



Taiwan to build petrochemical complex in Indonesia

TAIPEI, May 5: The state-run Chinese Petroleum Corp. agreed Saturday to build a two billion dollars petrochemical complex in Indonesia in a venture with Taiwanese and Indonesian investors, reports AFP.

The planned project includes relocating Chinese Petroleum's plant, set up 20 years ago, from the southern Taiwanese city of Kaohsiung to the new complex, said Chang Tzu-yuan, chairman of the Taiwan oil company.

Indonesia's PT Graha Centurion and Masplion Group will contribute an unspecified investment in the relocated plant, Chang said.

Taiwanese and Indonesian companies will build new factories in the complex to produce petrochemical materials, Chang said.

A contract on building the complex, which may be located in Gresik, East Java, will be signed in June, he said.

A memo of understanding was signed Saturday by the eight Taiwanese investors, including Petrochemical Corp., Oriental Union Chemical Corp. and China Development Corp.

The petrochemical complex is scheduled for completion in 1999. Construction will begin soon after the budget is approved by the Taiwan parliament, Chang said.

Rapport training course on 'selling skills' opens

A four-day residential training course on selling skills was organised by Rapport Bangladesh Limited for 21 Sales Officers of Social Marketing Company (SMC) at Bangladesh Public Administration Training Centre (BPATC) in Savar near the capital, says a press release.

The course began Saturday with an inaugural session addressed by Salim Akbar, Marketing's Manager, Shahid Ahmed, Sales Manager of Social Marketing Company.

The course was conducted by M Mosharrif Hossain, Managing Director of Rapport Bangladesh Limited.

**'Benefit of information age should be global'**

WASHINGTON, May 5: A US official emphasizes that developing nations must create their own course of action to bring their people into the information age, says USIS.

"There is not one model nor one technology that will work for all," a Commerce Department official notes.

He says these countries should provide the conditions that encourage private sector investment to build a telecommunications infrastructure.

Larry Irving, Assistant Secretary of Commerce for Communications and Information also emphasized that the benefits of an information society should be global, citing how telecommunications technology can improve healthcare, education, economic development and the building of democracy.

He answered questions from South African officials and journalists in two telephone press conferences arranged by the United States Information Agency. He spoke to a group in Durban May 2 and to a panel in Cape Town May 3.

Irving is coordinating US government preparations for the Information Society and Development (ISAD) Conference, May 13-15 in Midrand, South Africa. The Pretoria government, the host for ISAD, has invited 40 countries and 18 international organizations to attend the conference. The meetings will focus on the needs of developing countries to participate in the building of a global information society.

The US official stressed that the ISAD conference is an opportunity for industrialized countries to have a dialogue with developing countries on their needs and "realities" to share the benefits of an information society. Bringing the benefits of the information age to developing countries, he said, will be a "bounty" for all countries.

Irving emphasized that the Clinton administration supports the same principles for building a Global Information Infrastructure (GII) that it has used in developing a National Information Infrastructure for the United States. Those principles include the promotion of marketplace competition, the creation of flexible regulatory framework and open access to the network.

The most important principles, Irving stressed, are the encouragement of private investment in building an information infrastructure and ensuring universal service for people of different regions and economic backgrounds and that the programme encompasses all ethnic groups with the population.

# The Daily Star BUSINESS

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## Labour unrest threatens Lankan tea industry

COLOMBO, May 5: A simmering labour unrest threatens to push Sri Lanka's main export commodity tea back into the woods just as the industry was emerging from a prolonged recession, trade officials say, reports AFP.

Sri Lanka is the world's largest exporter of tea, selling about 220 million kilos (484 million pounds) annually but is also the least productive grower of the commodity due to years of mismanagement in the state-owned plantations.

However, thanks to the entry of Russia and former Soviet republics and higher purchases by Jordan and Turkey, prices have begun to improve at the Colombo tea auctions since the end of last year.

"Prices are exceptionally high at the moment," said Lalith Ramanayake, a Director at John Keells, one of the oldest tea broking houses in the country. "But it is likely that a market correction will take place soon."

Ramanayake said the labour unrest, which came to head last week with a week-long stoppage by some 800,000 workers, could not have come at a worse time.

The Commonwealth of Independent States (CIS) have just begun buying more tea while International prices showed an upward trend helping Sri Lankan growers to raise prices above the cost of production for the first time in many years.

The UN sanctions against Iraq following the Gulf War hit Sri Lankan tea exports and when they were announced

then Plantations Minister Ranjan Wijeratne angrily demanded that the UN Secretary General drink all Sri Lanka's tea, better known as Ceylon Tea.

Since then, however, Turkey and Jordan have been making purchases over and above their usual consumption, indicating that the surplus ended up in Iraq, the trade said. Sri Lanka has also offered 90 days credit to Iran to buy more tea.

The average auction price at Colombo reached 104.41 rupees (1.93 dollars) a kilogram (2.2 pounds) earlier this month compared to 66.96 rupees (1.24 dollars) a year ago. About a fifth of the country's export earnings come from tea and rubber.

The trade unions as well as the management agree that last week's strike which prevented the plucking of tender tea leaves for one week was a disaster for the industry and the image of Ceylon Tea.

The leafy tea bushes grown on high mountain slopes must be attended to daily with the light-green tender leaves and buds picked manually to make the high-quality black tea Sri Lanka has been known for over the past 147 years.

The neglect will take months to be corrected and in the meantime, the quality of tea at the weekly Colombo sale will suffer forcing many buyers to go to neighbouring India as well as arch rival Kenya, brokers said.

The immediate loss to the industry has been estimated at a conservative 10 million dollars.

The participants of a training course on Selling Skills for SMC organized by Rapport Bangladesh Limited.



Japan asks WTO to strengthen supervision of EU, NAFTA

TOKYO, May 5: Japan will call on the World Trade Organisation (WTO) to draw up guidelines to strengthen supervision of regional economic groupings such as the European Union and the North American Free Trade Agreement, a report said yesterday.

The proposal, to be put forward at the WTO's first regional trade agreement committee meeting on Monday, is aimed at preventing regional economic blocks from becoming trade protectionist organs, the Nikkei Keizai Shim bun said.

Regional economic integrations are subject to WTO screening, but there are no specific criteria to determine whether they are violating WTO rules, the major business daily said.

What started as a pure wage issue is now threatening the stability of the 21-month-old government of Kumaratunga who has a slender one-seat majority in the 225-member National Assembly.

Without Thondaman's seven votes in parliament, the ruling coalition will have little room for manoeuvre.

Most analysts believe that Thondaman, the 84-year-old king-maker in Sri Lankan politics, may cut a deal with Kumaratunga in the next few days but on the face of it, the crisis has the potential to bring the government down.

The no-trust vote Thondaman is moving is no storm in a tea cup, Wickremayake hit back at the weekend by demanding on national television that Thondaman resign.

The plaster cast of Washington's face sells for \$1.1m

NEW YORK, May 5: George Washington, the first American president, still brought out the bidders Saturday. A plaster cast of his face sold for 1.1 million dollars at auction, reports AP.

Also sold were his cut-velvet sage green jacket and waistcoat — which he wore in a portrait by Charles Wilson Peale — for 577,500 dollars; his upholstered walnut chair from Mt. Vernon, for 341,000 dollars; and his brown velvet jacket and silk breeches for 330,000 dollars.

The plaster cast was made at Mount Vernon in 1785 by French sculptor Jean Antoine Houdon. It was sold to an unidentified buyer at the auction held by Charles G. Moore Americana at the St. Regis Hotel.

Thomas Jefferson and Benjamin Franklin had arranged for Houdon to create a life-size marble statue of Washington, which now stands in the state capital in Richmond, Va.

Houdon modeled a clay bust of Washington and made two plaster casts from the bust. The second cast is on display at the Corcoran Gallery of Art in Washington, DC.

The cast and other items sold at the auction were acquired in 1850 by American artist Brutus Stearns and kept by his family. In 1942, his heirs loaned the items to Federal Hall in Manhattan.

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The investments mostly by the public sector, account for more than 10 per cent of the total capital in the non-oil industrial sector while the aluminum industry contributes around 10 per cent of the gross domestic product of the

Bahrain and UAE smelters will push overall Gulf aluminum production capacity to around 1.5 million tonnes per year and enable such an industry in the GCC to occupy a prominent place on the world map, the study said.

Experts said the expansions and the new aluminum projects would allow GCC states to cut their import bill and boost revenues, which are heavily reliant on volatile oil earnings. They put current GCC aluminum earnings at more than 930 million dollars per year, mostly from the Bahraini and UAE smelters.

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sector according to official estimates.

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GOIC, which advises on government industrial policies in the GCC, proposed setting up an alumina plant in the region to reduce imports of the substance, which is the main component of the aluminum industry.

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## Construction work of Shahjalal Fertiliser Complex yet to begin

From Staff Correspondent

SYLHET, May 5: The decision of Bangladesh Chemical Industries Corporation (BCIC) to shutdown the Natural Gas Fertilizer Factory has created commotion among the people of Sylhet region.

The decision was suspended several times earlier in the face of a large-scale agitation.

The authorities however could not take any effective step to start the construction work of Shahjalal Fertiliser Complex in the attached area.

Accordingly, the proposal was accepted and an amount of Taka 14 crore was sanctioned for overhauling. But mysteriously, the allocation was later reduced to Taka 6 crore. Even the factory faced no problem in continuing its production.

The factory earned a net profit of 67 crore 76 lakh 37 thousand 700 Taka during the past 29 years from 1962 to 1991. It runs with the gas supply from Jaabab gas field.

The BCIC authorities are yet to finalise the construction of the Shahjalal fertilizer complex.

tion. The unit exceeded its target of fertilizer production in the year 1994-95. It produced 69 thousand tonnes of fertilizer till May 2 even after being closed for 45 days for overhauling.

The current years target of 85,000 tonnes will also be achieved easily, factory sources said.

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## Asia's top pulp producer moves into world paper market

SINGAPORE, May 5: One year after its New York listing, Asia's biggest pulp producer is enjoying soaring sales and eyeing partnerships with key paper manufacturers to gain a foothold in the lucrative world paper market, reports AFP.

A secondary listing is also in the cards for Asia Pacific Resources International Holdings Ltd (APRIL), which owns the world's largest pulp mill, officials of the Singapore-based, Indonesian-owned company said.

"We see more strategic alliances coming along the way, not only with those in Asia but also Europe," said APRIL's Deputy Chairman polar Yanto Tanoto after signing a joint-venture agreement over the weekend with South Korea's top paper producer Hansol Paper Co Ltd.

The companies agreed to jointly invest in a 600-to-650 million US dollar paper mill project in Sumatra, Indonesia, under the pact, seen as thepacesetter for other partnerships in developing downstream facilities using APRIL's abundant pulp output.

APRIL will supply the paper mill project with pulp from its adjacent giant riaupulp complex while Hansol will provide technical and advisory support in developing the mill.

The plant would in turn supply APRIL with 600,000 tonnes of uncoated woodfree paper — used in offices for off-

set printing and for converting into envelopes, forms and writing pads — of which 30 per cent would be marketed by the South Korean company.

APRIL's riaupulp facility on a 1,750 hectare site is the largest single-line chemical pulp mill in the world. Its annual production of 750,000 tonnes makes riaupulp the largest producer in Asia.

In another bid to utilise

more of its pulp, APRIL is building two paper mills costing 430 million dollars in Changshu near Shanghai, officials said.

They could each produce 160,000 tonnes per year of paperboard and paper.

As Changshu is the supporting port of the massive Suzhou industrial park — a flagship China — Singapore project — APRIL is planning downstream facilities there to capitalise on China's growing demand for high quality paper and packing products, they said.

APRIL, which in APRIL last year became the first Asian pulp company to earn primary listing on the New York stock exchange, is also "seriously considering" secondary listings, including in Singapore, its group financial director Berry Kowch said.

"I think it is an issue of timing at this point. We are waiting for our investment bankers to tell us the right time," he said.

Before the end of the

## Dragonair offers Special Beijing weekend package

Dragonair is offering a special Beijing Weekend Package which includes round trip air tickets, three nights stay at the Beijing Holiday Inn Crowne Plaza plus sightseeing tours, says a press release.

The four day three night package valid from April 12 August 31 is specially offered to travellers with the price of just 4,280 HK dollars.

With this package one can pay a visit to the Great Wall, one of the seven wonders of the world, trace the ancient civilizations of the Middle Kingdom and experience the wonders of the Beijing City in the heart of the Beijing.

At the cost of a normal air ticket fare to Beijing, passengers can enjoy extra benefits including: Round trip air ticket on Economy Class basis, 3 nights hotel accommodation at Beijing Holiday Inn Crowne Plaza with daily breakfast, round trip transfers between airport and hotel, 2 days sightseeing tours with lunch inclusive and Travel insurance for passengers under the age of 70.

Another press release says, Ms Laura Aysan has been appointed as the Manager, Promotion Public Relations of Dragonair.