentially volatile immigration probems," said Werner Fornos, president of the Washingtonbased non-profit organisation.

"There is hardly a region of the world where large internal and external flows of people do not occur. And, in a number of cases, they amount to explosive situations waiting to hap-

"Failure to address the population problem may be ultimate global blunder," he added.

According to the report. one-and-a-quarter million persons were added to the US population in 1993 through immigration, including an estimated 300,000 illegal aliens. The US population is expected to increase from 261 million to over 400 million by the year 2050, and most of that increase will be due to immigra-

Fornos said that the Clinton administration's recent order increasing the number of patrol agents to prevent illegal border crossings in the southwestern United States was like trying to treat "cancer with "I don't believe any amount

of guns and fences ... is going to stop the flow of people from the Southern Hemisphere. where they're living with civil strife and unrest, from reaching the easily accessible borders" of the United States. Fornos said. At the same time, the coun-

tries of Western Europe have found it necessary to protect themselves against uncontrolled migration trough the coordination of visa policies and regulations on granting of asylum and refugee status. "We now have 5,700 million

people in the world and one

out of five is an immigrant," Fornos said. "Part of that is a by-product of the communications revolution, with people in all parts of the world seeing that there's a better place to

currently building the world's longest fence to block immigrants from Bangladesh. France is contending with arrivals from West Africa, and over 1,000 migrants a day from the former Soviet bloc are heading for Western Europe. And economic pressure for

movement will increase in coming years. Fornos said. with some 3,000 million people around the world entering their prime reproductive years.

World population is pro-

jected to have increased by some 919 million between 1985 and 1995, with nearly 80 per cent of the total living in urban areas, according to the institute report. During the same period, developing re-Fornos said that India is gions are expected to account for 93 per cent of total population, with their urban areas absorbing 90 per cent of all growth worldwide, or some 660 million people. Fornos said that the

byproducts of the world's immigration problem are unemployment, poverty and social disintegration.

He also said that one of the biggest solutions to the immigration problem is providing women with the education and means to control their own fertility and destiny.

women, many of them already having had between 8 and 12 pregnancies, told the world fertility survey that they want no more children. These people desperately

He said about 500 million

need the information to control their own fertility through rational and voluntary means, and they lack it," Fornos said. "Investing in women may be the best thing we can do to reduce the tremendous cost of social disintegration on the planet. Family planning is one of the best cures for the immigration problem.

Fornos added that were it not for "the vigorous pursuit of family planning programmes over the past three decades. the Mexican population might have soared to nearly double the 92 million it is today.

G-7 may hold talks on turmoil in forex markets

TOKYO, Mar 7: Japan's Finance Minister Masayoshi Takemura hinted Monday that Group of Seven (G 7) Finance Ministers and Central Bank Governors might hold extraordinary talks on the turmoil in foreign exchange mar-

"I don't know if talks by telephone are enough," Takemura told the Upper House Budget Committee. "Although a regular G 7 meeting has been scheduled, we would like to consider what to do in an extraordinary situation.

kets, reports AFP.

Takenaura said earlier that Japan would continue to support the dollar this week in coordination with the United States and other major na-

"Japan and the United States are acting in coordination," Jiji Press quoted Takemura as saying during a meeting of Coalition Party leaders.

"Each country agrees that the current foreign exchange situation is not good and we will continue to act in close coordination with each country." he said.

US chides Japan for signals on deregulation

WASHINGTON, Mar 7: Deputy US Trade Representative Charlene Barshefsky says she has seen no indication that Japan intends to engage in serious economic deregulation, according to USIS. Under the 1993 US-Japan

framework agreement for res-

olution of economic differences. Japan is scheduled to submit a set of economic deregulation proposals in April. But in March 1 remarks to the National Association of Business Economists, Barshefsky said that whatever proposal the Japanese government submits must offer more than just reduction of 'red tape, or government regula-

If the proposal helps only those Japanese companies that already have access to Japanese markets but fails to open those markets to competition, she said, the United States will not be satisfied.

"We remain skeptical," Barshefsky said On a related issue, she said

about opening Japan's market to autos and auto parts have made virtually no progress in months, the Clinton administration is now considering what other action to take. Economic deregulation and

that since US-Japan talks

the auto market are among the areas covered by the framework agreement where the least progress has been made

BOMBAY, Mar 7: The Indian rupee was trading in a range of 31.65/74 against the dollar at mid-session and was expected to edge up on improved dollar supplies, dealers said, reports Reuter. "Though the dollar supplies are being matched, many exporters have left sell orders with their banks," one dealer said. "The rupee will not fall if the demand remains normal."

paise from around 10-15 paise on Friday reflecting growing confidence. The six-month premium on the dollar was nearly steady at around 6.7 per cent.

The dealers said the spre-

ads on the rupee had also na-

rrowed to around three to six