

BRIEFS

TOKYO, June 7: Yamaha Motor Co. announced Friday that its new sales company in Argentina has begun operations, aiming to sell 5,000 motorcycles in its first six months and 20,000 annually within three years.

The venture, Yamaha Motor Argentina SA, is capitalised at about 350 million yen (3.2 million dollars) and owned 79 per cent by the Yamaha group, 19 per cent by Japan's Mitsui and Co. group and two per cent by Uruguayan investment company Devicor.

It will import and sell motorcycles from Japan, as well as from Yamaha's plants in Brazil, India and China.

NEW DELHI: A whisky price war has begun in India with popular foreign brands slashing their prices to compete with Indian whisky.

The average price for a 750 millilitre bottle of Indian-made whisky is 200 rupees (6.25 dollars) and the top of the brands cost 450 rupees (14 dollars). Before the price war started the average price of a standard scotch whisky was 900 rupees (28 dollars).

The foreign brands did not offer any competition because of the price tag, which only the rich could handle. But last month, International Distillers launched Gilbey's Green Label whisky at a retail price of 140 rupees (4.32 dollars).

Seagram, the Scottish multinational, has marketed Oaken Glen priced at 270 rupees (8.42 dollars).

Foreign whisky got a foothold in India when the government in 1993 allowed foreign liquor companies to import their whisky and bottle them in India under their own brand name.

JAKARTA: State-owned electric company PT Perusahaan Listrik Negara will offer bonds worth one trillion rupiahs (427 million dollars) to the public next month, an official news agency said Friday.

PLN President Director Djiteng Marsudi said 60 per cent of the proceeds will pay for transmission development in Java, and the rest for funding distribution projects in Java, Bali, Sumatra, Kalimantan and Sulawesi, the Antara news agency reported.

This is PLN's fifth bond issue, according to Marsudi. The most recent, which happened last year, raised 680 billion rupiahs (dhs 290.5 million).

PLN said profits last year rose 60.6 per cent to 1.02 trillion rupiahs (435.8 million dollars). It plans to sell shares in two subsidiaries to private investors next year.

HANOI: The Australian oil company Anzco NL has found onshore gas deposits near Hanoi that could be commercially viable, a company official said Friday.

OPES International Pty Ltd, a consultant hired by Anzco, studied data from one test well and concluded that gas reserves exceed 900 billion cubic feet at the field about 90 kilometers (nearly 60 miles) south of Hanoi.

Jonathan Ackerman, Anzco company manager for Vietnam, said the OPES International assessment is a preliminary one and more calculations will be made as exploration continues. Anzco plans to drill two more test wells, with work on the next beginning in about 20 days.

— Source: AP

OPEC to raise production ceiling for Iraq

VIENNA, June 7: OPEC ministers agree they must raise their production ceiling to accommodate Iraq's return to the oil market, according to an OPEC source, but they were still seeking a way to avoid a price collapse, reports AP.

The minister was to meet for a third time Friday to discuss Iraq, which has the world's second-largest oil reserves but has been banned from exporting oil since it invaded neighbouring Kuwait in August 1990.

Raising OPEC's state level of production — something an OPEC source said late Thursday the ministers agree is necessary — will be a sticky issue, because it is unclear when Iraq will be back, or how much oil it will pump. Under a food-for-oil deal with the United Nations, Iraq can sell one billion dollars of oil every 90 days.

A new production quota for Iraq is therefore hard to reach, because at current prices the Iraqis would sell 700,000 barrels a day to meet their dollar target. But if prices drop, as many analysts predict, Iraq would have to sell more barrels in what could become a vicious circle.

Iraq's return comes at a time when oil prices are relatively high, which makes the issue more palatable for OPEC, but also at a time when many members of the cartel have taken advantage of the high prices by cheating on their own production quotas that complicates the matter because nobody wants to cut back.

Ministers believe there might be enough room for Iraq to get into the market if the others reduce their quota-busting — but this always has

been an insoluble problem for the Organisation of the Petroleum Exporting Countries.

For some time, Venezuela has been accused of being the biggest cheater, pumping an estimated 600,000 barrels a day over its quota of 2,359 million, but analysts say virtually everybody in OPEC is pumping to much.

OPEC's production ceiling is 24.52 million barrels a day, but the actual total is estimated by independent observers at slightly more than 26 million barrels a day.

The OPEC source, who spoke to reporters only on condition of anonymity, said the cartel is likely to make a statement about overproduction whenever the meeting wraps up.

Iraq says it wants to soon begin exporting 800,000 bar-

rels a day — more than the 700,000 barrels a day other OPEC members would like to see. The money will provide food and drugs for a populace that has suffered severely since Iraq's defeat in the Persian Gulf War.

Iraq has been talking boldly about its plans — even though it still needs to finalise the details of its deal with UN.

Iraq's oil minister, Amer Mohammed Rasheed, said that within a year his nation could be pumping 3.5 million barrels a day, the same level it was at before invading Kuwait in August 1990. That attack set off the Persian Gulf War and led to a UN boycott of Iraqi oil sales.

With Iraq out of the market, Saudi Arabia boosted production by almost three million barrels a day, to its current level of about eight million barrels.

Western diplomats dismiss predictions by Iraqi minister

UNITED NATIONS, June 7: Western diplomats dismissed predictions Thursday by Iraq's oil minister that his country's petroleum exports could be up to pre-Gulf War levels within a year, reports AP.

Iraqi Oil Minister Amer Mohammed Rasheed made the forecast Thursday at the OPEC conference in Vienna, Austria. The conference is considering how to return Iraq to the oil market after the United Nations agreed to allow Baghdad to resume limited sales despite international sanctions.

Under the UN Security Council plan, accepted by Baghdad last month, Iraq will be able to sell two billion dollars worth of oil for an initial 180-day period to buy food and medicine for its suffering people.

In Vienna, Rasheed predicted to reporters Thursday that the UN sanctions would be further loosened in coming months. He said within a year, Iraq could be back to its pre-Gulf War production level of 3.5 million barrels a day.

UN officials and Western diplomats said that barring dramatic changes within Iraq, it was unlikely that sanctions would be further relaxed in the foreseeable future.

Dollar, stocks down in Tokyo

TOKYO, June 7: Renewed fears of higher Japanese interest rates sent stock prices and the US dollars lower Friday following the release of a central bank survey showing improved business sentiment, reports AP.

While few expect the Bank of Japan to tighten rates immediately, the report raised concerns that the bank may be forced to raise rates sooner than expected if the pace of the economic recovery picks up.

The impact of the "tankan" survey was felt most on the currency market, where the dollar fell back to a low of 108.45 yen compared to its opening level of 109.28 yen. The dollar recovered some of its ground later in the day, and was trading at 108.68 yen in the late afternoon. It had traded at 109.18 yen later Thursday in Tokyo.

The improvement in business sentiment surprised many currency traders, who have been pushing the yen lower over the past few weeks on the assumption that Japanese interest rates would remain low.

But traders said that while the Bank of Japan survey dealt a blow to the dollar, sentiment toward the currency remains strong. The dollar had jumped higher against the yen in foreign markets overnight on the back of a round of interest rate cuts in Europe.

The stock market also reacted negatively to the economic report, but the response was not nearly as pronounced as on foreign exchange dealings.

The Nikkei Stock Average of blue chip issues lost 52.65 points, or 0.24 per cent, to close the week at 21,751.81 points. On Thursday, the average shed 76.97 points, or 0.35 per cent.

Pakistan needs \$1b new taxes in '96-'97 budget

KARACHI, June 7: Prime Minister Benazir Bhutto said on Thursday that Pakistan needed at least 40 billion rupees (1.14 billion dollars) in new taxes in the budget for fiscal 1996/97 (July-June) due to be announced on June 13, reports Reuters.

We have to raise 40 billion rupees in additional taxes," she said in a speech at a dinner given by All Pakistan Textile Mills Association.

The last budget had planned to raise only 16.3 billion rupees in new taxes and price increases.

Bhutto said her government was determined to cut the budget deficit by 1.00 per cent to 5.00 per cent in 1995/96, another 1.00 per cent to 4.00 per cent in 1996/97 and by about 0.5 per cent in the following year.

Pakistan is passing through a transitional period and the nation has to give some sacrifices, she said.

But she seemed to be ruling out any cut in defence budget, which has remained high because of what Pakistan calls the danger from its much bigger neighbour and arch enemy India.

We have to defend ourselves from dangers, she said.

She said Pakistan could not compromise on its nuclear facilities, which she said were basically for peaceful purposes. We can't unilaterally stop them.

She said her government had resisted pressure from international loan giving agencies for imposing general sales tax on wheat flour, cooking oils and pesticides but added that some ways had to be found to raise taxes to cut the deficit.

Bhutto said the government would review taxes and duties on polyester staple fibre and consider suggestions from the textile lobby to suspend cotton export until domestic needs were met.

She suggested that textile mills go for silicon technology instead of textile spindles, which she said had little growth prospect.

What Japan is doing we have to do it, what (South) Korea is doing we have to do it, she said. We have to develop software technology.

Bhutto said the Communications ministry would consider the demand from trade organisations for a restricted restoration of mobile telephones in Karachi, Pakistan's commercial hub.

Mobile phones and pagers were suspended in Karachi in mid 1995 after a surge in ethnic and political violence, which had taken about 2,000 lives in 1995 and some 800 in 1994.

Pakistani officials said groups had used mobile phones and pagers to direct operations by their militants.

UN seeks \$43m food aid for DPRK

UNITED NATIONS, June 7: The United Nations has asked members to contribute 43 million dollars in emergency aid for North Korea, where torrential rains have wiped out crops and left some half a million people homeless, reports AP.

Flooding last summer swept away entire villages, destroying farmland and some 1.5 million tons of grain, the United Nations said Thursday.

In some parts of the country people have been forced to eat grass and roots to survive.

Given the urgency of responding to the humanitarian needs of the victims of this disaster, I would like to call upon this international community to give this appeal immediate attention and general support," said Yasushi Akashi, undersecretary-general for humanitarian affairs.

In Washington, State Department spokesman, Nicholas Burns said the appeal is likely to speed up a US decision on additional food aid for North Korea. US officials will consult first with South Korea and Japan, he said.

The Washington Post reported in its Friday editions that Clinton administration officials have agreed on a recommendation to send another 10,000 tons of food worth about \$4.2 million to North Korea but that it hasn't been approved yet by President Clinton.

Burns said Thursday night that no decision has been made.

The United States already has contributed more than two million dollars to World Food Programme and UNICEF disaster relief programmes in North Korea.

UN agencies, reacting to a North Korean request first asked members in September 1995 for 15 million dollars in emergency aid. That appeal was boosted to 20 million dollars as the magnitude of the disaster came to light.

Akashi said countries only contributed nine million dollar toward that appeal, but the total amount of money from countries and international organizations toward North Korean relief efforts topped 31 million dollars.

Money from the latest contributions will be used for relief efforts from July 1996 to March 1997.

It includes \$26.8 million for emergency food supplies, 10 million dollars for the recovery of farm land buried under sand or gravel or eroded as a result of the flooding, and 6 million dollars for emergency health services.

Another 560,000 dollars is needed to set up a system to monitor the delivery and distribution of supplies, Akashi said.

ADB okays \$115m in loan to Indonesia, Kyrgyzstan

MANILA, June 7: The Asian Development Bank has approved 115 million dollars in loans for an education project in Indonesia and an electricity and heating supply project in the Kyrgyz Republic, the bank said Friday, reports AP.

Indonesia will receive 85 million dollars to upgrade basic education under the nation's madrasah system, which is the main means of providing education to poor communities, the bank said.

The project will benefit 524,000 children in both public and private primary schools and junior secondary schools under the Ministry of Religious Affairs.

It will focus on the core curriculum, promote equitable access to basic education and improve institutional capability of education agencies.

The loan will carry a 25-year repayment period, including a grace period of five years. Interest will be determined according to the bank's pool-based variable lending rate system, currently at 6.89 per cent.

The loan to Kyrgyzstan, amounting 30 million dollars, is intended to retrofit a co-generation plant, rehabilitate a district heating system and improve and extend power transmission and distribution facilities in the Central Asian country.

The project is expected to reduce losses in power, water and heat, improve the environment and increase capacity to supply and deliver power and heat.

McCann plans to pick up clients in India

BOMBAY, June 7: Global advertising giant McCann plans an aggressive campaign to pick up corporate clients in India, a business newspaper reported yesterday, according to AFP.

"India is right on top of our priority list and plenty of investments are slated to go in to develop our operations in the subcontinent," McCann regional director Tony Hammer told the Economic Times.

"Our aim is to keep investing in terms of people, systems and structures, things vital for a truly global agency," Hammer said.

McCann Erickson India plans to launch an aggressive campaign in the local advertising industry after buying out the stake held by Tara Sinha in the former Tara Sinha McCann Erickson, the newspaper said.

The agency's domestic sales have grown from 280 million rupees (eight million dollars) to 900 million rupees in the past three years, it said.

"McCann is a global agency and at the same time we believe in ensuring that our local strength is second to none," said Hammer. "We believe in being big, in being competitive, in being efficient and of course, in being bold."

The Economic Times said the McCann executive's India visit was to "specifically look at possible acquisitions to fuel the agency's growth prospects."

The newspaper said the advertising agency had already bagged a number of blue chip corporate accounts including Ge lighting, ESSO, Columbia Tristar, R J Reynolds, Microsoft, Indian health Major Dabur, Indian telecom major BPL US West.

Gazprom to buy shares in NTV

MOSCOW, June 7: RAO Gazprom, Russia's state-controlled natural gas monopoly, plans to buy a stake in the country's main independent television channel, officials said Friday, reports AP.

Gazprom is to buy shares in NTV, the country's premier independent television channel, from the Most Group, the banking empire run by Vladimir Gusinsky, an NTV spokeswoman said.

Most, which now owns about 77 per cent of NTV, will retain its control of the channel which Gusinsky set up in 1993.

No further financial details were available.

NTV's fast pace, on-the-scene reporting, and sharp anchors have helped change the style of television journalism in Russia.

The main problem is the lack of jobs, because most people in the region work only from September through March during the local fruit crop season.

The rest of the year, these temporary workers do whatever they can find, which often is nothing, just unemployment," she said.

Antonia Cuadrado, a municipal social worker, says her job with poor families is tough in the best of times.

"But in winter it simply breaks your heart," she says. "Seeing all those children sleeping on soaking mattresses as water drips from the roof."



Stephen F. Bollenbach (L), CEO of Hilton Hotels Corporation, and Arthur M. Goldberg (R), CEO of Bally Entertainment Corporation, accept congratulations after they announce the merger of the two companies in New York on Thursday.

Hilton agrees to buy Bally for \$2b

NEW YORK, June 7: Hilton Hotels Corp. agreed to buy Bally Entertainment Corp. for two billion dollars Thursday, a move that gives the hotel giant a presence in the important Atlantic City market, reports AP.

The deal, which still requires approval by shareholders and gambling regulators, was announced after meetings by the boards of directors of both companies. The companies said final approval is expected by the end of the year.

The deal comes just four months after Hilton named former Walt Disney Co. Chief financial officer Stephen F. Bollenbach as its chief executive and amid reports that Bally has been actively seeking a takeover partner.

Dollar heads towards 110 yen, say dealers

TOKYO, June 7: Japanese exporters should be celebrating as the strengthening dollar heads towards 110 yen, just 14 months after it rocked the economy with a plunge to record lows, bank dealers said, reports AP.

The Japanese economy should be happy with the current situation, as far as the exchange rate is concerned," said Kazutaka Hosoda of Dai-ichi Kangyaku Bank's international treasury division.

The dollar touched 109.45 yen in Tokyo and was at 109.35 yen in early London trade, Japanese dealers said it should continue above 110 yen in the mid to long term, so long as Japanese interest rates remain low.

It has not been in the lower half of the 109 range for two years and four months, during which time it surged towards and then fell back from the record 79.75 yen, reached on April 9, 1995. It broke through 100 yen mid-September.

Profit taking by Japanese exporters at 110 yen may halt the dollar's march in the near-term, but interest rates and the US elections should continue to play in the yen's favour, they said.

"Japan's low interest rates are at the back of the dollar's rise against the yen," said Hosoda.

He said that in the near-term the dollar would be swayed by the Bank of Japan's quarterly survey of companies on their outlook for the Japanese economy to be released Friday, and by US employment data to be released later.

"But in medium and long term, the dollar might move above 110 yen as long as Japan's interest rates remain at low levels," Hosoda said.

He said the US authorities

were also expected to support a strong dollar until the presidential elections later this year, though it may be difficult for the greenback to stabilise above 110 yen.

Japan is basically a country dependent on exports and it should feel the happiest about a gradual depreciation of the yen," Hosoda said, but warned rapid exchange rate fluctuations could only be detrimental to the economy.

Japanese companies, having struggled to maintain export profitability as the dollar fell, have forecast a rate of about 100 yen for the year to March 1997, with major concerns like Toyota Motor Corp seeing a one yen change in the rate equivalent to 10 billion yen on net profit.

Tetsuhisa Hayashi, of Bank of Tokyo-Mitsubishi's foreign exchange and treasury division, said that the immediate factor playing to the yen's advantage was pessimism over the Japanese economic recovery, but a new home for the dollar-yen rate above 110 may be difficult to maintain.

"Market players, led by foreigners, are stepping up yen selling in the belief that Japan will not change its policy of keeping interest rates at low levels," Hayashi said.

He said that for the time being the dollar-yen rate was consolidating in the lower 109 range, with local players aware that exporters are poised to sell dollars near the 110-yen level, with profit taking at that level as well.

In near term, the dollar could touch momentarily to 110 yen from time-to-time, but funds have been operated along the same theme and the dollar is not seen likely to steadily go up past 110 yen," Hayashi said.

Despite economic boom Chile groans under poverty

LAMPA, Chile, June 7: A decade into Chile's economic boom, Edith Martinez is still waiting to see some sign of it in her town, reports AP.

"They talk about it on the radio all the time," Martinez, 53, says as she hand-washes clothes in the dusty yard outside her wooden, two-room house.

Her washub is an oil drum split in half. She and her husband and two sons share the house with a married daughter and her two children.

Only her husband has steady work, earning the minimum wage at a rubber products plant — 63,000 pesos a month, or about 156 dollars. In a country where chicken costs 445 pesos for 0.45 kilogram (1.10 a pound dollars) and a gallon of milk is 1,174 pesos (2.90 dollars), that won't keep a

family fed, let alone pay all the utility bills.

"The electricity was cut off for lack of payment," Mrs Martinez says, "we are negotiating to pay in small monthly installments."

The South American winter is approaching, she notes, "and things get worse then."

Many of her neighbours in Lampa, an impoverished town of 7,000 people only 16 kilometres (10 miles) north of Chile's capital, Santiago, make the same prediction.

Communities like Lampa are easy to find across Chile, and their persistent poverty is becoming more of an embarrassment for the government, in response to growing criticisms about the distribution of Chile's new wealth, authorities have been quick to pledge more social spending.

The government publicly conceded the need to redouble its efforts to improve conditions of life for many Chileans and announced a five part programme that includes extending essential services like electricity, sewers and running water to poor areas and increasing investment in housing, education and health.

"Chile's economy was overhauled by military dictator Augusto Pinochet, who seized power in a 1973 coup and ruled until 1990. While his free market reforms are generally viewed as positive, he was seen as insensitive to the poor, and the elected governments that succeeded him have sought to show they are more responsive to social issues."

But in a recent statement, Chile's Roman Catholic bishops

questioned what they called rampant consumerism coupled with the poverty of so many of our brothers."

New, sparkling shopping malls, hotels and high-rises have gone up in the best neighbourhoods of Santiago like Providencia and Las Condes, close up against the snow-capped Andes mountains.

Their residents drive later-model imported cars and frequent fine restaurants.

For many Chileans, there has been no such improvement. According to the government's own figures, 24 per cent of Chileans live in extreme poverty, down just three percentage points from four years ago.

The gap between rich and poor is wide. The top 10 per cent of the population enjoys an average monthly income of

442,000 pesos a person (1,090 dollars), compared to 11,442 pesos (18 dollars) among the bottom 10 per cent.

Enrique Cortes, a Planning Ministry official working in the anti-poverty programme calls the situation "unacceptable, both morally and politically."

He says the government has increased spending on social programmes to 10.2 per cent of the economy's output — some 3,200 billion pesos (8 billion dollars) — from 9.8 per cent in 1990.

President Eduardo Frei has repeatedly said social development and curbing poverty are the top priorities in his six year term, which ends in 2000. The goal is to eradicate extreme poverty by then.

In Lampa that would represent a real accomplishment.

Government of the People's Republic of Bangladesh
Office of the Executive Engineer (R&H)
Ferry Division, Talata, Banani
Bogra-5800

RHD Tender Invitation Notice

1. Tender Notice No: 50/95-96 Ferry Division, Bogra.
2. Name of work: Repair to Pontoon PM-018 of Sariakandi Feeryghat under Bogra (R&H) Ferry Sub-Division during 1995-96 financial year.
3. Estimated amount: As per schedule.
4. Earnest money: 2% (two per cent) of estimated cost.
5. Time limit: 45 (forty-five) days from the date of issue of work order.
6. Eligibility to submit tender: (R&H) Department's 'A' to 'C' general class; (R&H) Workshop Circle, Bogra's 'D' general class & Ferry Division, Bogra's 'E' general class enlisted contractors & bonafide agency or manufacturer.
7. Offices the tender to be collected from: 1. Executive Engineer (R&H), Ferry Division, Bogra.
2. Executive Engineer (R&H), Workshop Division, Rajshahi/Santahar, Bogra.
3. Sub-Divisional Engineer (R&H), Ferry Sub-Division, Bogra.
8. Offices the tenders will be received at: 1. Superintending Engineer (R&H), Workshop Circle, Bogra.
2. Executive Engineer (R&H), Ferry Division, Bogra.
3. Executive Engineer (R&H), Workshop Division, Rajshahi/Santahar, Bogra.
9. Last date of selling tender: 17-6-96 (3-3-1403BS) up to office hours.
10. Date & time of receiving and opening tender: 18-6-96 (4-3-1403BS) up to 12-00 Noon.
11. Date & time of opening all tenders by the undersigned: 22-6-96 (8-3-1403BS) at 12-30 PM.
12. Date & time of holding lottery (if necessary): 24-6-96 (10-3-1403BS) at 11-00 am.

DDP-12441-3/6
G-716

Md Shafiqul Hossain Khan
Executive Engineer (R&H)
Ferry Division, Bogra.