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**HYUNDAI**

CARS THAT MAKE SENSE

Yeltsin may drop tight fiscal policies

DAVOS (Switzerland), Feb 7: Russia's economy Minister Yevgeny Yasin voiced fears on Tuesday that President Boris Yeltsin could drop tight fiscal policies and opt for spending in a bid to prevent a communist return to power, reports Reuters.

Yasin, the last major reformist figure in the Russian government, said Soviet-style policies would bring economic disaster.

"There are many people who support the president who are arguing he should play the communist game and go for populist measures to win votes" in the June presidential elections, he told a news conference at the world economic forum here.

A switch to a spending spree in a bid to win popularity would also be a major setback to reform, Yasin declared, suggesting he might step down if that path was chosen.

Another banker found killed in Moscow

MOSCOW, Feb 7: A Moscow banker has been found with his throat cut in the latest of a series of such killings in the Russian capital, news agencies said yesterday, reports Reuters.

Alexei Butenko, 26, the first deputy head of Grand Invest Bank, was found with several knife-wounds to his abdomen, his chest sliced open and his throat cut in a car park on Monday, Itar-Tass news agency said.

Police have launched an investigation and Tass said officers were considering every explanation for his murder, including that it was linked to his professional activities.

Bankers and entrepreneurs have been the most prominent victims of a wave of contract killings in Moscow and other Russian cities.

The Association of Russian Banks has said organised criminal groups are carrying out "hits" on bankers to seize control of the profitable banking sphere.

Tk 26.76 lakh projects being implemented in Tangail

TANGAIL, Feb 7: Tangail Zila Parishad is implementing five projects at a cost of Tk 26.76 lakh this fiscal year, reports BSS.

Officials sources said that work includes construction of a 75 foot long bridge on the Varai Khal on Kadamtali-Tegori Road, two box culverts and three pipe culverts on the Pauli Chmuri Road, one RCC bridge on the Ghanipara Satgacha Road, one public toilet at Awliabad and other public toilets in Ghatail.

Officials sources said that work will be completed before June next.

Republicans, Bill Clinton cautiously welcome medicare reform plan

WASHINGTON, Feb 7: President Bill Clinton and Republican lawmakers cautiously welcomed a medicare reform plan approved by US government on Tuesday, but seemed little closer to reaching a quick deal to balance the federal budget, reports Reuters.

Both Clinton and Congress praised the governors for reaching a bipartisan compromise to give states more control over medicare, restrain funding and continue to guarantee some benefits to poor pregnant women, children and the elderly.

I think you have gone a long way toward influencing that (medicare reform) today in a positive and constructive way," Clinton said in a speech to the governors.

Senate Republican leader Bob Dole said the agreement, along with a separate welfare plan approved by the national governors' association, could revive stalled budget talks between the White House and Congress.

If you give us welfare reform and medicare you have gone a long way to getting this agreement back together to getting the president back together with the leaders in Congress," Dole said.

But Clinton said he had concerns about the medicare proposal particularly changes in aid to the disabled. Many lawmakers said they wanted to see details of both proposals before making any decision on whether to support him.

House of representative speaker Newt Gingrich issued a statement praising the governors for their word and promised hearings on the plan for medicare the health care programme for the poor.

Most tea prices firm at Ctg auction

By Staff Correspondent

Most tea prices were firm with selective types being dearer in Chittagong weekly auction market on Tuesday, market sources said.

According to the Unity Brokers Ltd's report, "Most broken types held firm while the fannings sold similarly. Total withdrawals stood at 32 per cent as against 25 per cent last week."

18,168 packages along with 408 packages of supplement leaf came under the hammer in this sale. There was a large volume of season end teas on offer, it added.

The major buyers were Poland, Russia, Sudan and

Jordan. Pakistan was less active.

However, the report forecast, "the political situation in the coming weeks may upset the remaining auction."

Category-wise market performance follows:

CTC: Bold broken types were firm to dealer selling between Tk 47.00 - Tk 48.00. Prices for these weakened later in the sale. Well made medium and small broken types were fully firm to offer dealer. Plainier sorts were an irregular market, often declining towards close. Selective best types realised between Tk 54.00 - Tk 56.20.

Fannings were generally a firm market with the internal popular lines often gaining on last. Inferior sorts however eased. Selective lines sold between Tk 54.00 - Tk 56.50.

GREEN TEA: 155 packages were on offer. FYH sold at Tk 46.00 and a couple of lines of Hysons between Tk 43.50 - Tk 44.00. 120 packages remained unsold.

DUST: 3,240 packages along with 318 packages of supplement were on offer. Clean good liquoring popular lines were firm to occasionally dealer. Powdery sorts were fully firm. Plainier sorts often eased.



Kenneth Aspinall, High Commissioner of Australia in Bangladesh, met Samson H Chowdhury, President, Metropolitan Chamber of Commerce and Industry, Dhaka at the chamber office yesterday.

Ghali recommends reducing US contribution to UN

UNITED NATIONS, Feb 7: Secretary General Boutros Boutros-Ghali startled General Assembly members on Tuesday by recommending that the United States contribution to the UN budget be cut from 25 per cent to 15 or 20 per cent, reports Reuters.

His suggestion of a ceiling on assessments was spurred by a financial crisis due largely to Washington's arrears and by a desire to end its dependence on any one member. By the end of 1995, the United States owed half of the UN debt of 2.3 billion dollars for peacekeeping and regular dues.

He did not name the United States but it is the only member assessed at more than 20 per cent of the regular budget, now fixed at about 2.6 billion dollars over two years. Japan is in second place, paying more than 15 per cent of the budget.

In a speech to a financial committee made up of UN ambassadors Boutros Ghali departed from a prepared text to say "a ceiling of 20 per cent of 15 per cent of the assessments of any member state to the regular budget of the UN... would better reflect the fact that this or-

ganisation is the instrument of all nations."

Any change in assessments now based on economic wealth, would need to be decided by the General Assembly.

European Union diplomats whose countries together pay 35 per cent of UN expenses immediately said the proposal was unrealistic as they and Japan would have to make up the difference.

Italy's Ambassador Francesco Paolo Fulci, whose country holds the current European Union presidency, said attaching conditions to fulfillment of international obligations is not acceptable. He said the world body "should get serious about imposing penalties on members who are consistently late and in major arrears."

Boutros-Ghali made his recommendation in light of the refusal of the Republican-dominated US Congress to pay the arrears.

Joseph Connor, the UN Undersecretary-General for administration and management, says the United Nations will be totally broken by the end of 1996 unless Washington pays up.

The new two-year UN zero growth budget of 2.6 billion

dollar is 200 million dollar less than the United Nations had requested. After it was adopted in December, the assembly asked Boutros-Ghali to find another 104 million dollar in additional cuts.

To meet these requirements Connor said on Tuesday the world body probably will have to cut about 10 per cent of a permanent staff of more than 10,000 in New York headquarters and seven other cities over the next year in addition, many staff on short-term contracts will not be renewed.

Boutros-Ghali did not give any details on staff cuts except to say new "budgetary reductions of such magnitude can be realised only through a combination of staff reductions and reductions in non-staff costs."

Boutros Ghali also said he was contacting heads of state from countries in arrears and suggested those states undertake a long term payment plan as Russia had done.

He again proposed a special UN General Assembly session to deal with the crisis saying the world body could not reform itself properly unless it had adequate resources.

8 lakh tonnes salt may be produced this yr

COX'S BAZAR, Feb 7: More than eight lakh metric tons of refined salt is expected to be produced in the country during the current season.

Bangladesh Small and Cottage Industries Corporation (BSCIC) told BSS here that 42,000 acres of land had been brought under salt production this season in the coastal belts of Cox's Bazar and Chittagong districts. Last year 9.50 lakh metric tons of refined salt was produced from these areas, the source said.

According to the source, of the total salt producing land, 5,584 acres are in Cox's Bazar Sadar, 12,120 acres in Chakaria, 14,435 acres in Moheshkhali, 4,541 acres in Kutubdia, and 920 acres in Teknaf under Cox's Bazar district, and 3,952 acres in Bakhshali thana under Chittagong district.

The results, the report adds, suggest that the most direct way to improve portfolio performance is to lend more selectively. They also emphasize the importance of "better project processing and more careful portfolio management by borrowers and the Bank."

The review is based on completion reports by operational staff and on performance audit reports, impact evaluations and evaluation studies by OED, which in 1994 studied 246 completed operations for the first time and 108 operations whose completion reports had been prepared in earlier years.

The results showed that 66 per cent of the operations evaluated in 1994 had satisfactory outcomes, compared with 64 per cent of operations evaluated the previous year. While it is better than the average of 63 per cent for

the total salt producing land, 5,584 acres are in Cox's Bazar Sadar, 12,120 acres in Chakaria, 14,435 acres in Moheshkhali, 4,541 acres in Kutubdia, and 920 acres in Teknaf under Cox's Bazar district, and 3,952 acres in Bakhshali thana under Chittagong district.

BSCIC has also started production in its 113 acres of demonstration plots at Lamshikhali in the Kutubdia island.

Besides, the corporation has set up demonstration plots in 32 acres at Matarbari in Moheshkhali island.

Defence witnesses in Daiwa Bank scam named

NEW YORK, Feb 7: The president of Daiwa Bank Ltd and other senior managers were named Tuesday as witnesses for the bank's defence against criminal charges that it hid 1.1 billion dollars in trading losses from US authorities, reports AP.

Daiwa's lawyers said in a court filing they want to take videotaped testimony from president Takashi Kaibho, deputy presidents Toshiro Kawakami and Kazuya Sunahara and eight other current and former Daiwa employees.

Daiwa, based in Osaka, Japan, was seeking to videotape interviews with the witnesses in Japan. Because the witnesses all live in Japan, Daiwa contends they won't come to testify in the United States due to fear US authorities will detain or arrest them.

Daiwa's trial was set to begin March 6 on charges of conspiring with a New York bond trader to conceal the losses from regulators.

Daiwa said that its witnesses will, among other things, support the contention that its management was simply trying to ascertain the extent of the losses for the two months last summer that it failed to report them to US authorities.

Daiwa, which pleaded innocent to a 24-count federal indictment in November, could face more than 1 billion dollars in fines if convicted.

Success rate of WB projects in developing countries up

Projects funded by the World Bank in developing countries are increasingly successful but there is room for improvement, according to the Bank's independent Operations Evaluation Department (OED), reports UNB.

It analyses the evaluation findings of more than 1,000 completed Bank-funded operations — the most comprehensive analysis in the department's 21-year history, said a press release issued in Dhaka.

The OED, in its Annual Review of Evaluation Results for 1994, says that there are "encouraging signs", but adds that the findings "underscore the need for managers to focus more attention on key performance factors and on accountability for results within the Bank."

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The results showed that 66 per cent of the operations evaluated in 1994 had satisfactory outcomes, compared with 64 per cent of operations evaluated the previous year. While it is better than the average of 63 per cent for

1990-94, "it is still unacceptably low," OED says.

Forty-four per cent of the evaluated operations are expected to sustain their benefits throughout the operational phase that follows the completion of Bank loan disbursements.

This proportion is little different from last year's and the average for 1989-94. But the proportion of operations judged unlikely to sustain their benefits has dropped to 20 per cent from 24 per cent in 1993.

Institutional development goals were substantially achieved in 39 per cent of the operations — better than the 30 per cent in 1993 and the average of 31 per cent for the last five years, but again a low figure.

Adjustment operations kept up the improvement in performance that first became noticeable two years ago, and they performed better, on average, than investment projects. Adjustment operations had a 70 per cent satisfactory rating, versus 65 per cent for investment operations.

Forty-five per cent of the operations analysed were considered highly or substantially effective in meeting their goals, and another 34 per cent as moderately effective. Forty-one per cent of the operations were rated as highly or substantially efficient and another 32 per cent as moderately efficient.

Sustainability ratings were unchanged, on average, from last year. In East Asia, the proportion of operations rated likely to be sustainable improved to 73 per cent. In Africa, 23 per cent of operations were likely to be sus-

tainable. Only 26 per cent — down from 31 per cent in 1989-94 — were rated as unlikely to be sustainable.

Projects realised high returns. Most achieved re-estimated returns were much higher than 10 per cent. By sector, re-estimated rate of return were: agriculture 17 per cent, power 17 per cent, transport 28 per cent, and urban development 25 per cent.

The gap seems to be narrowing between returns estimated at appraisal and re-estimated at completion.

Forecasts of implementation time and cost are becoming more realistic. Time overruns have gone down, but forecasts are still over-optimistic. On average, operations evaluated in 1994 took 37 per cent longer to implement than originally scheduled, down from 48 per cent in 1993, and 54 per cent in the 1974-94 cohorts.

Cost estimates are also improving. Africa was the only region where operations cost more than expected (overruns were at 16 per cent). The other regions had cost underruns of between 10 and 15 per cent.

Plenty of "best practice" examples show that significant improvements in portfolio performance are possible. OED evaluations designate operations as outstanding if they exceed all their major goals, have highly innovative designs, and use approaches likely to be successful in different countries or sectors.

Of the 354 operations that were evaluated in 1994, OED assessed 18 as outstanding, on the basis of performance audits or reviews of completion reports.

Japan's '95 current account surplus falls by 15 pc

TOKYO, Feb 7: Japan's 1995 current account surplus fell 15 per cent to 110.4 billion dollars, its second consecutive annual decline, the government said Wednesday, reports AP.

The surplus for 1995 was down from 1994's 129.14 billion dollars, according to figures released by the Ministry of Finance.

The current account, the broad measure of a nation's financial flows, also fell 16 per cent in December from the year earlier month to 10.73 billion dollars.

The current account measures the difference between a nation's income from foreign sources such as trade and foreign obligations payable excluding net capital investment.

Both exports and imports increased in 1995, but growth in the latter outpaced the former. Exports grew 11 per cent to 427.28 billion dollars, while imports jumped 23 per cent to 292.45 billion dollars.

Japan's dollar-based current account surplus shrunk 1.8 per cent in 1994 for the first annual decline since 1990.

In releasing the figures, the ministry said it expects the surplus will likely continue to decline in the future despite the recent weakness of the Japanese yen.

A weaker currency makes

a country's goods cheaper in overseas markets, thus encouraging exports.

Much of the recent decline in Japan's trade and current account surpluses has been attributed to the strength of the yen. But after reaching record highs last year, at one point reaching 80 yen to the dollar, the yen has since fallen back to the 104-105 yen range.

The trade balance component of the current account was down 7.6 per cent to 134.82 billion dollars in 1995 from 1994's 145.94 billion dollars.

The trade balance in December was down 9.5 per cent to 13.44 billion dollars from the year earlier month. Growth in imports outpaced that of exports 13 per cent to 3.9 per cent.

Japan does not break down its monthly current account and trade figures by country.

The trade component of the current account is measured on the basis of settled contracts and differs from the merchandise trade figures announced separately each month, which are measured as goods pass through customs.

Japan's merchandise trade surplus for 1995, released last month, declined for the first time in five years, falling 11 per cent.

Bullet train line project

China agrees to cooperate with Japan

TOKYO, Feb 7: Japan's Transport Ministry said yesterday that China had showed its "willingness" to cooperate with Japan in building a high-speed bullet train line between Beijing and Shanghai, reports AFP.

"Chinese officials said they want to maintain close contact with the Japanese side over the Beijing-Shanghai super-express railway project," Vice Transport Minister Minoru Toyoda was quoted as saying in Beijing.

"The Chinese side has showed its willingness to promote discussions with Japan over the project," Toyoda said, adding that the two countries had also agreed to hold further discussions including details of the project.

Toyoda arrived in Beijing last Thursday to promote Japanese technology for the high-speed train covering the 1,310 kilometers (810 miles) between the two cities in seven hours. He was to return to Tokyo late Tuesday.

Japan reiterated that both the government and private sectors were ready to provide full support to the Chinese project, a ministry official said.

China replies to threat of Kantor on intellectual property

Sanctions will harm US itself

BEIJING, Feb 7: China told the United States yesterday the threat of sanctions over intellectual property piracy did not frighten its huge market and the main victim would be US business, reports Reuters.

However, a senior US trade official said in Hong Kong that China must act against copyright piracy, and not just promise action, to avert trade sanctions under a nearly year-old Sino-US anti-piracy accord.

US pressure is mounting on China to do more to curb the pirating of foreign and domestic intellectual property under the landmark accord reached in February 1995 — a deal that averted billions of dollars in tit-for-tat sanctions.

US trade representative Mickey Kantor has resurrected the spectre of a Pacific trade war by threatening one billion dollar or more in punitive import tariffs in coming months unless the accord is implemented, the New York Times said on Sunday.

"The threat of Kantor will have no impact on China because the China market is a highly competitive market," Chinese foreign ministry spokesman Shen Guofang told a news briefing.

"If the US side intends to impose sanctions against China it will only end up harming the business interest of the United States itself," Shen said.

A team of US inspectors was due in China this week to assess compliance with last year's accord, which includes pledges by Beijing to dismantle barriers to China's intellectual property market.

The team was expected to enter through southern provinces, suggesting it planned to inspect some of the 30 or so compact disc

plants in that region alleged still to be exporting bootleg recordings despite Beijing's year-long crackdown.

The US official in Hong Kong said the purpose of the visit was to discuss what progress China had made, not to negotiate.

"I will not give them any more time tables, we're not interested in hearing

promises, we're only interested in seeing action, only action at this point is going to make a difference," the official, who asked not be identified, said in Hong Kong on Tuesday.

If not, Kantor is on record as saying the United States will take decisive action," he said.

With 20 days to the first anniversary of the accord's initialing, the official said industry losses due to piracy were higher now than the 866 million dollars estimated last year.

Some 34 compact disc factories with production capacity of 90 million discs, in a market capable of absorbing just five million, were nearly all involved in pirate production, he said.

The United States wanted China to revoke the business licence of CD plants engaged in piracy, destroy their equipment and products, and prosecute those responsible.

China also needed to strengthen border controls to block trade in pirated goods and permit improved market access for legitimate US computer, software, movies and other copyrighted goods as it promised in the accord, he said.

But there was no timetable for sanctions nor had any decision been made on what or how many goods might be targeted and Washington still hoped to be able to avoid such action.

US announces farm subsidy allocations

WASHINGTON, Feb 7: Secretary of Agriculture Dan Glickman will extend for three months foreign countries' allocations under the 1995-1996 Export Enhancement Programme (EEP), the main export subsidy programme of the US Department of Agriculture (USDA), says USIS.

A three-month continuation has also been applied to allocations for USDA's 1995-96 Dairy Export Incentive Programme (DEIP), the department said in a February 2 press release.

A spokesman for USDA's Foreign Agricultural Service told USA February 6 that the export-subsidy programmes were operating under "interim" allocations while

the programmes are evaluated with respect to US commitments under the Uruguay Round.

Because the export subsidy programmes were extended under the Uruguay Round implementing legislation, the spokesman said, they have been relatively unaffected by Congress' inability to pass new omnibus legislation funding USDA's commodity programmes.

The Uruguay Round agreement commits the United States and other subsidizing exporting countries to reducing their agricultural export subsidies over a six-year period, according to the department. USDA is considering various options for reforming the operation of

the export-subsidy programme to make them more market oriented and consistent with international commitments, without compromising US competitiveness, submit bids for bonus levels that will allow them to sell eligible commodities — wheat, wheat flour, barley, malted barley, barley, malt, rice vegetable oil, frozen poultry, eggs, nonfat dry milk, whole milk powder, butterfat and cheddar, Feta, Gouda, cream, mozzarella, and processed American cheeses — at competitive world prices.

The following table, released by USDA February 6, shows the quantities and destinations for US wheat eligible for bonus awards under the EEP.

US Wheat eligible for bonus award under EEP			
Country	Metric Tons	Country	Metric Tons
Algeria	362,500	Nicaragua	15,000
Bahrain/Kuwait	43,750	Norway	20,000
Bangladesh	250,000	Pakistan	500,000
China	1,250,000	Philippines	567,000
Cyprus	20,000	Poland	50,000
Egypt	1,176,500	Slovenia	25,000
Honduras	15,000	Sri Lanka	187,500
Jordan	125,000	Trinidad/Tobago	37,500
Lebanon	100,000	Tunisia	250,000
Malta	16,250	Turkey	75,000
Morocco	215,000	Yemen	182,500
Former Soviet Union			
(Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan)			
Sub-Saharan Africa	408,700		
(Angola, Benin, Botswana, Burkina Faso, Cameroon, Canary Islands, Congo, Cote d'Ivoire, Djibouti, Eritrea, Ethiopia, Gabon, Ghana, Guinea, Lesotho, Liberia, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Senegal, Sierra Leone, South Africa, Sudan, Swaziland, Tanzania, Togo, Uganda, Zaire, Zambia, Zimbabwe)			