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DD KKA WEDNESDAY JANUARY 31, 1996

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UN-Iraq oil sale talks to begin next month

UNITED NATIONS, Jan 30: The United Nations and Iraq will begin talks in a Security Council plan to allow Baghdad to sell limited amounts of oil to buy humanitarian goods and alleviate the suffering of its people, it was announced Monday, according to AP.

A UN statement said the talks would begin February 6. Iraq's delegation will be headed by Abdul-Amir al-Anbari, his government's ambassador to UNESCO. The UN delegation will be led by Undersecretary General Hans Corell, legal counsel for the United Nations.

The United Nations imposed trade sanctions against Iraq after its 1990 invasion of Kuwait. The council has refused to lift the sanctions until it believes Iraq has dismantled its weapons of mass destruction programme.

Because of the sanctions, Iraq's economic crisis has steadily worsened.

Last week, Iraq agreed to talks on a Security Council proposal to sell a limited amount of oil to buy food and medicine.

UN spokesman Sylvana Foa said there had been reports of "alarming food shortages that are irreparably damaging an entire generation of Iraqi children."

Under the UN offer, Iraq could sell 4 billion dollars of oil a year, mostly to pay for humanitarian supplies. Iraq had previously rejected the offer as an infringement on sovereignty.

Dinar stabilises against dollar

BAGHDAD, Jan 30: The Iraqi dinar has stabilised against the US dollar after regaining more than 60 per cent of its value since Baghdad agreed to talks with the United Nations on limited oil sales, reports Reuters.

Traders in Baghdad said on Monday the dinar has traded at 1,000 to the American currency in the past few days, ending a two-week rally that saw it rise from 3,000.

The dinar was worth dollar 3.1 prior to the imposition of UN trade sanctions after Iraq invaded Kuwait in 1990.

The Iraqi currency firmed after Baghdad's agreement to enter talks with the UN on the selling of limited amounts of oil for the purchase of urgent humanitarian needs.

The dinar's spectacular strength has sent prices of goods falling in Baghdad, prompting an unprecedented shopping spree in the capital.

Privatisation programme hits snag in Pakistan

ISLAMABAD, Jan 30: Pakistani Prime Minister Benazir Bhutto's privatisation campaign hit a major snag yesterday when no bidders appeared at the planned sale of a 26 per cent stake in state-owned United Bank Ltd (UBL), reports Reuters.

"Unfortunately, we don't have a bidder as of this moment," privatisation commission Chairman Naveed Qamar announced half an hour after the 2 pm (0900 GMT) deadline for bidding.

"This should not be a setback to the whole privatisation process," he added. "Obviously this was a high-profile sale so there were high expectations. I am also disappointed."

He said Faysal Bank of Bahrain, one of two bidders that had pre-qualified, had told the commission it would not attend the sale. The other, Saudi Basharahill Group, had sent a bid without the required bond of 300 million rupees (8.7 million dollars).

"Thus, it was not a valid bid," Qamar said.

Pakistan had promised the International Monetary Fund (IMF) that it would sell the stake in UBL and transfer management control to an investor by the end of January.

Qamar said the IMF would understand that the delay is due to extraneous factors and is not the fault of the commission.

He said the commission would soon discuss three options: Giving Saudi Basharahill Group more time to complete its bid, re-opening the bidding process or abandoning plans to privatise UBL.

Qamar said lawyers of Saudi Basharahill Group had advised the group they needed more time to examine the sale purchase agreement and a bid bond should not be submitted.

The commission had already postponed the bidding date twice this month at the request of the two short-

listed bidders. Six Pakistani groups failed to pre-qualify for technical reasons.

On Wednesday, Qamar said Faysal Bank wanted the government to promise to keep a 20 billion rupee (583 million dollars) deposit with UBL for five years after its privatisation, but said it was not possible to make such a commitment after pre-qualification.

A commission official said the amount was equivalent to Faysal Bank's estimate of UBL's non-performing loan portfolio. He said Faysal Bank had offered to deposit 20 billion rupees of its own in UBL if Islamabad agreed to match the sum.

The official said the government believed UBL's bad loans could be reduced to about half the Faysal Bank estimate.

Opposition parties, criticising the commission for rejecting local bidders, had demanded that the sale of UBL be delayed.



New Japanese Ambassador Yoshikazu Kaneko called on Commerce and Information Minister M Shamsul Islam at the latter's office on Sunday. — PID photo

\$ 300m Mercedes-Benz's first US assembly plant near completion

VANCE, Alabama, Jan 30: Visitors in the lobby of Mercedes-Benz's first US assembly plant will see the company's new all-activity vehicles as they glide on a conveyor from the paint shop to final assembly, reports AP.

The view may be more than a little symbolic.

Many in the auto industry already are watching the German automaker as it tries to do the seemingly impossible: build a new product and a new company using new methods, all in a new coun-

try.

The 300 million dollars plant complex will be finished this year, and production begins in early 1997. Already there are painting booths, the beginnings of a test track and a concrete trough where the main production line will be.

The factory is about 80 per cent done, and some 1,200 contract construction workers are moving steadily toward the goal of having all the factory equipment installed by the end of May.

Mercedes executives seem to know they are under a microscope at their rural outpost 30 miles (50 kms) west of Birmingham, Alabama. The manager of facilities engineering doesn't hesitate when asked about the construction timetable.

"We are absolutely on

schedule. Some areas are a little ahead," said Klaus Schnakenberg.

It's probably a good thing. A lot is riding on their work.

"For Mercedes, that plant in Alabama is a major leg of their strategy to bring out products that offer a good value at an affordable price," said automotive consultant Susan Jacobs.

"It's critical to the future as they are laying it out for themselves, to become a larger volume player in the global market, and certainly in the US," said Jacobs, of Jacobs and Associates in Rutherford, New Jersey.

Mercedes is one of many foreign automotive companies to start production in the United States in recent years.

Bangladesh Atomic Energy Commission
4, Kazi Nazrul Islam Avenue, PO Box No: 158
Ramna, Dhaka-1000, Bangladesh

No Phy Sc 10 (24)/95 Dated: 22.1.1996

International Tender Notice

Subject: Invitation of International Tender for Supply/Installation of (A) Pilot Plant Equipment and Systems, (B) Laboratory and Survey Equipment, ETC under the project "Renovation of BSEC and BMRE of the Pilot Plant" at Cox's Bazar.

Sealed tenders are hereby invited from the bonafide international suppliers/manufacturers or their local agents for supply and installation of Pilot Plant equipment and systems, laboratory & survey equipment, etc for the above mentioned project. Tender documents will be available during office hours up to 07.03.96 at a cost of Tk 1000/- (Taka one thousand) only (non-refundable) from the Senior Accounts Officer (Works), Finance & Accounts Division, Bangladesh Atomic Energy Commission, Dhaka on written request and permission from Member (Physical Science) (in prescribed forms available in Engineering Division, BAEC) with attested photocopy of the following documents: (1) Current Year Trade Licence, (2) Uptodate Income Tax Clearance Certificate, (3) Bank Solvency Certificate, (4) VAT Registration Certificate and (5) IRC. Tender with 2% (two per cent) Earnest Money of the total tendered amount in the form of Bank Draft/Pay Order shall have to be dropped in the Tender Box kept in the office of the Director (Engineering), Bangladesh Atomic Energy Commission, Dhaka up to 11.00 hours of 21.03.1996 and will be opened at 11.30 hours on the same date in presence of those tenderers or their representatives who may wish to be present. If there occurs total transport disruption or sudden Govt holiday on the opening date of tender, the next normal working day will be treated as the valid opening date of tender keeping time, place and other terms intact.

The Commission reserves the right to accept or reject any or all tenders without assigning any reason.

BAEC/SID.1(2)/94-83 Member (Physical Science)
DFP-2240-28/1 Bangladesh Atomic
G-186 Energy Commission

Arab analysts imagine Israel a medium scale economy with both strong, weak points

KUWAIT, Jan 30: Israel is not the commercial power many Arabs imagine but Gulf firms should prepare now for the harder competition its eventual integration into the Middle East economy could create, a top Gulf financier said on Monday, according to Reuters.

"Israel is not the powerful giant that exists in the imagination of some Arab analysts," said Khaled Al-Fayez, the Saudi chief executive of Gulf Investment Corporation (GIC).

"Israel is a medium scale economy with both strong and weak points."

"Talk of Israeli domination might be a result of exaggerated assessments of Israel's ability due partly to ignorance about the components and nature of its economy," he said in a recent speech to a business forum. The text was released on Monday.

GIC, a major Gulf financial group controlling 10 billion dollars in cooperation council economic and military alliance -- Saudi Arabia, Kuwait, Bahrain, Oman, United Arab Emirates and Qatar.

The company fund ventures in member states and carries out merchant banking, investment, trade finance and treasury and capital market activities in the region and globally.

Fayez said Gulf Arabs should liberalise their protected economies, cut red tape and strengthen trade with Europe to protect their oil-dominated markets and boost efficiency.

Otherwise they could find themselves isolated in the new Middle East market emerging in an era of Arab-Israeli peace.

Fayez was dismissive of Israeli economic clout and played down concerns that the Jewish state would dominate the region's economy once it made peace with all neighbouring Arab states.

He said Israel's economy was hit by inflation, unemployment and a bloated public sector which he described as the remnants of socialist policies only recently abandoned.

He also echoed a widespread view in the region that normalisation of ties between Gulf states and Israel was inevitable, although he did not say how long this would take. "Normalisation will be made inevitable by international developments, pressure from the United States and Europe and regional and international organisations, and by the accession to the general agreement on tariffs and trade of most countries including Arab and Gulf countries."

The direct impact of peace on the financial market and the flow of Gulf capital could be limited. But the direct impact of the evolution of a Middle Eastern market linked to Europe and the industrialised world is fairly important," he noted.

Fayez said the main economic benefits of peace would be: increased stability in the region that would help attract foreign investment.

A decrease in defence spending and a consequent rise in economic development spending.

A decrease in Gulf aid to Israel's Arab neighbours.

Gulf businessmen say it is only a matter of time before the 48-year-old Arab boycott on direct trade between Arab states and Israel crumbles in the wake of an eventual peace agreement between Israel and Syria.

But Gulf Arab firms have voiced frustration at the lack of agreement among their home governments on a common response to the new situation. Some states such as Qatar and Oman have held talks with Israeli officials on economic cooperation. Other such as Saudi Arabia have shunned any contact.

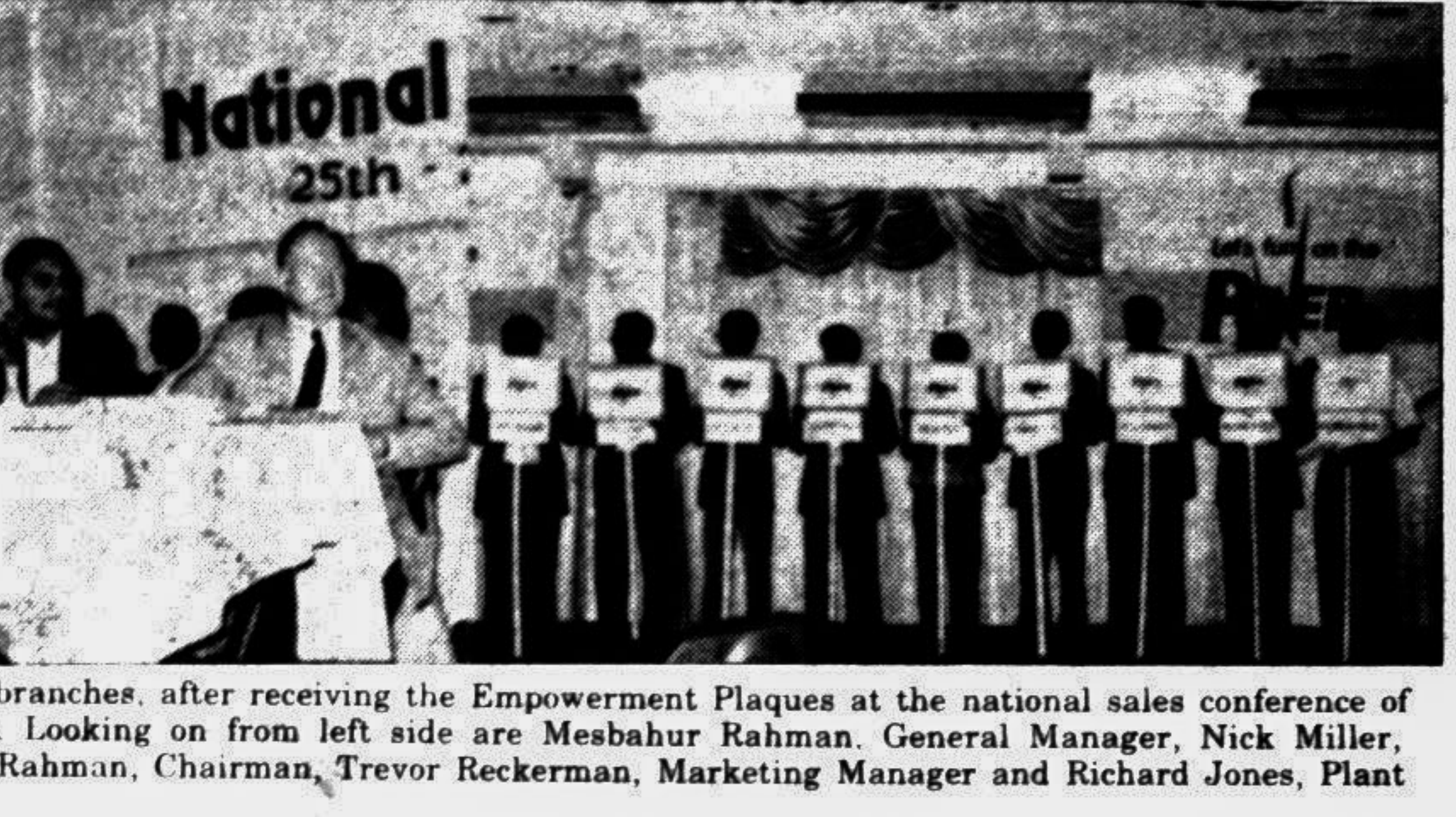
250 jt-stock cos trade shares in gulf region

Another report from Abu Dhabi says: More than 250 joint-stock companies trade their shares in Gulf Arab states, with their capital exceeding 25 billion dollars at the end of 1995, an official report said yesterday.

The total joint-stock firms in the six-nation Gulf Cooperation Council (GCC) stood at 343, of which 254 trade their shares in the stock market. Their paid-up capital was estimated at 25.7 billion dollars at the end of 1995.

Saudi Arabia, by far the biggest GCC member, accounted for more than half their capital, with 76 companies and investments of 15 billion dollars, according to the official Emirates news agency Wam.

Kuwait had 41 companies with a capital of 5.9 billion dollars and the United Arab Emirates (UAE) had 34 firms with a capital of 2.1 billion dollars.



Picture shows the heads of branches, after receiving the Empowerment Plaques at the national sales conference of Nestle Bangladesh Limited. Looking on from left side are Mesbahur Rahman, General Manager, Nick Miller, Managing Director, Latifur Rahman, Chairman, Trevor Reckerman, Marketing Manager and Richard Jones, Plant Manager.

China expects robust growth in tourism

BEIJING, Jan 30: China expects robust growth in its tourism industry to continue in 1996, with foreign currency revenues rising to 9.5 billion dollars in 1996, a 10 per cent increase over 1995, reports AP.

The number of foreign travellers visiting China is forecast to climb to 47.5 million this year, a 2.4 per cent rise over last year, the official newspaper China Daily reported.

Eager for foreign exchange earnings, China has beefed up the quality of its tourist facilities in recent years. Some 1,000 hotels were built in the past five years, bringing the total number of rooms to 1 million, tourism officials said.

Virtually every sizable city boasts at least one hotel of international standards.

Domestic tourism also has expanded quickly and is expected to yield revenues of 155 billion yuan (18.6 billion dollars) this year, up 13 per cent over 1995, according to He Guangwei, director of the China National Tourism Administration.

He said he expected 680 Chinese tourists to take to the nation's congested roads, rail and waterways and air routes this year.

The number of travel agencies climbed to 4,926 by the end of 1995 — three times the figure during the previous five-year plan, the Xinhua report said.

To protect tourists from unethical travel agencies, the government plans to issue new regulations requiring such firms to reimburse customers for any losses incurred due to their negligence.

During China's 1991-1995 Eighth Five Year Plan, 212 million foreigners travelled to China, with annual growth in arrivals averaging 11.1 per cent, the report said.

It said the country earned a total of 27.5 billion dollars in foreign currency from overseas tourists in the past five years, an annual rise of 31.4 per cent.

Roughly 5 million Chinese are employed in the tourism industry, Xinhua said.

BIBM course on int'l trade ends

A three-week training course on "International Trade and Foreign Exchange" concluded at the Bangladesh Institute of Bank Management (BIBM) yesterday, says a press release.

AHM Nurul Islam Choudhuri, Director General of BIBM, presided over the concluding session of the course and distributed certificates among the participants.

In his speech, he underscored the role of International Trade and Foreign Exchange in our national economy. He hope that the participation in the course has helped the bankers to learn the modern techniques, principles, documentation and procedures adopted in foreign trade and foreign exchange business of the country.

Sk Harun-ar-Rashid and Humayun Kabir, BIBM Faculty Members, jointly coordinated the course.

A total of forty-two officers from different banks and financial institutions participated in the course.

Mexico offers \$ 1 b bonds on int'l markets

NEW YORK, Jan 30: The Mexico government on Monday offered one billion dollars in bonds on international markets in its biggest test of investor appetite since the December 1994 collapse of the peso, reports AP.

Analysts said the sale, offered simultaneously in several world financial markets, drew strong demand from investors eager for the relatively high interest rates on the five-year notes.

The government increased the offering from 750 million dollars on Friday after detecting investor enthusiasm.

Some market analysts said that the demand indicated a cautious return by investors to Mexico after fleeing in droves this past year as the economy contracted sharply in response to the tumbling peso.

While Mexico has tapped international investment markets several times in the last year, Monday's deal was the first involving longer term securities denominated in dollars and thus was seen as an important test of US investor appetite. Investors buying the bonds presumably required faith that the Mexico government would pay its obligations for the next five years.

The relatively high yields on the notes were only one reason for the demand, according to market observers.

Annual yields were expected to range between 4.45 and 4.5 percentage points above five-year US Treasury notes, which were yielding about 5.36 per cent on Monday. The terms will be set Tuesday.

Government of the People's Republic of Bangladesh
Office of the Executive Engineer
Local Government Engineering Department
Habiganj

Memo No. LGED/XEN/Habi/IDB-10/96/190 Dated: 22-1-96

Tender Notice

No. 21/95-96

Sealed tenders in Bangladesh Form No. 2911 are hereby invited from the enlisted contractors of LGED & pre-qualified contractors under different projects of Local Government Engineering Department for re-construction of single storied pucca school building under Islamic Development Bank assisted Govt. Primary School Construction Project.

Interested contractors can obtain necessary tender documents during normal office hours on all working days up to 12-02-96 from the office of either (I) Executive Engineer, LGED, Dist: Sylhet/Sunamganj/Moulvibazar (II) Thana Engineer, LGED, Thana Madhabpur, Dist: Habiganj & the office of the undersigned on cash payment of Tk. 300.00 (Three hundred) only (Non-refundable) in favour of the undersigned after obtaining written approval from the respective officers for purchase of tender documents on showing documentary evidence of their enlistment. Tenders will be received by the above mentioned office up to 1.00 PM on 13-02-96. No tender will be accepted beyond this time and tender will be opened at 1.30 PM on the same day in presence of the tenderers, if any.

Interested tenderer may gather necessary information regarding tender from the above mentioned offices during normal office hours on all working days. Tender must be accompanied by all relevant papers and earnest money 2.5% of the total quoted price in favour of the Executive Engineer, LGED, Dist. Habiganj as stated in tender document.

The authority reserves the right to except any tender or reject any or all the tenders without assigning any reason thereof. Tender not complying with the stipulated conditions will be treated as non-responsive & will be rejected.

Sl. No.	Name of the work	Earnest money	Cost of tender document	Completion time for work
1.	Re-construction of Madhabpur Govt. Primary School under Madhabpur thana.	2.5% of the total quoted price	300.00	120 days

DFP-2215-28/1 G-187

Md Khalilur Rahman
Executive Engineer
LGED, Habiganj