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The Daily Star BUSINESS

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**HYUNDAI**

CARS THAT MAKE SENSE

Iraq frays US moves against Iran, Libya

BAGHDAD, Iraq, Aug. 13: Iraq on Monday accused the United States of violating international law by seeking to penalize companies that invest in Iranian and Libyan oil industries, reports AP.

Foreign Minister Mohammed Saeed Al-Sahhaf said the Clinton administration is seeking to impose on the world "illegal measures which violate international law and the UN charter."

The measures "reveal Washington's intentions and policy" which is "provocation and the use of force and blackmail," he said in a statement.

President Clinton last week signed legislation that allows his government to punish non-American firms which invest more than 40 million dollars a year in oil and gas projects in Iran and Libya.

That move was an effort to tighten unilateral US sanctions on Iran and bolster limited UN sanctions on Libya. Washington considers both as rogue states which support international terrorism.

UN owes \$3b

UNITED NATIONS, Aug. 13: The United Nations is owed three billion US dollars by the member states, says Xinhua.

According to a UN financial summary released today, as of 31 July 1996, outstanding assessed contributions to the UN totalled 3.0 billion US dollars.

Of this amount, 800 million US dollars was for the regular budget and 2.2 billion US dollars was for peacekeeping operations. An additional 24 million was owed for the international tribunals.

Out of the 185 member states, only 84 countries have paid up their regular budget.

BCIC — a source of business information

The newly setup British Commercial Information Centre (BCIC), which started functioning in Dhaka in late April, is proving to be a successful source of business information for Bangladesh, firms and businessmen on the availability of goods and services from Britain, says a British High Commission press release.

The British High Commission and the British Council, in collaboration with Dhaka Chamber of Commerce and Industry (DCCI), are jointly operating the centre. The Southern Asia Advisory Group of the United Kingdom's Department of Trade and Industry has provided funds for equipment.

In first three months of the BCIC's operation, over 350 enquiries were made by Bangladeshi businessmen. Most of the inquiries sought advice on British suppliers and manufacturers of power generating equipment and general industrial machinery. Several requests were also facilitated about sources of supply for chemicals, energy and other industrial items. Local exporters also received assistance in locating British buyers. In due course, the BCIC will also augment British Council initiatives for promoting British education and training opportunities and encourage export-led development in Bangladesh.

The centre is a convenient first point of contact for local import inquirers. Services provided include a business enquiry service (self-access and face-to-face), business and trade journals, newspapers, directories and CD-ROM facilities.

SKF seminar on bearing technology held

The SKF bearing technology and maintenance seminar was held in the city recently, says a press release.

Sponsored jointly by SKF Singapore, Sketech-Dhaka and Micro Tools and Machinery, it was attended by Engineers and Managers from Multi-national companies, private sectors, semi-government and autonomous bodies.

Kent Chua, Application Engineer of SKF-Singapore conducted the seminar.

Presentations were made on the bearing knowledge, bearing application, methods and tools for mounting and dismounting of bearings, bearing failures, causes and remedy.

Video films on "How a ball bearing is manufactured," "mounting and dismounting of bearings" and "get smarts" were shown to the participants.

Similar seminars were conducted in Khulna, Chittagong and Rajshahi zones in association with the respective SKF-authorized dealers Ms Sarfaraz Hardware and Mill Stores, Key on Machinery Stores and Rajshahi Hardware Mart, respectively.

A total of 171 participants attended these seminars.

PM tells DSE team

Govt firm to strengthen economy

Prime Minister Sheikh Hasina yesterday said her government was determined to strengthen the country's economy with all available resources by implementing realistic and effective policies, reports BSS.

"We must stand on our own feet and with this aim in view we are working relentlessly to prepare ourselves to step into the 21st century with a new hope," she said giving stress on economic stability of the country.

The Prime Minister was talking to a delegation of Dhaka Stock Exchange led by its Chairman Imtiyaz Husain at her office. Secretary to the Prime Minister Dr Mahiuddin Khan Alamgir was also present.

The delegation members apprised the Prime Minister of the upward trend of the stock market in Bangladesh and said a sudden boom took place after the taking over of the present government.

Imtiyaz Husain said the daily transaction before the coming of the present government was Taka five crore to six crore but it has now shot up to Taka 10 crore to 12 crore. "Sometimes we see that Taka 18 crore to 20 crore is being transacted a day on the floor of the Dhaka Stock market," he said.

The Prime Minister expressed her satisfaction at this progress saying that it would greatly help the country's economy.

She said her government had already taken some measures for poverty alleviation and would take more steps to save the country from the situation left by the previous governments.

The previous governments used to do business but our government does not believe in the policy as it blocks the country's economic expansion," she said.

Sheikh Hasina categorically said that her government would run the administration taking into consideration the national interest.

The Prime Minister said her government was pursuing policies for spreading trade and business by attracting foreign investment in the country.

"We want to see that our activities are not confined within the capital city but spread to other parts of the country with the development of communications and that a balanced order is established to ensure progress," she said. Referring to her government's strict policies against terrorism, Sheikh Hasina said

it had already been widely appreciated but a certain political party had started terrorism when the government took steps to curb this heinous social vice.

The delegation members said that the fresh university graduates and housewives were now active in the day-to-day stock exchange business.

It is now providing the unemployed youths as well as the middle-class families an opportunity to have a solid basis for their earnings," the delegation chief said. He expressed the hope that incidents of terrorism would come down with the expansion of stock market business in the country.

The delegation suggested floating of a commodity exchange market in the country which would ensure price stability of all essential items.

Earlier, the delegation appreciated the present government's various policies including those on taxation and lock-in system, anti-terrorism drive and consensus on development pursuits.

They urged the Prime Minister to put maximum stress on economic democracy to help people take part in economic activities more and more for their own interest as well as the national interest.



Akhter Hossain, Managing Director, Rang Electronics Ltd, handing over '29' Sony coloured TV to Prof. Nasiruddin Ahmed of University of Dhaka as first prize of Sony raffia draw.

KL warns against inclusion of non-trade issues on WTO agenda

KUALA LUMPUR, Aug. 13: Malaysia's International Trade Minister warned yesterday against the inclusion of non-trade issues on the agenda of the World Trade Organisation (WTO), says AFP.

International Trade and Industry Minister Rafidah Aziz said "politically and protectionist motivated issues" not linked to trade would distract the WTO's work programme and lead countries to resort to regionalism.

"Such disruptions to the multilateral approach and the converging of nations into regional groupings would directly impact upon corporate and public sector decision making," Rafidah warned.

This would adversely affect flows of foreign direct investment and decisions in locating manufacturing operations. Rafidah said at a seminar on "globalisation and development: lessons for the Malaysian economy."

The Minister said segmentation of the world economy into regions and subregions had caused concern in the international community that it would detract from a liberalised multilateral trading system.

"Perhaps it also depends upon to what extent the promise of such a liberal, equitable multilateral trading regime can be realised under the new WTO," she said.

Western attempts to link trade with non-trade issues in WTO has sparked off an east-west confrontation ahead of the WTO's inaugural ministerial meeting to be held in Singapore in December.

With developing nations strongly opposing such linkages which they saw as a ploy to erect trade barriers, the inclusion of such issues could divide the WTO into opposing camps and sidetrack it from its free-trade aims.

Malaysia keen to bring Myanmar into ASEAN

KUALA LUMPUR, Aug. 13: Malaysia said Monday it is keen to bring Myanmar into the Association of Southeast Asian Nations next year, ahead of a timetable that puts its membership in line after Cambodia and Laos, reports AP.

Malaysia's Foreign Minister Abdullah Ahmad Badawi said the early membership was endorsed by Prime Minister Mahathir Mohammad and the visiting leader of Myanmar's ruling junta, Gen. Than Shwe, when they held talks Monday. Our prime minister has expressed his wish to see Myanmar becoming a member of ASEAN next year. Next year will be the 30th anniversary of ASEAN and we are hoping Myanmar will join ASEAN then," Abdullah said.

Earlier, Than Shwe arrived on a four-day visit to a red-carpet welcome in another sign of the flourishing friendship between his military regime and Myanmar's southeast Asian neighbours.

US pressures Israel to replace foreign workers with Palestinians

JERUSALEM, Aug. 13: The United States is pressuring Israel to expel tens of thousands of illegal foreign workers to make more room for Palestinians seeking jobs in the Jewish state, the Jerusalem Post reported yesterday, says AFP.

The US Undersecretary of Commerce, Stuart Eizenstadt, told the English-language newspaper in an interview that he made the appeal directly to Prime Minister Benjamin Netanyahu during talks here last week.

"I told the Prime Minister that we think those people who are here illegally should not be allowed to stay, and thereby he hopes to ease the Palestinian situation," Eizenstadt said.

He said Netanyahu had agreed "these jobs should be taken by Palestinians." The Prime Minister's office con-

firmed the newspaper account. The number of foreign workers in Israel is estimated at between 200,000 and 250,000 only about 100,000 of whom work in the country legally.

Israel authorised about 50,000 new foreign workers to enter the country after it closed the Palestinian territories in late February following a spate of suicide bombings by Palestinian Islamic radicals who killed 58 people.

Under the closure, Israel revoked authorisations for some 60,000 Palestinians to work inside the country and tens of thousands more were prevented by the crackdown from reaching jobs they had held illegally.

The Palestinian authority estimated lost revenues from the closure at six million dollar per day and President Yasser Arafat said Sunday that as a result of the Israeli action,

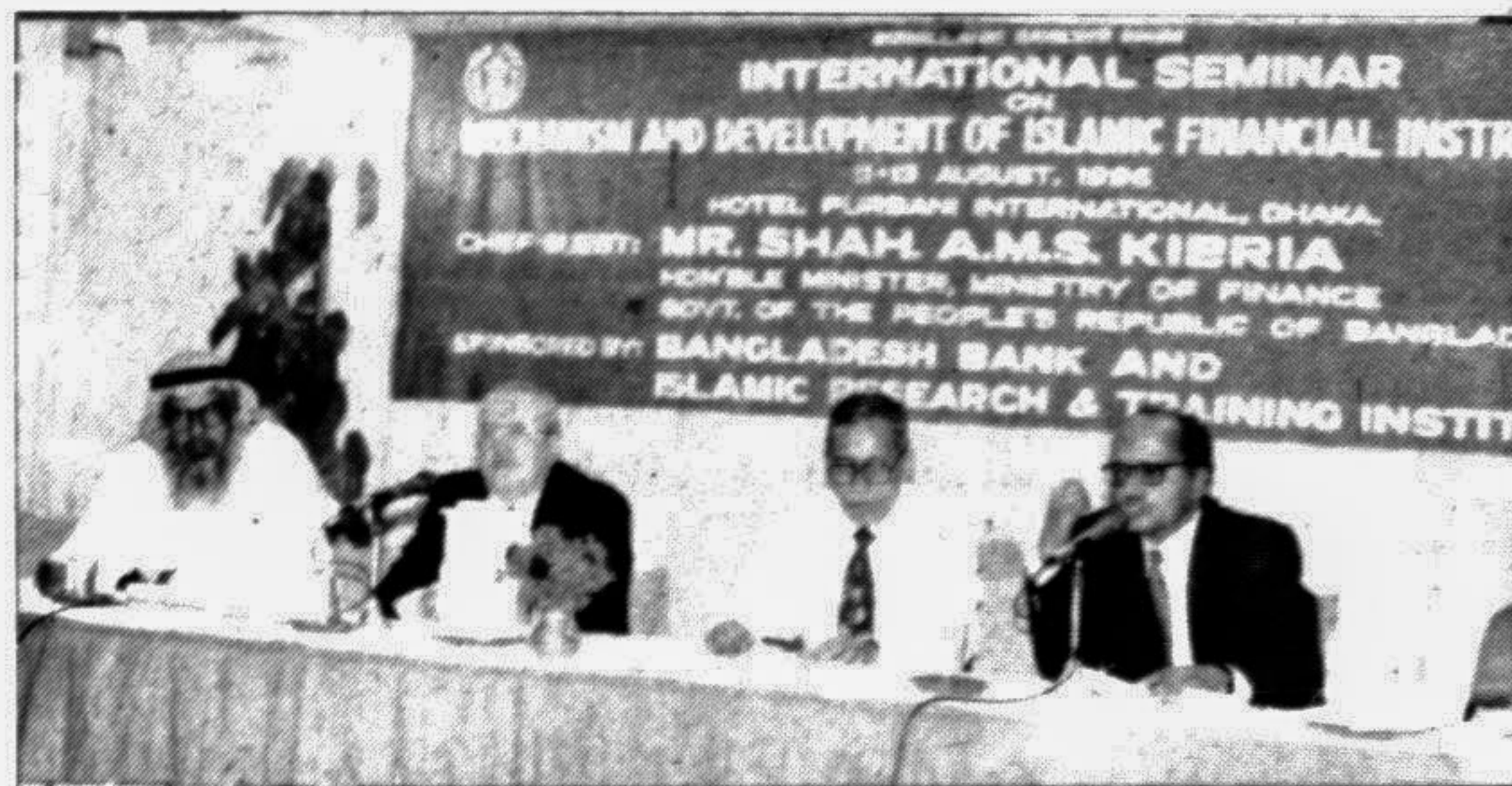
unemployment had soared to 65 per cent in the Gaza Strip and 45 per cent in the West Bank.

Netanyahu has since taking office in June eased the closure and 40,000 Palestinians are currently authorised to work in Israel.

Interior Minister Eli Shussman said Sunday that the number of legal foreign workers in Israel would be reduced by around 20,000 but he announced no specific action.

A ministerial committee is studying the issue of illegal foreign workers, but the Jerusalem post quoted law enforcement officials as saying it would take at least five years to track down and deport all the illegal aliens.

Palestinian and foreign workers are employed primarily in construction and agriculture.



M.I Khan, Deputy Governor of Bangladesh Bank, speaking as a chief guest at the concluding session of three-day international seminar on 'Mechanism and Development of Islamic Financial Instruments' at a city hotel yesterday.

Govt contemplating extension of accord with PPHR

The government is contemplating a five-year extension of its agreement with the Pan Pacific Hotels and Resorts (PPHR) for operating the Sonargaon Hotel, official sources said, reports UNB.

The government plan to extend the accord with PPHR without floating an international tender is seen by experts in hotel business as a move towards more cost involvement as there are other companies which can run Sonargaon Hotel more efficiently.

Sources said Hotel International Limited (HIL), the owning company of Hotel Sonargaon, will hold a board meeting today (Wednesday) to renew the agreement which will expire on December 31. The decision in this regard is to be finalised by September 30.

Meanwhile, the Board of Investment (BOI) has turned down a proposal of the PPHR and HIL offering a salary of US \$6,500 for the new general manager, Scott Swank, who joined the hotel last May.

The Board questioned the abnormal rise in the GM's salary that had earlier ranged from 3,000 to 3,500 US dollars.

Under the PPHR management, which has been operating the hotel since its inception in 1981, the government suffered huge loss in revenue earning due to enhanced expenditure on expatriate sala-

ries and unplanned renovation and purchase.

Moreover, the PPHR, which had been charging 9.5 per cent as management fees, raised it to 10 per cent. The fee structure (based on 1995 revenue) held by PPHR showed that it would cost the hotel 700,000 dollars approximately.

The sources said famous hotel chain Le-Meriden offered 9 per cent as management fees while US company Best Western said they would charge one time fees of 30,000 dollars and the management would be run by the local people with their technical assistance.

The impact on the hotel of Le-Meriden offer would have been 475,000 dollars and of Best Western on the first year 300,000 dollars and subsequent years 250,000 dollars, said sources in the civil aviation ministry.

While PPHR operates only 14 hotels around nine countries, Le-Meriden operates 350 hotels in 50 countries and Best Western runs 3,400 hotels in 65 countries.

The sources further said comparing the Pan Pacific proposal the government can save about Taka seven crore in five years if the hotel is run by Le-Meriden and savings will be Taka 10 crore if run by Best Western.

A hotel staffer told UNB on condition of anonymity that for the past five years PPHR had done nothing to enhance business for Sonargaon Hotel. As

an operating company, it has not provided any organisational or technical support to the hotel.

Through its reservation system, PPHR provided only one per cent of the corporate business as against 14 per cent generated by IIT for Sheraton Hotel.

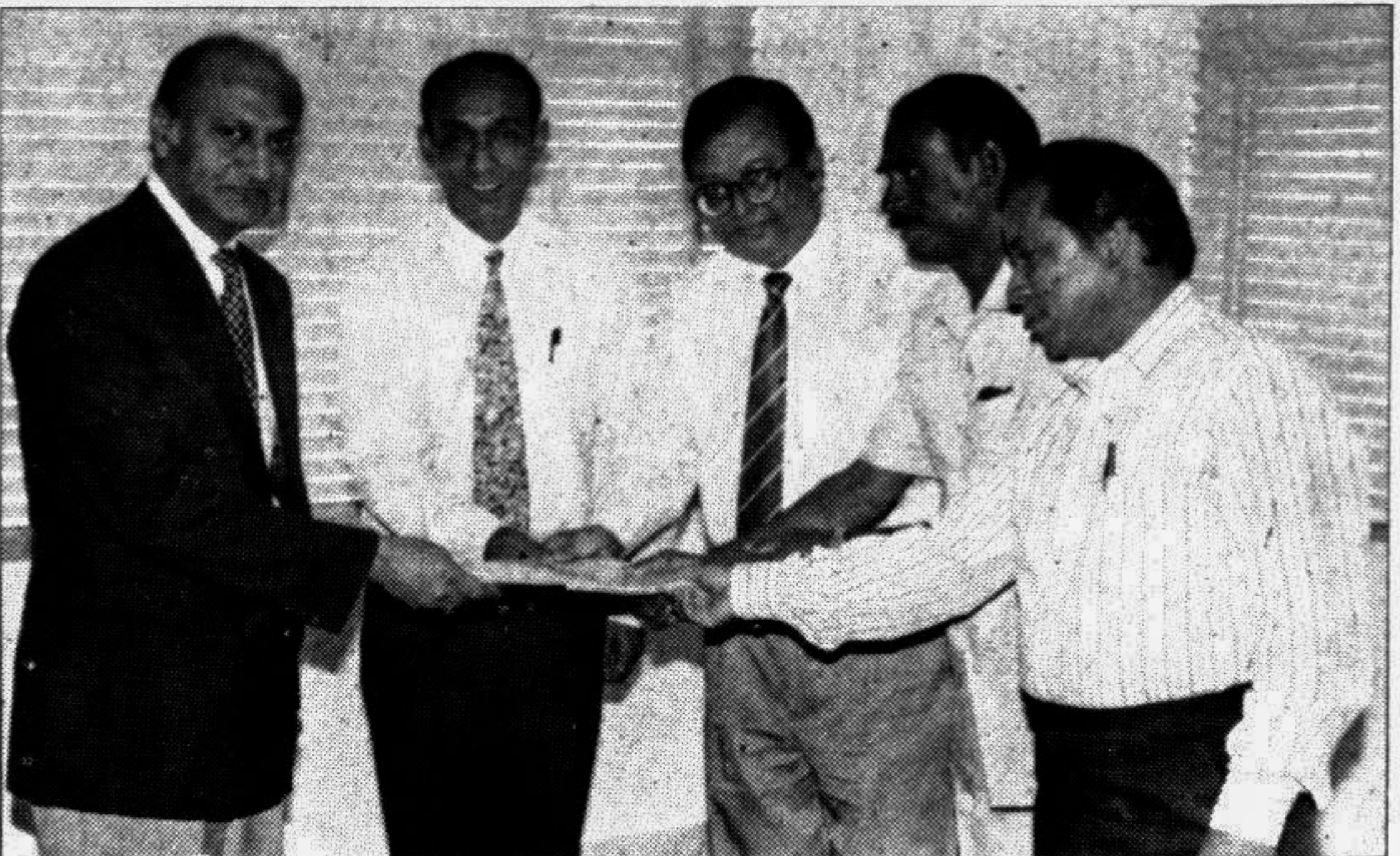
The hotel management imported vegetables such as carrots, cucumber and broccoli from Singapore for the first time this year causing an increased expenditure while those were being purchased from local market for last 15 years.

Appointment of foreign nationals in the hotel is also incurring huge loss to the government. Trained and experienced local officials were removed following a 'hitch' between PPHR and HIL. Those vacated posts are now being filled by foreign nationals with fat salaries.

At present six expatriates are working at the hotel. But only two have got work permit. Four others, including the General Manager, are working in the name of training.

The situation in Sonargaon Hotel has affected its business badly since the beginning of the current year, the civil aviation ministry sources said.

The hotel's revenue earning declined by 44 per cent or Taka 87.1 million in the first six months, of this year as compared to the corresponding period of last year.



ACI Ltd and its Sramik Karmachari Union reached agreement on wage negotiation. Seen in the picture are (from left to right) M Anis Ud Dowla, Chairman, Parvez Hashim, Plant Manager, Ashraf Saleheen, Financial Controller of the company, Khawza Shahbuddin, President, and Nurul Hoque, General Secretary of the union.

ACI Ltd to give better wages to workers

ACI Limited has conceded to pay better wages and gratuity benefits to its workers, says a company press release.

An agreement to this effect has been signed between ACI Limited and Sramik Karmachari Union.

This follows successful wage negotiations between the parties under which the union agreed to give the company higher working hours increasing from 44 to 48 hours per week.

This is the fourth time that the parties have concluded peaceful negotiations in which there had been bargaining based on productivity improvement and sharing of productivity gains through improved wages and working conditions.

ACI has been the first company in Bangladesh to have achieved ISO 9001 quality certification last year through active participation of its unionised staff in Quality Management under the enlightened leadership of its collective Bargaining Agent, the ACI Sramik Karmachari Union.

OPEC crude oil output remains stable in July

NICOSIA, Aug. 13: Production of crude oil by Organisation of Petroleum Exporting Countries (OPEC) remained stable in July at more than 25 million barrels per day (BPD), the Middle East Economic Survey (MEES) reported yesterday, says AFP.

July's production of 25.59 BPD was only slightly more than June's 26.563 BPD, the newsletter said.

The 11 members' production exceeded by 557,000 BPD the ceiling imposed by the cartel in June, despite Gabon's exit from OPEC with its quota of 287,000 BPD and Iraq's authorisation to produce 800,000 additional BPD.

Iraq still has not benefited from the partial lifting of the embargo imposed on it by the United Nations six years ago.

Venezuela remains at the head of those members who have surpassed their OPEC-authorized level of production, with 711,000 BPD beyond its quota, followed by Nigeria, which has overproduced by 115,000 BPD. Qatar by 92,000 BPD, Algeria by 80,000 and

Indonesia by 70,000 BPD.

Only Saudi Arabia, the world's largest oil producer, has stuck to its quota of eight million BPD, in force since the 1990 Iraqi invasion of Kuwait.

Argentina announces series of economic measures

BUENOS AIRES, Argentina, Aug. 13: New Economy Minister Roque Fernandez announced a series of measures Monday which he said would save the government 1.2 billion dollars this year and as much as 6.6 billion dollars in 1997, says AP. The first-half budget deficit in 1996 reached 2.51 billion dollars, which far exceeded government expectations and agreements with the International Monetary Fund.

Under the 1991 Convertibility Law, the peso is pegged one-to-one to the US dollar.

Fernandez, who last month replaced dismissed Economy Minister Domingo Cavallo, has said cutting the budget deficit will be a top priority for his economic team.

New body of BSFIC officers

MD Mahbubul Haq and Nuruddin Ahmed were elected president and general-secretary of Bangladesh Sugar and Food Industries Corporation's Officers' Association (BSFICOA) in an election held at its head office recently, says a press release.

Members elected to other posts were: Humayun Kabir (Vice-President), Md Delwar Hossain (Joint-Secretary), Abdul Malek Majumdar (Finance Secretary), Abdul Jalil Sarkar (Office-Secretary), Arshad Ali Asad (Cultural Secretary), Nur Mohammad Polash, Md Shamsul Alam, Kazi M Ahsan Habib, Abdul Hakim Akon and Md Shahabuddin Mia (Members).

BIBM course on 'audit in banks' ends

A training course on "Audit and inspection in banks" conducted by the Bangladesh Institute of Bank Management concluded yesterday, says a press release.

This course was designed to equip the participants with the principles and practices of audit and inspection in banks and financial institutions. A total of 20 officers from different banks and financial institutions participated in the course.

Stocks slightly higher, dollar lower in Tokyo

TOKYO, Aug. 13: The US dollar was trading lower against the Japanese yen early Tuesday in Tokyo, while prices on the Tokyo Stock Exchange rose slightly, says AP.

The dollar's weakness continued from overnight in New York, where the currency slipped in the absence of incentives from the United States to encourage dollar buying, traders said.

At 9 am (0000 GMT), the dollar was changing hands at 107.58 yen, down 0.13 yen from late Monday in Tokyo and also below its late New York level overnight of 107.63 yen.

Share prices rose slightly as the market was encouraged by an overnight increase in the Dow Jones Industrial Average, traders said. But the Nikkei's early gains were limited because of intermittent selling by overseas investors.

On the stock market, the 225-issue Nikkei Stock Average rose 24.82 points, or 0.12 per cent, to 20,891.42 in the first 30 minutes of morning trading. On Monday, the index has gained 115.55 points, or 0.56 per cent.

The Tokyo Stock Price Index of all issues listed on the first section was up 2.68 points, or 0.17 per cent, to 1,573.20. The TOPIX rose 3.08 points, or 0.20 per cent, the day before.

At 9 am (0000 GMT), the benchmark No 182 10-year Japanese government bond was sold at 98.69 yen, even with Monday's close. Its yield was unchanged at 3.185 per cent.

Corn futures post sharp gains in New York

NEW YORK, Aug. 13: Corn futures posted sharp gains Monday, leading wheat and soybeans futures higher, after the Agriculture Department cut its corn production outlook, suggesting another year of extremely tight stocks, reports AP.

On other commodity markets, cotton futures also rose sharply. The Commodity Research Bureau's index of 17 commodities surged 3.16 points to a four-week high of 249.30.

Corn futures on the Chicago Board of Trade quickly locked up the 12-cent daily limit on the USDA's first field survey report, released before trading began, that estimated a 8.695 billion-bushel corn crop. That was well below expectations of 8.985 billion bushels.

If the USDA figures hold, overall corn production would climb 18 per cent over 1995 production levels. But the figure is still not enough to ease a supply crunch that caused stocks to fall to 22-year lows this year and has resulted in spot shortages across the nation.

USDA researchers found that a rainy spring delayed planting in much of the Corn Belt, and additional rainfall early in the growing season significantly slowed crop development.

Investors were particularly surprised to find the agency predicting only average yield estimates for Iowa, Nebraska and Minnesota — states where early reports indicated an above-average crop.

Soybeans futures followed corn higher, ignoring USDA numbers that were on the high end of trade expectations. The agency predicted the second-largest ever crop, at 2.3 billion bushels. Wheat futures also climbed, in part because the agency lowered spring crop production estimates.