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# The Daily Star BUSINESS

DHAKA SATURDAY, MAY 11, 1996



**HYUNDAI**

CARS THAT MAKE SENSE

## Currency crisis in Narail

NARAIL, May 10: Shortage of coin and paper currency of one taka denomination has intensified in the district causing inconvenience in transactions, reports UNB.

According to local people, the paper currency which is more or less available has become unusable while the metal coins are not visible in the local markets.

Local businessmen alleged a section of people were keeping the newly introduced coins in their collection.

The rickshaw-pullers and shopkeepers now-a-days are not paying back Tk one in their transactions taking the advantage of the scarcity, said a school teacher.

## Govt finishes evaluation of bids for licences for cellular operation

By R M Titumir and Inam Ahmed

The government has completed a preliminary evaluation of the bids for licences for cellular operation in late April to break the monopoly in this sector after nine months following inviting bids for issuing licence to cellular operators.

A top official of the ministry of post and telecommunications (MPT) said the ministry is now waiting the evaluation to be vetted by an independent evaluator since ten out of 11 members of the evaluation committee are from BTB which itself is an aspirant to cellular sector operation.

The MPT has also sent a terms of reference (TOR) for the independent evaluator to the Economic Relations Division (ERD) this week for foreign assistance in this regard, ministry sources said.

The MPT had requested IDA for technical and financial assistance to evaluate the bids in November last year and IDA arranged with ODA to finance hiring of consultants for bid evaluation.

The government floated tender inviting bids for issuing licence for cellular operators in August 1995 which was opened on November 6.

Fourteen bids were received in the tendering. Meanwhile a technical evaluation committee was formed in October which was reconstituted in December.

Meanwhile, as time was lapsing without any solution, the validity of the bid bonds has been extended up to June this year.

If the government fails to take any decision regarding awarding contracts within this stipulated time, the validity of the bids will have to be further extended causing financial losses to the prospective operators.

The evaluation, pending for a long time, has been expedited after the new secretary took charge of the MPT.

Currently, City Cell is enjoying monopoly status in the cellular operation.

In July 1994, the monopoly coverage of City Cell ended. When government wanted to open up the sector to other private parties, City Cell went to the court challenging the government order. But the court verdict went in favour of the government paving the way for competition in the sector.



A week-long Thai food festival was inaugurated by Sunthorn Vidhyameth, the Ambassador of Thailand, at the Cafe Bazar restaurant of Sonargaon Hotel yesterday.

## US budget wrangle Republicans pressing for balanced budget

WASHINGTON, May 10: The Republicans, bogged down in their efforts to get Democrats to agree to a gas tax cut, unleashed their latest assault Wednesday to press the White House, for a balanced budget over six years, reports AP.

"We balance the budget by the year 2002. We reduce Washington spending. We provide long-overdue tax relief for American's working families. And we continue to fight for reform in our failed welfare system and Medicaid," Senate majority leader Bob Dole told journalists.

Dole, who is President Bill Clinton's presumed Republican challenger in November's election, gathered on Capitol Hill with other top party leaders including House of Representatives Speaker Newt Gingrich who called the president's budget proposal for 1997 "all

promise and no performance." The president's proposal's a little bit like going on a diet in January, where you're going to lose 30 pounds over the year, but 29 of them come in December," said Gingrich.

"The Republican budget seems like just more of the same," White House Chief of Staff Leon Panetta said in a statement.

"There are some signs of movement away from the extreme positions they took last year" but they are still asking for "unacceptable cuts" in social spending such as the environment, education and government health programmes, Panetta said.

The Republican proposals include providing 122 billion dollars over six years in net tax cuts and a 500-dollar per child per family tax credit.

## 'UN-Iraq oil-for-food talks take turn for the worst'

UNITED NATIONS, May 10: Iraq's chief negotiator said Thursday oil-for-food talks with the United Nations had taken a turn for the worst because of unspecified conditions set by the United States and Britain, says AP.

But US Ambassador Madeleine Albright said she had heard "there's some hope for the best" in the talks and that "there are just rumors around" that the talks were headed toward an agreement.

"We consider it important that this round has been taking place," Albright said. "We hope very much that it will conclude successfully."

A Western diplomat, speaking on condition he not be identified by name or nationality, also said "real progress" had been made in the latest round.

But Iraqi negotiator Abdul Anwar al-Anbani panted an en-

tirely different picture of the status of the talks. As he left UN headquarters after the morning session, al-Anbani was asked whether progress had been made.

"No," he replied. "It's much worse. We discovered that really there is a conspiracy by America and Britain and some other countries to really become unified in error and to continue to do that without letting the world know."

Al-Anbani said the negotiations were little more than a charade and that he regretted that Secretary-General Boutros Boutros-Ghali "accepted the intervention in the illegal act... and the stupid intervention made by the United States and Britain."

Nevertheless, al-Anbani said he had no plans to walk out of the talks.

Iraq has been barred from selling oil since the Security Council imposed sweeping

economic sanctions after Baghdad invaded Kuwait in 1990. Last year, the council agreed to allow Iraq to sell \$1 billion worth of oil every 90 days to buy food and medicine for its suffering people.

But the UN offer requires that up to 150 million dollars worth of goods be distributed to Iraqi Kurds, who have been fighting the government for decades. The United States and Britain want Iraq to play no role in the distribution. Iraq says that would violate its sovereignty.

Last month, a third round of talks ended without agreement after British and American officials complained that a tentative accord contained loopholes that Iraqi President Saddam Hussein could exploit to buy prohibited military equipment and keep supplies from his opponents.

## Laotian economy remains backward, aid-dependent

VIENTIANE, May 10: Laos should address its economic woes by narrowing the gap between rich and poor and speeding up development in order to qualify for membership in the Association of Southeast Asian Nations (ASEAN), economic experts say, reports AP.

A decade after Laos opened its doors to the world, the country's economy remains backward and cruelly dependent on neighbours and international aid donors.

"It is a small economy depending very much on its neighbours," said Jan Mattsson, United Nations Development Programme (UNDP) representative. "The challenge for the government will be to distribute the wealth more equally."

So far, the opening of the country has mainly benefited only a few cities, including the capital, Vientiane, and Luang Prabang, in northern Laos, and Savannakhet, in the South.

Eighty per cent of the population of 4.6 million live in the countryside, mostly cultivating rice while regularly suffering floods and droughts.

The average annual income is just 350 dollars, despite an average growth rate of 6.4 per cent annually since 1990. According to the World Bank half of Laotians live under the poverty threshold. Life expectancy is just 51 years.

Against this backdrop is rising anxiety, reflected in the Pathet Lao Congress in March, about the Gulf between rich and poor.

## Iran denies US allegations of helping Iraq sell oil

TEHRAN, May 10: A senior Oil Ministry official on Thursday denied allegations by President Clinton that Iran was helping Iraq smuggle oil and dates in defiance of United Nations trade sanctions, reports AP.

Hojatoleslam Ghanimi-Fard, head of the ministry's international affairs department, said the allegations were "baseless."

The official Islamic Republic News Agency quoted him as saying the alleged Iranian oil shipments would not "conform to any trade logic of the oil market."

Iran is a leading member of the Organisation of Petroleum Exporting Countries, which tries to restrict output among its 12 member states in order

to control oil prices. Iran and the cartel's other members benefited by OPEC member Iraq's absence from the market by pumping more oil.

Washington has resorted to spreading rumours against Iran and marring public opinion," IRNA quoted Ghanimi-Fard as saying.

Clinton said in a May 4 report to Congress that vessels carrying 1.1 million dollars in petroleum products and 1.4 million dollars in dates from Iraq had been intercepted by a multinational force during the past two months.

He said there was evidence Iran had taken part in the smuggling by providing ships with "false paperwork, the use of Iranian territorial waters,

and warnings regarding the location of enforcement ships."

The United States has also accused Iran of helping Iraq to circumvent sanctions in 1994, when US warships intercepted two tankers in the northern Gulf on suspicion of smuggling Iraqi oil. One of the captains admitted loading at an Iraqi port.

UN sanctions imposed after Iraq invaded Kuwait in August 1990 deny Baghdad its lifeline of oil revenue. A security Council resolution authorizes Iraq to sell a small amount of oil to purchase humanitarian supplies. But Iraq is still negotiating with UN officials on the details and accuses the United States and Britain of blocking a deal.

## 3-member Dhaka team attending Manila workshop

A 3-member Bangladesh delegation led by Md Abdus Salam, Chairman of Bangladesh Water Development Board, has gone to Manila to attend a 5-day regional consultation workshop on 'towards a policy for water resources development and management in the Asia and Pacific region: issues and opportunities', says a press release.

The workshop began yesterday. The other members of the delegation are: Md Lutfar Rahman, Member, Joint River Commission (JRC) and Md Abdul Halim, Director, VERC.

## De Kooning painting worth \$6 m fails to find buyers

NEW YORK, May 10: A William painting valued at upwards of six million dollars was among several important artworks that failed to sell at Sotheby's auction of contemporary art, reports AP.

De Kooning's 1955, "Woman as Landscape," with flesh tones and the suggestion of a face, had been advertised as the star of the sale. The work belongs to actor Steve Martin, who bought it privately from Sotheby's in 1990 after it failed to sell at auction then.

Bidding stopped at 4.9 million dollars Wednesday evening, well below the \$6 million undisclosed minimum. The auction house had valued the painting between six million dollars and eight million dollars.

Other works that did not find buyers included Franz Kline's "Andrus," which Sotheby's had estimated would sell for 2.5 million dollars to 3.5 million dollars, and Jasper Johns' "Gray Painting with Ball," valued at 1.5 million dollars to 2.5 million dollars. In all, 14 of the 59 lots failed to find buyers.

The top work that did sell was Arshile Gorky's 1947 "Study for Agony," which went for 2.4 million dollars, just shy of the auction house's low estimate of 2.5 million dollars.

## Japan's parliament gives approval to '96 budget

TOKYO, May 10: The upper house of Japan's Parliament gave final approval to the fiscal 1996 budget Friday, but the government still faces hurdles before it can spend money allocated to help bail out housing lenders, reports AP.

The budget was delayed past the beginning of the fiscal year April 1 because opposition parties protested an item calling for 685 billion yen (\$6.5 billion dollar) in public spending to help dispose of bad loans at the bankrupt housing loan companies.

The lower house of Parliament already approved the budget, and upper house approval makes it final. The government has been kept running on a temporary budget.

The government has agreed that it will only spend the money for the bailout of the housing lenders, or Jusen, after Parliament has also passed separate legislation setting up

an institution to dispose of the bad debt held by the Jusen.

The government wants to pass the other legislation by the end of Parliament's session in June, but the main opposition New Frontier Party is against that.

The plan to spend tax money has angered the public and led to calls for housecleaning at the powerful Finance Ministry, which is accused of failing to police the Jusen as they made huge loans to real estate speculators just before a land price crash.

The main opposition New Frontier Party has denounced the government's plan but hasn't said who should pay the bill if taxpayers are let off the hook.

Prime Minister Ryutaro Hashimoto has hinted he might call for more money from large banks that set up the Jusen and encouraged them to make risky loans. But the banks say they've paid enough already.

## China adjusting aid policy to boost econ cooperation

BEIJING, May 10: China said on Thursday on the eve of a six-nation African tour by President Jiang Zemin that it was adjusting its aid policy in order to enhance economic cooperation between the "traditional" friends, reports AP.

"China and Africa enjoy traditional friendship and the two sides have always supported and sympathized with each other" in national development and promoting world peace, foreign ministry spokesman Shen Guofang said.

In the process, the two sides have cultivated a profound friendship and now enjoy "sound relations," he added ahead of Jiang's departure Wednesday for Kenya, Ethiopia, Egypt, Mali, Namibia and Zimbabwe.

When asked about recent reports of plans to adjust

China's foreign aid policy towards African nations, Shen pointed out that both regions were in "crucial stages" of development, focusing on faster economic growth.

"Therefore it is necessary for China and Africa to make some adjustments, as far as aid and mutual cooperation are concerned. The major purpose of such an adjustment is to further enhance cooperation between China and Africa in the economic field," he said.

In recent years, China has overhauled its foreign aid programme virtually abandoning interest-free grants in favour of loans.

However, foreign Minister Qian Qichen said last week that China would increase interest-free aid to African nations "to an appropriate degree."

In Africa, as in the rest of the third world, China's influence has in recent years declined in favour of its rival Taiwan, which has pledged greater financial support.

In January, Senegal switched diplomatic recognition from Beijing to Taipei.

Analysts believe a key objective of Jiang's tour and the recent promises of greater financial aid is to counter the Taiwanese offensive.

Shen declined to comment on whether Jiang may also make an unofficial visit to South Africa during his trip, saying that, beyond information on his six-nation tour, "I have nothing to offer." South Africa is the only major country to grant diplomatic recognition to Taiwan instead of China, which has nevertheless been developing strong trade contacts with the African nation.

Shen reiterated China's stance that it will not discuss the establishment of diplomatic ties until South Africa severs official links with Taiwan.

### Clarification

BCIC has sent a clarification of the news item under the heading, "Construction work of Shahjhal Fertiliser Complex get to begin," published on Page 6 of our Monday's issue. The clarification follows:

It is not correct that the Fenchuganj Fertiliser Factory will be shut down as mentioned in the report. BCIC has no such plan. The factory is continuing production as usual.

With the continued operation of the factory spanning a period of over 30 years, the control and protective instruments lost dependability and effectiveness to great extent and consequently the continuity of production turned risky. In this context, the committee headed by Dr Iqbal Mahmud examined the whole issue in detail and recommended continuity of operation of the factory for a period of at least three years with necessary maintenance of plant and machinery.

## Toyota chief confirms plant plans

CHARLESTON, West Virginia, May 10: Toyota Motor Corp's president Wednesday called plans for a West Virginia engine plant "the worst-kept secret in the whole industry," reports AP.

Hiroshi Okuda spoke at a groundbreaking ceremony for a Toyota truck plant in Princeton, Indiana. Earlier in the day, the Lexington Herald Leader newspaper reported that Okuda confirmed long-running speculation that Toyota will build an engine plant in Buffalo, Putnam County.

The official announcement is scheduled for Thursday at the state Cultural Center in Charleston.

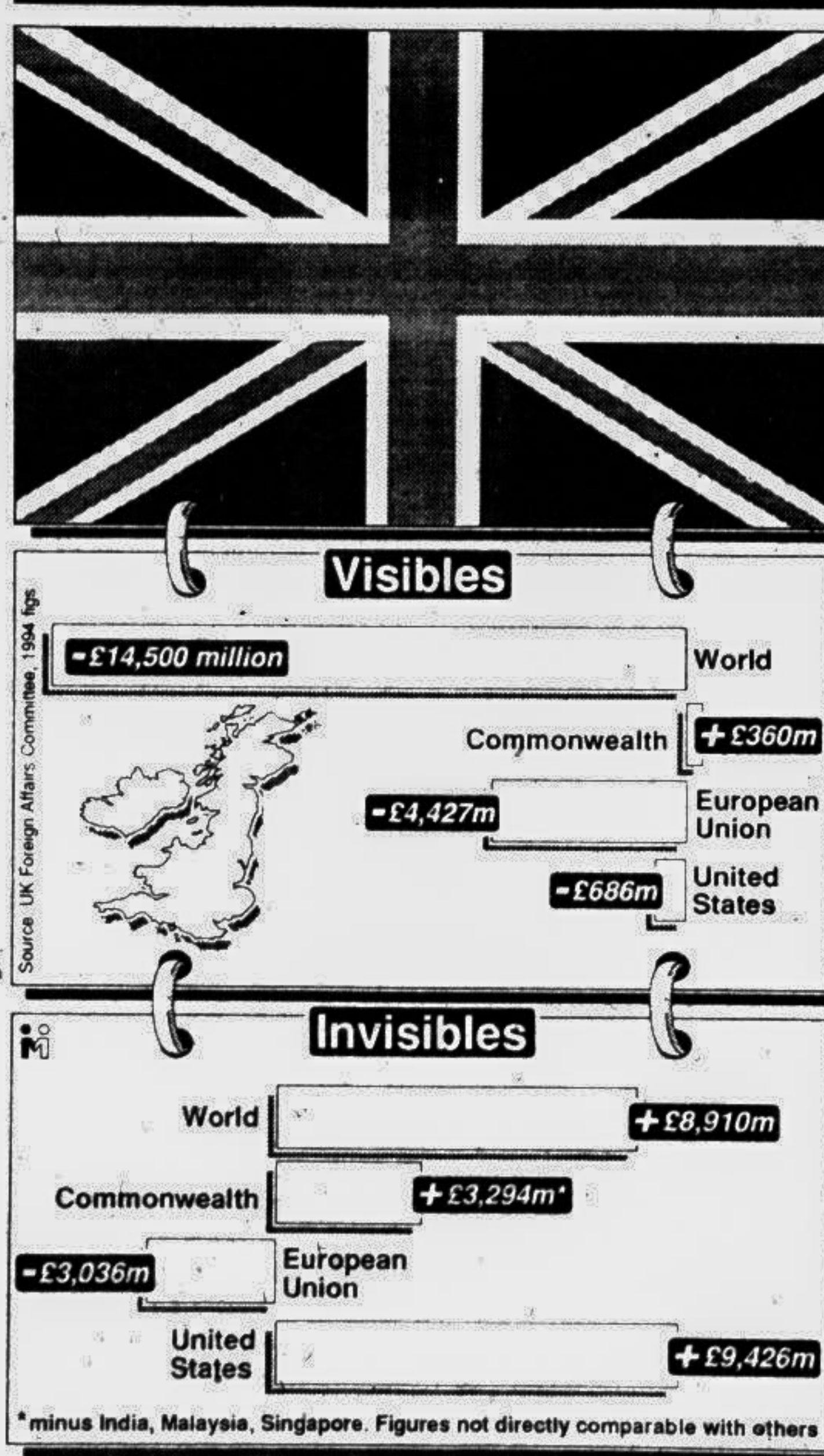
Scheduled to attend are Okuda, Akira Takahashi, senior manager director of Toyota; Yale Giesz, executive vice president of Toyota Motor Sales USA; Mikio Kitano, president of Toyota Motor Manufacturing of North America; and Gov. Gaston Caperton and Sen. Jay Rockefeller, West Virginia Democrat.

Okuda was in Kentucky on Tuesday to celebrate the 10th anniversary of Toyota's Georgetown, Kentucky, plant. After the Indiana ceremony, he planned to head to West Virginia on Thursday.

About 1,000 people have been invited to a series of events marking the announcement in West Virginia, the Charleston Daily Mail reported Wednesday. Following the formal announcement in Charleston, a caravan of buses and limousines will take officials to the plant site, the newspaper said.

The \$198 million plant about 25 miles (40 kms) northwest of Charleston will build engines for the automakers plant in Fremont, California, a joint venture with General Motors Corp, according to news reports.

## British trade: In the red - in the black



## Britain told: Rediscover Commonwealth

Derek Ingram writes from London

A British MP put it this way: "We decided it was time we took a look up in the attic, and what we found there was more valuable than we had expected."

The objects in the attic to which he was referring were not antiques in the ordinary sense of the word. They were Britain's links with the Commonwealth, which both parliament and the civil service have tended to regard as antiques for the past two or three decades.

The search through the attic took a year and was carried out by 11 MPs from all parties who make up the influential House of Commons Foreign Affairs Committee. Their report has just been published.

Its tone and forward-looking approach to the 53-nation Commonwealth is quite different from the jaundiced views so often expressed by British governments and by the Foreign and Commonwealth Office (FCO) since the 1960s.

Reports of Commons committees do not set Britain alight. Governments can and do ignore their advice. But they often have a long-term impact on policies.

This report echoes some of the more positive noises from the Commonwealth now coming from the Government—that the country must look beyond Europe because much of the action today is in Asia, where several major economic players are Commonwealth members.

It points out, for example, that Singapore's income per head of population is a fifth higher than that of Britain and Malaysia is catching up fast.

pulling Britain out of recession. Commonwealth economies loomed large in that process.

Just as trade was the driving force behind the creation of the British Empire three centuries ago, the MPs now say it should be the motive for reinforcing the old ties. They note that Commonwealth countries between them belong to 22 regional organisations, and that "in an increasingly global, transnational political system, we believe that the Commonwealth network has great potential future value."

Perhaps the report's most important section concerns "the promotion of democracy, good governance and human rights." It sees this role as of growing importance.

Committee members want the 1991 Harare Declaration strengthened at the next Commonwealth summit to be held in Edinburgh in 1997.

Democracy, they say, includes freedom of expression and assembly, freedom to form and join political parties and free access to the media.

The Harare Declaration talks of "just and honest government." This, say the MPs, "requires respect on the part of the government for the rights of the opposition to present their own policies to the electorate without government obstruction, interference and intimidation." The MPs would like to see the Harare Declaration built on, to "become a standard bearer...in the world at large."

They want the Commonwealth Secretariat enhanced so that it can better provide government with "advice, training and other forms of technical assistance to promote the Commonwealth's fundamental political values." This means not just monitor-

ing at the time of an election, but also helping to consolidate electoral and parliamentary machinery.

The report devotes much attention to human rights, singling out for praise the work of the Commonwealth Human Rights Initiative (CHRI), sponsored by doctors, journalists, lawyers and trade unions. It wants the Commonwealth to give more money to CHRI.

The committee dismisses the argument that human rights are an internal matter for each country as unsustainable in the light of the Harare Declaration and the action taken to suspend Nigeria for human rights violations.

The report is highly critical of the British Government's Commonwealth performance in recent years. The MPs complain about the "cautious downward" memorandum presented to them from the FCO and say "the importance of the Commonwealth dimension does not appear always to be fully reflected in government policy."

They could have added that the FCO's 1996 departmental report, also just published, pays scant attention to the Commonwealth. The MPs point out that only 87 of the FCO's 3500 British-based staff deal with Commonwealth issues. They want the Commonwealth Coordination Department staff of seven enlarged and made more pro-active.

The committee wants Britain to speak up for the interests of Commonwealth countries in international forums.

It finds the government attitude to the BBC World Service and the British Council, both of which are to suffer financial reductions, "frankly incredible." And it says the danger of closure of the Com-

monwealth Institute in London due to swingeing budget cuts "must be avoided."

Their ideas include regular meetings of Commonwealth trade ministers, the formation of Commonwealth Association of Election Administrators, and the appointment within the British Government of a Commonwealth Trade and Investment Officer. They want British companies to "adopt" Commonwealth schools, and the BBC World Service to run "Commonwealth Schools Programmes."

The MPs' conclusion is that the Commonwealth of today is new and not fully appreciated: "From being a club of countries all too ready to criticise and make demands on the former imperial power, the Commonwealth is rapidly metamorphosing into a network with quite different interests and ambitions."

The report has come out a year before the latest possible date for a British general election and about 18 months before the first Commonwealth summit to be held in Britain for 20 years. Both main political parties will have to give it special attention.

If opposition Labour leader Tony Blair finds himself prime minister, the summit would be his first major international experience. He will need to be prepared by absorbing what the MPs found up in the attic.

Gemini News

(Derek Ingram is Consultant Editor of Gemini News Service. He is a former president of the Commonwealth Journalists' Association and of Britain's Diplomatic and Commonwealth Writers' Association. His books include The Commonwealth Challenge, Commonwealth for a Colour-Blind World, The Commonwealth at Work and The Imperfect Commonwealth.)