

SANYO
Family Size Microwave Oven
Tk. 16,350
Free Cooking Book

The Daily Star BUSINESS

DHAKA TUESDAY, DECEMBER 12, 1995

HYUNDAI
CARS THAT MAKE SENSE

Slush fund scandal Advisor to Roh detained

SEOUL, Dec 11: South Korean prosecutors today detained a security advisor to former President Roh Tae-woo as part of a widening corruption investigation into military contracts, witnesses said.

Kim Chong-whie was detained upon arrival at Seoul-Kimpo airport from the United States, where he had stayed for more than two years to avoid arrest.

Kim went to the United States in 1993 after prosecutors sought him on graft charges relating to arms deals, including a 1992 contract to buy 12 CN-235M military transport planes from Spain.

He is suspected of having played a key role in the award of a controversial 1991 deal to buy 120 F-16 jet fighters from US giant General Dynamics Corp (GD).

Prosecutors have questioned former military leaders over suspicions that the US firm bribed Roh to win the fighter deal. Roh already in jail on graft charges, is suspected of taking bribes from GD and other arms suppliers.

Roh was indicted last week on charges of amassing a 650-million dollar slush fund. But he has been silent over accusations that some of the bribes were kept in secret overseas bank accounts.

Prosecutors believe Roh may have a separate secret fund on top of the 650 million dollars he admitted to keeping while office from 1988 to 1993.

New head of oil giant Saudi Aramco

DUBAI, Dec 11: Saudi Arabia's Oil Minister Ali Bin Ibrahim Al-Nuaimi yesterday named Abdullah Saleh Jumma as head of global oil giant Saudi Aramco, the official Saudi press agency said, reports Reuters.

King Fahd had approved the appointment, it quoted Nuaimi as saying.

It was believed to be the 73-year-old King's first public decision since being discharged from hospital on Friday after what US officials said was a stroke.

Jumma, an Aramco veteran, succeeded Nuaimi in the top job at the world's largest oil company in terms of reserves and output.

Jumma has been serving as acting president and chief executive of the company since August when Nuaimi was made Oil Minister in a cabinet reshuffle.

Saudi Aramco controls 26 per cent of the world's recoverable oil reserves. Aramco is in charge of the kingdom's eight million barrel per day (BPD) production with large refining and downstream holdings in Saudi Arabia, North America, Europe and Asia.

It earns Riyadh 35 billion dollars in oil exports a year, providing much of the industrialised world — notably the United States and Japan — with its energy needs.

Jumma will be right-hand man to Nuaimi and will serve on the supreme petroleum council, the kingdom's ultimate decision-making body on oil policy.

ASEAN provides Indonesia with special tariff status

BANGKOK, Dec 11: The Association of South-east Asian Nations agreed Sunday to let its biggest member, Indonesia, protect 15 agricultural products from tariff reduction until 2010, reports AP.

The compromise was announced after three days of intense negotiations between officials of seven countries of the group's trading bloc, the ASEAN Free Trade Area.

Indonesia sought prolonged tariff protection even though the AFTA council supported the idea that products should not be shifted into special categories that would give them special protection.

The council also announced it had received a final version of Vietnam's commitments to reduced tariffs, which will allow it take full part in AFTA's trading schemes.

Vietnam joined ASEAN in July this year. Its other members are Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand. AFTA was established by ASEAN in 1992.

Rice, sugar, cloves and wheat flour are the four basic products allowed extended protection at Indonesia's request. The council "noted the

sensitivity of these products for Indonesia," said a joint press statement released at a news conference after the council's meeting.

State enterprises and monopolies still play a large role in the Indonesian economy, despite liberalization measures over the past decade. And friends or relatives of Indonesian President Suharto are heavily invested in the sugar, clove and wheat flour sectors.

Because state enterprises are involved, the tariff exclusions are allowable under the international trading regulations set by the General Agreement on Tariffs and Trade and the World Trade Organization, the council said.

The status of items in Indonesia's new protection category will be reviewed in 2003, the council said. Thai Finance Minister Surakiart Sathirathai said products would not be given tariff protection past 2010.

"In the spirit of AFTA we should try to accommodate each other's special needs on these minor items," said Singaporean Minister for Trade and Industry Yeo Cheow Tong.

ASEAN Secretary General

Ajit Singh, speaking to reporters after the news conference, emphasized the relatively minor amount of regional trade covered by the 15 products. He said trade within ASEAN of the 15 products amounted to 40 million dollars annually, of a total trade among AFTA members of 111 billion dollars.

'A blow to setting up AFTA'

Reuters report says: Indonesia's decision to block the lifting of trade barriers on some key farm goods dealt a blow to ASEAN's bid to set up a free trade area in the fastest growing region in the world, officials said today.

Jakarta persuaded its partners in the ASEAN on Sunday to keep its markets for several key farm products closed until 2003 and possibly up to 2010, delaying the full implementation of AFTA.

"Considering all the talk on free trade given by Indonesia, this is a setback for AFTA," a senior ASEAN official told Reuters, referring to Jakarta's push for free trade at the Asia-Pacific Economic Cooperation

(APEC) forum summit in Bogor, Indonesia in 1994.

The setback came a few days before ASEAN leaders meet in Bangkok on December 14-15 for a summit meeting to outline the future of the fastest-growing economies in the world.

Hanoi's leaders reach Thailand to prepare for first meeting

BANGKOK, Dec 11: Vietnam's communist rulers arrived in Thailand Sunday to prepare for their first summit with South-East Asian neighbours that treated them as outcasts for decades, reports AP.

Starting Monday, foreign ministers from members of the Association of South-east Asian Nations meet to discuss how to run the region in the post-Cold War era.

Their agenda includes a nuclear-weapon-free zone treaty the United States and other nuclear powers refuse to recognize.

It wasn't until July that Vietnam could join ASEAN, which also includes Thailand, Indonesia, Malaysia, the Philippines, Singapore and Brunei. ASEAN backed the US war against the Communist insurgencies of Indo China, then led world opposition to Vietnam's 11-year military occupation of Cambodia.

Asked if Vietnam's status as ASEAN's sole Communist member posed difficulties, he said: "The principle problem in ASEAN is how to have closer cooperation for economic development. It is our common target."

Dhaka book fair begins in Calcutta Dec 14

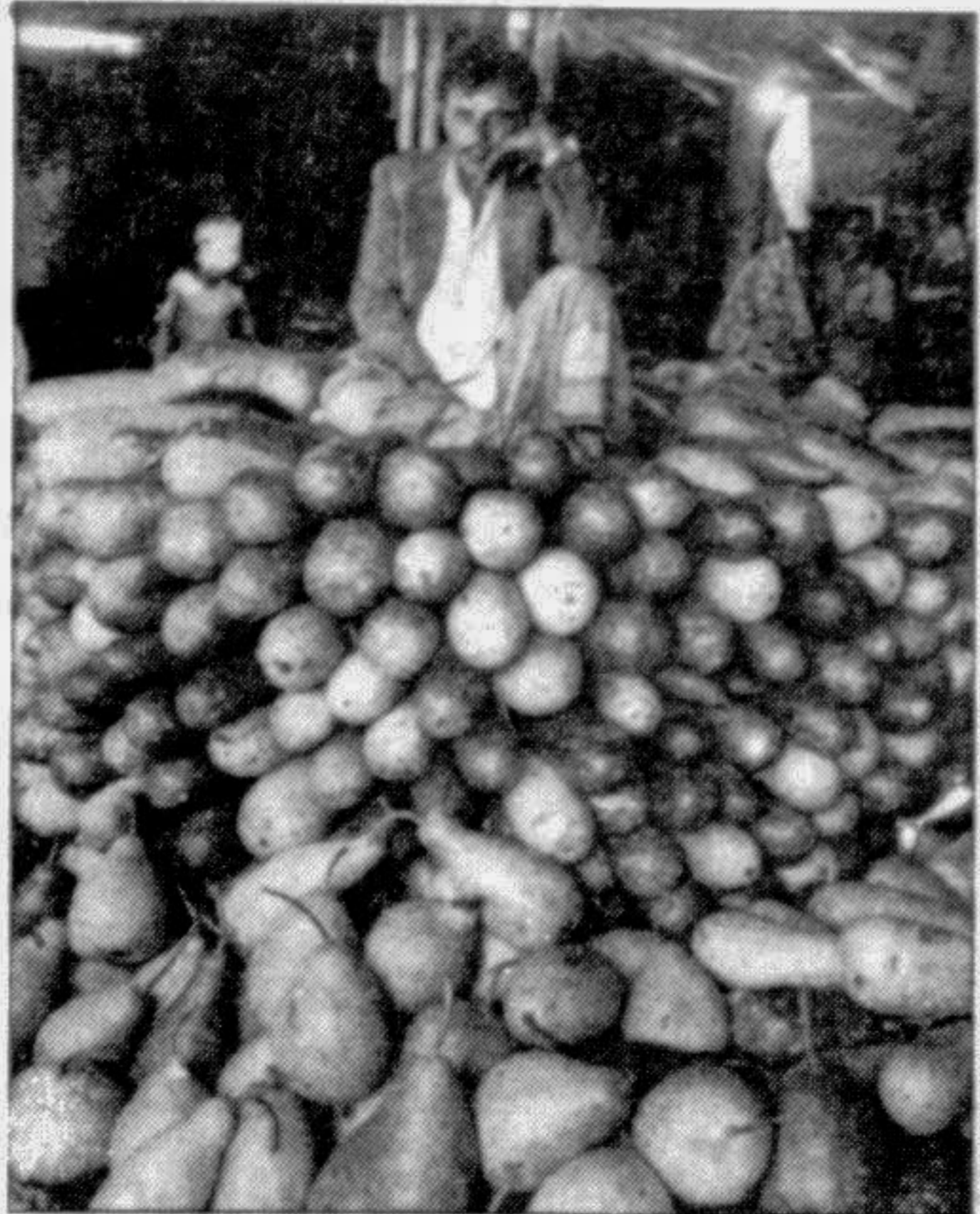
CALCUTTA, Dec 11: A week-long first ever single country book fair of Bangladesh will be held at Calcutta Information Centre on December 14 under the joint collaboration of Bangladesh Export Promotion Bureau and Bangladesh Deputy High Commission, Calcutta, reports BSS.

The book fair will be inaugurated by Buddhadeb Bhattacharjee, Minister for Information and Cultural Affairs, government of West Bengal. Jahangir Saadat, Deputy High Commissioner of

Bangladesh in Calcutta will attend the function as chief guest.

Nine leading publishers from Bangladesh will participate in the book fair. The publishers include Bangla Academy, Islamic Foundation, Ahsania Mission, Nazrul Institute, National Book Centre, Shabhyta Prokash, University Press Ltd, Muktabhara and Sandhani Prokashoni.

Brisk preparation is going on to make the Bangladesh book fair a success, Bangladesh Deputy High Commission source said.



With a large amount of bottle-gourds a seller waiting for customers at Kwarra Bazar in the city yesterday, the last day of the three-day country-wide hartal called by major opposition political parties. — Star photo

Dollar, stocks fall in Tokyo

TOKYO, Dec 11: The US dollar was trading lower against the Japanese yen in early trading in Tokyo Monday, while prices on the Tokyo Stock Exchange fell moderately, reports AP.

The dollar drifted lower following its slide in Friday's overseas trading on expectations of a US interest rate cut in the next few months.

US non-farm payroll data released Friday showed unemployment edging up 0.1 percentage point to 5.6 per cent in November. The numbers were within expectations, but the market interpreted them as the latest sign of a sluggish economy that could provide room for the federal Reserve Board to lower interest rates.

Lower interest rates tend to make a nation's currency less attractive to investors. In early morning, the dollar was traded in Tokyo at 101.20 yen, down 0.15 yen from late Friday, and also lower than its late Friday New York trading at 101.30 yen.

Meanwhile, share prices moved lower in light trading. The 225-issue Nikkei Stock Average shed 91.08 points, or 0.47 per cent, to 19,195.89 points in the first 30 minutes of trading. On Friday, the average shed 125.35 points, or 0.65 per cent, closing at 19,286.97.

The Tokyo Stock average was down 2.71 points, or 0.18 per cent, to 1,524.63 points. The TOPIX finished at 1,527.34 points on Friday, down 9.57 points or 0.62 per cent.

The benchmark No. 174 10-year Japanese government bonds stood at 114.21 yen, unchanged from Friday's close.

Tenaga pledges \$ 680m to upgrade power supply in Penang

KUALA LUMPUR, Dec 11: Malaysia's power giant Tenaga Nasional BHD, has pledged 680 million dollars to improve power supply to northern Penang state as compensation for a power cut six months ago which cost factories millions of dollars, reports AP.

Tenaga said it will spend 1.7 billion ringgit as substitute for ex-gratia payment to upgrade Penang's power supply. Yahaya Abdul Hamid, a senior Penang state government official, was quoted by The Star English daily as saying:

"The offer was in a 10-age report on the power cut which Tenaga handed over to the Penang state government earlier this week.

In the report, Tenaga concluded the explosion and fire which knocked out three power circuits under the Penang bridge linking Penang Island to the mainland, on June 25 "was an accident."

The power cut in June was parked by a fire which gutted the main cable carrying electricity to Penang Island, home to most of Malaysia's electronics factories.

About 40 manufacturers claimed they had lost 16 million dollars during the power cut and subsequent power shortages and sought compensation.

Bangladesh Bank bill auction results

The 72nd auction of 91-Day Bangladesh Bank Bill and the 2nd auction of 30-Day Bangladesh Bank Bill were held Sunday at Motijheel Office of the Bangladesh Bank, says a press release. The results of the auctions are:

Particulars	Bids offered		Bids accepted			
	Total Number	Face Value (in crore Taka)	Total Number	Face Value (in crore Taka)	Weighted average price per 100 Taka	Corresponding Yield (%)
91-Day Bill	3	3.00	2	2.00	98.50	6.11
30-Day Bill	Nil					

Asian currencies show weak trading over the week

HONG KONG, Dec 11: Asian currencies showed weak trading in the past week, as dealers waited quietly for the release of the US producer price index and trade figures this week, reports AP.

JAPANESE YEN: The yen rallied during the week in quiet trading, as investors were sidelined with little prospect of fresh trading, dealers said.

The Japanese unit stood at 101.34 yen to the dollar in late afternoon Friday, up from 101.94 yen a week earlier.

AUSTRALIAN DOLLAR: The Australian dollar ended the week slightly lower after a week of what dealers said was extremely quiet trade, as attention turned to the upcoming Christmas.

The local unit finished Friday at 74.00 US cents compared to 74.28 US cents last week.

Dealers said the US producer price index and trade figures to be released next week could give direction to the greenback, and hence the Australian dollar.

NEW ZEALAND DOLLAR: The New Zealand dollar traded within a tight range towards the end of the week to close Friday worth 64.70 US cents, down from the close a week earlier of 65.05 US cents.

Overnight selling Thursday did little to prompt the Kiwi dollar into much activity and it showed no signs of trying to test below 64.50 cents or above 64.80 cents, dealers said.

SINGAPORE DOLLAR: The Singapore dollar closed slightly weaker at 1.4150 to the greenback Friday, compared to 1.4138 at the of the previous week, after trading in a narrow range.

The US unit fell below the 1.4060 mark on four occasions during the week but buyers immediately brought it back above the 1.4120 level.

Analysts predicted the Singapore dollar would head upwards against the greenback as US interest rates seem to be on a downward trend.

HONG KONG DOLLAR: The Hong Kong dollar closed at 7.7335-7.7345 to the US dollar Friday, up from last week's 7.7355-7.7365 range.

INDONESIAN RUPIAH: The Indonesian currency closed on Friday at 2,300 rupiah to the dollar, or three rupiah stronger than at closing the previous week.

MALAYSIAN RINGGIT: The ringgit ended the week weaker against the US dollar in slim trading as most investors were sidelined Friday.

The ringgit weakened 33 points against the US dollar to close at 2.5373 from 2.5340 last week and was steadier against the Singapore dollar at 1.7925-1.7921 last week.

PHILIPPINE PESO: Philippine peso retreated against the US dollar this week to 26.201 pesos this Friday from 26.174 on December 1.

SOUTH KOREAN WON: The US dollar strengthened against the South Korean won, closing the week at 770.70 won per dollar, compared with the previous week's close of 769.80 won.

TAIWAN DOLLAR: The US dollar eased to close Friday at 27.294 Taiwan dollars in modest trading, down 4.1 Taiwan cents from the previous week's finish of 27.335.

THAI BAHT: The bank of Thailand's exchange equalisation fund on Friday fixed the official mid-rate at 25.14 baht to one US dollar, compared to last week's close of 25.18 baht.

The greenback gained a fraction against the baht as it strengthened against the mark in line with comments by the Bundesbank's chief that a weaker mark would be good for the German economy, a forex dealer at Thai farmers bank said.

US co takes over running British royal train

LONDON, Dec 11: US company Wisconsin Central Transport Corporation has taken over running a train reserved for the British royal family, as part of controversial British rail privatisation, a rail spokesman announced Sunday, reports AP.

The new owners will run the locomotives which pull the royal train and supply the drivers, but the coaches will remain the property of rail-track (one of British rail subsidiaries), the British rail spokesman said.

The US company told reporters it would also be responsible for some 25 per cent of postal trains, following its acquisition of the British rail subsidiary Rail Express Systems (RES).

Wisconsin Deputy Chairman Randy Henke said the cost of the acquisition would not be revealed until the New York Stock Exchange opened Monday.

The royal train comprises 15 coaches and is used about 100 times a year.

On Friday, the impending announcement of the US take-over prompted allegations and Britain's main Labour opposition party slammed the deal.

Political pessimism clouds economic optimism in ME

"open" to adherents of the three monotheistic faiths — Islam, Christianity and Judaism — but the issue of sovereignty was "closed" with Israel in sovereign possession.

This was a clear attempt to pre-empt negotiations between the Palestine Liberation Organisation (PLO) and Israel on the "final status" of the city, due to begin next May.

"What shocked us most was that this statement came from Peres," Abdullah Hassanat of The Jordan Times told Gemini News Service, "because Peres is regarded as the Israeli leader most prepared to compromise for peace."

Israel exacerbated Peres' blunder by announcing the construction on expropriated Palestinian land of 6,000 homes in a new Jewish neighbourhood in Arab East Jerusalem, and, it is assumed, by dispatching agents on the eve of the summit to assassinate the Islamic Jihad opposition

group leader, Dr Fathi Shkaki, in Malta.

These actions compounded deep Arab suspicions of Israel's economic intentions and of Arab fears of domination by Israel, whose 70 billion dollar gross domestic product equals the combined total of its neighbours. When Arabs voiced their concern about such a possibility, Peres snapped bad-temperedly: "We don't need to trade with the Arabs."

Peres also castigated Egypt, because after 16 years of political peace, there is "no economic peace." And Egypt sniped at Jordan which, Cairo claimed, was normalising relations with Israel too quickly.

Such squabbling bodes ill for the joint public projects put before the summit. Among these are a new airport serving Jordan's Aqaba and Israel's Eilat ports on the Red Sea, joint Jordan-Israel development of the Jordan Rift Valley, integra-

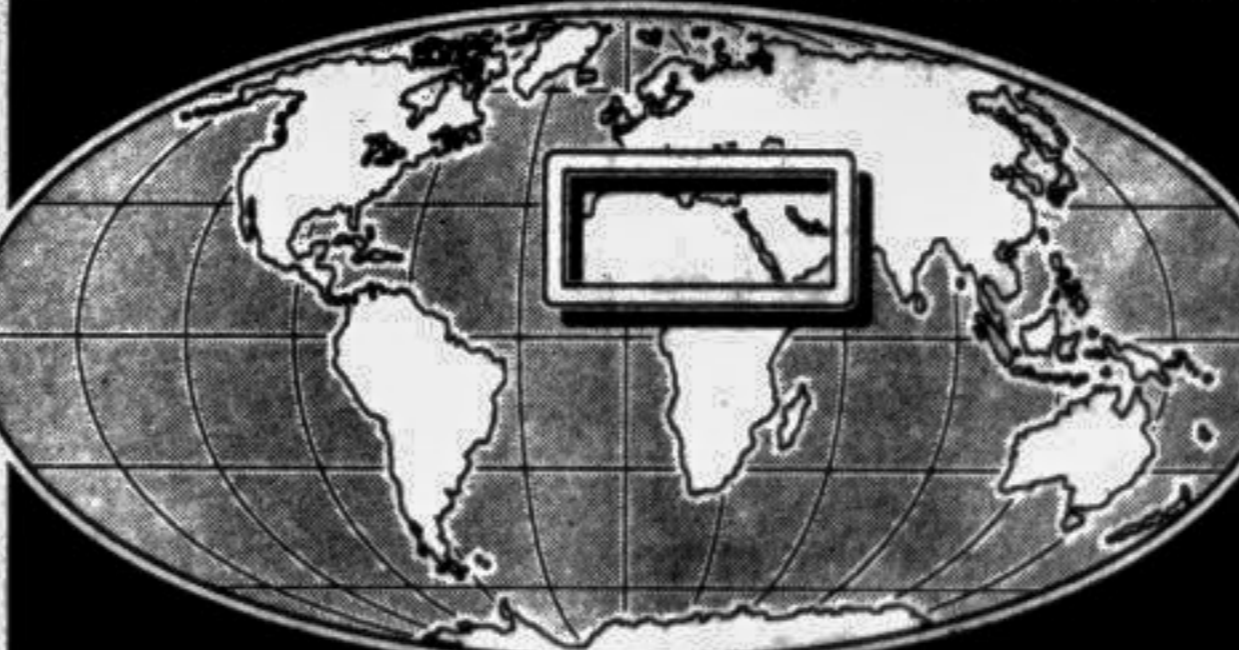
tion of the Egyptian, Jordanian, Palestinian and Israeli electricity grids and the construction of hotels to expand regional tourism.

Israel and the West had hoped to prescribe development as a panacea to cure

Michael Jansen writes from Amman

Banking on the Arabs

- Proposed Bank for Economic Cooperation and Development in the Middle East and North Africa
- Start up target: End of 1997
- HQ: Cairo
- Capitalisation: \$5bn



- Region attracts less than 1% of total private capital flows into developing countries
- Arab capital held outside the region: \$350bn

an ailing peace process. But, as chief Palestinian negotiator Ahmad Qurei put it, Amman showed that the "political horse still draws the economic cart."

For example, the only major Arab-Israeli deal done

at the summit, hailed as the first one involving a Gulf state, is hedged in by conditions. This is the sale by Qatar of natural gas worth 2 billion dollars. The sale will be indirect, through the US Enron Company, shipments will begin in the year 2000 and, according to Qatari Emir Hamad Bin Jasssem al-Thani, will be implemented only if "comprehensive peace is reached."

To political constraints must be added financial constraints. Few countries are prepared to contribute to the 40 billion dollar cost of funding the 1,000 public projects on the summit list. At the start of the summit, only three per cent of this sum had been pledged.

Klaus Schwab, resident of the Geneva-based World Economic Forum which organised the summit, warned participants: "Official aid is out — private investment is in."

This makes it easier for investors and business people to pick and choose partners in order to avoid the political complications which might flow from putting Israelis and Arabs together in business enterprises. But this will not promote regional economic development and integration, the avowed objective of the US and Russian sponsors of the annual summits.

A Western financial analyst told Gemini: "In Amman it was as if the peace process hadn't happened."

"On the one hand, Israeli businessmen were absent from most of the discussions. On the other, Western businessmen attending will invest in the traditional ways they have always used in the Middle East."

"But in Amman they were able to make it clear to Arab governments and businessmen that in order to attract major foreign investment substantial changes have to be made — that they must establish stock markets and

financial transparency, accept the full repatriation of profits and demolish Inter-Arab trade barriers."

The more conservative Gulf officials and businessmen are reluctant to adopt Western business methods and will continue as before, while Egypt and the North African countries find it difficult to overcome the rigidity of economic structures or reform their bureaucracies.

Jordan, he said, had already implemented many of the necessary reforms and could expect to benefit considerably from the summit, particularly since Jordan is the first Arab country to receive an international credit-worthiness rating, enabling it to borrow cheaply.

Thus, as far as Jordan, and only Jordan, is concerned, King Hussein can rightly say: "All our objectives have been achieved."

Jordanians now hope that the summit will bring the economic dividends promised when they signed up for peace with Israel. — Gemini News