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The Daily Star BUSINESS

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**HYUNDAI**

CARS THAT MAKE SENSE

Agreement with Bangladesh shortly

EU to boost ties with Asia this year thru' major aid schemes

VENICE, Italy, Jan 20: The European Union aims to give a powerful boost in 1996 to its relations with Asia, using four major aid programmes aimed at ASEAN countries and India, reports AFP.

The new emphasis on Asia was highlighted Friday in Venice at a forum organised by the EU on the theme "Europe-Asia towards a better mutual understanding" which was attended by 200 people, including many businessmen and researchers.

Trade between EU countries and Asia increased more rapidly in 1994 than the EU's trade with the United States, exchanges with Asia rose by 12.9 per cent to 250 billion ECUs (320 billion dollars) while those with the United States increased by 11.5 per cent to 188 billion ECUs (240 billion dollars).

The EU expects its trade with Asia to increase twice as fast as that with the United States next century, according to forecasts handed to the press on the sidelines of the forum.

Western Europe absorbed 31.7 per cent of the exports

from Asia in 1994 — the equivalent of its own exports to Asian countries.

The EU began in 1994 to realise the growing importance of Asia and proposes new economic and political initiatives, including for security problems said Emilio Fossati, the EU's Director for relations with south and South-East Asia.

He said Asia believed it was important to reestablish ties with the EU but had the impression that Europe was not interested.

Fossati said the Bangkok summit between Europe and members of the Association of South East Asian Nations (ASEAN) due to take place on March 1 and 2 would be the opportunity to send a political signal showing how much Asia is now of strategic interest to Europe.

The first six months of 1996 would be the Asian semester, Manuel Marin, European Commissioner for north-south relations said Thursday at the opening of the Venice forum.

He said the EU would shortly sign cooperation

agreements with Bangladesh, Cambodia, Laos, Pakistan, Sri Lanka plus a strategic agreement on India and another agreement on ties with ASEAN states.

Percy Westerlund, EU Director for relations with the Far East, said the EU was redirecting its relations with China and Japan marked in the past by bitter trade disputes with the Japanese.

He said the EU would announce a series of new cooperation programmes with these countries later this year.

Aid programmes for Asia are estimated at 420 million ECUs (537 million dollars) a year.

Four major projects are about to be launched, three for ASEAN countries and the other for India.

The first is called Junior EU-ASEAN Managers Programme and will cost 22.5 million ECUs (29 million dollars). Over three years, it will provide training courses of about nine months for some 700 Asians in European firms and for 300 Europeans who will go to Asia.

A similar formula with

Japan has already been tried with success.

Another programme called Asia Invest costing 30 million ECUs (38 million dollars) aims to facilitate relations between small and medium-sized firms in Europe and Asia, enabling them for example to organise group meetings or set up information bureaux about EU projects in Asian cities and in EU countries.

The programme Asia Urbs also worth 30 million ECUs which is due to be launched before the summer, calls for a transfer of know-how between towns and urban councils in Europe and Asia with the possibility of co-financing projects such as water-treatment and garbage processing plants or pilot schemes.

In the case of India, the economic cross cultural programme (30 million ECUs) is to support investments by small firms, cinema and television co-productions, exchanges of journalists and the creation in India and Europe of centres for mutual research.

Sonali Bank opens branch at Nolk, Sirajganj

SIRAJGANJ, Jan 20: Sonali Bank opened a branch at Nolk in Raiganj thana today to facilitate transaction for the Jamuna Multipurpose Bridge Project, reports UNB. The authorities have upgraded the bank's agricultural branch at Nolk, the west-end of approach road of the bridge, to a full-fledged branch.

DC Syed Abdul Malek inaugurated the branch in a simple ceremony. General Manager of Sonali Bank, Rajshahi, Mohammad Yunus Ali Hawlader and Deputy General Manager AKM Nurunnabi Newaj were present on the occasion.

2-day workshop on monetary management opens

A two-day orientation workshop on "Monetary Management and Banking" began here yesterday for development of professional skill of economic reporters, reports UNB.

Bangladesh Bank and the Economic Reporters' Forum (ERF) have jointly organised the workshop at the National Press Club.

Inaugurating it, Deputy Governor of Bangladesh Bank Mahbubur Rahman Khan called upon the national press for an objective and comprehensive portrayal of the country's economic scenario.

He told the journalists that any distortion in reporting financial affairs might cause harm to the economy than do good to it.

About 25 financial reporters of different national dailies and news agencies are participating in the workshop.

On the opening day, Deputy Governor Dr Sohrab Uddin spoke on the role of the central bank in monetary management and Executive Director Wajid Islam on interpretation of monetary data.

Int'l seminar on eye-care products held

An international seminar on eye care products and techniques was held at Birdem in the city, says a press release on Friday.

World renowned Optical Care products company and makers of Ray Ban Sunglasses and Lomb organised the seminar.

It was coincided with the product launching ceremony of Bausch and Lomb products in Bangladesh in association with Bangladesh distributor Macro Biponon.

The seminar was opened by the Chairman of IFIC Bank, Syed Mohsen Ali.

In the seminar, lectures were given on latest technologies of eye care and eye care products. International Expert Dr Hemant Paul presented the keynote paper, with emphasis on the use of Soft Contact Lenses.

The function was participated by numerous Ophthalmologists of the country. Prof M I Chowdhury and Dr Alam Khan also addressed the seminar.

Deepak Seth presented the products to the audience on behalf of Bausch and Lomb.

Practical training was imparted on Soft Contact Lenses to the attending practitioners.

Various models of Ray Ban Sunglasses and Soft Contact Lenses and its accessories were put on display which was attended by a large crowd.

Mehboob Chowdhury, Director of Macro Biponon, informed the gathering that the entire range of Bausch and Lomb Products will be made available in Bangladesh and they will also conduct such seminars and training in future to make the latest technologies available in Bangladesh.

The programme was also addressed by C A Shahrukh, Managing Director and C A Shoab Vice Chairman of Macro Biponon.

US commercial, industrial loans decline

WASHINGTON, Jan 20: Commercial and industrial loans on the books of US commercial banks, excluding acceptances, fell 3.253 billion to 346.869 billion US dollars in the week ended January 10, the Federal Reserve said.

Including acceptances, loans fell 3.281 billion dollars to 348.262 billion dollars, the Fed said.

Economic powers seek growth revival at Paris talks

PARIS, Jan 20: Top officials from the world's seven most powerful economies sit down today to seek a tonic for faltering growth which threatens to damage efforts to bring down unemployment, reports Reuters.

Group of Seven finance ministers and central bankers are due to prepare for a special meeting called by France for April to attack joblessness, which is near record highs in Europe and may climb further if growth is not revived.

"I expect to touch what's really probably the most important issue for European economies, which is flexibility to create jobs," US Deputy Treasury Secretary Lawrence Summers said of the G-7 meeting.

"Unemployment is far too high in Europe by anybody's measure," he said on US television yesterday.

But the G-7 — the United States, Germany, Japan, France, Italy, Canada and Britain — is not expected to come up with a miracle cure to cooling growth in the United States and stagnation in Europe.

Most countries are committed to battling budget deficits and have no money to spend on growth-boosting measures.

Economists say they are likely to encourage each other to keep lowering interest rates to cut the cost of borrowing enough to get consumer spending and business investment moving again.

France and Britain cut interest rates on Thursday. Some also expect behind-the-scenes wrangling on the dollar, whose nosedive to record lows early last year threatened to pull the world into recession.

The dollar has since re-

US economy grows at annual rate of 3.2 pc

WASHINGTON, Jan 20: The US economy grew at an annual rate of 3.2 per cent in the third quarter of last year, the Commerce Department reported yesterday, revising its earlier estimate of three per cent, reports AFP.

Wall Street analysts had forecast that the Commerce Department would come out with a revised figure of 3.3 per cent growth in the gross domestic product.

The latest figure was the first estimation of GDP using a new method, dubbed "chain-weighted" calculation.

covered but many European nations would like to see it go higher to bring down their own currencies and boost their exports.

Bank of France Governor Jean-Claude Trichet and Finance Minister Jean Arthuis both said this week that the dollar was undervalued.

Bundesbank Deputy President Johann Wilhelm Gaddum also said that recent dollar gains were bringing it closer to its real value.

But while officials talk of a strong dollar cheered financial markets on Friday, economists do not expect Washington to orchestrate a big rise just to help the Europeans when the pace of growth is slowing at home.

US Treasury Secretary Robert Rubin said yesterday a strong dollar was very much in the best interests of the United States. But he said the currency was looking good against the mark and particularly the yen over the past year.

Rubin has said there will be no final communiqué at the end of the one-day meeting — diminishing the chances of any major new declaration by the G-7.

Markets are still optimistic that the G-7 will come up with some verbal support for the US currency.

Japan ready to help unite Northeast Asian economies

HONOLULU, Jan 20: Japan is ready to promptly renew negotiations with Russia and North Korea to help unite the Northeast Asian countries split by the Cold War, a Japanese diplomat said on Friday, reports AP.

Russia and North Korea are the only two "missing links" left that would finish piecing together all the countries in the area, Tetsuya Endo, Japan's ambassador to the Korea Peninsula Energy Development Organization, told hundreds of Northeast Asia policy makers.

Northeast Asia has a great potential, but I have no doubt the degree of cooperation lags behind in contrast to the Asia Pacific area as a whole," Endo said.

Since the end of the Cold War, government and business leaders have been meeting discuss ways to attract foreign investors and improve the economy and infrastructure of Northeast Asia.

"By nature, I'm a cautious optimist, so therefore in that way, I'm cautiously optimistic about the future of Northeast Asia," said Endo, who was appointed Thursday as Japan's ambassador to New Zealand.

About 125 officials from China, North and South Korea, Japan, Russia and Mongolia attended sixth annual meeting of the Northeast Asia Economic Forum held at the East-West Center this year.

Over the past years, Japan has been making efforts to invest in Russia, but only on a small scale, Endo said.

"Without a formal relation peace treaty, we cannot extend government financial cooperation on a large scale, although it's badly needed," he said.

But if the Kuril Islands are returned to Japan under a peace treaty, Japanese government investments will be expanded in Russia on a large scale, Endo said.

Meanwhile, talks between Japan and North Korea have been suspended since 1992, but the Japanese expect relations to be improved soon since North Korea has increasingly been more open.

Thousands demonstrate over Fokker fate

THE HAGUE, Jan 20: Thousands of people employed by the falling Fokker aircraft company demonstrated in the streets here yesterday in a fight to save the firm from crashing hours before a vital meeting over a state finance, reports AFP.

Dutch Prime Minister Wim Kok and the President of the German Parent Company Dasa, Juergen Schrempf, were to meet in secret to decide the future of the manufacturer.

Daimler Benz Aerospace (DASA) has owned 78 per cent of Fokker since 1993. The Dutch state owns the remaining 22 per cent.

On Monday, the board of

Dasa is expected to take tough decisions making the survival of Fokker dependent on the injection of 2.3 billion guilders (1.4 billion dollars).

During the last three years, Dasa has invested three billion guilders in Fokker and is believed to be ready to inject a further billion on condition that the Dutch government does likewise.

The President of Fokker, Ben Van Schaik, implied on Dutch Television late on Thursday that the chances of the money being raised were minimal and that consequently the chances of Fokker surviving were "very, very slight."

Canadian trade official due today

Director of South Asia Division of Canadian Foreign Ministry and International Trade, Terence Colfer, arrives here today on a three-day official visit to Bangladesh, reports UNB.

During his stay Terence will call on senior officials of Ministry of Foreign Affairs, Energy and Mineral Resources and Establishment Ministries. Bilateral and regional issues of mutual interest will come up for discussion, says

The Canadian high official will also meet the Chief Election Commissioner Justice AKM Sadeque and FBCCI President Salman F Rahman.



French Ambassador in Bangladesh, Renee Veyret, along with Trade Commissioner, Bertrand Desrullès, visited the manufacturing plant of Rhone-Poulenc Rorer Bangladesh Ltd in Tongi recently. A K M Shamsuddin, Managing Director of RPR presented an overview of the company's operations in Bangladesh.

EU finance ministers meet today

Move to revive economies, ensure single currency timetable

BRUSSELS, Jan 20: Amid growing signs of economic stress, European Union finance ministers will meet on Monday to consider what steps they can take to revive their flagging economies and ensure the timetable for a single currency, reports Reuters.

Diplomats said the meeting, the first one under the EU's Italian presidency, is expected to be largely procedural with the primary focus on the economic and financial agenda for the next six months.

Yet in light of growing evidence that Europe's economies are running out of steam, diplomats conceded that some discussion of the current economic landscape was likely to occur.

"It is possible that during the lunch the ministers could discuss the present economic situation," said one diplomat.

The gathering will follow a meeting of G7 finance ministers and central bankers in Paris on Saturday which will be dominated by the economic slowdown seen throughout the industrialised world.

The results of the G7 will be discussed at the

meeting on Monday," confirmed another diplomat. Increasingly, Europe's performance is raising questions over the chances of economic and monetary union occurring on schedule in 1999.

At the official level there is every intention to play down the risk, with most citing favourable underlying fundamentals as a reason for optimism. Instead of classic recession signs such as rising interest rates and inadequate investment, policy makers say the present downturn is being influenced by waning economic confidence and worries over jobs.

Yet cracks at the official level are beginning to emerge.

On Friday Swedish Finance Minister Goran Persson said the start of monetary union may be delayed if the slowdown lasts into 1997.

"There is much to suggest that we will see a downturn in Europe this year, and if it lasts into 1997 we'll have a new situation as regards the timetable for the monetary union," Persson told reporters in Stockholm.

And in Germany, the Bundesbank's top officials are

offering a cautious blend of doubt and confidence over timely progress towards a single currency.

Deputy President Johann Wilhelm Gaddum said on Friday that the Maastricht Treaty's criteria for monetary union were conceived with an implicit conflict, insisting that certain economic conditions must be met by a certain time.

Should the conditions not be met, Gaddum said: "I cannot tell you how this would be resolved."

He reaffirmed, however, the Bundesbank's conditional support for EMU, which maintained that a number of prerequisites had to be met before its launch.

After Monday's gathering, the ministers will shift venues and take part in the opening session of a three-day round-table on the single currency organised by the European Commission.

The conference, bringing together roughly 400 participants from banking, government, and industry, is designed to share ideas on how to mount and effective communications strategy for the single currency.

US unemployment rate steady

WASHINGTON, Jan 20: Unemployment rate in the United States held steady at 5.6 per cent in December as the manufacturing industry enjoyed its biggest monthly increase in nearly six years, helped by the return of striking aircraft workers, reports AP.

The Labour Department said Friday the overall jobless rate ended the year about where it began as US businesses added 1.7 million workers to their payrolls in 1995, down sharply from the 3.53 million jobs that were added in 1994.

Economists said the slowdown in job growth has to be expected given the fact that the economy grew much less robustly in 1995 than it had in 1994.

The jobless rate dipped as low as 5.4 per cent in February, the best showing for the current recovery, and climbed as high as 5.8 per cent in April. It spent the

year in a narrow band that many analysts believe is close to full employment as the current recovery completes five years of growth.

The release of the unemployment report was delayed two weeks because of the government's 21-day shut-down.

In a separate report, the Commerce Department said Friday that the overall economy, as measured by the gross domestic product, was growing at an annual rate of 3.2 per cent in the July-September quarter after nearly stalling out in the spring. Still, analysts believe that the fourth quarter growth rate will slow once again.

Some economists have begun to express growing worries about a possible recession developing this year. They point to the age of the current expansion and the fact that, despite the relatively low unemployment rate, consumer spending,

which accounts for two-thirds of the total economy, has been teetering of late under the impact of high debt burdens and anemic wage growth.

Earlier this week, it was reported that the Index of Leading Economic Indicators, designed to forecast activity six to nine months in the future, dropped by 0.5 per cent in November, its second straight monthly decline.

Some economists believe that the Federal Reserve, which in December cut interest rates for a second time, should do so again when it next meets at the end of this month, given the weakness of a variety of reports.

For December, the strength in the labor market came in manufacturing, where employment rose by 52,000, the biggest increase since a jump of 104,000 in February 1990.

Dutch queen praises econ achievements of Bangladesh

Queen Beatrix of the Netherlands praised the recent economic achievements of Bangladesh, reports BSS.

The Queen was accepting yesterday the credentials of the First Resident Ambassador of Bangladesh to the Netherlands, Dr Toufik Ali in the Hague.

In a colourful ceremony, the Ambassador of Bangladesh was taken to the Noordeinde Palace by a royal carriage, escorted by outriders on horses.

At the palace, he was presented with a guard of honour by a contingent of the Netherlands marines.

The national anthems of the two countries were played by the marine band.

During the discussions with the Queen, the Bangladesh Ambassador gave a brief outline of the recent socio-economic achievements of Bangladesh, under the leadership of Prime Minister Begum Khaleda Zia.

The Queen in reply said that she was aware of, and admired, the progress achieved by Bangladesh.

While reviewing the Netherlands-Bangladesh bilateral relations, the Queen expressed great interest in the socio-economic programmes undertaken in Bangladesh, particularly for the uplift and economic empowerment of women.

China's N-power capacity may rise to 8,700 MW by 2003

BEIJING, Jan 20: Three nuclear projects under construction this year will boost China's nuclear power capacity to 8,700 megawatts by 2003, a nuclear power official said on Friday, reports Reuters.

Two French-built reactors at the Lingao plant in southern Guangdong province will have generating capacity of 1000 MW each when completed by 2001, said the official from the China National Nuclear Corporation (CNNC).

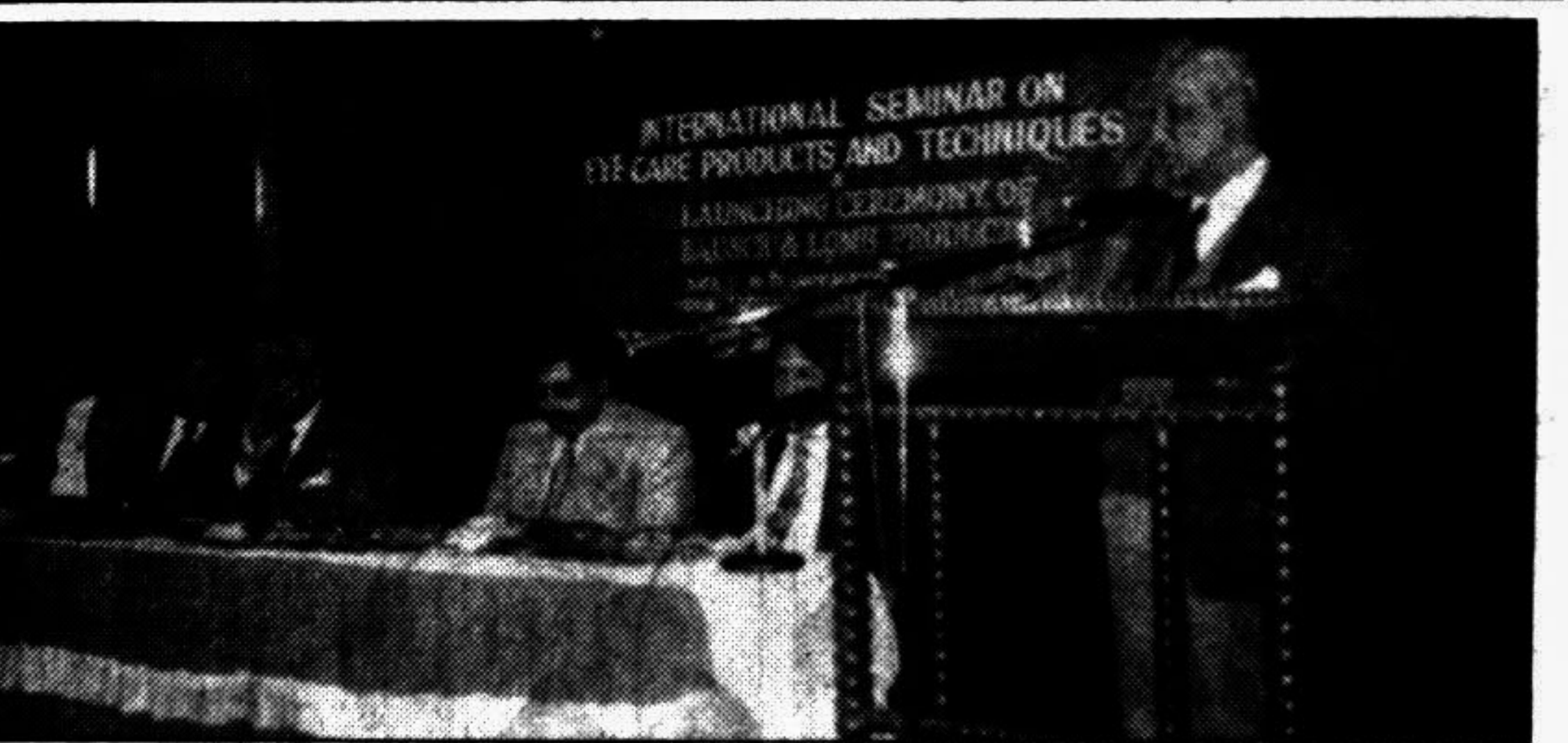
Second-phase construction at the Qinshan plant in eastern Zhejiang province will add two 600-MW reactors to its current 300-MW generator, the official told Reuters.

Qinshan, near Shanghai, signed a contract with Canada to build a second plant with two 700-MW heavy water Candu reactors, she said.

Further preparations in northeast Liaoning province were under way to build a plant with two 1,000-MW Russian-made reactors. The three nuclear power plants will be completed between 2001 and 2003, adding a capacity of 6,600 megawatts to the current nuclear output of 2,100 MW, the CNNC officials said.

China, which at present derives less than one per cent of its energy from nuclear power, plans additional nuclear plants that will increase total nuclear capacity to 20,000 MW by 2010, she said.

With its energy appetite soaring due to rapid economic growth, China has no choice but to increase its reliance on nuclear energy, CNNC officials have said.



Prof M I Chowdhury seen speaking at an international seminar on eye-care products and techniques at Birdem in the city. Also seen are: (L to R) Dr Hemant Paul, an international expert, C A Shahrukh, MD, Macro Biponon, Syed Mohsen Ali, Chairman of IFIC Bank, Deepak Seth of Bausch and Lomb and C A Shoab Vice-Chairman of Macro Biponon.

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