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HYUNDAI
CARS THAT MAKE SENSE

Japan's Economy recovering

TOKYO, Jan 28: Japan's economic planning chief yesterday painted a rosy picture of a recovery in consumption, capital spending and other areas helping the country meet an economic growth target of 2.5 per cent in the year starting in April, reports AFP.

The growth target, formally adopted by the cabinet earlier in the day, compares with an estimated final outcome of 1.2 per cent growth in the year to March. The initial target for the current year was 2.8 per cent.

"Personal consumption will slowly recover, while an upturn in capital spending will spread from large companies to small and medium companies," Economic Planning Agency (EPA) Director-General Shusei Tanaka told parliament.

"Prices will remain stabilised, and imports will show greater growth than exports, leading to shrinkage of both trade and current account surpluses. The employment situation meanwhile will gradually improve."

Jakarta slashes tariffs on raw materials

JAKARTA, Jan 28: In a major step intended to narrow a rapidly growing trade deficit, Indonesia slashed tariffs Friday on hundreds of types of raw materials and equipment used by export industries, reports AP.

Textile industries appeared to get the most help, with tariffs on equipment eliminated. Import duties also were eliminated for coconut oil, animal feed, leather dyes and equipment intended for industrial restructuring.

The government will take similar steps to deregulate the labour, communications, land use, mining and energy sectors of the economy. Industry and Trade Minister Tunku Ariwibowo said at a news conference.

Business leaders described the plan as a major step to boost exports.

President calls on experts to project environment-friendly aspects of jute

President Abdur Rahman Biswas yesterday inaugurated the first ever international workshop on jute and the Environment with a call to the scientists and research activists to project correctly and impartially the environment-friendly aspects of jute so that it could sustain forever as the golden fibre not only of Bangladesh but the whole world, reports BSS.

Quoting his personal experiences and association with jute, President Biswas said that the health condition of the people and the environment as a whole was much more better before the introduction of artificial and synthetic materials.

The two-day workshop held at a city hotel was organised by the International Jute Organisation (IJO) with financial cooperation of the Netherlands government.

Jute Minister Brig (ret'd) A S M Hannan Shah, the Netherlands Charge d' Affaires ARM Schutte, IJO Executive Director K M Rabbani, IJO senior officer of market promotion and IJO Director Henri L Jason also spoke on the inaugural session.

Highlighting the importance of jute President Biswas said that the natural fibre has considerable significance to the producing countries as more than 10 million small and marginal farmers of Bangladesh, China, India, Nepal and Thailand are dependent on it for their livelihood. Therefore, for exporting countries like Bangladesh, the theme of this workshop is very important, he said.

President Biswas, while referring to the main thrust of current reforms in jute sector, pointed out that Bangladesh is enhancing the productivity of labour and machines, rehabilitation of run-down equipment and enhancement of managerial skill in the mills and diversifying jute products for consumption in the world market.

President Biswas said that the recent attempts at diver-

sification includes production of jute carpets, use of jute geo-textiles in roads and embankments, production of paper and pulp from low grade jute cuttings and green jute plants and use of jute reinforced plastic for manufacturing various items.

The president pointed out that various research organisations including Bangladesh Jute Research Institute, Bangladesh Council for Scientific and Industrial Research (BCSIR) and diversified fabric plant of Bangladesh Jute Mills Corporation are engaged in research, development and innovation of non-traditional jute products. These are already yielding positive results, he added.

President Biswas said that jute occupies a vital position in the socio-economic life of Bangladesh as jute sector contributes about 12 per cent of the country's GDP and earns about 12 per cent of the total export earnings. Besides, jute manufacturing with 64 operating jute mills said to be the largest industry in Bangladesh, he said adding that the government is implementing a project to restructure the jute industry as it faces serious constraints because of decline in external demand.

President Biswas said that as the first ever international workshop on the subject, the participants would have detailed discussions on environmental impacts of jute during its entire life cycle—production, use and disposal, this evaluation is likely to provide a clearer picture about the environmental

characteristics of jute and identify areas where research activities should be taken up in future, he said.

President Biswas hoped that the workshop would be able to provide a scientific basis to the effect that jute is an environment-friendly fibre.

A S M Hannan Shah while narrating the diversified effects and uses of jute said that besides fetching foreign exchange for country's national exchequer, jute sector provides job opportunities to the poor people of rural

Bangladesh Jute leaves are being used as vegetable sticks or used as fuel and construction materials. Besides, the disposal of jute products do not give any detrimental effect on environment.

Hannan Shah said that the synthetic and artificial fibre are apparently seems to be cheaper. But if we consider the cost of production and disposal of artificial fibre it would be definitely proved that natural jute is less costlier, he added. Artificial fibre can never replace natural jute, he added.

ARM Schutte said that the Netherlands attaches much importance on jute and environment. His country always encourages jute and jute products as they consider it much more environment-friendly than artificial and synthetic fibre.

Schutte said that his country would extend all possible help and assistance to create awareness of the environmentally positive aspects of jute as well as for marketing of jute and jute products.

In his inaugural speech Rabbani said that jute is a crop on which the livelihood of millions of farmers of this part of the world depend.

RN Dey said that the objective of the workshop is to improve the environment friendly image of jute and jute products.

The workshop's applications would be two-fold to initiate research activities in the areas where data are not available and to utilise the findings of the workshop.

Bangladesh to import buses from Lanka

COLOMBO, Jan 28: Sri Lanka's Dimo Auto Industries Ltd will shortly export a consignment of semi-luxury buses to Bangladesh, a spokesman of the company said here today, reports Xinhua.

This will be the first such export ever made from this country, the spokesman said. He said that in mid-April this year, the initial consignment of buses numbering 50 will leave the port of Colombo for Bangladesh where the buses are expected to be used for urban and inter-city transport.

Dimo Auto Industries Ltd, the country's leading bus manufacturer, was awarded the contract of 9.8 million US dollars to manufacture 500 buses for Bangladesh within a period of 10 months.



A S F Rahman, Chairman of Beximco Group presided over the meeting of the Board of Directors of Padma Textile Mills Ltd. in the city yesterday. The meeting was also attended by Marc Rackman of Commonwealth Development Corporation, C M Alam of IPDC of Bangladesh, M A Qasem, Director, and A B Siddiqui Rahman, Director, Beximco Group.

Brazil plans to use India as springboard to Asia

NEW DELHI, Jan 28: Brazilian President Fernando Henrique Cardoso said yesterday that his country planned to use India, which has compatible strengths, as a base to expand into other Asian economies, reports Reuter.

"We are entering Asia-Pacific through India," he told business leaders on the last day of a four-day visit, the first ever to India by a Brazilian head of state.

Cardoso, who was accompanied by two dozen business leaders, said he saw the gateway of India, the British colonial monument at the Bombay Port which he visited, as a "gateway of Asia."

Officials cited bio-technology as a key area of possible cooperation, citing India's vast Himalayan region and Brazil's Amazon rainforests, both rich in vegetation. Education and hydroelectricity were other areas identified for cooperation.

Cardoso later met Prime Minister PV Narasimha Rao and signed a joint declaration to promote cooperation.

The two nations signed other pacts covering commercial cooperation, a common agenda on environment, the peaceful use of nuclear energy and science and technology.

and are both going through the pangs of economic change as they unshackle state controls and integrate with the world economy.

Cardoso outlined the ground rules of going through economic reforms: keep fiscal deficit and inflation under control and talk straight to the people on the tough aspects of reform.

"Brazil and India face a common challenge," he told businessmen, adding it called for political will to meet the challenge.

Cardoso found a strong point in India's skilled workers.

Lanka business web launched

COLOMBO, Jan 28: Lanka internet, Sri Lanka's sliproad to the information superhighway, Saturday launched Lanka business web, its own version of the business yellow pages, reports Reuter.

Lanka internet has carved out a prime piece of real estate on the world wide web—a virtual home for the Sri Lankan expatriate community and as a base for potential visitors. Senior Communications Manager Vasehara Nesiiah told reporters.

"Very soon, music, news and the latest gossip from Sri Lanka will be streaming through the internet, accessible by anybody with an internet connection."

An organisation that monitors the web recently announced that associated newspapers of Ceylon Ltd, which puts out the Daily News and Sunday Observer, was the night most visited site on the internet worldwide, just three places below CNN interactive.

Bangkok unveils plans for new index

BANGKOK, Jan 28: The Stock Exchange of Thailand unveiled plans for the SET 50, a new index expected to become a major performance benchmark for fund managers, according to Wall Street Journal Service.

The presence of a company on the list could boost its share price, as fund managers are likely to buy the component stocks as an easy way to track the Thai market, analysts said.

The SET 50 is scheduled to make its debut in June and will exist alongside the current SET Index, which measures the performance of all 420 listed stocks. The exchange didn't release the names of the 50 companies that will make up the index, but it did outline the formula used to select them.

To make the SET 50, a company must be among the biggest 150 listed companies on the Thai exchange in both

market capitalization and average daily trading volume, and must have consistently high trading volume through the year.

EU FM's meet amid flagging economic growth

BRUSSELS, Jan 28: European Union finance ministers met on Monday against a backdrop of flagging economic growth, confident in their ability to avert recession and delay in the timetable for Economic and Monetary Union, reports Reuter.

The meeting follows a gathering of G7 finance ministers and central bankers in Paris on Saturday at which little concern was displayed over Europe's rising rate of joblessness and sliding consumer and business confidence.

Bangladesh Railway Office of the Chief Electrical Engineer/East Tender Notice

- Sealed tenders are hereby invited for the following work from the approved Electrical Contractors having valid 'ABC' Class Contractor licence issued from the Electricity Licensing Board of Bangladesh Government and enlisted as 1st Class contractor with the Department of PDB, PWD or MES who have previous experience of successful completion of supply and installation work of minimum 250 KVA Sub-Station equipments against a single work order.
- Name of work : At Shahjahanpur Railway Officers' Colony, Dhaka. Supply and installation of 250 KVA transformer including all other related electrical accessories.
- Approximate cost : Tk. 11.84 lakh.
- Earnest Money : 2% of the quoted value.
- Tender documents will be sold from the offices of the Chief Electrical Engineer/East, Bangladesh Railway, Chittagong, and the Divisional Electrical Engineer, Bangladesh Railway, Dhaka on cash payment of Tk. 750.00 (Taka Seven hundred fifty) only per set (not refundable) between 9-00 hrs to 12-00 hrs. of all working days up to 11-02-1996.
- Tender documents may be obtained on production of documents mentioned above as well as supervisory licence, municipal trade licence, income tax clearance certificate and VAT registration certificate all in original duly up-dated. Tenders are to be dropped in the tender box set apart in the above two offices at 12-00 hrs. on 12/02/1996 and will be opened on the same date at 12-30 hrs. in presence of the tenderers or their authorised representatives (if available).
- Work is to be completed within 30 (Thirty) days from the date of placement of work order.
- Railway Administration reserves the right to accept any tender either in whole or in part or to reject any or all tenders without assigning any reason thereof.

Chief Electrical Engineer/East
Bangladesh Railway
Chittagong.



Subed Ali, President, Bangladesh Chamber of Industries and Convenor of Dhaka International Trade Fair '96, seen announcing the results of the lucky coupon draw of Rise stall at the fair on Saturday.

Commodity market: Prices of cotton up, tea steady over week

LONDON, Jan 28: Gold achieved the unheard of this week, breaking solidly through the highly symbolic level of 400 dollars per ounce (31.103 grams) and even flirting with a new ceiling of 410 dollars, reports AFP.

Why this surge? "speculative buying," the analysts reply in unison. Computer programmes which calculate the opportunities in buying and selling have pointed to gold as a "sure buy."

"Even if gold was French Camembert, traders would still buy it," because of the overwhelming interest in the metal, jokes a widely-respected expert.

According to one theory doing the rounds of the dealing rooms, some key investors including George Soros have decided to dump US bonds in favour of gold.

Elsewhere on the commodities markets, crude oil retreated again, depressed by the prospect of a return of Iraqi oil to the international markets.

Coffee prices staged a modest recovery, boosted by the extension beyond June 1996 of a plan limiting exports that was put in motion last year by the main world producers.

During the last two years, production in South Africa, which supplies 30 per cent of the world's gold, fell by more than 12 per cent, according to one specialist. At the same time, demand for jewelry and industrial uses (notably in the electronics industry) continued its rise by some six per cent in 1995.

SILVER: Dull. Compared with the takeoff in gold, silver remained calm, up only 10 cents to 5.5 dollars per ounce. The metal, mainly used for photographic purposes, has been totally overshadowed by gold.

PLATINUM: Also outshone. The story is the same for platinum, which has been happy to follow gold with some caution. Its price flickered between 418 and 423 dollars per ounce.

COPPER: Back to earth. Copper staged a rally early

this week, as traders rushed to buy the metal, which gained dozens of dollars, but this excitement later fizzled out, with the price ending around 2,500 dollars per tonne.

A disappointing figure for new house sales in the United States (construction is one of the main uses for copper) brought traders down to earth with a bump.

The reality confronting them is a weakening US market for copper after the healthy jump in consumption over 1995, combined with strongly growing world output. Stocks held at the warehouses of the London Metal Exchange (LME)—which are a good guide to world demand and supply—grew by 11,725 tonnes during the week to 354,175 tonnes.

LEAD: Progress. A new and substantial fall in LME stocks gave a boost to lead prices, which advanced over 10 dollars to nearly 730 dollars per tonne, a high since the beginning of this year.

Reserves are now down to 113,900 tonnes (6475 tonnes down on the week), the lowest recorded level since 1991. World output is relatively stable, while demand for car batteries which account for two-thirds of lead consumption—is on the rise.

ZINC: Climb. The metal has regained its bounce, climbing this week to the highest point this year at almost 1,070 dollars per tonne.

According to one trader, this rally took place after buying by "investment funds." But world stocks remain at high levels, and are falling only very slowly. This week, LME reserves dropped 2425 tonnes to 656,175 tonnes.

The decision by China to reduce an import tax on zinc (as well as on lead and tin) and a 30 per cent decline in Russian exports in 1995 may also have lifted trading.

ALUMINIUM: Depressed. Prices slipped further with the growth in global production and a buildup in reserves. LME stocks rose by 11,525 tonnes to 633,350 tonnes.

Prices slipped to their lowest post since September 1994 at less than 1,660 dollars per tonne, before picking up slightly at the week's end.

The Canadian giant Alcan stressed that worldwide production would rise by a million dollars in 1996.

The British trading house Rudolf Wolff was more positive, with a forecast that the market will pick up in the second quarter of 1996 thanks to a "return of buyers" who will add to global stocks.

NICKEL: Firm. This metal held firm after a surge last week, and even moved up by some 100 dollars to 8,300 dollars per tonne.

TIN: Soldiered on. Signs of a thaw in the tin market emerged this week, as price climbed some 50 dollars to 6,350 dollars per tonne, but the feeling was still somewhat subdued. Stocks fell by 125 tonnes to 11,555 tonnes.

OIL: Uncertain. The cold which swept through Europe this week gave a slight boost to Brent Crude Oil prices, which briefly reached 17 dollars per barrel.

But soon, the market succumbed to bad news. Discouraging US data showing a large rise in oil crude stocks and prospects of an imminent return to the market of Iraqi oil pushed prices down to a two-month low, at less than 16,50 dollars a barrel.

Talks due between Baghdad and the United Nations on a deal allowing limited Iraqi oil exports are still unsettling traders, who fear a worsening of the surplus in world oil output.

Baghdad has formally agreed to hold talks with the UN on the subject of resolution 986, which allows Iraq to export a billion dollars of oil every three months in exchange for food and medicine.

RUBBER: Modest fall. Rubber lost a little ground this week, with the price on the London market retreating some 10 pounds to below 1,050 pounds per tonne. But the market remains firm with the prospect of a fall in

output in South East Asia (where three-quarters of global production is concentrated) in the coming weeks.

Several public holidays in the region will reduce activity in the plantations in February and the seasonal downturn in sap contained in rubber trees over March to April will also hit output.

COCOA: Hot. The price of these tropical beans continued its rise, under speculative purchases and an easing of Ivory Coast sales on the futures market.

The London reference price hit its highest level since last November at 950 pounds per tonne. Dealers were also troubled by the prospect of a slowdown in the Ivory Coast harvest next season (1996/97).

COFFEE: Reheated. Dealers' attention was concentrated on the London meeting of coffee producers, where members of the Association of Coffee Producing Countries (ACPC) decided to extend their export limitation plan beyond June 1996.

The ACPC devised its plan in June to limit the quantity of raw coffee sold in the year July 95 to June 96 to 60.4 million sacks (60 kilos each). But the plan was not enough to halt the price fall over the last six months.

ACPC members voted against African proposals to limit further sales of raw coffee in an attempt to boost prices.

Prices responded well to this latest announcement, with the reference price for robusta up some hundred dollars to 1,950 dollars per tonne.

Some dealers put this rise down to an expected fall in harvests in Guatemala and Mexico, the world's third and fifth most important producers in 94/95.

TEA: Regular. Prices on the London Tea Auction Houses were similar to those of last week at 105 pence per kilo (down slightly by 1.5 pence) for medium quality consignments.

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The last teas of the season from Assam, northern India

remained popular, according to London dealers.

SUGAR: Crystallised. Sugar prices refused to melt from highs around 348 dollars per tonne that were sustained with large purchases on the physical market.

Low consignments from the north east of Brazil have caused weak global supply, according to one London dealer.

However, this year's harvest in Brazil is more than comfortable at 9.5 million tonnes in 95/96 indeed, production for 96/97 is set to surge to 10 million tonnes, dealers said.

VEGETABLE OILS: Progress. Increased cereal prices drove vegetable oils higher on the Rotterdam market, reversing last week's falls.

The price of soya held at 88.5 guilders per tonne, while on the Chicago market prices were driven higher by increases in wheat and maize.

Palm oil surged upwards by 12.5 dollars to 520 dollars per tonne, with a recovery on the Kuala Lumpur market thanks to an expected drop off in Malaysian production February, with public holidays that month.

Sunflower oil fell 25 dollars to 580 dollars per tonne and peanut oil lost five dollars to 945 dollars per tonne. Rape seed oil held at 88 guilders per hundred kilos.

GRAINS: Rally. Prices zipped ahead on the Chicago market, tilted by rumours of exports as well as actual sales to China.

After several weeks of delay, the US Department of Agriculture (USDA) announced the quantity of grain ordered by Beijing. According to official figures, some 1.5 million tonnes will be exported to China, but experts estimate the real total will be closer to two million.

Meanwhile, rumours of imminent purchases by Russia, Pakistan, Bangladesh and Egypt had a positive effect on the market. This was reinforced by the announcement of a 24 per cent drop in the 1995-96 harvest of Ar-