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The Daily Star BUSINESS

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**HYUNDAI**

CARS THAT MAKE SENSE

UCBL increases interest rates on deposits

United Commercial Bank Ltd has increased and refixed the interest rates on different types of deposits with effect from January 1, 1996 to encourage more savings in the country, says a press release.

Interest rate is now refixed at 6.50 per cent on savings deposits, 5.25 per cent on STD and 7.75 per cent on fixed deposit.

S'pore move to spur economic growth

SINGAPORE, Jan 31: Singapore yesterday announced fresh measures to spur economic growth into the 21st century as manufacturing investment hit a record 6.8 billion dollars (4.9 billion US) in 1995, reports AFP.

The Economic Development Board (EDB) said the finance ministry had approved an economic development assistance fund of 4.3 billion dollars for 1996 to 2000, more than twice the 1.9 billion dollars for the past five years.

The fund will support EDB programmes aimed at promoting growth by luring more multinationals to the island and pushing local firms to go regional.

Tea prices, demand up at auction in Chittagong

By Staff Correspondent

Weekly tea auction in Chittagong on Tuesday opened at barely steady rates with fair withdrawals but continued to gain momentum with increased demand and prices inclined over last, often sharply for selective types, market operators said.

According to Unity Brokers Ltd's report, leaf offerings constituted of 18,756 packages along with 288 packages of supplement and withdrawals stood at 25 per cent as against 24 per cent last week.

"After a hesitant start when prices were barely steady prices moved upwards with the progress of sale," said the report.

The major buyers were Sudan, Jordan, Poland, and Pakistan. Local traders were active for their types, it added.

"The coming sales will see more end of season teas on offer. Quality will show a further decline. Well made teas will receive premium rates," forecast the report.

The next sale is expected to be held on February 6, 1996 at 8:30 am with a total offerings comprising 16,000 packages leaf and 3000 packages dust.

Category-wise market performance follows:

CTC: Bolder brokeners were firm to dealer generally selling between Tk 45.50 and Tk 47.50. Well made medium brokeners often inclined by about one taka. Plainer sorts were firm. Small grainy brokeners were dearer by about one taka. Selective best lines sold between Tk 53.60 and Tk 55.40.

Well made fannings generally appreciated by about 0.50 Taka and occasionally more. Medium and the plainer

types were an irregular market. Selective best lines realised between Tk 53.50 and Tk 57.00.

GREEN TEA: 225 packages were on offer. The FYH's sold at Tk 47.00 and the YH's between Tk 36.50 and Tk 38.50.

DUST: 3,319 packages along with 221 packages of supplement were on offer. Cleaner types with useful liquors were dearer. Powdery sorts inclined. Plainer types often eased.

Bankers meet Biswas

President Abdur Rahman Biswas has underscored the need for concerted efforts by all professional groups including bankers for the nation's socio-economic uplift, reports UNB.

The President was talking to a delegation of Executive Committee of Dhaka-based greater Bakerganj Bankers Association of Agrani Bank as they called on him at Bangabhaban yesterday.

President Biswas said people are the main agent of all social activities and, therefore, human resource development is of paramount importance for socio-economic uplift.

He also called upon the affluent sections of society to play responsible role and take care of the downtrodden and the under-privileged sections.

Earlier, in a memorandum, members of the delegation, led by M H Hawlader, put forward certain demands for development of the greater Barisal region.



Tabarak Husain, Chairman, Board of Directors of Sadharan Bima Corporation (SBC), presided over the meeting of Board of Directors of the corporation recently. MM Murshid, Managing Director of SBC, is also seen in the picture.

Washington backs huge loan to Moscow

WASHINGTON, Jan 31: Despite Russian President Boris Yeltsin's decision to sack some prominent reformers, the Clinton administration is urging western financiers to approve a nine billion dollars loan to Moscow, reports AP.

Even so, there is some perceptible easing of the administration's firm embrace of the Russian president as he battles health problems and critics of his painful tight money policy.

Vice President Al Gore emphasized Tuesday that it was Russia's conversion to political democracy and a free market economy that the United States supports — and Yeltsin or any other Russian leader on that pathway. "We do not support any candidate in the Russian elections, nor do we see any individual as the sole guarantor of reform in Russia," Gore said at a news conference, with Russian Prime Minister Viktor Chernomyrdin standing beside him.

"We support a set of principles, not a single individual," Gore added in response to a reporter's question.

Gore's statement amounts to hedging US bet in case Yeltsin reverses himself on transforming the Russian economy. Last week he decreed increases in pensions and student stipends. In mid-February he is expected to announce other measures that Chernomyrdin on Monday described as "corrections" in the social sphere.

Yeltsin, who is still deciding whether to seek re-election in June, is under pressure from larger communist and nationalist presence in the Russian Parliament. But he also is being pressed by liberals like Grigory Yavlinsky, a presidential contender who declared last week that "the era of Boris Yeltsin is over."

However, with the nine billion dollars credit line due for decision in the International Monetary Fund in two weeks President Clinton and Gore both endorsed what would be the largest loan ever extended to Russia and the second largest to any country. Only Mexico received more help.

Tokyo optimistic about economic recovery

TOKYO, Jan 31: International Trade and Industry Minister Shumpei Tsukahara expressed optimism about Japan's economy Tuesday, saying that it is "slowly crawling out of a standstill to show clearer signs of a recovery," reports AFP.

Tsukahara expressed this view after improved industrial production figures were released yesterday.

Economic Planning Agency Director-General Shusei Tanaka also said the economy is currently moving "smoothly" towards a recovery after a prolonged standstill.

Tanaka said that the December industrial output, showing the third consecutive rise, along with several other economic indicators, reinforced the view that progress is being made in the economy.

Europeans flock to equity funds in Asian markets

UNDATED, Jan 31: After a skittish December, when many European mutual-fund investors stuffed cash into ultra-safe money-market funds, January has brought a rush of European money into Japanese and other Asian equity funds, according to Wall Street Journal Service.

Early reports from European fund marketers suggest that investors who missed the US market's bull run in 1995 are piling into this year's favourite markets early in hopes of retrieving some of what they missed last year.

"A lot of people didn't get their toes wet in 1995... but they don't want to miss out this time," says Elena Mendoza, a spokeswoman for Fidelity International in Luxembourg. Fidelity's initial estimates for January make it look like one of the Luxembourg office's best sales months ever since it launched operations in 1990, she added.

This month's top-selling funds for both Fidelity and other fund marketers appear to be those targeting Southeast Asia, Japan, and, to a lesser extent, Europe.

According to Steen Steincke, marketing director at Fleming Fund Management in Luxembourg, investors were low on Japanese stocks and first started buying in December, once more positive news on the banking crisis started to emerge. He noted that institutional investors led the way eastward in December and have continued the trend through January. As so often proves the case, however, retail investors have been slower to react to the swing in market sentiment, he added.

In fact, December's fund-flow statistics show just how cautious mutual fund investors in a number of European countries were feeling at the end of last year. That caution produced something of an investment paradox: With interest rates tumbling world-wide, it certainly didn't look like the time to be sinking one's savings into the money markets. Nevertheless, German, Italian and Swiss investors poured more of their savings into money market funds last month than into any other type of fund, according to data gathered

from national fund associations in those countries.

The reason for such apparently contradictory behavior was twofold. One reason appears to have been that investors

were clearly worried about the jittery state of the markets. After the US stock market's spectacular run through 1995, many feared that it could be set for a sharp correction, which in turn would hit stock markets world-wide.

At the same time, investors in countries like France and Italy, whose markets had underperformed last year, were unnerved by domestic political upheaval and preferred to stay as liquid as possible. In Italy investors poured more than 1.2 trillion lire (751 million dollars) into money market funds. In France, however, where a money market fund have long dominated the investment scene with over one trillion francs (94.7 billion dollars) under management, investors have continued to withdraw, favouring the refuge of bank deposits instead.

Government of the People's Republic of Bangladesh Office of the Chief Engineer Construction and Maintenance Management Unit (CMMU) Ministry of Health and Family Welfare House No. 94, Road No. 4, Block-B, Banani Model Town, Dhaka.

Memo No. MOHFW/CMMU/USAID-Store/95/340 Dated: 30 January, 1996

Notice Inviting Re-Tender (3rd call)

1. Tender in sealed covers are hereby invited for certain packages for the Project "CONSTRUCTION OF THANA FAMILY PLANNING STOREROOM (TTPS)" UNDER USAID PROJECT NO. 388-0071. The Ministry of Health and Family Welfare (MOHFW) through its Construction and Maintenance Management Unit (CMMU) is responsible for managing and supervising the construction of the Storerooms.

2. Description of Tenders are given below:

a. Name of the works : Construction of Thana Family Planning Storerooms, (phase-II)

b. Earnest Money : Earnest money at the rate of 2.5% of the quoted amount must be enclosed with each tender. The earnest money has to be in the form of Bank Draft/Pay Order from any Scheduled Bank of Bangladesh issued in favour of Chief Engineer, CMMU.

c. Time period for completion of works : 150 days

d. Cost of Tender documents : At a non-refundable price of Tk. 1000.00 (Taka one thousand) only per set in the form of Bank Draft/Pay Order from any Scheduled Bank of Bangladesh issued in favour of Chief Engineer, CMMU.

e. Availability of Tender documents : Tender documents will be available during office hours on all working days from 04-02-96 to 08-02-96 from the following offices:

i. Office of the Executive Engineer, CMMU, Rajshahi/Khulna/Barisal/Rangpur Divisions.

ii. Office of the Consultant M/s. Shaheedullah & Associates Ltd. 137, Jahanara Garden, Green Road, Dhaka.

3. Application for tender documents for works under jurisdiction of one CMMU division will be accepted in any other CMMU Divisional offices mentioned above during the first 3 (three) days of selling of bid documents. Intending tenderers are required to receive tender papers from that office before closing of selling date. CMMU will not take any responsibility if any contractor fails to collect the documents by that date.

4. Tenders in sealed covers will be received in following manner:

i. In boxes kept in the office of the Executive Engineer, CMMU: Dhaka/Rajshahi/Rangpur/Khulna/Barisal Divisions up to 1400 hrs on 11 February, 1996.

ii. Through post/courier service at TENDERER'S RISK in the office of the Chief Engineer, CMMU, House No. 94, Road No. 4, Block-B, Banani Model Town, Dhaka-1215. Tenders will be received up to 11 February, 1996 till 1400 hrs only. Documents received after the above mentioned time will be returned unopened. Name of work, location of work, package No. and the name of tenderer must be clearly written on the cover of the envelope containing tenders (for both dropping in Box or for those sent by Post/Courier Service).

5. Pre-qualified Construction Contractors of different project under CMMU are eligible to participate in the Tender. In order to obtain the Tender Document, the prospective Tenderer must show his pre-qualification documents.

6. Package list with location of sites and detailed drawings for the works and other necessary information may be seen at the office of the Consultant M/s. Shaheedullah & Associates Ltd, 137, Jahanara Garden, Green Road, Dhaka and at the office of the Executive Engineer, CMMU, Rajshahi, Rangpur, Khulna and Barisal Divisions.

7. Tender documents for works under the jurisdiction of one CMMU division may be dropped in box of other CMMU divisions mentioned above or sent by Post/Courier service under conditions as mentioned above.

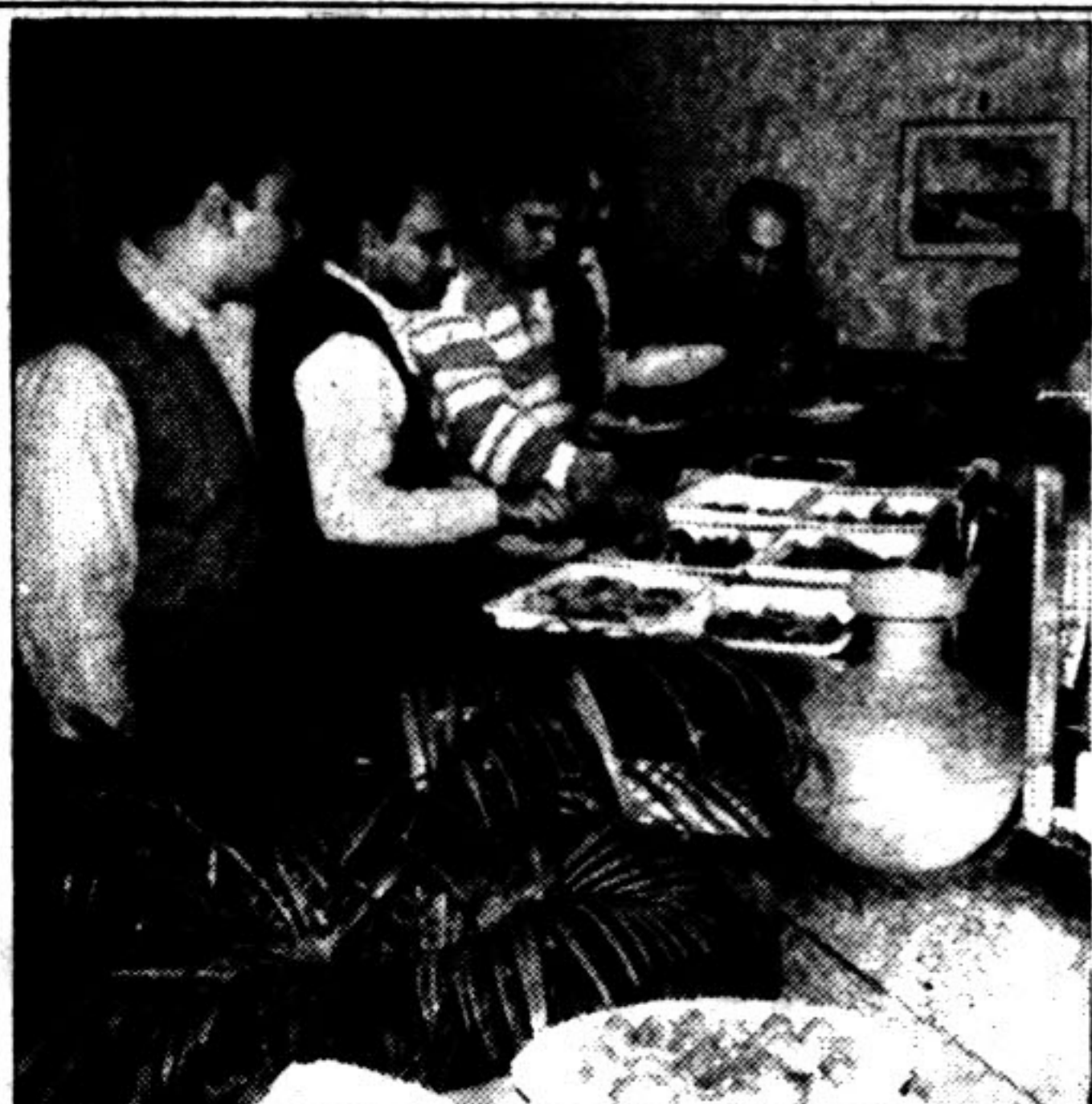
8. Tender documents received in boxes/by post or by courier service will be opened in respective offices at 14.30 hrs on the last date of dropping in presence of tenderers (if any).

9. Successful tenderers will be communicated after evaluation of tender documents. Evaluation will be done centrally after closing together all tenders of a particular package dropped in different places. The authority reserves the right to accept or reject any and/or all tenders without having any obligation to communicate reasons thereof and this decision shall not be subject to appeal.

10. The Notice Inviting Re-Tender will also form a part of the contract and will be binding upon the Tenderers.

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Colonel Md Asadul Islam
Chief Engineer

Dhaka Sheraton Hotel has made special Iftar arrangements at the Sarobar Pool Cafe during Ramadan. Picture shows guest taking traditional buffet Iftar at the hotel.

Poor states got record investments in '94, '95

WASHINGTON, Jan 31: Foreigners who started new businesses in developing countries and bought up old ones poured out record amounts of money in 1994, and nearly as much in 1995, an official of the International Finance Corporation said Tuesday, reports AP.

"The 1995 figures are not all in yet, but the 'tequila effect' seems to have been quite limited," said Frederick Z. Jaspersen, lead economist in IFC's Economic Department. "Yes, Mexico is down deep in recession but the further you get from Latin America the less effect you see."

High investment promises

S'pore observes higher tourist arrivals

SINGAPORE, Jan 31: The number of visitors to Singapore last year was 7.14 million — more than double the island state's population — and officials said yesterday they expected the figure to grow by three to five per cent in 1996, reports Reuters.

Singapore Tourist Promotion Board (STPB) Chief Tan Chin Nam told reporters that preliminary estimates indicated that tourism brought in 8.17 billion US dollar last year, an increase of 6.4 per cent over 1994.

The number of visitors rose 3.5 per cent over 1994's 6.9 million, the growth rate last year was half that of 1994.

greater production and higher incomes in the future to countries where the average citizen earns vastly less than in the advanced industrial countries.

Jaspersen explained in an interview that investors, both domestic and foreign, tend to put up more money as a country's economy expands. He said that new figures coming from the World Bank indicate that in low- and middle-income countries, where the average person earns no more than about 3,000 dollars annually, last year's economic growth averaged 4.7 per cent.

The figure for 1994 was 4.9 per cent and Jaspersen said the difference could be a statistical error.

The IFC is the part of the World Bank that lends to private companies rather than to governments.

Data for 1994, made available by the IFC Tuesday, showed that foreign direct investment — building new plants and buying big pieces of old ones — reached a record 26.5 billion dollars in 1994. That is more than twice the average in the 1980s.

The largest share of the new investment — 13.6 billion dollars — went to Latin America and 7.6 billion dollars to East Asia. These figures do not include either China, a big target of investors, or the former Soviet Union.

"Chile has consistently led private sector investment growth in Latin America," IFC said "since the economy was thoroughly restructured in the early 1980's."

'Rupee set to ease against dollar'

LONDON, Jan 31: The sharp decline of the Indian rupee against the dollar is set to ease, but Western economists warn there could be a few wobbles before sound economic fundamentals reassert their grip, reports Reuters.

"Potentially it could shoot out to 38 per dollar in the middle of the year if there is no majority government after April's parliament election, but by year-end you can see it recovering. But you have to have that blow-out first," said Chris Tinker, treasury economist at Standard Chartered in London.

Having held steady for almost two years at 31.47 to the dollar, the rupee started to slide in September and is now trading at about 36.

Most economists see the currency depreciating only to 37 to the dollar by the year end as India's sound economic fundamentals regain control.

But they say that in the short term, speculators will retain the whip hand and the central bank's only means of defending the rupee — selling dollars — creates problems of its own.

"You had exporters and importers thinking that the rupee was stable and they did not worry about the timing of

their transactions.

"As soon as you inject a sense of volatility then you create an imbalance in the natural demand flows and the market is not liquid enough to cope with that," Tinker said.

Traders know that India has 6.0 billion US dollars of debt servicing in the quarter of this year, which means downward pressure will remain on the currency in the near term.

The rupee's fall, combined with the elections and political uncertainty over projects such as Enron's giant Dhabol

Power Project, has dampened foreign and domestic enthusiasm for the country's equity market, which has fallen 10 per cent in dollar terms so far this year.

"The rise in the (local) gold price and increased demand indicates political uncertainty translating into demand for non-rupee assets," said Richard Gray, emerging markets economist at Bank of America.

If the rupee does resume its long-term trend of depreciation in line with the country's inflation differential with

the United States, around four per cent a year, then foreign investors may be lured back into the rupee has been a major deterrent for foreign investors in India's stock markets," said Lehman brothers senior strategist Abhijit Chakrabarti, who has a 12 month target of 3,650-3,850 points for the Bombay Stock Exchange 30-Share Index. The index was up 2.2 per cent at 2,936 in early afternoon trade on Tuesday.

Some of those responsible for the near 4.0 billion dollar invested in the stock market are less sanguine.

"We are sitting on big losses," said one fund manager, "any new money for India is not going to come easily or quickly."

One potential source of money is the massive US mutual funds industry which took in a record 118 billion dollar in 1995 to fuel its own stock market's surge to record highs.

In the process, it ignored foreign markets and analysts believe strong outward flows could return as prospects dim for yet more gains on Wall Street.

"The US and Japan account for 65 per cent of a global equity portfolio on a neutral weighting if you overweight the US then there is little room for anywhere else," Chakrabarti said.

Analysts stress that if India wishes to attract new money for its stock market and the huge infrastructure projects needed to push the country into the 21st century, its politicians need to embrace further reform.

Foreign employee rules announced in China

BEIJING, Jan 31: China has issued regulations on employment of foreigners, including the implementation of a new employee licensing system, reports AP.

The rules affirm the right of foreign professionals to work in China but strictly forbid "ordinary workers" from seeking employment in the country, the official Xinhua News Agency said Wednesday.

The employment of foreigners must be conducive to China's reform and opening up and economic development, and it should not encroach upon the employment of Chinese citizens, the report said.

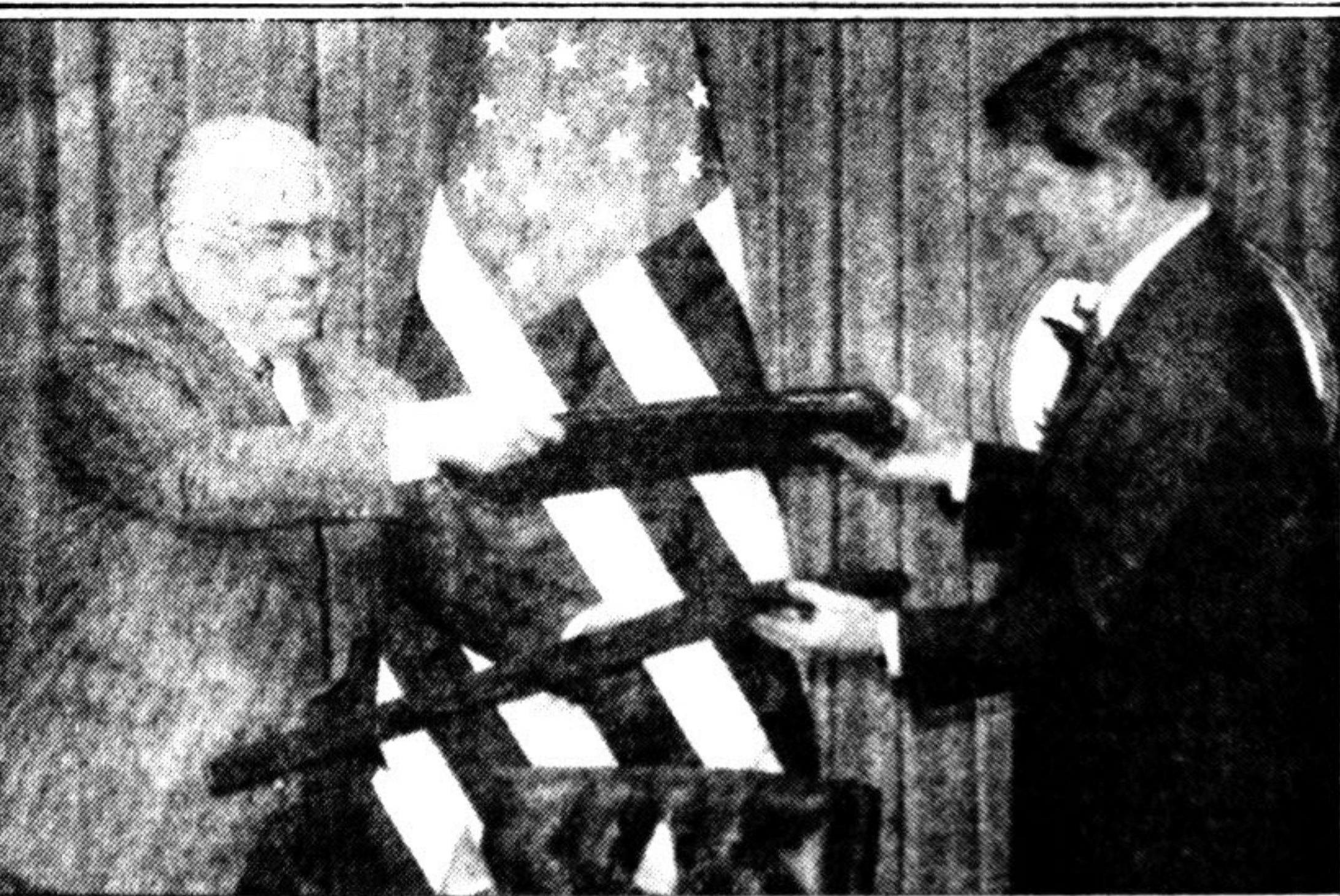
China has announced several sets of rules governing the hiring of non-Chinese. This latest set appears to be a

consolidation of those and to be aimed at less-skilled workers.

Since the regulations include a wide range of exceptions, it was unclear how stringently they would be enforced.

The rules, jointly published by the ministries of labour, public security, foreign affairs, and foreign trade and economic co-operation, will subject foreigners to new licensing system requiring employment certificates, professional visas, employment certificates and residence permits, the news agency said.

Officials weren't immediately available to say whether the rules would apply to Hong Kong after its reunification with China in 1997.



Russian Prime Minister Victor Chernomyrdin (L) trades environmental, space cooperation and commercial satellite launch agreements with US Vice President Al Gore (R) on Tuesday at the White House in Washington DC — AFP/UNB photo.