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Taiwan to build petrochemical complex in Indonesia

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

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 Taiwanese oil company.

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

Taiwanese and Indonesian companies will build 17 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 Union 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 Manager, Shahid Ahmed, Sales Manager of Social Marketing Company.

The course was conducted by M Mosharraf 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 Capetown 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 a 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 within the population.

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 re-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 a head last week with a week-long stoppage by some 800,000 workers, could not have come at a worst 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 dol-

lars.

The labour dispute is not yet over. The leader of the Main Tea Trade Union, the Ceylon Workers Congress (CWC), Saumyanorthy Thondaman is due to hold more talks with the government from Monday.

Thondaman is a member of President Chandrika Kumaratunga's cabinet but has tabled in parliament a resolution of no-confidence against a fellow minister who is in charge of plantations over the tea strike issue.

The CWC is demanding a 10.5 per cent wage increase while Plantations Minister Ratanasiri Wickremarajasinghe says only three per cent can be given and anything more was unaffordable for private management running state plantations.

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. Wickremarajasinghe hit back at the weekend by demanding on national television that Thondaman resign.

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 blocs from becoming trade protectionist organs, the Nihon Keizai Shimbun 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.

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 lifelike marble statue of Washington. 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.

Construction work of Shahjalal Fertiliser Complex yet to begin

From Staff Correspondent

SYLHET, May 5: The decision of Bangladesh Chemical Industries Corporation (BCIC) to shut down 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 in the area.

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

The BCIC authorities decided to shut down the factory in 1993 on the plea of technical faults. But in the face of a large-scale agitation, the gov-

ernment formed a 4-member committee headed by Dr Iqbal Mahmud, Professor of BUET to see the possibilities of running the factory.

The committee opined that the factory could be run and a major overhauling would easily enable it to run for 3 more years.

It also suggested for setting up of a new factory named Shahjalal Fertiliser factory in the attached areas.

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 then, the factory faced no problem in continuing its produc-

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.

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 Jalalabad gas field.

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

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 toehold in the lucrative world paper market, reports AP.

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 the pacesetter 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 riapulp 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 riapulp 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 riapulp the largest producer in Asia.

The Hansol alliance trust APRIL from a pulp supplier to a major player in the region's fast-growing paper market.

APRIL posted a net income of 40.8 million US dollars in 1995 on net sales of 480 million dollars after suffering a 19.2 million dollar loss a year earlier, officials said. The red ink was wiped out by a 170 per cent increase in sales last year.

APRIL's wood supply comes from 514,560 hectares of previously logged government and privately-owned land in Indonesia — an area almost 10 times the size of Singapore.

Tanoto, whose family controls about 60 per cent of APRIL, said the firm's strategic alliances with paper companies are significant in its efforts to keep pace with the burgeoning paper market particularly in Asia.

Except for Indonesia and South Korea, Asian countries are net importers of pulp, paper and packaging products, experts say.

Before the end of the

decade, demand for paper and packaging in the region is expected to exceed demand in North America. In Europe, demand for uncoated woodfree paper — which are APRIL's main products — will produce at the end of 1997 — is forecast to rise by three to four per cent compared with only one per cent average annual capacity growth.

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 Kowak said.

"If 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.



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

Gulf states planning new smelters to double aluminium output

ABU DHABI, May 5: Gulf Arab States are expanding their aluminium plants and planning new smelters to double their production to around 1.5 million tonnes per year, an official study said yesterday, reports AP.

The region's two smelters in Bahrain and the United Arab Emirates (UAE) currently produce around 700,000 tonnes of aluminium per year but capacity is set to exceed 800,000 tonnes with further expansions according to the Doha-based Gulf Organisation for Industrial Consulting (GOIC).

In Qatar, plans are under way to set up a smelter with a production capacity of between 180,000 tonnes and 360,000 tonnes to a cost of up to one billion dollars GOIC said in a study published Al-Taawun magazine, the quarterly bulletin of the six-nation Gulf Cooperation Council (GCC).

The study obtained here, said Qatar has started executive measures to launch the project including the selection of potential partners.

Another smelter is planned in Yanbu, Saudi Arabia, with an output capacity of around 214,000 tonnes per year, study said, adding initial costs

had been estimated at nearly 900 million dollars.

It said the smelter would cover local demand and foreign markets and would be owned by the Jeddah-based Lujain company a private Saudi venture.

The Saudi Arabian basic industries corporation one of the biggest petrochemical producers in the world, is also considering building an aluminium plant with a capacity of around 180,000 tonnes per year.

Such projects coupled with planned expansion at the

Belarus parliament okays union accord with Russia

MINSK, May 5: The Belarus parliament Saturday approved by an overwhelming majority a union accord with Russia, removing the last obstacle to forging greater economic and political ties between the two states, reports AFP.

Some 166 deputies backed the agreement signed last month with just three voting against and one abstaining, following a brief debate.

Bahrain and UAE smelters will push overall Gulf aluminium 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 aluminium 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 aluminium earnings at more than 930 million dollars per year, mostly from the Bahraini and UAE smelters.

The six members — Saudi Arabia, Bahrain, Qatar, Oman, Kuwait and the UAE — have invested around 4.5 billion dollars in the two smelters and nearly 400 other small aluminium manufacturing units as part of their attempts to diversify their economies and ease reliance on oil export income.

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 aluminium industry contributes around 10 per cent of the gross domestic product of the

sector according to official estimates.

Alba smelter in Bahrain is the biggest aluminium plant in the Middle East, with a production capacity of around 650,000 tonnes per year, which is projected to exceed 500,000 tonnes with in four years after expansion.

The UAE smelter in Dubai is the second largest, with an annual output of around 240,000 tonnes, to be raised to nearly 350,000 tonnes per year.

Their present production capacity accounts for nearly 4.3 per cent of the world's total aluminium output capacity while their actual production constitutes around 4.7 per cent of the global output.

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 aluminium industry.

"Given plans to increase aluminium production in the GCC, the region will need more alumina. This requires setting up a project to produce one million tonnes per year of this substance," it said.

US economy continuing to grow steadily: Clinton

WASHINGTON, May 5: The American economy "is continuing to grow steadily, without inflation," President Clinton said on Thursday, according to USIS.

Commenting on Commerce Department statistics showing that the nation's production of goods and services grew by 2.8 per cent in the first quarter, the President called that "more good economic news."

The economy, as represented by the gross domestic product figure, is "better than had been expected," with more than eight million new jobs added to employment rolls since 1993, Clinton declared.

But the President warned that the record of "low inflation and strong growth" would be in peril if Congress and the White House cannot agree on balancing the federal budget. "We have got to finish the work of balancing the budget," and we have to do it in seven years and in a bipartisan way.

Earlier, Dr Laura Tyson told reporters the announcement, unlike many economic summaries, was "plain and simple good news" without any of the usual equivocations of economists' statements. Tyson, Clinton's national economic ad-

visor, said growth would have been "stronger" except for a strike in the auto industry and extreme weather conditions in January and February.

Noting that investment rose 14.5 per cent, Tyson called that particularly encouraging "because investment not only adds to demand now, but adds to supply capability in the future."

Tyson said investment growth in the first three years of Clinton's term notched the best record — 11 per cent — since the Kennedy administration. "Private sector growth is what this expansion has been about," she said. Tyson added inflation numbers showed "not sign of acceleration" beyond the 1995 average.

Tyson acknowledged the report will not entirely quiet critics who assert the President has not done enough to ease anxiety over job security. "This is a sound economy," she explained. "It's a healthy economy, it's an economy that is growing with low inflation. But it is the case that many Americans have been disappointed in the growth of their living standards. So we want to see continued expansion."

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 Crown 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 Forbidden City in the heart of 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 Crown 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.

Taiwan to ease ban on officials' trip to China

TAIPEI, May 5: Taiwan will soon lift restrictions on travel to China by its officials up to the level of governor, a newspaper reported Sunday, according to AP.

President Lee Teng-hui will announce a relaxation of restrictions on contacts between Taipei and Beijing in his inaugural address May 20, the United Evening News quoted an unidentified top government official as saying.

Along with the governors, mayors and the elected heads of Taiwan's 18 counties will also be permitted to visit China as private individuals.

Regulations forbidding official contacts or formal talks with Chinese authorities will remain in place, the newspaper said.

Taiwan has banned trips by high officials to China since the end of the Chinese civil war in 1949, though legislators and lower-level civil servants have been permitted visits since 1990.

Tide turning against the icons of US way of life

WASHINGTON, May 5: Big business and global capitalism, the hallmark of the American way of life, are under attack in the United States for the first time in 20 years, according to IPS.

Chief assailant, ironically, is the rightwing Republican Pat Buchanan whose presidential election against what he calls the Republican establishment threatens to split the so-called conservative movement.

But new leaders in the battered US labour movement, and even elements in President Bill Clinton's administration, also appear ready for a drive against the neo-liberal orthodoxy that has prevailed in Washington since Jimmy Carter's election as president in 1976.

Some see this populist effervescence as the harbinger of a new political era, when government will once again be asked to tame the violence of the market place and revive strong civic institutions as did the progressive movement in

the early years of this century.

Others simply see it as a dangerous reaction to major changes in world trade patterns and technology that have undermined the middle class and produced the widest gap between rich and poor in the industrialised world. They fear that Buchanan's brand of populism, in particular, could usher in a protectionist regime that will spur trade wars and worse.

Whatever the interpretation, however, the signs of backlash against big business and global capitalism are everywhere.

"Bashing big business: corporate America is at the centre of a split within the GOP (grand old party) says the headline in business week.

Corporate killers 'screamed the cover of Newsweek' and the magazine, noting how Wall Street is bidding up corporations that are firing thousands of workers, warned: 'the layoffs have scared the pants of the public and stirred a political backlash.'

The question of corporate behaviour and responsibility has become a major issue in the presidential primaries and is being embraced by nearly all candidates, including Republican front runner, Senate majority leader Robert Dole.

Before losing to Buchanan in the New Hampshire primary election Dole, a stalwart defender of business, noted that "corporate profits are setting records, and so are corporate layoffs". A long-time advocate of free trade, Dole also has cautioned against new trade agreements, and even launched a process by which Washington could withdraw from the World Trade Organisation (WTO).

For Buchanan, it's a question of main street vs Wall Street whose barons export American jobs abroad, organise costly taxpayer bailouts of big investors and foreign elites, and conspire to build a new world order that will end more

than 200 years of national interdependence.

It is Buchanan who is now spearheading the populist charge and frightening corporate executives who have long supported the Republican party.

The sounds like somebody from the Aft-Cio, observed Stuart Butter, Director of Domestic Policy at the Conservative Heritage Foundation, in a reference to the largest US trade union federation.

Indeed, Buchanan, who favours a fervent "economic nationalism" is being accused by former right-wing allies of being everything from a "liberal" to a "socialist" in his campaign against Wall Street and free trade.

A witty and practised debater, the candidates himself seems to thrill to such attacks. Responding to one, by self-styled 'tory' columnist George Will, last year, he quoted Karl Marx's

observation that "the protective system — is conserva-

tive, while the free trade system is destructive (and hastens the social revolution)".

After the New Hampshire poll, he exulted: "they can't figure out where we are: right, left, new deal." He challenged the economic system directly, "when go-go global capitalism is uprooting entire communities and families, I ask conservatives to figure out what it is we are trying to conserve."

When he says conservatives, Buchanan clearly excludes the chiefs of international capital who, since the era of former president Dwight Eisenhower, have been pillars of republicanism.

"This campaign is to make the Republican party more representative of working men and women in America who are losing their jobs and the Middle Class, whose standard of living is falling," he said.

While Buchanan's attacks on big business is dividing republicans, a more subtle schism is developing within the democratic party and is traditional

constituencies, because Clinton has not been challenged for reelection by another democrat, however, the split is kept behind closed doors.

Conflict in the democrat's ranks primarily centres on former Wall Street high-roller, Treasury Secretary Robert Rubin, and Clinton's outspoken Labour Secretary, Robert Reich.

Reich, who began speaking publicly about the plight of the "anxious class" of middle and working class families two years ago, has recently called for laws requiring corporations to "upgrade skills of their workers", to share more of the profits with them, and to remain in their communities.

His remarks, which appeared on the opened page of the New York Times, reportedly angered Rubin but elicited no comment from the White House which seems to be mulling over the theme as a potential election plank.