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## EU accused of taking free ride on US back into Asian markets

BRUSSELS, Feb 9: The outgoing United States ambassador to the European Union yesterday accused the bloc of taking a free ride on Washington's back into Asian markets, reports Reuters.

"If there is a major disappointment in the trade area it has been our inability to elicit the support of the EU in an energetic effort to open up Asian markets, particularly China and Japan," envoy Stuart Eizenstat told a business meeting.

"We find ourselves out in front, alone, negotiating everything from intellectual property agreements with China to a set of sectoral agreements with Japan, extending them on an MFN basis to the rest of the world, and finding European companies walking into the doors we open," he said.

Eizenstat made no comment on the March 1-2 EU-

Asia conference in Bangkok which aims to boost ties between the bloc and 10 Asian nations including China and Japan in an attempt to catch up ground lost to the United States in the region.

But he appealed for the US and the EU to stand shoulder-to-shoulder in the bid to cut global trade barriers.

"It would be both more effective and fairer if together we sought to eliminate the barriers which equally impact on our ability to export our products and create jobs in the process," Eizenstat added.

He said that for the most part cooperation on international trade issues between Washington and Brussels worked smoothly — although he did describe the EU's audiovisual quotas as "pernicious" and its banana import rules as "egregious."

He noted that the two had agreed mechanisms for resolving their mutual trade differences — such as going through the World Trade Organisation — and added that the transatlantic dispute temperature had cooled markedly during his two and a half years in Brussels.

But he stressed that their differing approaches to opening up key Asian markets left much to be desired.

"What we are looking for is public support for specific objectives in specific sectors," he later told reporters.

"The tendency is for some of these countries to try to play Europe off against the United States," he added.

He warned that unless the US administration could be seen to be getting support and results in persuading other countries to open up their markets, the American people could swing behind

the protectionists at home.

"This is not only about dollars and cents. There is a genuine problem with rising protectionist sentiment in the United States," Eizenstat said.

Echoing the French line, he also voiced concern about the growing number of what he termed "partial preferential" trade agreements between EU and countries in the Mediterranean and Latin America.

"This tendency, if carried too far, would have a corrosive effect on the multilateral trading system... it must be resisted," he said.

"It is very important that as these agreements are being negotiated, the commission makes sure they do not contravene... either the letter or the spirit of the World Trade Organisation's rules," he said.

## 'Political doldrum to affect economy'

The Bangladesh Economic Association has expressed deep concern at the disastrous effects that the current political confrontation will inevitably have on the economy, says a BEA press release.

The BEA reckons that absence of a representative and effective government will further jeopardize the country's prospects of social and economic development.

The BEA urges a meaningful election with participation of all parties.

## Yeltsin sacks foreign economic bank chief

LONDON, Feb 9: Russian President Boris Yeltsin has fired the chairman of the foreign economic bank (Vnesheconombank), Anatoly Nosko, Interfax news agency monitored here reported yesterday night, according to AFP.

It quoted a presidential spokesman as saying Nosko had been relieved of his post "following his transfer to another post," but gave no other details in the report monitored by the BBC.

The main functions of Vnesheconombank — the state-run successor to the Soviet bank of the same name — are to service the debts and assets of the former Soviet Union and intergovernmental loans.

Nosko had held the post of chairman of the bank since being appointed by Yeltsin in June 1994.



Professor M A Mannan (R), Chairman of the Social Investment Bank (SIB), seen introducing a number of new schemes of the bank in the city yesterday. M Azizul Haq, Managing Director of SIB looks on. — Star photo

## Japan likely to pay for fuel oil for DPRK

TOKYO, Feb 9: Japan is likely to meet an American request that it pay for some of the oil shipments to North Korea required under a 1994 accord, a top government spokesman said Thursday, says AP.

Chief Cabinet Secretary Seiroku Kajiyama said he told US National Security Adviser Anthony Lake on Thursday that Japan will pay as a "temporary" and "exceptional" case, Kyodo News reported.

Calls to the Japanese Foreign Ministry were answered Thursday night.

US Ambassador Walter Mondale has urged Japan to contribute 12 million dollars to pay for some of the oil because the budget battle in Washington has left the US government short of money.

Under the 1994 agreement, the United States is to provide North Korea with 500,000 tons of oil each year to cover its energy needs. Washington is required to ship 80,000 tons of oil to North Korea by the end of February.

In exchange, the communist country is required to give up its nuclear programme, which was suspected of producing weapons. Pyongyang will also get two light water reactors, to be built by 2003.

Lake told Kajiyama that suspected nuclear weapons development is a serious issue in Northeast Asia and must be checked, urging Japan to cooperate with the United States, Kyodo reported.

Government sources said Wednesday that Japan is planning to offer 12 million dollars for the fuel oil assistance by setting aside the expenditure in the budget, the news service said.

## East German evicted owners can buy back Berlin Wall lots

BONN, Feb 9: East Germans whose property was seized to make way for the communists' Berlin wall and for the death strip on the German-German border can buy it back at bargain prices under a parliamentary bill passed late Thursday, reports AP.

But the legislation is being blasted by some who were forced from their land during the Cold War and who argue it is immoral to have to pay Chancellor Helmut Kohl's government anything to get it back.

"We've been punished twice: once when we had to leave our properties and now because we're not getting it back," said Georg Wagner, a 70-year-old who lost land along the former German-German border was seized by the Communists in 1959.

Joachim Hildebrandt, who wants the return of a lot upon which part of the Berlin Wall was erected, said he's going to take his case to Germany's highest court.

"The government is trying to make a profit at our expense," Hildebrandt alleged.

Kohl's government inherited the Berlin Wall and the death strip along the 1,393 kilometer (862-mile) border when the two German nations united in 1990.

Wagner and Hildebrandt lost building lots rather than homes to the Communists. But thousands more were forced by East German soldiers out of their homes at gunpoint. Their homes were razed and the owners were forced to find other places to live.

Over the years, many of the evicted owners have died or given up hope of ever getting their lots back. But not all of them.

Hildebrandt and Wagner are leaders of two separate organisations with a total of 2,500 members who, since unification, have been demanding restitution of their properties.

Still, the bill which was

passed by the lower house of parliament by Kohl's majority — and which could be soon signed into law — doesn't seem like a bad deal.

Former owners can buy back their lots at one-quarter of their current value. The government could decide to keep lots if that serves "the public interest." But the original owners would be given 75 per cent of the land's current value as compensation.

Kohl's government would like to sell some of the seized lots, especially prized real estate in Berlin.

Justice Minister Edzard Schmidt-Jortzig said a number of evicted owners have complained to him about the bill. But others are pleased with its terms, he said.

The Berlin Wall went up in 1961. Construction of the border fortifications — which included electric fences, guard towers and land mines — began in the 1950s.

## Ethics in workplace

NEW YORK, Feb 9: The issue of ethics in the workplace, a touchy enough subject to deal with in the United States, is even more complex in today's global market, says AP.

There is no universal consensus on morality," said William B. Lytton, Vice President and general counsel for Lockheed Martin Corp. "In the United States alone there are some very divisive issues."

Lytton was one of the participants at a May conference on business ethics. The dialogue among executives, academics and ethics experts was summarised in a report being released Friday by the Conference Board, a not-for-profit research group.

The concept of business ethics began in North America but is becoming increasingly popular in other countries, said Lori A. Tansey, president of the International Business Ethics Institute in Washington.

In 1984, less than 20 per cent of the major corporations in Germany, France and the United Kingdom had a code of conduct. By 1990, half of them did, Tansey said.

There is less concern for developing codes of conduct in Latin America, Africa and Asia, although a 1994 conference in Hong Kong on developing a model code of ethics attracted representatives from more than 2,000 companies, Tansey said.

David L. Enfield, vice president of global business practices for Colgate-Palmolive Co, said his company encourages local adaptation of codes, with two stipulations: The adaptation must not stray from the overall corporate vision and values, and it must be approved by management and the corporate ethics office.

For instance, he said, "You may state as a company principal that all employees will be given equal opportunity and will be treated fairly at work, despite what that country's pre-existing traditions are."

## Japanese economy heading for recovery after 4-yr recession

TOKYO, Feb 9: The Japanese economy is heading toward recovery after a four-year recession, with encouraging signs found in rising capital investments and housing construction, the government said Friday, reports AP.

The economy is beginning to show a movement toward recovery again, though it's gradual, the Economic Planning Agency's monthly report said. The report used the world "recovery" for the first time in six months.

Such changes carry weight in Japan, where carefully worded reports may reflect shifts in policy.

But despite the report's optimism, Japan continues to face a series of economic woes, including a continued record unemployment rate, which remained at 3.4 per cent in December.

A massive bad loan problem leftover from the specu-

lative, asset-inflated lending of the late 1980s and early 1990s is also expected to be a drain on the economy.

In the latest report, Japanese officials welcomed some recent economic indicators as pointing to a recovery.

The plunge in exports has been curbed, mainly by the dollar's recovery. The US currency, which at one point fell below 80 yen last year, has hovered around the 105 to 107-yen level recently.

A weaker dollar discourages Japanese exports by making products sold abroad more expensive. A similar government report last month had noted that exports were declining, the new report says that fall has ended.

Housing starts are showing continuing increases. Production has been boosted by rising private-sector and government capital investments.

Some reacted with skepticism to the report.

Trade Minister Shunpei Tsukahara warned Friday that the economic recovery for small manufacturers was lagging behind that of the big ones.

Small companies are reporting a "deterioration in business sentiment," Tsukahara told reporters.

An EPA official acknowledged that Japan has been in a recession for the past four and a half years because the economy has shown little or no growth.

Previously, the agency announced Japan's recession had ended in October 1993.

That fragile recovery, however, was stamped out by the strengthening yen, a slowdown in the US economy and the Kobe earthquake in western Japan. The January 1995 quake killed more than 6,000 people and caused extensive damage.

## Russian Zil Truck Plant workers hold warning strike

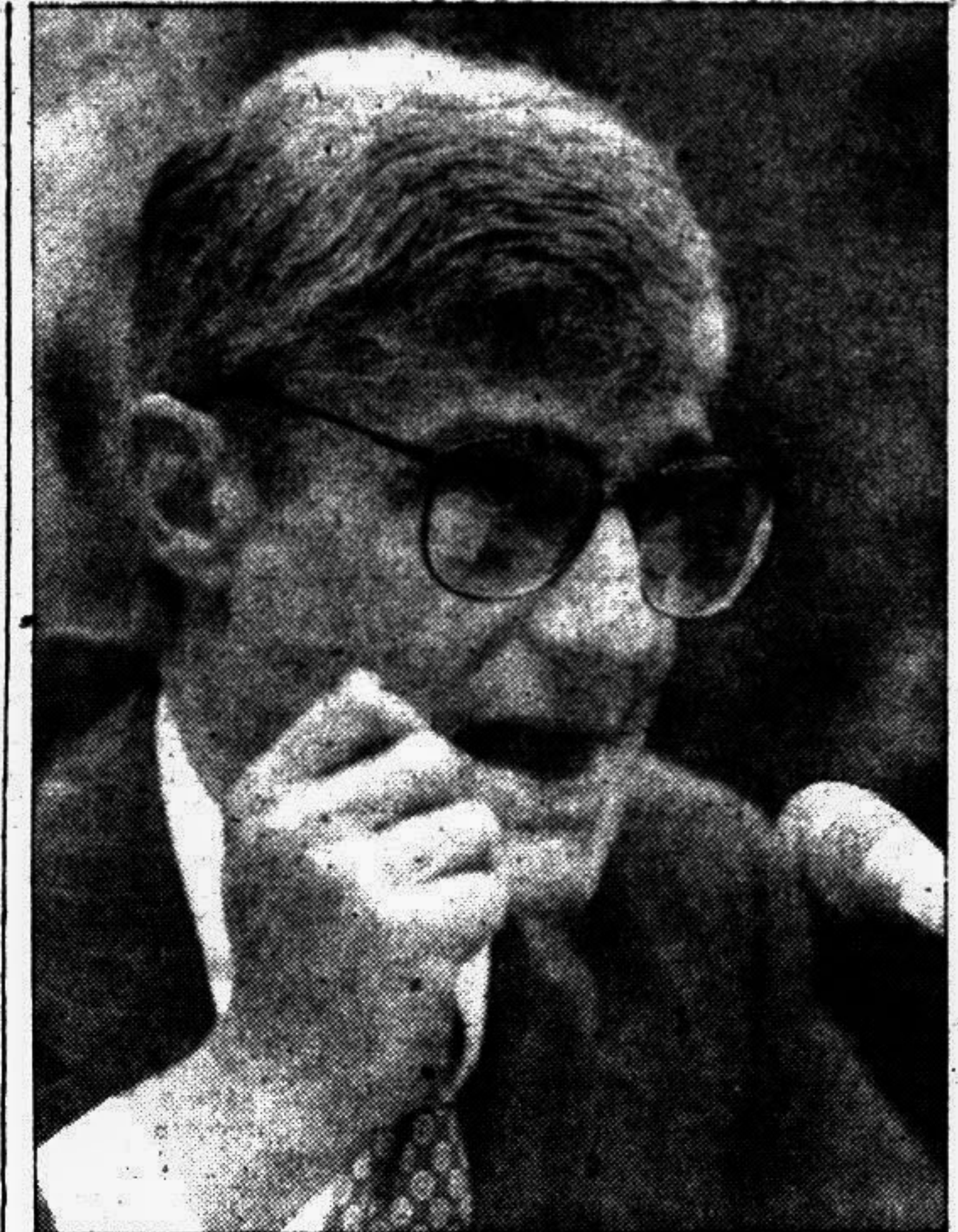
MOSCOW, Feb 9: Workers at the huge Zil Truck Plant staged a brief "warning strike" Thursday to press their demands for the payment of back wages, reports AP.

Zil union leader Mikhail Alliluyev said the hour-long walkout was aimed at attracting attention to the plight of workers, who have not been paid since November, the Interfax news agency reported.

The struggling Zil Plant, which suffered a 60 per cent drop in production last year, owes the workers about 30.5 billion rubles (about 6.5 million dollars).

Non-payment of wages is one of the most acute problems faced by the Russian government and President Boris Yeltsin is wary of election-year labour unrest.

Back wages already have caused two major strikes, by coal miners and teachers, this year, and Yeltsin has ordered the government to get a grip on the problem.



US Treasury Secretary Robert Rubin speaks to members of the House of Banking Committee on Capitol Hill in Washington, DC on Thursday. Rubin urged Congress to pass a straight-forward, one-year increase in the government's 4.9 trillion US dollar debt ceiling. — AFP/UNB photo

## Sony's profit jumps by 47pc

TOKYO, Feb 9: Sony Corp said Thursday that its net profit jumped 47 per cent in the third quarter thanks to broad advances in sales across the globe and the lower value of the yen, reports AP.

Sales were up 17.5 per cent in the three months ending in December 1995 to 1,343 billion yen (12.55 billion dollars) from 1,433 billion yen (10.68 billion dollars) in the same period a year ago.

Net profit was 37.14 billion yen (347.1 million dollars) compared to 25.26 billion yen (236.1 million dollars). Per depositary share, earnings were 90.3 yen (84.4 cents) versus 61.8 yen (57.8 cents).

The weakening value of the yen against other currencies also helped boost profits at the giant consumer electronics maker. A weaker yen means that Sony's overseas earnings are worth more when converted into Japanese currency.

The yen's roughly three per cent drop against the dollar and 10 per cent fall against the German mark compared to the same period a year ago translated to an additional 39 billion yen (36.4 million dollars) in profits, Sony said.

By product, the greatest gains in sales were seen in Sony's core electronics business, which grew 20 per cent over last year, while sales at its entertainment companies rose seven per cent.

## EU unemployment swells to 10.9 pc

BRUSSELS, Feb 9: In more bad economic news for the European Union, unemployment swelled to 10.9 per cent in December, the EU's statistics agency reported Thursday, according to AP.

The jobless rate was up from 10.7 per cent in November, a figure that led the EU Executive Commission to declare fighting unemployment the EU's top priority.

"Any increase, even if it's only a very small one, is very regrettable," said EU Commission spokesman Klaus Van Der Pas.

In its monthly report, Eurostat said 18.1 million people were out of work in December. The 10.9 per cent figure was the same as that registered in December 1994.

The greatest cause for concern was steadily rising joblessness in Germany. Figures released there Thursday showed unemployment surging in January to 10.8 per cent, the worst in Germany's postwar history.

The EU report showing

December figures from across the Union showed a rate of 8.6 per cent for the former West Germany. It did not give figures for the east.

The EU's highest unemployment rate was Spain's 22.2 per cent, followed by Finland's 17 per cent, Eurostat said.

Luxembourg continued to have the lowest rate with 4 per cent, followed by Denmark with 6.1 per cent.

Unemployment in the EU remains much higher than in the bloc's main trading partners. The jobless rate in the United States stood at 5.7 per cent in November, while Japan's rate was 3.2 per cent in October, the last month for which figures were available.

Last week, EU Commission President Jacques Santer called on governments, industry and labour unions to work together to fight unemployment through job-creation programmes, increased labour market flexibility, wage controls and better job training.

## Chinese cos get contract for \$97 m to supply ships

KUALA LUMPUR, Feb 9: Three Chinese shipbuilders — China Shipbuilding Trading Company, Dalian Shipyard and Hudong Shipyard — have signed contracts worth 97 million dollars to supply two chemical-product tankers and two other ships to Malaysian companies, reports AP.

Global Maritime Ventures Ltd (GMV) and Wawasan Shipping Pty Ltd placed the order through their joint venture companies Ratna Navigation Pty Ltd, Sari Navigation Pty Ltd and Tiara Navigation Pty Ltd.

Wawasan Chairman Frederick Taao said in a statement Thursday the contracts are for the construction of two chemical-product tankers for delivery in 1998-1999 and two other ships, identified as dry bulkers, for delivery in 1998 with an option for two other vessels.

## IMF okays \$1.05 b loan for Russia

WASHINGTON, Feb 9: The International Monetary Fund has approved a 1.05 billion dollar loan for Russia, the last installment of a 6.3 billion dollar line of credit the agency approved last year, reports AP.

The IMF's management has expressed its satisfaction with Russia's track record in 1995 of full implementation of the economic stabilisation and reform programme, the international lending organisation said Thursday in a brief statement.

The IMF is a major source of Western financial support as Russia moves from communism to a free-market economy.

It approved a 6.3 billion dollar loan in April 1995 to be delivered in three payments, as long as Russia showed progress in meeting IMF economic targets for such things as controlling inflation and government budget deficits.

While praising Russia's 1995 economic performance, the IMF statement did not mention recent developments in the country or gave

any hint about when it will make a decision whether to approve a new 9 billion dollar loan that the IMF had been expected to disburse over the next three years.

With the June presidential election nearing, President Boris Yeltsin has been riding his government of reformers and liberals in response to the success of Communists and Nationalists in December parliamentary elections.

Apparently hoping to appease angry voters, Yeltsin also has approved a series of costly new spending measures, including pension and benefit increases.

Anatoly Chubais, the privatisation chief and the last radical reformer left in the government, quit under pressure in mid-January. He had helped bring inflation to a record monthly low of 3 per cent in December by fighting to cut subsidies and stabilising the ruble.

Yeltsin has insisted the economic reforms will continue despite the cabinet shuffle, but he has indicated the pace will slow.

## Iraq runs out of cash to fund Hajj

BUCHAREST, Feb 9: Baghdad has run out of cash to fund the annual pilgrimage to the Islamic holy site of Mecca in Saudi Arabia, the Iraqi Embassy said here in a statement Thursday, says AP.

The embargo against Iraq has made it impossible to ensure the necessary foreign currency needed by the citizens to travel to the holy sites, the statement said published by the Romanian agency Rompres.

Any government effort to raise the necessary cash would "put new pressure on the Iraqi currency markets which will lead to a rise in food prices," the statement added.

Iraq has already asked Arab nations to release 50 million dollars in assets frozen since Baghdad's invasion of Kuwait in August 1990 to fund the annual pilgrimage, or Hajj, to Mecca in western Saudi Arabia which is Islam's holiest site.

## CNN's earnings rise 5 times

ATLANTA, Feb 9: Turner Broadcasting System Inc's fourth quarter profits slipped as the costs of covering the war in Bosnia and starting up a business news network offset an overall strong performance by its cable television networks, reports AP.

For the full year, the Atlanta-based media company said Tuesday its earnings rose five times above the performance in 1994.

For the October-December quarter, Turner had net income of 19 million dollars, or 7 cents a share, compared with 26 million dollars, or 9 cents per share, in the same period a year earlier.

Revenues for the quarter were 923 million dollars, compared with 825 million dollars in the same quarter of 1994.

During the quarter, Turner's Cable News Network put more resources into covering the Bosnian war as US involvement increased. The company also spent 2 million dollars to launch the CNN Financial Network.

For the full year, net income was 103 million dollars, or 36 cents a share, compared with 21 million dollars, or 8 cents a share, in 1994. Revenues were 3.4 billion dollars, compared with 2.8 billion dollars in the previous year.

The company's strong financial performance in 1995 is found at our basic cable networks, where on a combined basis, these services in 1995 attracted their largest audience ever, said TBS Chairman Ted Turner.

Despite weaker performance in some divisions, such as production and distribution, those segments of the company are poised for better results in the long term, Turner said.

Turner has agreed to be acquired by Time Warner Inc in a stock deal valued at about 7.5 billion dollars. Federal regulators have not yet cleared the transaction, however.