

DThe Baily Star DUSINESS

HYUNDAI

CARS THAT MAKE SENSE

Emirates has unerring eye for Oscar winners

Emirates, it seems, has an unerring eye for Oscar-winners, the recipients for those coveted statuettes which Hollywood hands out to the film industry's finest at the end of March every year, says a press

release. The airline, itself the recipient of 72 awards, introduced quarterly film festivals in the First Class cabin of its Airbus fleet in 1992, with a collection of films of a particular star featuring in the First Class

video library. The festivals have proved to be winners with passengers, while the stars featured have proved to be winners at the Oscars. For three years running, the star chosen by Patrick Brannelly, Emirates Manager Passenger Entertainment, for the film festival starting immediately after the Oscar ceremony, has been an Oscar-winner.

In 1993, the Clint Eastwood Festival was introduced two days after the Hollywood veteran won best director for his film Unforgiven.

Last year, the Steven Spielberg Festival started two days after Spielberg won best direc-

tor for his film Jurassic Park. And on April 1, the Tom Hanks Festival started, a few days after Forrest Gump netted six Oscars including best actor for its star.

Emirates First Class passengers will be able to enjoy Forrest Gump on their personal video players, or they can choose Big, in which a child, instantly transformed into an adult by a wishing machine, gets to grips with corporate life, or Philadelphia, which sees Hanks bravely tackle the role of a lawyer with AIDS, defending himself inside and outside the courtroom.

Oil prices hit 5-month high

LONDON, Apr 7: Oil prices hit a five-moth high here as US demand for scarce cleaner. greener reformulated gasoline (RFG) drove the market up. reports Reuter.

Brent Crude, the benchmark for most of the world's trade, jumped to a peak of 17.86 dollar a barrel for May on the London futures market. the highest since November last year.

Brent slipped back to 17.78 dollar by 1509 GMT, up 22 cents from Tuesday.

US Energy Department data released on Tuesday showed stocks of RFG fell by 3.9 million barrels over the week, , sparking a rush to buy oil fu-, tures on the London market ahead of the start of trade in New York.

PIT trading on the New York mercantile exchange saw crude futures hit an eight month high for that market of 19.48 dollar a barrel.

4 RFG has been compulsory in several US cities - including New York since January 1 this year, but attempts to extend the programme have met with protests from some states.

US demand for WTO investigation unjustified: ROK

SEOUL, Apr 7: South Korea said Thursday that a US plan to bring their latest trade dispute before the World Trade Organization is not justified, reports AP.

The dispute is over a US complaint that South Korea imposes unfairly lengthy quarantine procedures on imported US farm products, damaging the freshness of American citrus.

US Trade Representative Mickey Kantor said Saturday that Washington has decided to bring the case before the WTO, saying the practices violated trading principles outlined in the new global trade

Foreign Ministry officials said the case is not suitable for WTO mediation, because South Korea has already taken action

to correct the problems raised by Washington. "The United States is just bluffing before it starts bilateral talks with us," a ministry official said asking anonymity. The ministry officials said that no US farm products are currently held at the customs to

Seoul also has notified Washington of its plans to simplify quarantine procedures for US farm products so that they can be distributed more quickly within the country,

Weekly review

DSE loses Tk 119 cr in market capitalisation

By Sharier Khan

The Dhaka Stock Exchange (DSE) lost over Tk 119 crore in market capitalisation last week as all share price index continued to fall for the third consecutive week.

According to market operators, the DSE is going dull as the share prices are undergoing a correction process. Many share prices which had "illogically" gone up by many-folds in the previous months, are coming down to their "actual" values, they clarified.

"The slide of index would continue until the market prices of shares come to a sine gle digit," said Imtiaz Hossain of the DSE

The index fell by 21.60 points or about 3 per cent at the close of this week comparing to the previous week. In three weeks the fall was as big as 70 points which is around 8 per cent.

The DSE closed at 763.06171 points Thursday from the previous week's 784.65736 points. The total market capitalisation stood at Tk 42.14 billion at the closing of the week from the previousweek's Tk 43.33 billion.

A total of 4 lakh 93 thousand 717 shares and debentures worth Tk 7 crore 62 lakh 54 thousand were traded against 2 lakh 80 thousand 953 shares and debentures worth Tk 6 crore 16 lakh 64 thousand of the previous week.

Market operators point fingers at the inactive role of foreign investors and investment Corporation of Bangladesh (ICB) which were also playing a role in the sliding down of the index.

"Both the foreign investors and ICB are selling shares by huge numbers but they are hardly buying anything," a market operator said requesting anonymity.

The one-year political stalemate which has casted a dark shadow over the economic activities of the country, has also triggered many to sell more and buy less, market operators said.

The share prices of top companies like the Singer or Bangladesh Lambs which have face value of Tk 100 have reached Tk 4690.70 and 2965.26 respectively at the close of the

"Certain issues are still selling at bubbled up prices, but prices of most other issues are being corrected," said DSE operator Imtiaz Hossain.

Ashraf Textiles was the volume leader of the week as it sold 69122 shares in total at a reasonably stable price.

The Shine Pukur Jute sold some 61520 shares while the Shine Pukur Holdings, which has appeared at the DSE share list from Tuesday last sold over 47,415 shares. The Shine Pukur Holding shares, having a face value of Tk 100 each were being sold at Tk 105.79 each Thursday.

Mag Paper sold some 35660 shares last week. Its share price went down to Tk 150.65 Thursday from Tk 162.34 in the beginning of the week.

The share price of Square slided down to Tk 929.44 each from Tk 1077.58 on Saturday

The number of loss incurring issues were much higher than the gaining ones. At the opening of the week on Saturday, 13 issues gained values while 39 incurred losses. On Sunday, 15 gained and 36 incurred loss. On the next day 17 gained and 43 incurred loss, on Tuesday, 22 gained and 43 shares incurred loss on Wednesday, 27 gained at 43 incurred loss and on the closing day 23 gained and 31 incurred loss.



Bangladesh Ambassador to Japan Rashed Ahmed, President of Japan-Bangladesh Parliamentary League Hiroshi Mitsuzuka MP and Finance Minister of Japan Masayoshi Takemura are seen from left at a reception ceremony hosted by Bangladesh Ambassador at his embassy residence in Tokyo on the occasion of Independence and National Day of Bangladesh. - PID photo

Japanese cos wrestling with prospects of sky-high yen

TOKYO, Apr 7: Japanese companies were wrestling with prospects of a stubbornly high ven, announcing plans to further shift production overseas and bracing for the realities of 85 to the dollar, says

Major electronics company Toshiba Corp said it will boost procurement of parts and materials from abroad to cope with the yen's rapid rise

The company said it would buy 360 billion yen (four billion dollars) worth of materials from abroad, particularly from Asia, beginning next year, up from 310 billion yen.

The Shimazdu Corp said it

power plants come on stream.

transmission project.

to single companies.

Bank, the board said.

late Wednesday.

below the ceiling, it said.

bad loans as well as other approaches.

Reconstruction.

MANILA, Apr 7: The state-run National Power Corp has

The project is estimated to cost 2.2 billion pesos (880-mil-

According to Napocor, the project will reinforce the tie

lion dollars) with the funding to come from Germany's

Kreditanstalt fuer Wideraufbau, or Credit Institute for

lines connecting the northern and southern grids of Luzon

and prevent the overloading of existing lines when new

The project is scheduled to be completed in two years.

Supervision said Friday it will clamp down on excessive loans

exceed 15 per cent of the bank's capital - must not exceed

the decision making body of the central bank. The only ex-

ception to the rule will be the state-run Korea Development

riod to liquidate the excess amount, but most banks are well

solve its bad loan problems, and is considering creating its

own version of the US Resolution Trust Corporation, the

former US Comptroller of the Currency, Robert L Clarke, said

meetings with government finance and central bank officials

that Indonesia showed interest in an RTC-style resolution of

Clarke, also a former board member of the RTC, said after

"People were interested in how we did it at the RTC, and

the bank's capital by five fold, the regulatory board said.

SEOUL: In order to reduce credit risks, the Office of Bank

Starting June 1, the total sum of "large loans" — those that

The rule was approved Thursday by the Monetary Board,

Banks that exceed the limit will have a five-year grade pe-

JAKARTA: Indonesia is making steps towards a plan to re-

clinched a contract with a German consortium for construc-

tion of the 230 kilovolt Sucat-Araneta-Balintawak power

against the US currency.

would begin producing measuring instruments in Australia, with components procured from Singapore and other Asian countries, in an attempt to cut its production costs by 20 per cent.

And videogame maker Nintendo said Wednesday it would bite the bullet and set its internal exchange rate at 85 yen to the dollar, as well as cutting its export ratio from 37 per cent to 30 per cent.

Mark Pearce, a spokesman for Japanese computer giant NEC Corp, said Japanese companies have little choice, adding that the soaring 'yen was "poisoning the economy recovery."

"It an absurd situation when you have the yen at such a high rate," said Pearce, whose company will also push ahead with plans to move more of its manufacturing to other countries. "It makes you wonder how companies in Japan can

export overseas." NEC and Fujitsu also announced Wednesday they would lower their internal currency rate assumptions to 90 yen to the dollar in the six months to September from 100 yen in the six months to March.

The dollar steadied Wednesday at 86.40 yen in Tokyo trading after reaching a record low of 85.55 earlier.

the newspaper China Dally said.

and marketing, according to the report.

Cooperation in Bali, Indonesia.

(points of sale), ATMs and credit cards, it said.

Friday.

Japan's Omron.

the size of the undertaking," Clarke said.

As of January around 3.97 per cent of the 85.88 billion

BEIJING: Nine Chinese electronic companies have banded

The new company, Huaxin Financial Equipment System

Ltd. Co. was established with support from the Ministry of the

Electronics Industry and the Beijing municipal government

and unites leading electronics companies to compete more

effectively in a market currently dominated by foreign firms,

Asia business briefs

of them imported models from AT and T, Italy's Olivetti and

until it can produce its own machines, plans to make 3,000

ATMs within the next two years. It is also seeking to cooper-

ate with foreign companies in ATM development, production

Huaxin also plans to develop other related financial

TOKYO: Canadian Finance Minister Paul Martin will visit

According to a Canadian Embassy spokeswoman in Tokyo;

equipment systems for the Gold Card project, which aims to

connect China's financial services with computers, POS

Japan, Hong Kong and Malaysia next week, before attending a

finance ministers' meeting of the Asia Pacific Economic

Huaxin, which will act as a local vendor for foreign firms

Last year about 2,500 ATMs were sold in China, nearly all

dollars in total outstanding credits from Indonesia's commer-

cial banks are considered bad loans, or unpaid for at least 24

together in Beijing to produce automated teller machines and

break into the growing ATM market, an official report said

months, up from 3.88 per cent in September 1994.

Prime Bank opens Apr 17

The Board of Directors of Prime Bank Limited decided to inaugurate the bank on April 17, says a press release.

The decision was taken at an emergency meeting at the bank's head office in the city yesterday. The meeting was presided over by Dr R A Ghani. Chairman of the bank.

Minister for Finance M Saifur Rahman has been invited to be the chief guest at the inaugural ceremony.

Ford chairman's pay totals \$8.1m in 1994!

DEARBORN, Mich, Apr 7: Ford Motor Co Chairman and President Alex Trotman's pay doubled to 8.1 million dollars in 1994 as he led the automaker to its most profitable year, reports AP.

A proxy statement released Thursday showed Trotman's base salary - 1.5 million dollars - was the same as in 1993. But he received a bonus of 6 million dollars and stock and other compensation valued at about 590,000 dollars

More than half of the bonus, 3.6 million dollars will not be paid until after he retires, and it could be reduced if the company's stock value diminishes. Trotman who is 61, did not exercise any stock options in 1994. His 1993 pay totaled 3.9 mil lion dollars.

Compensation for Ford Vice Chairman Allan Gilmour who retired January 1 reached 5 million dollars last year, including his exercise of stock options worth 708, 750 dollars. Current Vice Chairman Louis R Ress was paid 3.7 million dollars and Edward Hagenlocker, president of automotive operations, received salary, bonus and other compensation totaling 3.9 million dollars.

In late trading Thursday on the New York Stock Exchange, Ford shares were up 37.5 cents at 26.875 dollars.

Ford earned a record 5.3 billion dollars last year. Its workers received average profit-sharing payments of about 4,000 dollars.

US economy shows signs of slowing

WASHINGTON, Apr 7: The Labour Department issued figures yesterday showing claims for first-time jobless benefits climbing by 3,000 last week, a sign that the US economy may be slowing, reports AFP.

The department listed 341,000 seasonally adjusted applications for unemployment insurance, up from 338,000 for the week that ended March 25, unemployment insurance, up from 338,000 for the week that ended March 25, when claims declined by 10,000. The increase was the fourth boost in five weeks for benefits claims.

The seven hikes in shortterm interest rates by the Federal Reserve board since February of 1994 to fend off inflation threats have slowed the economy, analysts said.

The economy has shown other signs of slowing over the past weeks including lower retail sales, fewer new car purchases and a sluggish housing market.

Bank of England governor says

Barings breaks law by cash transfer

LONDON, Apr 7: Bank of England Governor Eddie George said vesterday Barings PLC had broken the law by transferring huge amounts of money to its Singapore operation without informing the British Central Bank, says Reuter.

George rejected criticisms of the central bank's own inquiry into the collapse of Britain's oldest marchant bank, saying the investigation was being carried out as quickly as possible and would be completely objective.

He said and initial report establishing the facts would not be completed until early June but told the parliamentary committee cross-examining him on the investigation he could not guarantee that litigation would not prevent its pub-

The central bank governor admitted for the first time that the BOE had not known Barings made cash transfers which amounted to more than double its total shareholders capital when the bank collapsed at the end of February. Banks are required to in-

transfers totalling more than 25 per cent of their capital, he

form the BOE in advance of

"It is a criminal offence to advance the money without no-

tifying us", George said. "I can be absolutely certain

to tell you that we did not know as of February 27 that 443 million pounds (715 million US dollars) plus 317 million (512 militon US dollars) were advanced to the bank." he told the House of Commons Treasury and Civil Service select Committee.

Barings' total shareholders funds stood at 308.8 million pounds (498.5 million) in its last audited annual report.

George told the committee this issue would be covered in the central bank's inquiry into the collapse of Barings, which is being carried out by the BOE's nine-member board of banking supervision with the help of outside experts.

A second report to establish the regulatory lessons to be learned will be completed three months after the initial

George said ING had the right to make its own decisions about Barings' future and staff before inquires were complete.

He central bank governor reiterated that the complex trading instruments known as derivatives were not to blame for Barings collapse and it was dangerous to think about imposing tougher regulations.

World economy to enjoy robust growth in two yrs Growth in the United States

MANILA. Apr 7: The world economy will enjoy robust growth of about three per cent in 1995 and 1996 with both industrialized and developing countries doing well, the Asian Development Bank (ADB) said here today, reports AFP. The Philippine-based ADB.

in its annual Asian Development outlook report, said that industrial countries would enjoy their strongest growth in five years at 2.7 and 3.3 per cent in 1995 and 1996 respectively, thanks to a relaxed monetary policy and low interest rates.

Germany was forecast to post at least three per cent gross domestic product growth in 1995 and 1996, up from the 2.6 per cent in 1994. Japan's 0.8 per cent growth last year was forecast to increase to 2.1 and 3.4 per cent in 1995 and 1996, respectively.

was forecast to fall from four per cent in 1994 to 3.0 in 1995 and 2.5 per cent in 1996, although the ADB said it was "a sustainable growth path ... consistent with expansion in capacity ... without stimulating inflation."

Developing nations - excluding the former communist states of Europe - grew at 4.9 per cent in 1994 and are forecast to maintain this level at 4.6 to 4.9 per cent in 1995 and 1996, respectively. Asia again leads the pack

with 7.6 and 7.4 per cent growth projections in 1995 and 1996, respectively, following the 8.2 per cent expansion in 1994.

Africa comes next with growth forecasts of about three per cent in 1995 and 1996 after posting 2.3 per cent growth last year.

Delhi decides against banning chemical dyes

NEW DELHI, Apr 7: The government has decided against banning chemical dyes that may cause cancer and this may adversely affect textile exports to Europe, news reports said Friday, according to AP. The government has ins-

tead asked Germany, one of the leading buyers of Indian textiles in Europe, to extend for six months the deadline after which Indian textiles would not be allowed in, the Times of India reported. The ban was to come into effect in July.

The ban was recommended to the government by India's textile commissioner after a detailed study of the dyes used to colour textiles. Resource crunch from

poor sale of bonds Another report-says: India's

state-owned funds could face a severe resource crunch this year because of poor sales of bonds, a recent study found.

State-run companies raised 32 billion rupees (one billion dollars) during the last year. The government had expected to raise double that amount, said the Centre for Monitoring the Indian Economy. Bombay-based think tank.

The study concluded that the shortage of funds was a result of high interest rates and a shortage of money in banks and private companies.

the minister will meet with Japanese Finance Minister Masayoshi Takemura and Post and Telecommunications minister Shun Oide during his one-day stay in Tokyo Monday. Martin will then fly to Hong Kong, before moving on to Malaysia.

BANGKOK: The Nation Publishing Group, which publishes one of Thailand's leading English-language dailies, said Friday it will spend 54 million baht (2.1 million dollars) to buy land in northern Thailand to use as a regional printing base.

The Nation said in an announcement to the stock exchange that it was buying the plot from Modern Living Co.

Thanachai Theerapatanawong, the head of the family that owns Modern Living Co. Ltd., is chairman of the Nation's board of directors and is also on the board of Modern Living. the publishing group said. The Nation's board of directors decided Wednesday to buy the plot.

The land, in the northern province of Chiang Mai, is nearly half a hectare (about 1.2 acres) in size and is appraised at 71.2 million baht (2.8 million dollars). SYDNEY: Engagement rings are taxed but wedding rings

are not. Lobster and caviar are tax-free, but cookies, ice cream and candy attract an 11 per cent impost. These are examples of what the Institute of Chartered Accountants labels the "hodgepodge" of Australia's sales tax

system. Institute president Jeff Lucy has branded the system as "totally illogical" and a threat to Australia's export growth. The Institute, which represents thousands of accountants.

has published a report that calls for a complete overhaul of the system. It suggests sales tax be eliminated from business inputs in the manufacture of exports.

More than 10 billion dollars (7.3 billion US dollars) is collected annually making it one of the government's biggest revenue sources. — Source: AP

Ethiopia loses 200,000 tons of grain to plant pests annually

ADDIS ABABA, Apr 7 Ethiopia lost 200,000 tons of grian to plant pests annually, according to local press re-

ports Thursday, says Xinhua. Speaking at a seminar on plant pestilence and parastitic weeds, head of the management and training service in the ministry of agriculture Ato Assefa Feytssa said that 30 per cent of the annual grain production is lost to various types

of plant diseases. While the Ethiopian economy is based on agriculture. Ato Assefa said, efforts to boost productivity in this vital sector are being frustrated by pests and parastitic weeds. He reminded all those involved in research work in plant disease that they should make concerted efforts to have their findings pupularised among

the peasants. Although various types of improved seeds have been discovered to boost productivity in the farm sector, many of them could not give the expected results because they were often attacked by plant

pests, he stressed. Professionals drawn from regions and zones attended the seminar. The workshop called on peasants to notify the local agricultural office in time whenever there is a locust invasion, pestilence or whenever plant destroying migrant birds appears.

Indonesian minister seeks Islamic banks' cooperation

with other banks JAKARTA, Apr 7: Indonesia's finance minister on Friday urged Islamic banks around the world to cooperate with

other banks, reports AP. "The globalization of financial markets also means that Islamic banks must operate side-by-side with banks from all over the world." Finance Marie Muhammad said while inaugurating a two-day conference of the International Asso-

ciation of Islamic Banks. Islamic banking is based on a verse in the Koran in which Prophet Mohammed, the founder of Islam, forbids usury, which is synonymous with interest in Islamic terminology.

As a result, Islamic banks do not pay any interest on deposits or charge interest for loans. But Indonesia's Islamic bank works on the principle of profit-sharing and pays "dividends" to its customers, getting around the question of interests.

Marie said financial markets have become increasingly global, which provides important opportunities to Islamic

Islamic banks should coordinate activities globally, which might create an international banking system that can prosper and grow into the future, he said. The banking conference,

hosted by Bank Central of In-

donesia, is being attended by 122 participants from 15 countries including Saudi Arabia, Iran, and Indonesia. With nearly 90 per cent of

its 190 million people following Islam, Indonesia is the most populous Muslim country in the world.

Gold emerges big currency crisis winner

HONG KONG, Apr 7: Gold has emerged a big currency crisis winner as the US dollar hits new lows in global markets, investors increasingly switching to the traditional safe haven and sending the price surging, reports AFP.

The gold price was quoted trading at 394.00-394.40 US dollar an ounce Thursday on the local market, compared with 376.60-377.00 dollars an ounce a month ago.

The precious metal remained a reliable commodity in world finance dealers said, particularly at time of crisis in the value of the US dollar. which stemmed from the lingering effects of the Mexican peso debacle in December Dealers said buyers had

been increasingly replenishing their gold portfolios, for both adornment and financial protection, particularly in developing counties where investors were taking advantage of a weaker US dollar to buy more "Certainly, it is a safe haven

at a time of the weakening US dollar," said Steve McMamie of Marlin Ord Minnet.

justify the US threat to bring the case to the WTO mediation penal. they said.