

Indian rupee dips slightly

BOMBAY, Feb 26: The Indian rupee was trading at 36.32/37 against the dollar in inter-bank trade today after opening nearly steady at 36.28/33, rupee dealers said, reports Reuters.

The rupee recovered sharply over the weekend to these levels, jumping over a recently-established 36.50 benchmark. Dealers attributed the recovery to plentiful supply of dollars.

Some dealers said they did not expect the rupee to breach the 36.40 level today. "At these levels, there would be fresh sale of dollars," said a dealer.

He said inward remittances from the Middle East, disrupted because of Eid holidays, were expected this week.

China hopes to attract 71m tourists by 2010

SHANGHAI, Feb 26: China hopes to attract up to 71 million foreign tourists spending about 43 billion US dollars by the year 2010, the Shanghai-based Business News said yesterday, reports Reuters.

In 1995, China attracted 46 million foreign tourists who spent 8.7 billion dollars, increases of 6.2 per cent and 18.8 per cent, respectively, over 1994, it said.

This ranks China fifth worldwide in the number of foreign visitors and ninth in the world in foreign exchange income earned from tourism, the newspaper said.

The largest proportion of foreign visitors come from neighbouring Hong Kong, Macau and Taiwan, although the business news did not give any figures.

In 2010, China also expects between two billion and 2.5 billion local people to make tourist visits and spend between one trillion and 1.05 trillion yuan (120 billion US dollars) to 127 billion US dollars, it said. Local tourist visits refer to travel by mainland Chinese within China.

In 1995, 629 million local people made tourist visits and spent 137.57 billion yuan (16.6 billion US dollars), the newspaper said.

It quoted a senior tourist official as saying that despite the large number of visitors China's tourism market was far less developed than those in first world countries and that there was serious disorder in the tourism industry in many places.

National policies on tourism were not implemented everywhere and local tourism bureau must work hard to rectify the problems, he said, but gave no more details.

Japan to pay \$19m for US oil supplies to DPRK

TOKYO, Feb 26: Japan said yesterday it would contribute 19 million US dollars for fuel oil deliveries to North Korea, a response to a request from the United States, which is having problems keeping up shipments under a nuclear pact, reports Reuters.

Prime Minister Ryutaro Hashimoto would convey the decision to US President Bill Clinton at their meeting in Santa Monica, California, on Friday, Japanese government officials said.

"Supplies of fuel oil will help North Korea abandon its nuclear programme. It is also important for Japan's security," a government official told reporters.

Due to US congressional funding delays, Washington last month asked Tokyo, South Korea and other countries to help pay for oil supplies to North Korea under a landmark nuclear agreement reached in October, 1994.

Under the 1994 accord, Washington is supposed to finance deliveries of fuel oil to Pyongyang in return for North Korea's shutdown of nuclear reactors, which the United States suspects were being used to produce nuclear weapons.

Funding for the oil shipments to compensate North Korea for energy lost by the reactor shutdown, is being channelled through the Korean

peninsula Energy Development Organisation (KEDO), which was set up by the United States, South Korea and Japan last year.

Washington funded several shipments last year, but another shipment due this month has been threatened by the current budget deadlock between President Bill Clinton and Congress.

KEDO's main role is to raise some 4 billion US dollars to finance the construction of New North Korean light-water reactors, which, unlike the old graphite-moderated models, cannot easily convert their nuclear fuel into weapons-grade plutonium.

\$17b dam work on Yangtze river ahead of schedule

BEIJING, Feb 26: Construction of China's huge three Gorges dam on the Yangtze river is running ahead of schedule, officials said, but a veteran geologist warned the dam may have to be destroyed as rocks build up behind it, reports Reuters.

If construction of the dam proceeds at the current pace, the river could be cut in October or November 1997, the China Daily Business Weekly on Sunday quoted Yang Qing, head of the Beijing office of the China Yangtze Three Gorges Development Corp, as saying.

"Overall, the first phase of the construction is being accomplished a bit ahead of schedule," Yang said.

Construction of the world's biggest water-control project, requiring a total investment of 146.8 billion yuan (17.48 billion dollars) from 1993 to 2002, officially began in December 1993.

Of 26 turbines needed, 12 will be bought from abroad through international bidding, due in the first quarter, Yang said.

The dam has run into controversy at home and abroad.

Some engineers and environmentalists in China oppose the project while US President Bill Clinton's National Security Council last year advised Washington not to offer financing because of concerns about environmental damage, human rights abuses and the Chinese government's financial clout.

"Exports and investment to keep Asia booming"

HONG KONG, Feb 26: Exports and investment, the twin engines of the Asian economic miracle, will continue to fuel growth, but the investment will be more intra-regional and aim more at domestic markets, a Hong Kong securities firm predicts, reports AP.

In a 92-page report published Monday, Crosby Financial Holdings Ltd, warns, however, that the continued fast expansion can lead to overheating and tighter monetary policies.

Thailand's fast-growing vehicle market is a prime example of industry's new effort to woo the domestic market, said Bay Farris, head of strategy and economic research, who wrote the report.

Instead of setting up plants in Thailand to take advantage of cheap labour and to export vehicles, manufacturers are flocking there to sell their products to Thai buyers, whose demand for light-duty pickups is second only to the United States, Farris said.

"Increasingly you are seeing a lot of investment looking at the domestic markets in Asia," he told reporters.

He said that as investments increasingly cross borders and link up the region, efforts to break down trade barriers will increase, allowing economies to move to the next level of development — making higher value-added products.

He said countries are continuing to reform their economies to ensure that investment keeps coming their way. For example, "Asian economies are competing with each other to bring down tax rates faster," he said.

Farris said he was concerned that many countries may face labour problems as living standards rise, but also cited their efforts to keep labour costs low.

These include moving production away from cities to the countryside, where wages are lower, he said.

In Thailand, for instance, 89 per cent of new investment was targeted outside Bangkok last year, Farris said.

He said the movement of rural workers into industry shouldn't diminish a country's food production or consumption.

"Asia will shift into manufacturing and earn foreign exchange from that and buy all the food it needs," he said.

Increased intra-Asian trade will also give the region greater resilience if economies elsewhere in the world decline, he said.

Business briefs

ME BOURNE, Feb 26: Foster's Brewing Group Ltd of Australia said Monday its takeover of Mildara Blass Ltd has been successful, reports AP.

The company said it holds 98.6 per cent of Mildara Blass and will now move toward compulsory acquisition of the remaining shares.

Foster's said Dec 10 it would offer 7.75 Australian dollars (5.81 dollars) a share for all the shares in Mildara Blass, a wine and spirits company. The offer valued Mildara Blass at 482 million Australian dollars (361.5 million dollars).

Mildara Blass welcomed the bid after an independent expert's report found the offer was "fair and reasonable."

Fed Kunkel, chief executive of Foster's said Monday "it is our intention that the resources of Foster's Brewing Group will contribute to building Mildara Blass into a major national and international wine business."

HANOI, Prices rose 2.5 per cent in February from the previous month, driven by spending for the lunar new year holiday, according to official figures released Monday.

The government did not wait until the end of February to compile the figures, so anxious has it been to declare victory in its annual battle against lunar new year inflation. As early as last week, official newspapers were noting that prices rose 7 per cent during the 1994 new year and cheering the success of this year's controls.

Even so, the increase is larger than hoped for. The government had sought to hold increases in February to 2 per cent and in the first quarter to 3.5 per cent for an annual rate of about 14 per cent. As it is, prices rose a total of 3.5 per cent in January and February, along for an annual inflation rate of more than 20 per cent.

The government figures show February prices up 9.9 per cent from February 1994, with the biggest pushes coming from rice — up 17.5 per cent — and building materials — up 14.7 per cent.

Battling inflation has become a government priority because a large portion of the annual budget goes to state employee and military salaries, and inflation-driven wage increases have added to the budget deficit. The government also fears that high inflation could produce social unrest.

Vietnam uses a retail price index, collecting data three times a month in each of the nation's 53 provinces.

TAIPEI, Having risen to the top ranks of computer hardware manufacturing, Taiwan says it now wants to boost its software industry through joint venture with foreign companies.

The Industrial Development Bureau said Monday it projected revenues worth more than 37 million dollars from such a venture.

It said a task force set up last month under the Economics Ministry will seek foreign partners.

Hardware generated revenues of 19.67 billion dollars last year, behind only the United States and Japan, but software took in only 1.64 billion dollars and just 6.5 per cent of the output was exported, the agency said.

TOKYO, Japan's merchandise trade surplus shrank to 1.79 billion dollars in the first 10 days of February, down 41 per cent from the 3.01 billion dollars surplus in the year earlier period, the finance ministry reported Monday.

The figures are measured on the basis of goods passing customs, and are reported before adjustment for seasonal factors.

For the latest trade data the ministry provided an average exchange rate for the reporting period of 106.22 yen to the dollar, representing a substantial appreciation of the dollar from 99.42 yen a year earlier.

The trend toward a stronger yen has reversed since the summer of 1995, after the dollar bottomed out in April.

The yen's rise last spring initially inflated the value of Japan's trade surplus before reducing the volume of exports.

The ministry doesn't give further details for the interim trade results.

The unadjusted merchandise trade surplus in January, the most recent full month for which figures are available, was 467 million dollars, down 83 per cent from the year before.



An Australian 20 dollar note (top) is compared to a fake 22 dollar note (lower) featuring the leader of the conservative opposition John Howard in Sydney yesterday. Australian Federal Police (AFP) have confiscated large numbers of the notes being distributed as election propaganda after one of the fake notes was presented to a bank.

ME peace process boosting regional trade, tourism

CAIRO, Feb 26: Egyptian businessman Hany Rizk jokingly characterizes one of his new ventures as "Twinkles diplomacy."

"Just think," he says. "At the same time in the morning, kids in Egypt, Tel Aviv and Saudi Arabia are eating the same product from Cairo," reports AP.

Rizk's regional distribution of Twinkles cream-filled cakes, made under licence from Continental Baking Co. of St. Louis, is just one example of the warming business climate between the Arabs and their former enemy, Israel.

Regional business deals, trade offices and tourist packages have been on the rise since the Israeli-Palestinian peace accord in 1993. They've gotten a further boost with hopes for a peace deal between Israel and Syria.

"The reason is that both sides see profits and other opportunities for growth," Rizk says.

"Countries like Egypt gain a link to the Israeli marketing network to the West," said Hussein Matawi, director-general of the Federation of Egyptian Industries. "Israel... has the benefit of normalization, becoming a part of the region."

Egypt and Israel already are building a joint oil refinery and negotiating over a natural gas pipeline. Jordanian factories are making clothes for export via Israel. Tours link the Sinai Desert of Egypt to Jordan's antiquities and Jerusalem's holy sites.

Promising even more Arab-Israeli business are new commercial offices being set up in Israel by the North African nations of Tunisia and Morocco and the Persian Gulf state of Oman.

Still, public resistance to dealing with the Jewish state keeps many deals hush-hush.

Even the enthusiastic Rizk won't name his Israeli partner in a joint venture to produce frozen vegetables, coffee and cookies in Egypt for sale both within Egypt and for export.

Hard-liners opposing trade with Israel come in all stripes. Arab nationalists want to withhold trade to force the surrender of lands won by Israel in the 1967 Mideast war. Others fear smaller Arab economies will be overwhelmed by high-tech Israel. Many Arabs simply cannot forget the 50 years of fighting.

But others see growing business ties as a natural outgrowth of widening peace.

Across the border, Dov Lautman, chairman of Israel's largest textile manufacturer, concurs. His Delta Gall Industries has subcontractors making clothes in Jordan and Egypt, where labour costs are lower than in Israel.

"They gain employment," Lautman said. "Also know-how and technology."

There are no firm figures on Arab trade with Israel, in part because so much occurs through third countries like Cyprus and Malta. Reports have circulated for years of Israeli sales of citrus juice to the Persian Gulf and agricultural equipment to neighboring states.

Oded Eran, director of the economic department at Israel's Foreign Ministry, predicts that Israeli exports to and imports from Arab countries could reach 1.5 billion dollars annually within several years — more than 10 times the current estimated level.

Even at that, Arab-Israeli trade would represent just a fraction of the 20 billion dollars a year in commerce among Arab countries.

The rise in some trade has been dramatic. Israeli exports to Egypt have tripled to 30 million dollars a year since 1993. Imports rose more than fourfold to 47 million dollars annually. Tourism in both directions increased more than one-third last year.

Recession possibility poor in US this year

WASHINGTON, Feb 26: The chances of a recession in the United States this year are one in four, according to top economic forecasters surveyed by the National Association of Business Economists, reports AP.

But the consensus of the 36 survey participants projects that the economy, after beginning on a soft note, will grow steadily during the course of the year.

The NABE forecast panel estimates that real GDP will expand at a moderate 1.4 per cent rate in the first quarter, a two per cent rate in the second quarter and a 2.4 per cent rate in the second half of the year, the survey summary said.

The consensus sees 1.9 per cent growth in the GDP, or gross domestic product, for all of 1996 and 2.2 per cent during 1997. Both the Clinton administration and Congress are forecasting growth of 2.2 per cent this year and 2.3 per cent in 1997.

The GDP, the total output of goods and services within the United States, grew 2.1 per cent in 1995, including an anemic 0.9 per cent rate in the final three months. It was the weakest annual performance since the economy actually fell one per cent in 1991 at the end of the last recession.

Ford apologizes for marketing misstep

LONDON, Feb 26: Ford Motor in Europe is red faced over a decision to superimpose white faces on photos of its black and South Asian workers in a marketing campaign, according to Wall Street Journal Service.

The embarrassing brouhaha has prompted an apology from Ford and raised questions about how far marketers should go when tailoring advertising to specific ethnic groups around the world.

Moreover, the controversy underscores the fact that advertisers in many countries, oblivious to racial sensitivities, at times create commercials that would simply be unacceptable by American standards.

The Ford picture surfaced when a handful of black, Indian and Pakistani workers in Britain, who had posed for the photograph along with their white co-workers, saw a reprint in a new company brochure. But to their horror, they all had been turned into white people.

The rings, overalls and T-shirts they wore in the original photograph were still there, as were the folders and books they carried. But their faces, hands and arms had been changed or lightened, so that the once ethnically diverse group looked like an all-white work force. One worker, who wore a turban and sported a beard in the original photograph, had been changed to a clean-shaven white man with neatly trimmed brown hair.

Ford has acknowledged that it, working with its advertising agency, WPP Group's Ogilvy & Mather Worldwide in London, doctored the photo for a second advertising campaign in Poland.

The reason?

"The modification was made because the UK version obviously did not portray the ethnic mix in Poland," Ford said in a statement. "The Polish version of the employee picture instead of the original was used (in the UK) by mistake."

In addition to apologizing, Ford awarded each of the workers 1,500 pound sterling (2,316 dollars) in compensation after negotiating with their union, a union spokesman said. Ogilvy & Mather declined to comment.

But Ford's admission that it removed dark-skinned people from an advertisement to reflect the makeup of its target market has highlighted the dilemma faced by multinational companies that advertise in different markets around the world.

"It was the wrong decision in political-correctness terms," says Lewis Blackwell, editor of creative review in London. "At the end of the day, the majority of people in Poland are white."

Indeed, in Poland advertisers say it doesn't make sense to use an advertisement with a racially diverse group. Wolfgang Ulrich, managing director at Grey Advertising in Poland, says that in nearly three years of advertising experience there, he couldn't remember a single ad that contained a black person.



An employee of the China Gold Coin Corporation displays a 99.99 per cent pure gold coin newly issued by the People's Bank of China to commemorate the return of Hong Kong to Chinese sovereignty in July 1997. The limited issue 500 yuan (60 US dollar) coin, which is expected to sell more than 30,000 yuan (3614 US dollar) features a portrait of China's paramount leader Deng Xiaoping, the Hong Kong skyline and the inscription "One Country Two Systems". The coin goes on sale December 1.

BCIC International Tender Notice

Managing Director, Urea Fertilizer Factory Ltd, Ghorasal, Narsingdi, Bangladesh invites sealed quotation on two envelope system for supply of Tubes for Fabrication of RTB Intercooler No. 1 under Tender No. UFFL/FP-CMW/8/95-96/680 on C&F(C) Chittagong Sea Port/Dhaka Air Port basis. Tender will be received up to 11.00 AM on 3.4.1996. Tender documents will be available at Tk 200/- from (1) Accounts Division, BCIC, 30-31, Dilkusha C/A, Dhaka, (2) BCIC, 6, Agrabad C/A, Chittagong & (3) UFFL.

No tender documents will be sold on the date of opening. BCIC 171-18/2/96 DFP-4403-24/2 G-299

Civil Aviation Authority of Bangladesh Tender Notice

1. Name of work: Development of Electrical Sub-Station — Providing, Installation and Commissioning of emergency load LT switchgear w/c related works at Saidpur Airport.

2. Earnest money: @ 2% pc (two and half per cent) of the quoted amount in the shape of Bank Draft/Pay Order from any scheduled bank of Bangladesh in favour of the Airport Manager, Saidpur Airport, Saidpur.

3. Eligibility of the firm: CAAB enlisted "B" and above class E/M contractors having valid BC electrical contractory and supervisory licence and experience in similar nature of works.

4. Value of tender paper: Tk 250/- (Two hundred fifty) only (Non-refundable)

5. Place of availability of tender: i. Superintending Engineer, P&D/QS Circle, CAAB, Kurmitola, Dhaka. ii. Director, CEMSU, CAAB, Kurmitola, Dhaka. iii. Executive Engineer, E/M Division-3, CAAB, Dhaka. iv. Airport Manager, Saidpur Airport, Saidpur. v. PA to Member (Ops & Plans), Chief Engineer & Director (ZIA), CAAB Dhaka.

6. Place of tender receiving/opening: Office of the Superintending Engineer, P&D/QS Circle, CAAB, Kurmitola, Dhaka.

7. Last date of selling tender: 9-3-96 during office hrs.

8. Date and time of tender receiving: 10-3-96 up to 1200 hrs.

9. Date and time of tender opening: 10-3-96 at 12-30 hrs.

Authority reserves the right to accept any tender or part thereof or reject all the tenders, without assigning any reason whatsoever.

Kamal Ahmed Superintending Engineer P&D/QS Circle, CAAB Kurmitola, Dhaka. DFP-3894-14/2 G-297

Hanoi to take another step to modernise banking

HANOI, Feb 26: Communist Vietnam, struggling to transform its primitive cash-based economy, will take another step on the road to modern banking next month with the launch of its first credit cards, reports Reuters.

Mastercard international said on Monday that four Vietnamese banks licensed as members of its network 12 months ago were now testing electronic payment facilities and hoped to start issuing cards by mid-March.

One of the four, the Bank for Foreign Trade (Vietcombank), is aiming to go from a standing start to 60,000 card holders by the turn of the century.

"As Vietnam's biggest bank we will be using our extensive branch network to bring the convenience and flexibility of Mastercards to our customers within a very short space of time," Vietcombank Executive Director Vu Viet Nogan said.

"We are also working on a merchant recruitment programme and expect the number of acceptance locations to skyrocket in the next few months," he said in a statement.

About 900 outlets in Vietnam, mostly in the burgeoning travel and tourism industry, already accept Mastercards issued overseas. Rival companies such as Visa and American Express also have locations which accept card payment for cash.

The country's leading commercial bank, Vietcombank, has already issued a limited number of its won dong (local currency) cards, but they are not pay later credit cards.

With memories of hyperinflation still relatively fresh, many people still stash dollars or gold bars at home or buy big ticket consumer products as a store of value.

'Internet more like newspaper than TV'

SAN FRANCISCO, Feb 26: The internet is more like a newspaper than television — and deserves the same constitutional protection, a coalition representing journalists and the Microsoft software giant was expected to argue in a lawsuit Monday, reports AP.

The lawsuit seeks to overturn the Communications Decency Act, which imposes a 250,000 dollars fine and up to six years in prison for transmitting material considered indecent in such a way that it may be accessed on the internet by children.

Another lawsuit, filed Feb. 8 by a coalition led by the American Civil Liberties Union, resulted in the temporary blocking of the act. US District Judge Ronald Bickel said the definition of indecency in the act was so vague that people wouldn't know they were breaking the law until they were arrested.

The new lawsuit, to be filed in Philadelphia by the Citizens Internet Empowerment Coalition, goes beyond the ACLU's by attempting to redefine the law which covers the Internet.

"The basic (constitutional) framework for the Internet is going to be set by this case," said Daniel Weitzner of the Centre for Democracy and Technology in Washington DC.

Messages left Sunday with the Justice Department seeking comment were not immediately returned.

The lawsuit includes more than 50 pages of explanation as to why the Internet is a new technology deserving of new laws.

Historically, broadcast has been the most restricted kind of speech because the number of channels is limited and listeners and viewers don't have control over what they see.

"We're hoping to show that instead of being a captive audience, internet users have control of what they see and what comes into their homes," Weitzner said.

Because of that, the lawsuit holds, the Internet is more like a newspaper or a book than a television programme — and internet companies are more like publishers than television stations.

The coalition also believes there are alternative and less restrictive means to protect children or anyone else from offensive content. Numerous software programmes allow parents to block material they don't wish their children to have access to, without the need to reduce the content of the entire Internet to something acceptable for children.

"We believe that parental involvement, education and technology provide far more effective solutions to protecting children than this or any other law could," said Bill Burlington, general counsel for America Online, the largest commercial Internet service in the United States with more than 4 million members.

The coalition fears that if the same kinds of restrictions placed on television and radio are placed on the Internet, a double standard will develop between the real and online worlds.

"We could end up with only the print world having First Amendment protection," said Karen Coyle, a member of the America Library Association's Libraries on the Information Superhighway Advocacy network.

The coalition includes, among others, America Online, Apple Computers Inc, CompuServe, Prodigy, Microsoft, Netcom, the Society of Professional Journalists, the American Society of Newspaper Editors, the American Library Association, the American Book Sellers Association, Families Against Internet Censorship, the Association of American Publishers, Wired magazine, the Newspaper Association of America and the Association of Publishers, Editors and Writers.