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DHAKA, TUESDAY, JULY 18, 1995

Barings collapse Leeson may plead guilty of four charges of false accounting

LONDON, July 17: Former Barings Bank trader Nick Leeson, fighting extradition from Germany to Singapore, has offered to plead guilty in Britain to at least four charges of false accounting, a British Sunday newspaper reported, reports Reuters.

The observer quoted Leeson's lawyer Stephen Pollard as saying he had made the offer to Britain's serious fraud office, which turned it down.

"It is an inescapable conclusion that he will plead guilty if returned to British courts," it quoted Pollard as saying.

It said Leeson would agree to plead guilty to four counts of false accounting and possibly one other. The Independent on Sunday carried a similar report.

Last week Leeson wrote letter to the British media, tearfully read out by his wife Lisa.

The former trader asked them to persuade British authorities to extradite him to London rather than Singapore, where he claimed he would be subjected to a "show trial."

Barings collapsed under the weight of some 1.4 billion dollars in losses in February and was taken over by Dutch financial group internationale Nederlanden Groep NV.

Leeson has been in a German prison awaiting extradition to Singapore since he was arrested after making huge trades in high-risk Asian futures markets.

Singapore wants to try Leeson on 12 charges of fraud, forgery and the illegal transfer of funds. Leeson denies the charges.

DCCI president leaves for Singapore

R Maksud Khan, President, Dhaka Chamber of Commerce and Industry, left for Singapore yesterday to attend a conference on 'Improving networking of Asian chambers and associations,' says a DCCI press release.

The two-day conference will begin July 18 under the auspices of German Federation of Small Business (ZDH) and Technonet Asia, Singapore.

The objective of the conference is to work out strategies to support small and medium enterprises (SMEs) in expanding global market through improving networking. The conference will also study examples of cross border linkages between chambers and associations and the networking with regard to SME promotion under the umbrella of ASEAN and SAARC.

R Maksud Khan will address a plenary session of the conference on 'Chamber and association networking for SME promotion'.

More than thirty chamber and association leaders from Bangladesh, China, Indonesia, Nepal, the Philippines, Vietnam, Malaysia, Myanmar, Thailand and Singapore and as well as from Germany will attend the conference.

The last minute agreement signed recently in Geneva between the United States and Japan cleared the way for a temporary settlement of trade dispute that threatened the imposition of unilateral US trade sanction against certain models of Japanese made cars.

As high level delegates from world's two largest economies reached an agreement, Tokyo and Washington both claimed victory in their auto trade row. But analysts in both the countries are, however, not only reluctant to agree with such optimistic view, but at the same time they are also sceptical about the effectiveness of the accord in resolving the dispute on a long term basis. At the centre of controversy, they say, are the numerical figures cited in the final text of agreement, described in the document as Mickey Kantor's estimate.

Japan has all along opposed US demand for accepting numerical targets, which Tokyo claims, would lead to managed trade. Right from the day of signing the agreement, Japan is claiming that the figures included in the trade agreement, such as Japanese automakers' future

\$14.85m IFAD loan for rural employment generation

ROME, July 17: The International Fund for Agricultural Development (IFAD) and the government of Bangladesh recently signed a 14.85 million dollar loan agreement to help finance the employment-generation project for the rural poor, the IFAD's 14th project in the country, reports BSS.

The agreement was signed here by Fawzi H Al-Sultan, President of IFAD and Khurshid H nid, Ambassador of the People's Republic of Bangladesh to Italy.

The project worth a total of 21.9 million US dollars aims at creating 10,140 micro-enterprises over a period of five years to the benefit of more than 45,000 families comprising 270,000 persons of rural landless, women and potential micro-entrepreneurs.

The project is considered one step further in employment generation through micro-enterprise development since it provides an alternative to the "traditional" group sponsorship as a collateral for credit used over the past few years as part of the poverty alleviation programmes in Bangladesh.

The project endeavours to ensure the availability of loans tailored to the specific requirements of and capacities of each individual of potential micro-entrepreneurs.

The different approaches to credit delivery would be

tested from the beginning of the project to determine the most effective and replicable combination.

The conditions for their success, namely direct lending by Agrani Bank, the project selected partner, mostly to existing operators, ending through agents such as the Bangladesh Small and Cottage Industries Corporation and NGOs scouting for potential micro-entrepreneurs from among the educated unemployed men and women with technical skills graduates from the earlier income generating activities programmes and lending through credit intermediaries such as private trading entities NGOs and private credit retailers who would be scrutinised and selected by Agrani Bank to retain credit to their clients as well as providing them with advisory services.

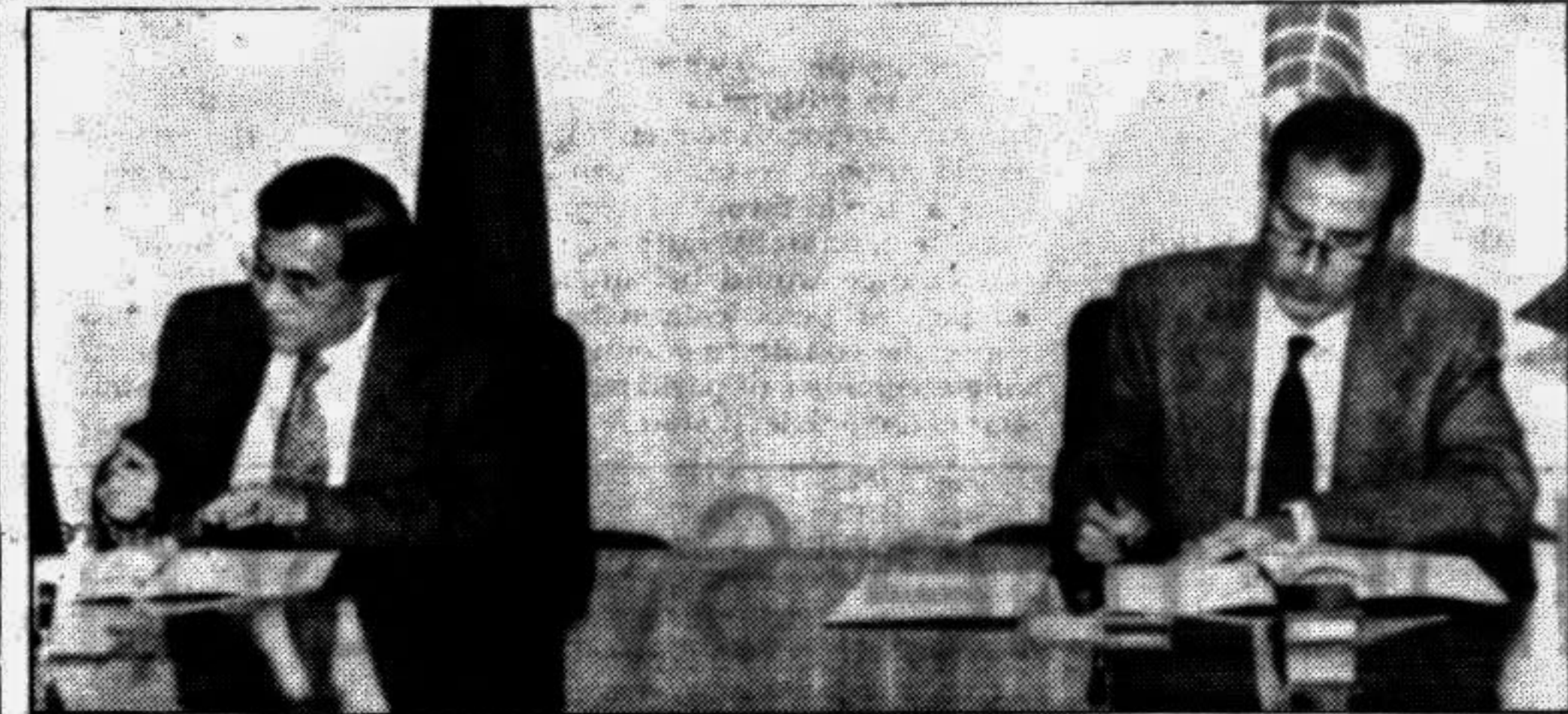
The project seeks to generate sustainable employment opportunities for the poor, landless and women in the rural areas through the use of the skills of small private-sector entrepreneurs and graduates from poverty alleviation programmes as well as educated people and to establish economically-viable and sustainable agro-processing manufacturing and service activities.

Loans will be provided to entrepreneurs for fixed capital to establish, expand or upgrade micro enterprises

with costs varying from 1050 US dollars for jute handicrafts. Loans up to a maximum of 25000 US dollars will be extended to open the possibility for a group of entrepreneurs to undertake an activity in the rural areas aimed at supporting other micro-enterprises as well as to generate employment through the adoption of labour-intensive technology.

The project would promote participatory development through the active involvement of Agrani Bank, NGOs beneficiaries and traders in developing and increasing investment activities. Beneficiaries would provide 10 per cent of the investment costs either in cash or in kind 70 per cent will be met from the proceeds of the IFAD loan and 20 per cent from Agrani Bank's own resources. Medium and short-term loans with repayment periods of up to three years would be provided at the current rates of 10 and 12 per cent per annum.

The value of production at full development has been estimated at 30 million US dollars with a significant positive impact on the volume of exports estimated at 1.5 million US dollars. The generation of employment in the rural areas in off-land activities is expected to reduce migration of the landless and women to urban areas.



President of IFAD Fawzi H. Al-Sultan and the Ambassador of Bangladesh to Italy Khurshid Hamid seen signing agreement under which IFAD will provide Bangladesh with 14.85 million US dollars to help finance the employment-generation project for the rural poor. — PID photo

Dollar continues to rise in Tokyo

TOKYO, July 17: The dollar continued to advance on the Tokyo foreign exchange market today, supported by buying mainly by foreign investors, says AFP.

"The dollar buying was initiated by foreign investors, including continued buying support from US funds," a dealer said.

The greenback was quoted at 88.65-88.68 yen in late afternoon trading, against 87.77-87.80 yen the previous trading day here and 87.85 yen quoted in New York late Friday.

Dollar selling by Japanese exporters was not heavy enough to push the US currency back below the 88.00 yen level, the dealer said.

Investors bought dollars on fading signs of an economic slowdown.

Iran to invite int'l bid to develop 10 projects despite US economic ban

DUBAI, July 17: Iran, quickly following up its success in sidestepping a US economic embargo, will invite foreign oil companies to bid for work to develop 10 major projects, a senior official said today, reports Reuters.

"We are going to have an international tender for 10 other projects in the coming weeks," Sayed Mehdi Hussein, Head of Oil Exploration and International agreements at state-owned National Iranian Oil Company (NIOC) told Reuters in defiance of US President Bill Clinton's bid to isolate Islamic Iran.

Iran's offer to foreign firms to develop its oilfields and refineries comes four days after NIOC agreed with

French Oil Company Total Sa A dollars 600 million deal to develop the Sirri E and Sirri A offshore oil and gas fields.

Total, with apparent French government support, replaced the US company Conoco that was forced by Clinton to withdraw from Iran, which is accused by Washington of fostering international terrorism and seeking to acquire nuclear arms.

"The doors are open. Everything is clear, the way has been paved for cooperation," Hussein said, adding that future contracts would be based on terms similar to those agreed with Total.

Hussein said Total would recover the cost of its dollars 600 million investment.

JS body reviews audit objections of T&T Board

The Parliamentary Standing Committee on Public Accounts at a meeting yesterday reviewed the 1995-96 audit objections of Bangladesh Telegraph and Telephone Board, reports UNB.

Auditor and Comptroller General of Accounts placed the objections at the meeting, said a press release.

Unnecessary transport purchase, spending excess money in fuel purpose, providing production bonus by the Telephone Shilpa Sangstha in irregular way and payment of house rent at higher rate also came up in the meeting for discussion.

The committee directed the concerned authorities for quick disposal of the audit objections and determining the responsibilities in this regard.

Committee members Syed Manzoor Hossain, Anwar Hossain Khan Chowdhury and Mohammad Abdul Gani attended the meeting.

Interbuild Fair Country's two furniture manufacturing firms take part

By Staff Correspondent

Two Bangladeshi furniture manufacturing firms participated in the Interbuild Fair in Sydney, Australia recently.

The Export Promotion Bureau (EPB) with the assistance of the Trade and Investment Promotion Service of the government of the Australia have arranged the fair.

A press release of the EPB said yesterday that most of the furniture items carried as exhibits by the two firms M/s Akhter Furnitures and M/s Brother Furnitures were sold out at the fair. The antique furnitures were widely appreciated and they received orders for one container, of such items, the press release said.

This will be the first ever export of furniture items from Bangladesh, it added.

The participants familiarized themselves with the latest capital machinery and production processes and decided to import these machinery for production of export-quality furniture.

Iranian envoy meets tourism minister

Iranian Ambassador Mahmoud Bayat called on State Minister for Civil Aviation and Tourism Major (Retd) Abdul Mannan at his Secretariat office here yesterday, reports UNB.

The envoy stayed with the State Minister for sometime and discussed matters of mutual interest, said a PID hand out.

They also exchanged views on various development aspects of air services of both the countries. The Acting Chairman of Biman Bangladesh Airlines Lt. Col (Retd) Mahmudur Rahman and Acting Chairman of Civil Aviation Authority Group Captain (Retd) Nazmul Haque Chowdhury were present on the occasion.



MWO Garrett (L), the visiting Vice President of Nestle SA, seen exchanging views with Latifur Rahman (2nd-L), Chairman, Nestle Bangladesh, Nick Miller (3rd-L), Managing Director, Nestle Bangladesh, and Awami League leader Tofael Ahmed (R) at a reception held at a local hotel yesterday. — Star photo

ACI recommended for ISO 9001 certification

By Staff Correspondent

The Advanced Chemical Industries Limited (ACI), one of the country's fastest growing pharmaceutical companies, has been recommended for certification under ISO 9001 Quality Management System.

ACI is the first company in Bangladesh to have achieved the quality international standards stipulated under ISO 9001. This certification is the hall-mark of quality and is the most recognised quality management system worldwide.

Disclosing this at a press conference at a local hotel yesterday, ACI Chairman and Managing Director, Anis Ud Dowla, said ISO 9001 standard would enhance customer confidence and credibility of the company, improve industry's competitiveness and reputation both at home and abroad.

The press conference was also addressed by M. Mosaddek Hossain, Executive Director of ACI.

The certification will also provide the foundation and framework for continuous improvement to achieve business excellence through quality by understanding, acceptability, meeting and exceeding customer expectations, Anis Ud Dowla said.

The Chairman informed that the company had gone through a year of sustained efforts of fully documenting the processes and procedures involved in the development, manufacturing,

marketing, sales and services for meeting the audit requirements for certification under ISO 9001 Quality Management System. Responding to a question, the ACI Chairman said that similar standard of certification by other national and multinational companies for their goods produced here would enhance customer confidence. It would also attract more foreign entrepreneurs, he said.

Replying to another question, he said that although quality control involves higher management expertise and investment, there was no chance that the cost of products would in any way increase because it would enhance product acceptance in the market and in the long run it would also be cost beneficial both for the producer and the consumer.

Quality has always been a way of life for ACI Pharmaceuticals and the facility conforms to the latest requirements of the WHO current Good Manufacturing Practices, the Chairman said. Business activities of ACI comprises Pharmaceuticals, Agrochemicals and Public Health, Consumer brands and Diagnostics and Medical Devices.

Originally established as a subsidiary of ICI Plc of UK in 1968, the company was renamed ACI during early 1992 after divestment to local management.

Course on sales promotion in Ctg tomorrow

A week-long course on 'Promotion of sales' will be concluded in Chittagong on July 19, reports UNB.

Management Consultancy Programme (MCP) of Institution of Business Administration under Dhaka University has organised the course to develop management of the business establishments of the port city.

Vice Chancellor of Dhaka University Prof Emazuddin Ahmed will distribute certificates among the participants as chief guest at the concluding function of the course.

MCP Chairman and IBA Associate Prof G M Chowdhury will preside over the function.

Some 32 participants from 25 local and multinational business organisations will attend the course, said a press release.

Cement shortage in Indonesia

JAKARTA, July 17: Indonesia will continue suffering cement shortages through the end of the decade because demand is "much higher than expected," Finance Minister Mar'ie Muhammad said in a news report Sunday, says AFP.

Muhammad made the comment during the weekend at the ground-breaking of a new cement factory in Maros in South Sulawesi, the official Antara news agency said.

ACI Pharmaceuticals
First Company in Bangladesh to Pass
ISO 9001 Quality Management Standards
Certified Audit on July 1995

Anis Ud Dowla (C), Chairman, ACI Pharmaceuticals, seen addressing a press conference at a city hotel yesterday. Other officials of ACI are also seen in the picture. — Star photo

After US-Japan auto trade war, it's photo film: what next?

By Monzurul Haq

Japanese carmakers. They were derived from other US documents." Japanese negotiators say that the agreement was reached so quickly that officials had no time to fill in the blank spaces for specific figures. The United States could fill them in later with its own estimates, they say, while making it clear that the figures did not reflect Japanese promises. However, some US officials are reportedly hinting that the United States will threaten sanctions in the future on auto trade with Japan if little progress is seen in the opening of the Japanese market. And the steps will probably be taken on the basis of calculation drawn precisely from the figures mentioned in the agreement, as certain groups of people within business and governmental sectors of the United States are already interpreting Kantor's estimates as "numerical targets" that Japan must achieve.

According to concerned Japanese officials, Tokyo sought a resolution that was

in line with the rules of the newly established World Trade Organisation. Precisely from this position, they think that the agreement, which reaffirms Japan's position to abide by international rules, will get full support of the global community. But the settlement of the auto dispute deprived the WTO of an important test case that would have otherwise provided an opportunity to test the recently established system.

The WTO is considered to have tougher powers to settle trade disputes than its predecessor GATT, and governments cannot simply ignore or block WTO rulings.

According to a group of analysts, the near certainty of a WTO ruling that the proposed US sanctions against Japan were illegal helped persuade Washington to compromise and accept voluntary plans by Japanese companies to boost American auto sales rather than push for strong governmental commitments. Others, however, disagree with any such

notion. They are saying that the conflict's resolution sent a signal to Washington that the threat of sanctions would help bring reluctant trading partners to their knees. Subsequent developments in Japan-US trade relations suggest that the later group of analysts are probably more correct in making the assessment of future possibilities.

Less than a week after reaching an agreement in auto trade talks with Japan, Washington decided to launch a new investigation into Eastman Kodak Co's claims that Japan's Fuji Photo Film Co is engaging in unfair trade practices that is keeping Kodak products out of Japan's market. Kodak filed a petition under Section 301 of US Trade Act of 1974, alleging that Fuji is blocking its entry into the Japanese film and photographic paper market. Kodak's long list of complaints against the Japanese government and Fuji include allegations of price fixing by Japanese trade groups, cash payment

to financially strapped wholesalers and retailers, and boycotts of distributors that carried Kodak products. Kodak also thinks that the Japanese market is being unfairly controlled by its main rival Fuji due to active governmental cooperation. Kodak's current market share in Japan is between 8 to 9 per cent. The company claims that it can gain a 15 per cent market share if Japan's market practices are changed to allow more foreign competition. In an earlier statement, Kodak chairman said his company has lost 6 billion dollars in revenues since 1975 due to unfair business practices of Japan and Fuji Photo.

Sanctions will be imposed against Japan under section 301 of US trade law if Washington upholds the Kodak charges and Japan fails to rectify the situation. The United States would try to engage the Japanese side in negotiations over the issue during a year-long period. Tokyo, however, rejected any suggestion of holding trade talks with Washington on its

photographic film market. Trade and Industry Minister Ryutaro Hashimoto said his country would not engage in talks in any areas under section 301, and they were in the same position about the photographic film issue. Japanese officials find the US complain of closed film market hard to believe. According to official statistics, imported films, including those for commercial and home uses, accounted for 41.7 per cent of the overall sales in the Japanese market in 1994.

Fuji Photo Film itself, on the other hand, announced that the company is planning to release a rebuttal report within a month to argue against Kodak allegations of Fuji's unfair control over Japanese photographic market. The report will counter each of Kodak's argument and present facts and details to disprove false charges.

We may come to the conclusion from the above mentioned facts and descriptions that the priority issue before

the US government is most likely not the trade question itself, but domestic political situation. By targeting Japan as a violator of trade practices, Clinton administration in fact is trying to turn domestic public opinion in its favour prior to next year's presidential elections. US economy is going through a prolonged recession period, and there is little sign that the situation is going to take a better turn any time in near future. Any government in such a situation probably needs a scapegoat that can be successfully blamed for all the economic difficulties country is facing.

The Geneva accord most likely convinced US policymakers that a domestic law like Section 301 can be effectively used as a helpful bargaining chip in international trade disputes. How far this particular act violates the norms and rules of free trade itself that obviously is not their concern. As a result, it is probably not difficult for us to picture a sequence of the following order: yesterday it was car, today it is photo film, and tomorrow it is obviously going to be air routes and landing rights.