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DHAKA MONDAY, FEBRUARY 26, 1996

Tk15cr Bhola Town Protection Plan ineffective

BHOLA, Feb 25: The Taka 15 crore Bhola Town Protection Plan undertaken by Bangladesh Water Development Board failed to check erosion of the river Meghna, reports UNB.

The project so far yielded no result due to want of adequate fund, lack of proper supervision and placement of concrete blocks at wrong points.

The plan was initiated in 1992 with an estimated cost of Tk 15 crore. But the authorities sanctioned only Taka 3.32 crore during the last four years.

Some 1.92 lakh CC blocks were placed on the riverbed for checking erosion. But those were placed on the banks of the river, far from the river-side.

As a result, erosion is continuing making the town protection plan ineffective.

Officials said, the authorities sanctioned only Tk 38 lakh out of the total Taka 1.5 crore estimated for 1995-96 fiscal year which will be utilised for making another 1.12 lakh CC blocks.

Local people urged the authorities to make the project effective in controlling erosion to save the town.

Singapore PM gets highest salary in the world

SINGAPORE, Feb 25: The Singapore government, which has the world's highest paid ministers, said yesterday it was adjusting the pay scales of senior public servants to keep them in line with private sector salaries, reports AFP.

A statement from the office of Prime Minister Goh Chok Tong said civil servants who reach the highest grade in the bureaucracy would now draw the equivalent of 26,214 US dollars a month.

The announcement coincided with the publication of a study showing that the Singapore premier, at \$12,000 US dollars a year, has the highest salary of any head of government, earning far more than leaders of industrial nations.

Singapore cabinet ministers earn an average of \$74,476 dollars annually, according to figures compiled by the Switzerland-based world economic forum and carried by Singapore's Straits Times newspaper.

The second-highest earner is the Japanese Prime Minister at \$95,049 dollars a year, followed by the German Chancellor at \$20,156 dollars, the study said.

The Swiss head of government earns \$30,076 dollars annually, while the US President gets 200,000 dollars, it said.

Singapore, with only three million people, suffers from a chronic labour shortage in all sectors.

The southeast Asian "dragon" economy is listed among the 10 richest nations in the world per capita, and its economic output is expected to grow by an average of about seven per cent annually to 2000.

Civil service salaries at the upper rungs are now pegged at 60 per cent of the average income of the top four individuals in six fields—banking, accounting, engineering, law, local manufacturing companies and multinational corporations operating in Singapore.

Farmers accuse dealers

Fertiliser being sold on black market in N-dists

LALMONIRHAT, Feb 25: The allotted fertilisers for Lalmonirhat and Kurigram districts are being sold on black market by the dealers to earn profit, local farmers alleged, reports UNB.

After conducting field visit and getting information from the farmers, local leaders informed that the price of fertiliser has shot up due to high demand.

The government rate for per bag is Taka 186.25 but the dealers are selling it from Taka 275 to Taka 320.

The farmers said for the absence of Deputy Commissioner's involvement this year, the dealers creating artificial scarcity are selling the fertilisers at high prices to earn windfall profit.

According to official sources, Bangladesh Chemical Industries Corporation allotted 2,600 metric tons of fertiliser for Lalmonirhat and 5,000 metric tons for Kurigram in January and February as per the demand.

Eight dealers in Lalmonirhat and 13 dealers in Kurigram have been appointed in this regard.

Local farmers in a written complaint alleged that two dealers — (Bengal Company and Sonargaon Variety Store) of Hatibandha and Patgram thanas sold out maximum allotted fertilisers in the black market.

Meanwhile DC of Lalmonirhat expressed dissatisfaction at the increased prices of fertilisers and issued separate letters to the dealers to sell the same at fixed prices.

Local farmers also said these dealers are intentionally not taking their allotment at a time to create artificial crisis in the market.

The high demand of urea fertiliser will prevail in the first 15 days of March for IRRI-Boro crops.

Local elite predicted that the districts may experience the last year's urea fertiliser crisis if BCIC fail to take appropriate measures in time.



Lisa Leeson, wife of Nick Leeson, the trader currently serving a prison sentence in Singapore for his role in the collapse of Barings Bank, in London with the recently published book 'Rogue Trader.'

Clinton admn urged for fresh aviation deal with Tokyo

UNDATED, Feb 25: A new lobby of more than 130 US airlines, cities, airports and tourism-related businesses pressed the Clinton administration to open talks with Japan on a new aviation agreement, reports AP.

The group, called Access US-Japan, released a report claiming that restrictions in the existing air treaty between the two nations cost the US economy \$9 billion a year. Noting that the US and Japan have agreed to complete talks on an air-cargo agreement by March 31, the group called for the governments to begin passenger-service talks immediately.

The idea is to add non-stop flights to Japan from US cities not currently served, promote airline competition, lower fares and generally increase economic activity between the US and its No. 2 trading partner, the group said.

The existing air agreement, which dates back to 1952, restricts the number of US and Japanese cities that can receive direct air services and gives big advantages on the US side to JAL Corp's United Airlines and Northwest Airlines, other US carriers complain that this discriminates against them.

Meanwhile, Japanese carriers and the government fret that the treaty gives United and Northwest unfair rights to pick up passengers in Japan and fly them to other Asian destinations, in competition with Japanese and Asian carriers. And because Japanese carriers tend to have higher costs, they dislike US carriers' ability to charge lower ticket prices. But previous efforts to overhaul the air agreement haven't gotten very far.

The group's report, prepared by Coopers & Lybrand, claims that just three new

non-stop flights a day between the US and Japan could draw an additional 500,000 passengers and at least \$500 million in annual airline revenue. It also estimates that a 25 per cent reduction in air fares could motivate 4.8 million more people to fly between the two nations each year. Currently, big cities such as Houston, Miami and Boston have no direct air service to Japan.

Among the lobby's members are AMR Corp's American Airlines, Continental Airlines, Trans World Airlines and Delta Air Lines, and the airports of Miami, Dallas, St Louis and Portland, Oregon.

Under the US-Japan aviation agreement, a carrier other than Northwest, United and Japan Airlines must negotiate with both governments before being allowed to increase its presence in the market.

Iran wins tender for \$ 150m oil projects in Turkmenistan

NICOSIA, Feb 25: Iranian Oil Minister Gholamreza Aghazadeh said on Saturday Iranian contractors had won a tender for two oil projects in neighbouring Turkmenistan costing about 150 million US dollars, the official IRNA news agency reported, says Reuter.

Aghazadeh said the projects included the laying of gas pipelines and establishing a unit for making petrol out of fuel oil, IRNA added.

It said "the predicted total cost of the project would stand at 150 million US dollars."

Turkmen President Saparmurat Niyazov during a visit to Iran in January reached a number of agreements on joint projects including oil and gas deals and a railway link.

Iran said in September it had agreed with Turkmenistan on 150 million US dollar project to build a gas trunkline between the two countries.

KL construction sector may grow by 16pc in 2 yrs.

KUALA LUMPUR, Feb 25: Malaysia's construction sector is expected to grow by between 14 and 16 per cent annually until early 1998, fuelled by the country's mega infrastructure projects, a local stockbroking house said, reports AFP.

Turnover of construction companies was expected to expand by 20 per cent or more annually over the next three years. Seagroatt and Cambell SDN BHD said in its sector outlook and recommendations.

"Profit margins, however, will be under pressure due to keener competition and escalating costs of labour and raw material," it said in a study reported by Business Times Saturday.

Most of the construction work was geared to the 1998 Commonwealth Games in Kuala Lumpur. Projects include the nine-billion-ringgit (3.6 billion dollar) Kuala Lumpur International Airport, the 700-million-ringgit Commonwealth Games Complex, the light rail transit system and the second causeway linking southern Johore state with Singapore.

S. African economy grows by 3pc

JOHANNESBURG, Feb 25: The South African economy grew by more than three per cent in 1995, easily exceeding estimates despite declines in agricultural and mining productions, the Central Statistical Service said, reports AFP.

Its figures indicated that real gross domestic product increased by 3.3 per cent last year, more than half a per cent higher than the forecast of around 2.7 per cent made at the start of the year.

The latest figure represented the highest growth rate since the 4.2 per cent recorded in 1988 and marks the third year of consecutive "positive growth in the South African economy."

In 1993 the economy grew by 1.3 per cent and in 1994 by 2.7 per cent. Early estimates point to growth of around four per cent this year.

ROK sees 'good turning point' in economic ties with India

NEW DELHI, Feb 25: President Kim Young Sam of South Korea said Saturday he sees a "good turning point" in economic ties with India at a time when New Delhi is trying to woo more foreign investors, reports AP.

India hopes to attract three billion dollars in investment by South Korean car and television manufacturers and that will be on top of the agenda in talks the South Korean president will have with Indian leaders.

Both sides also have a political agenda during Kim's three-day visit, which began Saturday. Kim said he was delighted to be in India with 36 top business leaders on the first visit to India by a South Korean president.

As Kim arrived in the red sandstone presidential palace

in New Delhi, soldiers from the Indian army, navy and air force gave him a 21-gun salute. Indian President Shankar Dayal Sharma and Prime Minister P V Narasimha Rao received Kim.

Both nations are expected to sign two agreements, one on investment promotion and the other to set up a joint commission to promote trade, economic cooperation and cultural ties.

Rao is expected to seek South Korea's support to get a permanent seat on the UN Security Council. In return, Rao could help persuade North Korea to resume talks on uniting the two Koreas.

At least 70 South Korean companies have set up factories in India to make cars, household appliances, textiles

and telecommunications equipment.

On Saturday, South Korea's Hyundai Motor Co. said it will offer Indian investors 40 per cent of its planned 1.1 billion dollars car venture in India after production gets underway in two years.

Hyundai executive vice president Hyo Whi Baik told a news conference in New Delhi that his company hopes to begin local production and sales of its Accent model by June 1998.

The ambitious project, which was approved by the Indian government Tuesday, will be fully owned by Hyundai at the start.

The Accent model will have Indian content of 70 per cent at the start, rising to 100 per cent by the end of the decade, he added.

PC makers settle unfair competition lawsuits

WILMINGTON, Delaware, Feb 25: Packard Computer Corp. and Packard Bell Electronics Inc on Friday settled unfair competition lawsuits that had been scheduled to go to trial in federal court Monday, reports AP.

No money changed hands in the settlement and the companies, which led sales of personal computers in the United States last year, claimed they accomplished their goals.

Compaq accused Packard Bell last April of violating federal law by failing to tell buyers that its machines might contain parts from models that have been returned. Packard Bell countersued for unfair competition and defamation and alleged Compaq also failed to disclose that some of its PCs had parts that had been returned and re-tested.

The dispute was widely viewed as an extension of their battle for turf in stores and for the favour of consumers. There are few guidelines about reusing parts from PCs returned just after purchase and practices vary among manufacturers.

Compaq is seeking 450 mil-

lion dollars from Packard Bell for allegedly violating its patents in power conservation features, video display and high-speed switching. A trial in that case is set for June.

Packard Bell had languished for years by focusing on the retail market when most of the action was selling computers to businesses. Its sales surged in 1993 and 1994 when consumers bought computers in huge numbers, giving the privately-owned company prominence in the industry.

Compaq jumped into the consumer market in 1993. It fell sharply behind Packard Bell in that market during the 1994 holiday season, the biggest sales period. Packard Bell put an emphasis on Pentium chip-based PCs that year while Compaq's line was built around less powerful 486 chips.

In December 1994, Packard Bell sold 119,000 PCs through US stores, compared to 56,000 by Compaq, according to Computer Intelligence Info-corp, a market research firm.

Inter-Korea trade grows by 35 pc in '95

SEOUL, Feb 25: Despite chilly relations, trade between South and North Korea reached 310 million dollars last year, a record 35 per cent increase from the previous year, a government report said Sunday, according to AP.

South Korea edged ahead of Russia to become North Korea's third largest trading partner after China and Japan.

South Korea ships textile and electronic parts to the North, where they are turned into clothing and simple electronic apparatus and then shipped back to the South. It also imports minerals such as gold, bullion and zinc.

South Korean imports from the North exceeded its exports by 3.2 to 1, the ministry said.

The capitalist South lifted a half-century embargo on direct trade with the communist North in 1994 after a nuclear agreement between Washington and Pyongyang. The North agreed to freeze its nuclear programme, suspected of bomb development.

Before the ban's end, trade between the two Koreas went through Hong Kong and other third countries.

EU trying to become messenger of its own message

ROME, Feb 25: Television commercials, user's guides, Internet sites and CD-ROMs: The European Union is trying to become the messenger of its own message, says AP.

Next fall the EU will launch a campaign to inform people what the EU single market is all about, senior officials of the 15-nation trade bloc agreed at a meeting Saturday.

The initiative, which has been in the works for the last two years, has picked up steam in the last months as the EU drive for greater unity has appeared to stumble amid questions of whether some plans are too ambitious and cumbersome.

Citizens have been left too much on the margins of the single market — both with regard to its realization and to its explanation," said EU Commissioner for the Single Market Mario Monti at the close of Saturday's meeting.

The single market refers to a set of EU regulations that should eventually eliminate all national barriers to the free movement of people, goods, services and capital between EU member states. Barriers to the free movement of people still exist — such as border controls at the frontiers of EU countries.

The future campaign, to be named "Citizens First," will centre on a set of multilingual guides that will outline the rights EU legislation guarantees citizens — and how those rights are limited by national laws.

This includes information about the right to travel from one EU country to the next and the different border controls that member states impose on travelers. It also contains information about living and working freely in EU member states with access to medical assistance and job security.

The guides will be available on Internet and CD-ROM and will be accompanied by television commercials, and seminars and conferences open to the general public. There will also be EU telephone hotlines for people who have questions or complaints.

The officials also agreed Saturday that the slew of EU legislation needs to be simplified.

"There is a general consensus on the need to simplify and curb unjustified bureaucratic burdens," said the Italian Budget Minister Mario Arcelli.

Complicated EU norms especially hurt small and medium-size European companies which often lack the financial means to adapt to new laws, the ministers agreed Saturday. This is especially a problem when EU norms contrast too much with national legislation.

Commodity market : Gold, zinc, tea, sugar slide over the week

LONDON, Feb 25: Gold lost its shine this week on the international markets, as it succumbed to massive selling by the US speculative funds that only weeks ago had stampeeded to buy up supplies, propelling the precious metal to strong gains, reports AFP.

The market, which had assumed gold would hold stable above 400 dollars, was plunged into uncertainty as the price of the metal suddenly dived in New York.

But gold later regained its balance, supported by buoyant demand for the metal at a time of hoarding supplies.

Experts remain divided on what the future will hold: a lost could depend on trends in US interest rates.

On the oil market, the halt to discussions between Baghdad and the United Nations on resumption of Iraqi oil sales came as a breath of fresh air. London analysts believe the arrival of Iraqi crude on the market is inevitable, but that it may not happen as soon as they thought.

The grains market was subdued after last week's intense activity. Prices moved lower, dragging vegetable oils in their wake.

Among the base metals, lead took centre stage, reaching a five-year high in London before falling back again by the weekend.

On some markets, activity was at a minimum because of the festivities surrounding the Chinese new year and the end of Holy Ramadan.

GOLD: Slide. US speculative investment funds pulled the rug out from under gold this week. In a single session Tuesday in New York, the price plummeted six dollars, crashing below the psychological floor of 400 dollars it burst up through with much fanfare a month ago.

Gold was the victim of the same "hedge" funds which had piled into the metal once shunned as an unprofitable investment, catapulting it to a six-year high of 417 dollars per ounce on February 2.

Prices then stabilised at around 405 dollars, but Tuesday's sudden slide threw the markets into a panic. As traders asked themselves where the next floor would lie, in the fevered atmosphere on Wednesday in London, some predicted prices would fall as low as 390 or even 385 dollars, but dealers calmed down and gold ended the week above 400 dollars. The market fundamentals remain positive. Production is falling, with South Africa set to turn out only 416 tonnes in 1997 compared with 522.4 tonnes in 1995 and demand is buoyant, not only in countries such as India and Japan, but in America and Europe.

Meanwhile, hints from Federal Reserve Chairman Alan Greenspan Wednesday that US interest rates could come down also bolstered gold, which has become a more attractive investment as monetary policy has eased in the United States and Europe.

Some traders see a return for the metal to 405 dollars per ounce.

At Merrill Lynch, analyst Ted Arnold said that any rebound would not take the metal higher than 406-410 dollars per ounce. At this level, Australian and South African producers would start to sell their output.

SILVER: Fluctuating. Silver followed gold down and up again this week, although the metal's final rebound was hesitant. The price of silver ended the week much as it started, at 5.60-5.70 dollars per ounce.

PLATINUM: High. The metal was affected more than silver by the fall-out from gold, and ended the week around 415 to 416 dollars per ounce.

COPPER: Warming. A massive fall in copper stocks held in warehouses at the London Metal Exchange (LME) of 3,750 tonnes to 353,050 tonnes calmed last week's fears of a return to the surplus mountains of copper seen in 1995.

Prices took their lead from these figures, to rise by 16 dollars to end the week at 2487 dollars per tonne.

LEAD: Furnace. A buying frenzy by speculators drove lead to highs not seen on the London Metal Exchange (LME) since October 1990, settling at 785 dollars per tonne at the close of trade on Thursday.

But by the weekend, prices slipped back to 722.5 dollars per tonne, down 50 on last week, with dealers suggesting

that the market may need some time to consolidate the recent gains.

ZINC: Sink. The metal fell slightly despite a huge draw on burgeoning LME stocks. Some 6,200 tonnes left LME warehouses this week to stabilise at 637-450 tonnes.

Nonetheless, prices slipped by 11.5 dollars to 1,049.5 dollars per tonne.

ALUMINIUM: Pressured. The metal a difficult week, as sentiment on the market worsened amid increasing signs of a production surplus, with the worldwide output limit plan now effectively over.

The metal ended below 1,610 dollars per tonne, as warehouse stocks on the LME grew to 12,950 tonnes to 675,125 tonnes, the highest levels seen since June last year.

According to the European Aluminium Association, European output rose by 2.2 per cent in the first 11 months of 1995 to 2.9 million tonnes.

NICKEL: Siam. The metal enjoyed another gentle week, settling at around 8,350 dollars per tonne.

The future of the 300 million dollar Loma De Hierro Nickel Project in Venezuela, which would boost world production by two per cent, remains uncertain.

TIN: Brittle. The metal held firm, anchored as it has been for several weeks at between 6,250 and 6,300 dollars per

tonne. Stocks rose by 61 tonnes to 10,545 tonnes.

OIL: Relief. The halt to discussions between Baghdad and the United Nations on resumption of Iraqi oil sales, which had sent the market into a panic, gave oil prices a breath of fresh air.

Already lifted last week by the Arctic weather conditions in the United States that increased demand for heating oil and natural gas, the North Sea Crude Oil Brent reference price (for delivery in April) continued to rise.

It climbed to the highest point since mid-January, comfortably above 18 dollars per barrel, and ended the week around 18.10 dollars per barrel.

January's announcement of discussions between Iraq and the United Nations on implementation of UN resolution 986, which allows Iraq to export limited quantities of oil to buy humanitarian supplies, had plunged the oil markets into a state of gloom.

RUBBER: Subdued. Festivities surrounding the Chinese new year and the end of Ramadan meant markets were effectively out of action, as several of the big producers are from South-East Asia, where celebrations were in full swing.

The London market was very calm, prices barely moved and some trading hoses cut back staff levels over the week.

COFFEE: Warming. After a slight fall at the start of the

week coffee prices made steady gains this week, to around 2,000 dollars per tonne.

But prices remained well below levels hit at the end of January, when coffee commanded prices as high as 2,200 dollars per tonne after intense speculative activity.

According to the GNI trading house, parasitic insects may well threaten the Mexican harvest some 246,000 hectares might become infested with the parasites, including the country's main coffee-producing region, the southern state of Chiapas. However, GNI were cautious about the precise implications of the insect plague for this year's harvest.

TEA: Weak. Prices slipped a little this week, although market sentiment remained stronger than at the end of 1995, with an expected boost in European demand and resumption in the Muslim countries now that Ramadan is over.

Medium quality consignments slipped to 98 pence per kilo from 99 pence a week ago.

SUGAR: Slide. Sugar slipped from its recent highs on profit-taking by dealers. A slight fall to 360 dollars per tonne followed technical trades this week, but the general outlook still looked sweet, dealers said.

The Netherlands specialist Rabobank predicted that global sugar consumption would outstrip supply by the year 2000, to give a production shortfall of just below one million tonnes.

Nonetheless, the economist intelligence unit predicted that worldwide production in the 1996/97 season, when a surplus over demand of 2.2 million tonnes.

Cuba in particular looks set to increase its output for 1996-97 to 4.4 million tonnes from four million in 1995-96 and 3.3 million tonnes one year earlier.

Indeed, Czarnikow trading house revised upwards its estimate for the 1995-96 harvest worldwide to 121.14 million tonnes, while it predicted that consumption would settle at just 116.95 million tonnes.

VEGETABLE OILS: Slip. Oils were carried under in the wake of grains this week, after the peaks seen seven days ago. Soya is always very sensitive to changes in maize because the uses of the two crops are so similar, particularly in animal feeds.

In Rotterdam, soya prices fell three guilders to 88.5 per tonne. Palm oil lost almost all of its gains made last week, falling 10 dollars to 505 per tonne. Sunflower lost 15 dollars to 590 dollars per tonne.

According to experts, Argentina's vegetable oil production will dip below 18.6 million tonnes for the 1995-96 season, with a drop of 300,000 tonnes compared with the previous season.

GRAIN: Down to earth. The Chicago market calmed down after the frenzy of last week.

with a slight fall in demand and technical trades putting the brakes on the cereal trades.

Australia renewed its agreement with Japan for the 1996-97 season, when Sydney will sell at least 900,000 tonnes of wheat to Tokyo for 400 million Australian dollars (300 million US).

Prices slipped in the US with an announcement that rains fell on the American drought plains, removing the drought threat to winter wheat.

According to "projections" by the US Agriculture Department, there will be a net increase in grain harvests this year, unless there is some natural disaster.

In London, wheat was stable at 118 dollars per tonne and barley moved up one dollar to 109 dollars per tonne.

COTTON: Pale. Cotton tumbled again but this time because of technical trades by investment funds. Analysts maintained that this fall would be limited because the basic supply/demand relationship was still favourable.

On the cash market, cotton lost two cents to 84 cents per pound.

WOOL: Worried. The fibre remained weak with pessimism on future demand emanating from Australian producers. The index for rough hewn British wool remained unchanged at 438 pence per kilo.