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The Daily Star BUSINESS



HYUNDAI

CARS THAT MAKE SENSE

ADB assures increased assistance in energy sector: Mosharraf

Energy and Mineral Resources Minister Dr Khandakar Mosharraf Hossain yesterday said that the Asian Development Bank (ADB) has assured increased financial assistance to Bangladesh in the energy sector, reports BSS.

Dr Hossain, who returned here Friday night after a week-long visit to Manila, was talking to newsmen at his Secretariat office.

The minister, during his stay in Manila, met the bank's President M. Sato and apprised him of the progress and present position of the on-going projects funded by ADB in power and natural resources sector. The ADB's contribution to on-going seven projects in Bangladesh totalled 296 million US dollars.

Dr Hossain said the bank has agreed to provide over 130 million dollars for implementation of the 9th Power Transmission and Distribution Project, Meghna Ghat Generation and Transmission Project and 4th Natural Gas Study Project.

He said a mission from ADB is likely to visit Bangladesh by December next to make study of the 9th power project while another mission is expected imminently in connection with the Meghna Ghat Project.

The Energy Minister said the ADB President appreciated Bangladesh's initiatives in the energy and natural resources sector and said that credit lines from the bank would increase manifold in future.

The energy minister made a courtesy call on President Ramos of the Philippines at Malaca Nang Palace in Manila.

Dr Hossain lauded the role of Ramos for solving the power crisis in his country.

Dr Hossain said the Philippines President praised the macro-economic stability achieved by Bangladesh and called for increasing trade volume between the two countries.

The energy minister said that Manila had successfully solved the power problem by involving private sector participation in power sector. He expressed the hope that Bangladesh could share the experience of the Philippines in solving the energy crisis.

During his meeting with his counterpart, Francisco L.

Viray, the two ministers stressed the need for increasing bilateral trade for the mutual benefit of the two people. The two ministers agreed to share experiences on three areas — power sector, use of renewable energy and gas.

Dr Mosharraf Hossain said he had also met the members of the business community of Manila and urged them to make increased investment in gas, power and mineral resources sectors of Bangladesh.

He said both the countries identified 20 items each to be imported by the respective countries.

The minister was accompanied by Energy and Mineral Resources Secretary Mohammad Faizur Razzak.

Urea production increases

Production and domestic supply of urea have increased in the first two months of current fiscal year compared to the corresponding period of last year, reports UNB.

A BCIC press release said yesterday a total of 3.74 lakh metric tons of urea had been produced in six fertilizer factories run by the Bangladesh Chemical Industries Corporation in July and August.

During this period of last year (1994-95), some 2.97 lakh metric tons of urea was produced in Chittagong Urea Fertilizer Factory, Jamuna Fertilizer Factory, Zia Fertilizer Factory, Ghorashal Urea Fertilizer Factory, Polish Urea Fertilizer Factory and Natural Gas Fertilizer Factory.

The press release further said the factories supplied 3.08 lakh metric tons of urea in the domestic market during the period as against last year's 2.80 lakh metric tons.

KCC implements Tk 50 cr dev projects in 4 yrs

KHULNA, Sept 2: Khulna City Corporation (KCC) implemented massive development projects at a cost of about Tk 50 crore in the last four years.

Acting Chief Engineer of KCC Lyakat Ali Sharif told UNB that although Khulna Pourashava was upgraded to City Corporation in 1984, the implementation of the development projects virtually started since 1991 that improved the civic amenities in the area to a great extent.

In the last four years, construction and repair of 1,366 roads, development and renovation work of 12 graveyards, 15 parks, 10 bazars and setting of sodium lights, tube lights, construction and repair of 28 drains, eight

culverts, 11 retaining walls, one super market, one modern public hall were constructed and 280 deep-tube-wells and 550 shallow tube-wells were installed, he said.

During the period, different vehicles including Hydraulic Radar, road roller, Klorin injection were bought for KCC.

The official also said that 37 ward commissioners, officials and workers of KCC under the leadership of Mayor Sheikh Toyebur Rahman have been working hard for the development of the area.

Strict actions were also taken against any irregularities and corruption, he added.

SEBI to issue rules to tackle fraud

BOMBAY, Sept 2: An Indian securities watchdog said Friday it would issue new regulations aimed to prevent fraudulent and unfair trade practices on the country's 22 stock exchanges, reports AFP.

Securities and Exchange Board of India (SEBI) Chairman Devendra Mehta said SEBI would this month issue rules to tackle price-rigging and fraud.

By November updated rules to regulate foreign investors and credit rating agencies should be in place, he said, adding that existing credit rating agencies would need to get a new SEBI licence.

He also said SEBI had told India's stock exchanges to set up market surveillance cells by the end of this month.

"If the surveillance cells are not established, the stock exchanges will come to grief," he remarked.

Mehta said SEBI aims to upgrade its stockmarkets to international standards.

Italy, Indonesia discuss bilateral investment

JAKARTA, Sept 2: The foreign ministers of Indonesia and Italy on Saturday discussed boosting bilateral investment and possible solutions for the Bosnia conflict during talks here, reports AFP.

"We hope bilateral economic ties will increase, as Italian investment here is still relatively low compared to other European countries," Indonesia's Foreign Minister Ali Alatas said after meeting his Italian counterpart, Susanna Agnelli, who is here on a one day official visit.

The two ministers also signed a bilateral agreement, which will come into effect in January 1996 allowing investors from both countries to avoid double taxation.

Both Italy and Indonesia are currently serving as non-permanent members on the United Nations (UN) Security Council.

Alatas and Agnelli also said they had discussed next year's meeting between the European Union (EU) and the Association of South East Asian Nations (ASEAN). In 1996, Italy will take the presidency of the EU, while Indonesia will hold ASEAN's chairmanship.

Agnelli, accompanied by the Vice Director General for Economic Affairs Gian Paolo Cavara and head of the ministry's cabinet Giancarlo Aragona, will meet President Suharto later Saturday before flying to Beijing to attend the international women's conference.

Yeltsin signs decree on state shares

MOSCOW, Sept 2: Russian President Boris Yeltsin signed a decree Friday authorising banks and private investors to manage state shares in certain enterprises in exchange for major loans, reports AFP.

The measure allows the state to retain ownership of the shares, but they will be transferred to the banks and investors if the state defaults on the loans.

The decree said the rights to manage the shares would be allocated by tender, open to the banks and Russian and foreign investors.

The amount of the loans and the conditions and guarantees attached to them will be determined by the successful bidders. The tender will be issued from October 1, 1995.

The loans are aimed at reducing the federal budget deficit.

Unemployment dips in US

WASHINGTON, Sept 2: The US unemployment rate declined to 5.6 per cent in August, the Labour Department said Friday, with service industries reporting strong job growth and factory payrolls growing, reports AFP.

The report supported the view that the economy has returned to moderate growth after slowing sharply between April and June.

Unemployment was down from a seasonally adjusted 5.7 per cent in July. It has changed little since the start of the year, fluctuating between 5.4 per cent and 5.8 per cent.



Alpha Oumar Konare, President of Mali, was introduced to the African students during his recent visit to Islamic Institute of Technology (IIT), OIC, Gazipur, by the Director General of the Institute Prof. Dr A M Patwari. Education Minister Barrister Zamiruddin Sircar also seen in the picture.

Iraq to mobilise army soon for crackdown on smuggling

BAGHDAD, Sept 2: Iraq will soon mobilise the army, police and members of the ruling Baath Party for a crackdown on smuggling and traders dealing in banned goods, reports Reuters.

The Revolutionary Command Council (RCC), in a decree signed by President Saddam Hussein and published in Baghdad newspapers on Friday, issued new directives to check the smuggling into neighbouring countries and to clear shop shelves goods banned in Iraq.

"The ministries of defence and interior, the general directorate of security, the general commission for customs and (Baath) party organisations are authorised

to seize property bound for smuggling and property banned from circulation in the local market," said the RCC, the highest executive and legislative body in Iraq.

It is the second time in three years Iraq has attempted a crackdown on smugglers and traders dealing in banned items.

The list of banned foreign goods from toys, computers, bear and spirits to chicken and baking powders.

It also includes foreign confectionery, apples, bananas, whisky, cigarettes, perfumes, videos, watches, cheese vacuum cleaners, washers, clothes, shoes, radios and cassette recorders.

Iraq traders were only al-

lowed to deal in two kinds of imported goods — basic foods which are exempt from customs duties and a heavily taxed special list of permitted spare parts and agricultural tools.

But as time passed, the authorities relaxed controls and a variety of foreign goods emerged in local market again.

Shops in smart areas in Baghdad are now loaded with foreign sweets, canned foods and beverage — real luxuries for many hard-hit Iraqis, reeling under crippling U.N trade sanctions imposed for Iraq's 1990 invasion of Kuwait.

Filipino GNP up by 5.2 pc

MANILA, Sept 2: The Philippines' Gross National Product (GNP) grew by 5.2 per cent in the first half of 1995, reflecting a slowdown in growth in the second quarter, Economic Planning Secretary Clelito Habito said here today, reports AFP.

The GNP growth in the first half of 1995 was higher than the 4.7 per cent growth posted in the first half of 1994, Habito said.

However GNP growth fell from 5.5 per cent in the first quarter of 1995 to only five per cent in the second quarter.

Habito said despite the slowdown, the Philippine government was still maintaining its target of six to 6.5 per cent GNP growth for the whole of 1995.

This would be a sharp improvement from the 5.1 per cent growth posted for the whole of 1994.

Gross Domestic Product meanwhile grew by 4.8 per cent in the first half of 1995 compared to 4.1 per cent growth in the first half of 1994, Habito said.

Personal and government consumption and all industrial sectors showed strong growth rates for January to June, 1995 with the exception of the agriculture and fisheries sector which posted only 0.4 per cent growth.

Habito attributed this to a fall in rice grain and sugar production in the second quarter of the year which were caused by a drought that hurt rice production and floods and lower yields affecting sugar.

However he expressed confidence that other sectors, particularly construction, would continue to post strong growth in the rest of the year.

Suharto urges people to save more money

JAKARTA, Sept 2: Indonesia's President Suharto today urged his people to save more money so the government could finance development and lessen dependence on foreign aid, reports Reuters.

"To develop a nation, (we) need a large amount of funds. We are still receiving aid from abroad to finance our development," Suharto said during a speech. "But since the beginning, we determined that at the end we, ourselves, must shoulder all burden on that development."

With a foreign debt in excess of 100 billion dollars Indonesia is one of the largest debtor countries in the world. In July this year, donor countries and development agencies pledged

Indonesia, 5.36 billion dollars in aid, up from 5.2 billion in 1994.

"We believe foreign aid is only a replenishment, which gradually must be reduced. We must stand alone," Suharto said.

"This means, government funds from domestic sources must grow bigger and bigger. The state must have the savings to help development," he said.

He said public savings held by Indonesian banks was now at 183 trillion rupiah (80.9 billion dollars), compared with 522 billion rupiah (230 million dollars) in 1971.

Suharto also pledged the government would follow prudent macro-economic policies to maintain a stable economy in order to encourage domestic savings.

Mongolian teachers vow to continue strike

ULAN BATOR, Sept 2: Mongolian teachers vowed yesterday not to halt their four-month strike for higher pay, saying raging inflation had slashed the value of their salaries and a 40 per cent raise tabled earlier was now far too low, reports Reuters.

"We have announced to the government. The salaries should be doubled or tied to the inflation index," a teacher's strike committee spokesman told reporters.

A 40 per cent raise discussed with the government earlier had been outstripped by inflation, which hit 33.9 per cent in the first seven months of 1995, said the teachers, who earn about 14,000 tugriks (30 US dollars) a month.

More than 5,000 teachers have halted classes at 92 schools during the four month strike, which has attracted the sympathy of even the government ministers who are refusing their demands.

"The teachers' demands are right," minister of science and education Toemur-Ochir told a news conference on Thursday. "But if there is no teaching, there is no education."

The government had no money to fund higher salary increases and the teachers should go back to work, he said.

Teachers said Mongolia's education crisis would continue even if they returned to their classrooms.

Prices in Yugoslavia surge in Aug

BELGRADE, Sept 2: Prices in Yugoslavia (Serbia plus Montenegro) jumped by 7.6 per cent in August from July, the Statistics Institute announced on Friday, reports AFP.

It added that industrial prices had skyrocketed 14.6 per cent month on month, but agricultural prices fell by 6.5 per cent. Services were up by 2.8 per cent.

Bakers were not authorized to raise bread prices, the press said on Friday, adding that cooking oil and sugar were sold on the black market and were no longer to be found at the controlled prices.

OECD urges Bonn to fight unemployment

PARIS, Sept 2: The Organisation for Economic Cooperation and Development (OECD) urged Germany Tuesday to implement fundamental reforms to combat unemployment, the main black spot of its economy, reports AFP.

The Paris-based grouping of 25 leading industrialised countries also warned in a report against excessive euphoria in the wake of a recovery after the serious recession of 1993.

The OECD feared that the improvement would make the need for profound structural reforms seem less urgent, whereas without them Germany would be ill-prepared for the next slump and would suffer in the long term.

In the short term the OECD maintained its forecast of a growth Gross Domestic Product (GDP) of 2.9 per cent this year and 2.7 per cent in 1996, in line with the Bonn government's own predictions.

Talks on merger of Turner, Time Warner still face obstacles

NEW YORK, Sept 2: Time Warner Inc. was continuing to move toward an agreement to buy Turner Broadcasting System Inc. but unresolved issues could still block a deal, executives close to the discussions said, reports AP.

The executives are hopeful a deal can be announced as early as next week, but they recognize the possibility for last-minute objections from a key Turner board member, cable industry kingpin John Malone.

Turner Broadcasting Chairman Ted Turner, Time Warner Chairman Gerald Levin and Malone were said to have agreed on a rough outline for the deal earlier this week, leaving some significant details unsettled.

There are still issues to be resolved, one executive, speaking on condition of anonymity, said Friday. He declined to say what they were.

Two ways to look at workers' rights

Hugh Williamson writes from Frankfurt

If first impressions are important, then Samsung Electronics Co (SEC) hits the mark. Walk into its European headquarters in Frankfurt, Germany, and you see a huge scoreboard.

It counts the number of days until year 2000, when the company plans to rank among the world's top five electronics companies, a domain where Sony and Hitachi have long ruled supreme.

The goal looked impossible a few years ago. In the mid-1980s Samsung started making memory semi-conductor chips, in an industry dominated by United States and Japanese firms. Now SEC is the world's leading producer and at the cutting edge of technology.

And like its mother company, Samsung - South Korea's largest industrial conglomerate (or "chaebol"), which is expanding to make cars and airplanes - SEC is not sitting back.

"We are flush with cash and eager to grab market share and enter promising new industries as quickly as possible," said a Samsung official. SEC's 1994 profits of 1.2 billion dollars made it South Korea's most profitable company.

This year, the company will spend 4.4 billion dollars on domestic expansion and foreign business acquisitions, and it plans to match that figure in 1996 and 1997.

That means new operations worldwide. Plans exist for 1 billion dollars semi-conductor plants in Europe, the US and Southeast Asia, plus consumer electronics factories in Britain, Mexico, Thailand and China.

A 720 million dollar plant in northeast England set to open next year - one of 12 SEC operations in Europe - will employ 3,200 workers to make computers, monitors, faxes and colour-TV tubes.

But this success is not matched with cooperation on the labour front. Trade unionists say Samsung has an appalling record - even compared to other South Korean transnationals - as a group which opposes organised labour.

During a dispute last year with HBV, the German commerce union, SEC refused to recognise its employees' legal right to a works council (a shopfloor body with negotiating rights with management).

The company faxed its German operation the message: "As you know well, the works council is contrary to the Samsung philosophy of management which does not need union-related organisations. A works council might cause relocation or the closing down of our operation in Germany. We hope to remind you that the colour TV factory in New Jersey (US) was closed in 1989 due to the labour union and the factory in Portugal was transferred to Britain due to the same reason."

This approach has deep roots. Lee Byung Chul, who founded Samsung in the 1940s, had a saying: "I will have earth cover my eyes before a union is permitted at Samsung."

The earth has now covered Lee's eyes, but his anti-unionism lives on, with Samsung remaining the only chaebol where, despite hard-fought struggles, unions in South Korea have yet to gain a foothold.

During a huge wave of union protests and organising drives in South Korea between 1987 and 1989 Samsung used brutal tactics to resist workers' demands, called in security police to attack strikers and isolated union organisers for days for "re-education" and to press for their resignations.

In its international operations Samsung is a little more sophisticated, but the anti-union message remains clear. SEC factories usually boast a non-union, company-friendly employees' council, and workers are encouraged to identify with Samsung through sports events, trips to South Korea and a company newsletter, called simply SEC Family News.

The track record in Europe shows that while the company remains hostile, trade unions are certainly not giving up.

SEC's existing operation in Britain, a small TV factory, is non-union, but local union officials hope the scale of the new multi-plant complex will mean Samsung "sees sense and recognises a union," says Tony Finn of the General Workers' Union. Several British unions have held talks with SEC but Finn admits the company "will be a hard nut to crack."

The working world

